



ARB BERHAD
199701033435 (448934-M)



**ANNUAL
REPORT
2024**

CONTENTS

02	WHO WE ARE
04	THIS IS WHAT WE DO
05	5 YEARS GROUP FINANCIAL HIGHLIGHTS
07	CORPORATE INFORMATION
08	PROFILE OF BOARD OF DIRECTORS
10	MANAGEMENT DISCUSSION AND ANALYSIS
15	SUSTAINABILITY STATEMENT
33	CORPORATE GOVERNANCE OVERVIEW STATEMENT
44	STATEMENT OF DIRECTORS RESPONSIBILITY IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS
45	ADDITIONAL COMPLIANCE INFORMATION
46	STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
48	AUDIT COMMITTEE REPORT
50	FINANCIAL STATEMENTS
109	STATISTICS OF ORDINARY SHAREHOLDINGS
111	NOTICE OF ANNUAL GENERAL MEETING
115	STATEMENT ACCOMPANYING NOTICE OF 26TH ANNUAL GENERAL MEETING
	PROXY FORM
	HARDCOPY REQUEST FORM



WHO WE ARE

WE ARE ARB

ARB Berhad ("ARB" or "the Group") was incorporated in Malaysia in October 1997 under the Companies Act 1965 and was listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia") in February 2004. We evolved from timber as our core business to include information technology ("IT") solutions and services.

In April 2019, to align with and solidify our new corporate identity and values, we rebranded as ARB Berhad and underwent a corporate transformation. Following the Group's diversification, we have achieved significant growth, securing high-value deals and building a robust network of clients and partners both locally and internationally. In April 2020, ARB transitioned its stock sector to Technology, specifically the Software Sub Sector. By December 2023, the IoT segment was demerged from the ARB Berhad Group.

Today, we concentrate in Cloud, CRM and Platforms solutions, aiming to reduce reliance on external vendors and capture a larger market share. Our remarkable growth is largely attributed to our skilled and experienced management team, whose diverse expertise has been instrumental in our success. With our talented leadership and unwavering commitment to excellence, we are poised to continue our upward trajectory and achieve even greater milestones.

Vision



Developing innovative AI and robotics technology solutions that are sustainable and designed to benefit future generations

Mission



We aspire:

- To enhance businesses by capitalizing on emerging opportunities
- To implement innovative IT solutions that drive optimal business efficiency
- To empower communities through sustainable and impactful solutions

Values



Obstacles is an opportunity

- Dare to accept failures and move forward with hope

Teamwork

- To work towards a common objective
- Believe in the team means believe in success

Commitment

- Dedicated to keep promise to our customers, business partners and suppliers

Innovation is Our Drive

- A commitment to innovation and excellence

THIS IS WHAT WE DO

The Fourth Industrial Revolution ("IR4.0") represents the convergence of advanced production methods and intelligent systems that seamlessly integrate with organizations and individuals.

IR4.0 defines the present and evolving landscape where transformative technologies like the robotics, virtual reality (VR), and artificial intelligence (AI) are reshaping how people live and work today.

In response to this dynamic environment, ARB is committed to delivering impactful IT solutions and services that foster a sustainable future. Our offerings are designed to be innovative, addressing the constantly changing needs of our customers. Our services encompass Cloud, CRM, and Platform solutions.

What is Cloud?

A cloud-based system, commonly referred to as cloud computing, is a general term that encompasses the provision of hosted services over the internet. Its purpose is to provide convenient and on-demand access to computing resources and IT services.

What is CRM?

Customer Relationship Management ("CRM") is a set of integrated, data-driven software solutions design to manage, monitor, and store information of a company's existing and potential clients. Its primary goal is to enhance business relationships, maintain strong customer connections, optimize operational processes, and boost overall profitability.

What is Platform?

Platform, also referred to as a cloud-based platform, is the software and technology that integrates and simplifies business operations and IT systems. It acts as the foundational framework for a company's operational processes and customer interactions.

What we provide?

- design and develop of Cloud, CRM and Platform solutions for our customers of various industries according to their strict specifications.
- to streamline core business processes to promote robust business performances.
- provisions of solutions, supports, troubleshooting, and implementation to Cloud, CRM and Platform solutions to ease migration from existing business system.

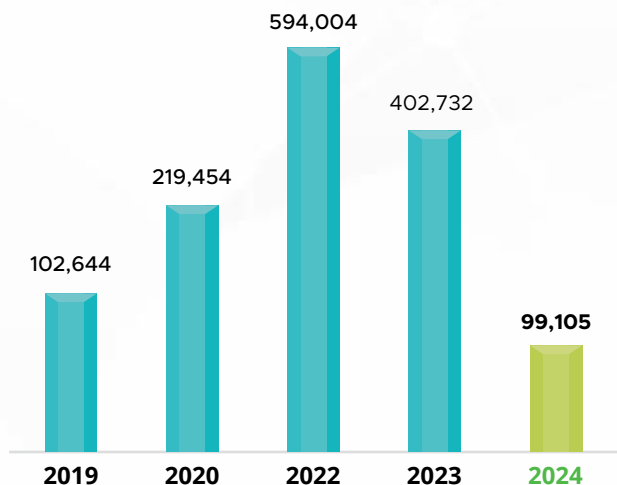
5 YEARS GROUP FINANCIAL HIGHLIGHTS

Year ended	31 December 2019	31 December 2020	30 June 2022	31 December 2023*	31 December 2024
Results (RM'000)					
Revenue	102,644	219,454	594,004	402,732	99,105
Profit/(Loss) before tax	33,041	44,223	96,197	(58,338)	2,097
Net profit/(loss)	32,823	42,870	79,520	(35,514)	1,959
EPS/(LPS) (cents)	11.46	9.55	12.40	(2.94)	0.15
Statement of Financial Position (RM'000)					
Share capital	60,268	93,290	196,935	199,673	201,606
Shareholders' equity	109,816	183,761	377,231	203,415	208,637
Total assets	127,034	255,335	415,745	220,707	209,481
Share Capital (number of shares '000)	289,813	454,924	1,216,435	1,235,990	1,249,802
Net assets per share (RM)	0.38	0.40	0.31	0.16	0.17
Ratio (%)					
PBT/(LBT) margin	32.2	20.2	16.2	(14.5)	2.1
Return on shareholders equity	29.9	23.3	21.1	(17.5)	0.9

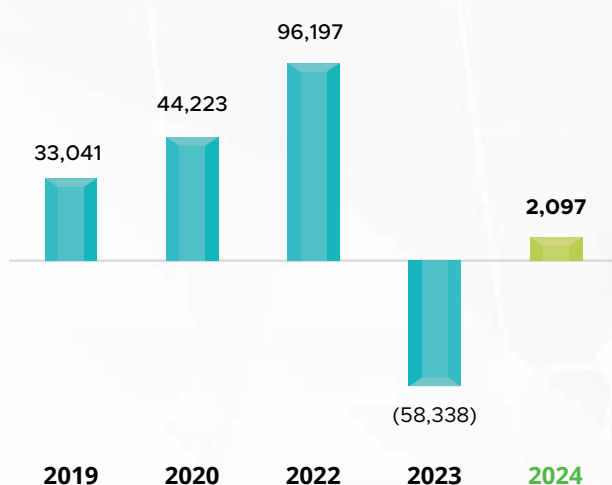
* On the previous financial year, the Group has changed the financial year end from 30 June to 31 December.

5 YEARS GROUP FINANCIAL HIGHLIGHTS (CONT'D)

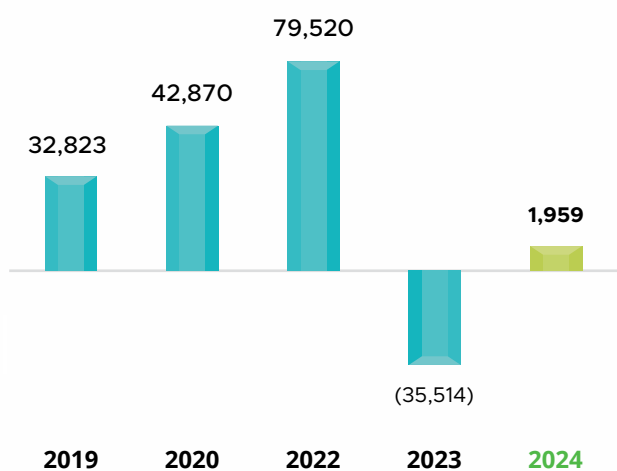
Revenue (RM'000)



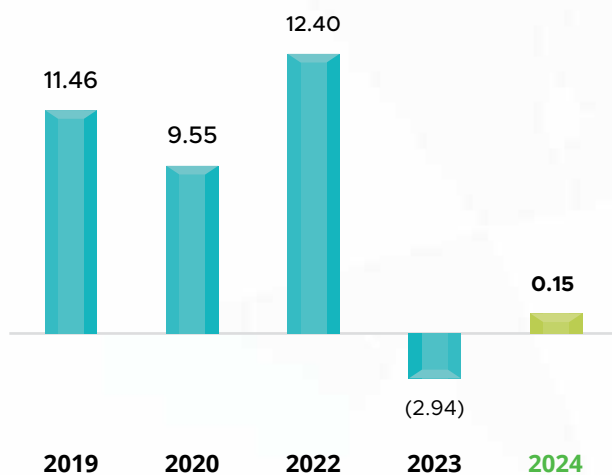
Profit/(Loss) before tax (RM'000)



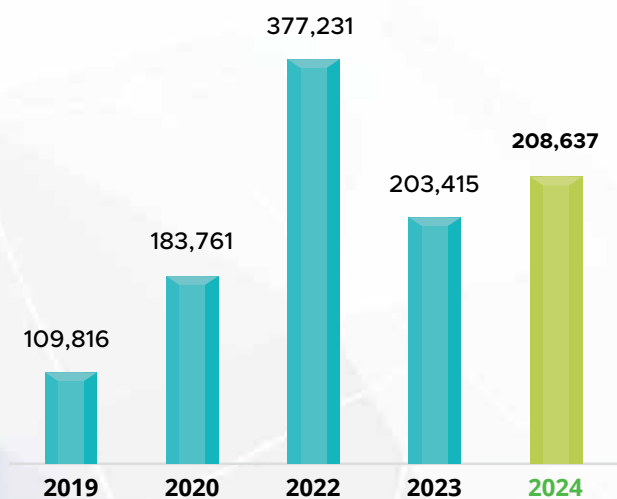
Net profit/(loss) (RM'000)



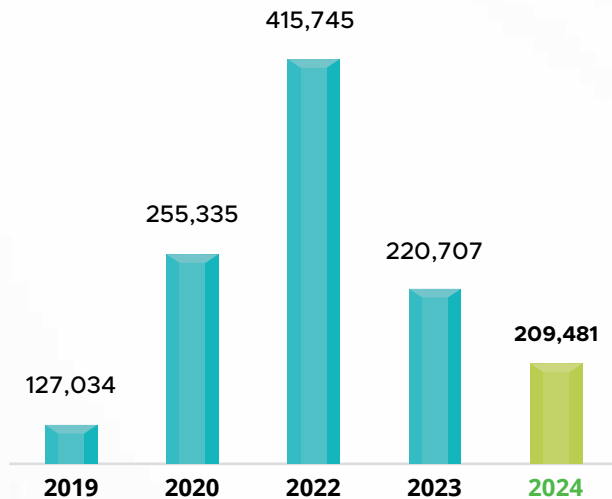
EPS/(LPS) (cents)



Shareholders' equity (RM'000)



Total assets (RM'000)



CORPORATE INFORMATION

BOARD OF DIRECTORS

Yuen Ya Ting

Independent Non-Executive Chairperson

Hong Zi Shen

Executive Director

Khor Chin Meng

Independent Non-Executive Director

Aiman Afiffudin Bin Ramlee

Independent Non-Executive Director

AUDIT COMMITTEE

Khor Chin MengIndependent Non-Executive Director
Chairman**Yuen Ya Ting**Independent Non-Executive Chairperson
Member**Aiman Afiffudin Bin Ramlee**Independent Non-Executive Director
Member

REMUNERATION COMMITTEE

Aiman Afiffudin Bin RamleeIndependent Non-Executive Director
Chairman**Khor Chin Meng**Independent Non-Executive Director
Member**Yuen Ya Ting**Independent Non-Executive Chairperson
Member

NOMINATION COMMITTEE

Aiman Afiffudin Bin RamleeIndependent Non-Executive Director
Chairman**Khor Chin Meng**Independent Non-Executive Director
Member**Yuen Ya Ting**Independent Non-Executive Chairperson
Member

COMPANY SECRETARY

TAN TONG LANG

(MAICSA 7045482/ SSM PC No. 202208000250)

REGISTERED OFFICE

B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan
Tel No.: 03-9770 2200
Fax No.: 03-2201 7774
Email: boardroom@boardroom.com.my

HEAD OFFICE/PRINCIPAL PLACE OF BUSINESS

No. 29-3A, Q Sentral,
2A, Jalan Stesen Sentral 2,
Kuala Lumpur Sentral,
50470 Kuala Lumpur
Tel No.: 03 -22760587

AUDITORS

Messrs. Chengco PLT (AF0886)
Chartered Accountants
Lot 507 & 508, 5th Floor,
Tower 2, Faber Towers,
Jalan Desa Bahagia, Taman Desa
58100 Kuala Lumpur
Tel no: 03-7984 8988
Fax no: 03-7984 4402
Email: enquiry@chengco.asia

PRINCIPAL BANKERS

CIMB Bank Berhad

SHARE REGISTRAR

Aldpro Corporate Services Sdn Bhd
B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan
Tel No.: 03 -9770 2200
Fax No.: 03 -2201 7774
Email: admin@aldpro.com.my

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock name: ARBB (7181)

WEBSITE

www.arbberhad.com

INVESTOR RELATIONS

Email: contact@arbberhad.com

PROFILE OF BOARD OF DIRECTORS

YUEN YA TING

44 years | Malaysian | Female
Independent Non-Executive Chairperson

DATE OF APPOINTMENT

17 November 2022

DATE OF RE-DESIGNATION

28 December 2023

MEMBERSHIP(S) OF BOARD COMMITTEES

- Audit Committee (Member)
- Nomination Committee (Member)
- Remuneration Committee (Member)

QUALIFICATION(S)

- Associate member of The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA)
- Professional Diploma in Corporate Administration

WORKING EXPERIENCE(S) AND OCCUPATION(S)

Ms Yuen Ya Ting ("Ms Julia") has more than 20 years of professional experience in company secretarial practice. She was pursuing her career in a few secretarial firms and then a public listed company. She has established her first secretarial firm since 2017 and a second secretarial firm since 2023.

PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY(IES) AND/OR LISTED ISSUER

Independent Non-Executive Director of ARB IOT Group Limited

DECLARATION

Ms Julia does not have any family relationship with any Director and/or major shareholder of the Company. She does not have any conflict of interest or potential conflict of interest, including any interest in any competing business with ARB or its subsidiaries and has no conviction for any offences within the past 5 years other than traffic offences, if any during the financial year ended 31 December 2024.

HONG ZI SHEN

44 years | Malaysian | Male
Executive Director

DATE OF APPOINTMENT

10 July 2023

MEMBERSHIP(S) OF BOARD COMMITTEES

None

QUALIFICATION(S)

- Master of Data Science (Computer Science), University Malaya
- Bachelor of Engineering (Computer Science), Tsinghua University of China
- Diploma in Information Technology, New Era University College of Malaysia

WORKING EXPERIENCE(S) AND OCCUPATION(S)

Mr Hong Zi Shen ("Mr Hong") was appointed to the Board of Directors of ARB Berhad as an Executive Director of the Company on 10 July 2023. Mr Hong has more than 20 years of experience in telecommunications and software industries. Since 2018, he has held the position of Chief Technology Officer and Co-Founder at Axflx Sdn Bhd, leading the company's technical direction and fostering innovation. Throughout his career, Mr Hong has shown a commitment to excellence and has made significant contributions to the technology sector.

PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY(IES) AND/OR LISTED ISSUER

None

DECLARATION

Mr Hong does not have any family relationship with any Director and/or major shareholder of the Company. His interest in the securities of the Company is disclosed in the Annual Report and he has no conflict of interest or potential conflict of interest, including any interest in any competing business with ARB or its subsidiaries. He has no convictions for any offences within the past 5 years other than traffic offences, if any during the financial year ended 31 December 2024.

PROFILE OF BOARD OF DIRECTORS (CONT'D)

KHOR CHIN MENG

52 years | Malaysian | Male
Independent Non-Executive Director

DATE OF APPOINTMENT

31 January 2019

MEMBERSHIP(S) OF BOARD COMMITTEES

- Audit Committee (Chairman)
- Nomination Committee (Member)
- Remuneration Committee (Member)

QUALIFICATION(S)

- Fellow member of the Association of Chartered Certified Accountant (FCCA), United Kingdom

WORKING EXPERIENCE(S) AND OCCUPATION(S)

Mr Khor Chin Meng ("Mr Khor") has more than 20 years of professional experience in auditing and taxation. He started his career since 1996 by joining a Malaysia audit firm. He became a partner of a corporate firm in 1997 and owned a Tax Advisory firm since 2010.

PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY(IES) AND/OR LISTED ISSUER

Independent Non-Executive Director of Annum Berhad

Independent Non-Executive Director of ARB IOT Group Limited

DECLARATION

Mr Khor does not have any family relationship with any Director and/or major shareholder of the Company. He does not have any conflict of interest or potential conflict of interest, including any interest in any competing business with ARB or its subsidiaries and has no conviction for any offences within the past 5 years other than traffic offences, if any during the financial year ended 31 December 2024.

AIMAN AFIFFUDIN BIN RAMLEE

35 years | Malaysian | Male
Independent Non-Executive Director

DATE OF APPOINTMENT

11 October 2023

MEMBERSHIP(S) OF BOARD COMMITTEES

- Nomination Committee (Chairman)
- Remuneration Committee (Chairman)
- Audit Committee (Member)

QUALIFICATION(S)

- Associate member of Malaysia Institute of Accountants (MIA)
- Bachelor of Accounting, University Tenaga Nasional

WORKING EXPERIENCE(S) AND OCCUPATION(S)

Encik Aiman Afiffudin Bin Ramlee ("Encik Aiman") is a Managing Partner of AR & Associates, a firm registered with the Malaysian Institute of Accountants. He has experience with a demonstrated history of working in the management consulting industry with various type of clients from Company listed in Bursa Malaysia and small or medium-sized enterprise (SME). He also skilled in Accounting, Malaysian Financial Reporting Standards (MFRS), Assurance and Internal Audit review. He currently sits on the Supergen Berhad as a Chief Financial Officer. Currently, he is also a licensed Company secretary govern by Companies Commission of Malaysia.

PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY(IES) AND/OR LISTED ISSUER

None

DECLARATION

Encik Aiman does not have any family relationship with any Director and/or major shareholder of the Company. He does not have any conflict of interest or potential conflict of interest, including any interest in any competing business with ARB or its subsidiaries and has no conviction for any offences within the past 5 years other than traffic offences, if any during the financial year ended 31 December 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

OUR OPERATING ENVIRONMENT AND OUTLOOK

The Malaysian economy expanded by 5.3% in the third quarter of 2024 (2Q 2024: 5.9%), driven by strong investment activity and continued improvement in exports. Investment activity was underpinned by strong spending on structures and machinery and equipment (M&E), while household spending sustained its expansion amid positive labour market conditions and policy support. In the external sector, exports continued to strengthen on the back of recovering external demand and positive spillovers from the global tech upcycle. Meanwhile, imports also grew at a faster pace, following strong demand for capital and intermediate goods to support rising investments and trade. On the supply side, most sectors remained supportive of growth. In particular, the improvement in the manufacturing sector was driven by export-oriented clusters. However, growth was partly offset by maintenance activities in the mining sector. On a quarter-on-quarter, seasonally-adjusted basis, growth momentum moderated to 1.8% (2Q 2024: 2.9%). Overall, the Malaysian economy expanded by 5.2% in the first three quarters of 2024.

During the quarter, both headline and core inflation remained stable at 1.9% (2Q 2024: 1.9%). Higher inflation was observed for diesel (20.1%; 2Q 2024: 5.3%) and vehicle insurance (0.8%; 2Q 2024: -0.1%), which was offset by broader moderation in inflation for food and beverages (1.6%; 2Q 2024: 1.9%), particularly food away from home, cereals, and fresh vegetables. On the whole, the share of Consumer Price Index (CPI) items recording monthly price increases was lower at 38.9% during the quarter (2Q 2024: 49.4%).

In the third quarter of 2024, the ringgit appreciated by 14.9% against the US dollar, while the ringgit nominal effective exchange rate (NEER) also appreciated by 9.9%. This, in part, can be attributed to the shift towards a monetary policy easing stance by the US Federal Reserve, which has alleviated pressure on regional currencies, including the ringgit. However, the ringgit has since depreciated by 7.8% against the US dollar between 1 October and 13 November 2024. This was mainly driven by a stronger US dollar in the same period, amid expectations for smaller US policy rate reductions following robust US economic data. Nevertheless, on a year-to-date basis (as at 13 November 2024), the ringgit appreciated by 3.1% against the US dollar (NEER: +6.6%). Moving forward, movements in the ringgit will continue to be influenced by external developments. Nevertheless, Malaysia's favourable macroeconomic outlook and ongoing structural reforms would support the ringgit over the medium term. BNM will continue to ensure the orderly functioning of the domestic foreign exchange market.

Credit growth to the private non-financial sector moderated (4.8%, 2Q 2024: 5.5%), following slower growth in outstanding business loans and corporate bonds. Slower loan growth was attributed to non-SMEs, while SME loan growth remained forthcoming. By sector, loan growth to the services sector was sustained, while loan growth for the manufacturing and construction sectors moderated. For households, loan growth remained steady, driven by loans for the purchase of housing and cars. Growth in household loan applications remained robust with sustained approval rates.

Bank Negara Malaysia Governor Dato' Seri Abdul Rasheed Ghaffour said, 'Going forward, growth of the Malaysian economy will be driven by robust expansion in investment activity, continued improvement in exports, and resilient household spending.'

On the domestic front, investment activities will be supported by progress in multi-year projects across private and public sectors. Catalytic initiatives announced in national master plans and higher realisation of approved investments are also key drivers for investment activities. These investments, which are supported by higher capital imports, will raise exports and expand productive capacity in the economy. Household spending will be underpinned by continued employment and wage growth as well as policy measures. Externally, the ongoing global tech upcycle, continued strong demand for manufactured goods and commodities, and higher tourist spending are expected to lift exports. The growth outlook remains subject to downside risks stemming from slower external demand, further escalation of geopolitical tensions and protectionist measures, as well as weaker-than-expected commodity production. Nevertheless, upside risks to growth include greater spillovers from the tech upcycle, faster implementation of investment projects and more robust tourism activity.

Year to date, both headline and core inflation averaged at 1.8%. Spillovers from the diesel price adjustment to broader prices have been contained, given effective mitigation and enforcement measures to minimise the impact on business costs and pass-through to retail prices. Going forward, the outlook for inflation will depend on the implementation of further domestic policy measures on subsidies and price controls, as well as global commodity prices and financial market developments.

(Source: Economic and Financial Developments in Malaysia in the Third Quarter of 2024, BNM, 15 November 2024)

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OUR OPERATING ENVIRONMENT AND OUTLOOK (CONT'D)

As ARB moves into FY2024, our Group's growth momentum continues to be strong. This is achieved through leveraging strategic partnerships, enhancing our business models and market expansion strategies, increasing our expertise utilization, and solidifying our market position in Cloud, CRM and Platform segments. In response to the rising demand for automation and knowledge engineering, our Group remains committed to significant investments in acquiring, researching, and developing artificial intelligence, big data mining, and analytics software. We believe these investments will drive potential future revenue growth. However, this also leads to high depreciation which in line with our Group's prudent policies."

VISIONS AND STRATEGIES

The technology sector especially in cloud services, continues to experience strong and sustained growth driven by the global shift toward digitalization and remote connectivity. This ongoing transformation creates long-term opportunities for cloud-based systems and related services, reinforcing the vital role of technology in shaping the future of work and business.

To achieve our vision, our research and development efforts focus on three interconnected ambitions:

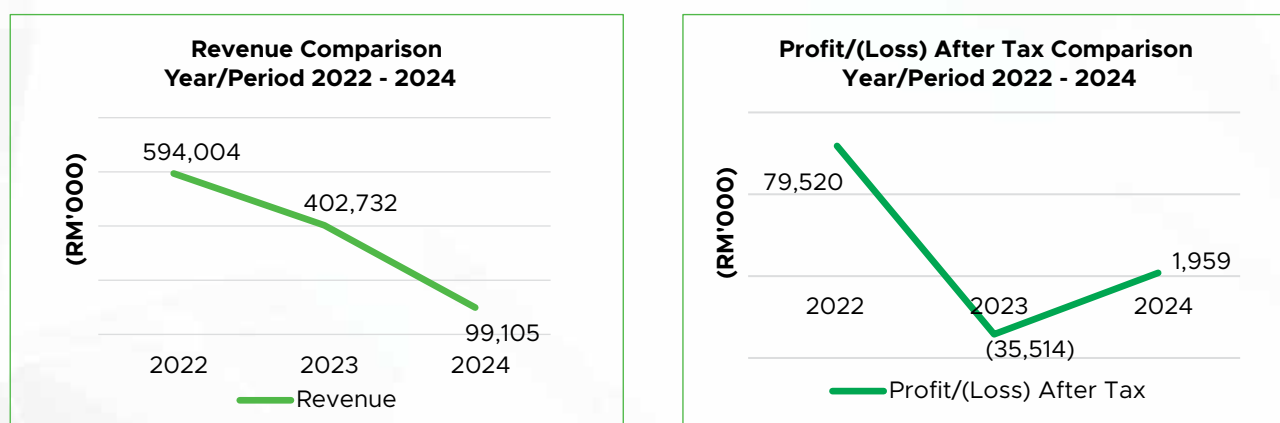
- Reinvest productivity and business processes
- Build the intelligent cloud platform
- Explore and venture into new algorithm of new technology in cloudification, platform and AI and robotics technology.

GROUP BUSINESS OPERATIONS AND PERFORMANCE

GROUP BUSINESS OPERATIONS

ARB is principally engaged in the activities of investment holding and management services. The core operations of our Group are carried out by subsidiaries which are involved in Cloud, CRM and Platforms related businesses.

Group Performance



* During the previous financial period, the financial year end of our Group has changed from 30 June to 31 December. Accordingly, the financial statements of our Group for the current financial year are (12) twelve months from 1 January 2024 to 31 December 2024 compared to previous financial period of (18) eighteen months from 1 July 2022 to 31 December 2023.

Our Group's revenue for the FY2024 has decreased by 75.4% or RM303.63 million as compared to the revenue of RM402.73 million recorded in FP2023. The lower revenue was mainly due to demerger of IoT segment in FP2023.

In FY2024, our Group recorded a profit after taxation ("PAT") of RM1.96 million as compared to loss after taxation of RM35.51 million in FP2023, representing an increase of 105.52% or RM37.47 million. The increase in PAT is mainly due lower depreciation charges and impairment losses recorded in current financial year and partially offset by lower revenue.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

SEGMENTAL PERFORMANCE

Due to the demerger of IoT Segment in FP2023, our Group is mainly focusing on Cloud, CRM and Platform segment in FY2024.

FY2024	Cloud Segment (RM'000)	CRM Segment (RM'000)	Platform Segment (RM'000)	IoT Segment (RM'000)	Total (RM'000)
Revenue	2,385	6,200	90,520	-	99,105
Segment result	631	771	(595)	-	807
Segment assets	29,446	-	78,859	-	108,305
Segment liabilities	(215)	-	(192)	-	(407)

FP2023	Cloud Segment (RM'000)	CRM Segment (RM'000)	Platform Segment (RM'000)	IoT Segment (RM'000)	Total (RM'000)
Revenue	140,263	43,200	55	219,214	402,732
Segment result	(35,863)	(32,999)	(56)	48,143	(20,775)
Segment assets	35,555	11,519	14	-	47,088
Segment liabilities	(13,574)	(18)	(7)	-	(13,599)

In FY2024, our Group revenue was generated RM99.1 million mainly contributed from sale of provision of Platform solutions and CRM segment. The Group recorded a profit of RM0.8 million, the segment assets and liabilities were RM108.3 million and RM0.4 million respectively.

In FP2023, IoT segment was our main contributor to revenue, achieving a turnover of RM219.2 million mainly driven by Smart Agriculture, System Development and Gadget Distribution. It generally reflected the segment result of RM48.1 million. Due to the demerger of IoT Segment in FP2023, segment assets and liabilities were de-consolidated from the Group resulting to RM Nil respectively.

Group Cashflow

	FY2024 RM'000	FY2023 RM'000
Net cash generated from operating activities	23,137	109,078
Net cash used in from investing activities	(28,084)	(208,737)
Net cash generated from financing activities	6,850	14,984
Cash and cash equivalents	21,740	16,499

Our Group's capital expenditure and working capital is funded through our Group's existing cash and balances and internally generated funds from its business.

Our Group recorded a net increase in cash and cash equivalents of RM5.2 million to RM21.7 million in FY2024 as compared to RM16.5 million in FP2023. This was mainly due to the following:

- Net cash from operating activities amounting to RM23.1 million, a decrease of RM86.0 million compared to FP2023 amounting to RM109.1 million mainly attributed by decrease in depreciation and impairment during the current financial year as well as gain on demerger of AIGL Group in FP2023;
- Net cash used in investing activities amounting to RM28.1 million, contributed by purchase of property, plant and equipment and net cash outflow upon dilution of subsidiaries during the current financial year;
- Net cash generated from financing activities amounting to RM6.9 million, recorded a decline in comparison to FP2023 amounting to RM15.0 million mainly due to share capital contributed by non-controlling interest of subsidiaries in prior financial period.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FUTURE OUTLOOK

According to a report by Gartner in October 2023, worldwide IT spending is projected to total \$5.1 trillion in 2024, an increase of 8% from 2023. The software and IT services segments will both see double-digit growth this year, largely driven by cloud spending. Global spending on public cloud services is forecast to increase 20.4% in 2024.

Cybersecurity spending is also driving growth in the software segment. In the 2024 Gartner CIO and Technology Executive Survey, 80% of CIOs reported that they plan to increase spending on cyber and information security in 2024, the top technology category for increased investment. According to a recent PwC report, 39% businesses will bear significant additional compliance and transformation costs due to GenAI. The advent of GenAI is also aiding companies in cyber defence and continually raising more business expectations.

Increased IT budgets in Southeast Asian countries, especially in Singapore, are significantly impacting the region's technological landscape. Technology spending in Southeast Asia will outpace GDP growth, indicating a robust commitment to digital evolution.

With CEOs increasingly leveraging digital initiatives to drive business competitiveness, the focus extends beyond budgetary considerations to long-term strategic imperatives. Many companies are investing in technology to future-proof the operations and gain a competitive edge in the digital economy, elevating digital to a central agenda item for business leaders. This emergence of new digital KPIs and the rise of roles like the Chief Data Officer and Chief AI Officer signify a broader organisational commitment to harnessing technology for sustainable growth.

Earlier this year, the Singapore Government announced a planned investment of \$1 billion over the next five years to augment AI technology. The move mirrors the projected rise in business IT spending as more companies look to reap the benefits of generative AI. However, many Southeast Asian companies struggle with sprawling and fragmented IT solutions. During COVID-19, businesses rapidly adopted pinpoint solutions that tackled specific challenges, in a race to keep their businesses afloat – a costly approach in the long run.

Increased investments in security and trust remain a priority for CIOs, and will help them tackle the AI trust and value gap in the region. This starts by addressing common concerns with generative AI adoption, like privacy and toxicity. They must also ensure AI is grounded in trusted and unified company data before incorporating it into the flow of work. By doing so, stakeholders can trust and use AI effectively to deliver value for their business.

In conclusion, as IT budgets continue to increase in 2024, it will continue to have an impact on various areas, in particular on the continuous journey towards adopting next-gen technologies, cloud adoption, enhancing cybersecurity, and modernising infrastructure.

(Source: Where IT budgets are headed in Southeast Asia in 2024, CIO Sea, Economic Times & India Times, 8 May 2024)

Our Group will continue to focus our effort and resources in expanding the platform segment for AI technology and robotics business that can drive significant growth as follows:

1. **AI Platform and Machine Learning:** Integrate AI algorithms and machine learning capabilities to provide advanced analytics, predictive insights, and automation. This can enhance decision-making and operational efficiency for the clients.
2. **Mobile Accessibility:** Ensure the platform is mobile-friendly. This will enable users to access essential functions and data on the go, increasing productivity and convenience.
3. **Robotics Innovation:** Enhance robotics with AI-driven capabilities like vision systems, autonomous navigation, and human-robot collaboration.

Moving forward, our Group intends to increase our presence in existing markets through strategic investments, mergers and acquisitions that are complementary to our businesses which may generate higher value to our shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

ANTICIPATED RISKS AND MITIGATION ACTIONS

The following are the risks that could adversely affect our Group's prospects and our Group strategies to mitigate these risks.

a) Competition risk

Given the competitive nature of the IT industry and its rapid technological advancements, our Group faces direct competition from both new entrants and established players. Consequently, we rely on our ability to consistently promote and sell our products and solutions to existing and new customers while competing with other providers. Competition can arise in areas such as pricing, service quality, and technological expertise.

There is no assurance that our Group can remain competitive against our competitors moving forward. The emergence of new competitors offering more innovative solutions at a lower cost could lead to a loss of market share. To mitigate such risk, we will continuously review and adapt our business strategy, ensuring that we stay abreast of new technologies to enhance our products and solutions. Additionally, we will focus on fostering strong relationships with our business partners.

b) Credit risk

Our Group's primary credit risk from trade and other receivables. We manage and minimize this risk by selectively interacting and associating with creditworthy business partners. For FP2024, our Group will maintain stringent credit control procedures. We regularly monitor long outstanding trade receivables, which are deemed to be highly dependent on risk exposure.

c) Technology obsolescence risk

The IT sector is characterized by a dynamic environment where products and solutions are continually enhanced and innovated due to the rapid evolution of the technological landscape. Consequently, our Group relies heavily on our ability to consistently innovate and stay abreast of the latest technological advancements to maintain relevance and competitiveness in the IT industry.

Technology obsolescence risk shall be significant to our Group. There is no assurance that our Group's products and solutions will always remain relevant and competitive in the IT industry.

In the event our Group is unable to consistently innovate and enhance our products and solutions to meet the evolving expectations of our customers in light of the prevailing technological landscape, our Group would lose the market share to other competitors. This would, in turn, this would have an adverse effect on our Group's business and financial performance.

To overcome this inertia, we will continuously develop and implement a flexible and compatible ecosystem, along with the necessary after-sale support for our end users. This will help our customers navigate the challenges and seize the opportunities presented by emerging digital technologies.

SUSTAINABILITY STATEMENT

Our Economic, Environmental,
Social and Governance (“EESG”)



SUSTAINABILITY STATEMENT

(CONT'D)

ABOUT THIS STATEMENT

ARB Berhad (“**ARB**” or “**Group**”) prepared this Sustainability Statement to cover all relevant activities, impacts and initiatives related to the Group’s Economics, Environmental, Social and Governance (“**EESG**”) efforts. The Sustainability Statement includes data and information from our subsidiaries for the reporting period indicated below.

This Sustainability Statement covered for the financial year ended 31 December 2024 (“**FY 2024**”). The information and data disclosed in this Sustainability Statement were derived from internal reporting processes, systems and records.

The Group has identified and addressed the material sustainability risks and opportunities (collectively known as “**Material Sustainability Matters**”) relevant to our Group’s operations and how these Material Sustainability Matters are managed to ensure that our business is conducted in a responsible manner.

SUSTAINABILITY STATEMENT (CONT'D)

SCOPE OF DISCLOSURES

The scope of this Statement covers the activities and performance of ARB's identified material matters as well as relevant sustainability initiatives and practices adopted for FY 2024. This Statement presents ARB's EESG performance, as well as its positive impact on relevant industries, economy and society.

The Group establishes contact as needed with our wide range of stakeholder to ensure our approach to sustainability is well informed. Our stakeholders include customers, employees, investors, suppliers, business partner, government and regulator.

REPORTING PERIOD AND BOUNDARY

This Statement cover the sustainable performance of the Group from 1 January 2024 to 31 December 2024. Historical information of the previous year was included for comparison.

REPORTING GUIDELINES AND STANDARDS

This Statement is prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad in relation to Sustainability Reporting Guide.

STATEMENT OF ASSURANCE

The Sustainability Statement has not undergone any form of assurance. The Management has undertaken the necessary steps to perform internal verification to enhance the accuracy and completeness of the sustainability data reported in this Statement. The information provided in this Statement is based on best-effort basis and is subject to further improvement in future reporting cycles.

OUR APPROACH

Our sustainability framework is centered upon the evaluation of EESG risks and opportunities accompanied with our Group's corporate governance framework and social responsibilities. By applying a good corporate governance framework, environmentally responsible practices and sound social policies, ARB can achieve sustainable growth and enhance long-term value for our shareholders.

FEEDBACK AND COMMENTS

To improve our sustainability approaches, we welcome any feedback from our valued stakeholders. If you would like to submit feedback or request for further clarification, kindly email to contact@arbberhad.com.

SUSTAINABILITY STATEMENT

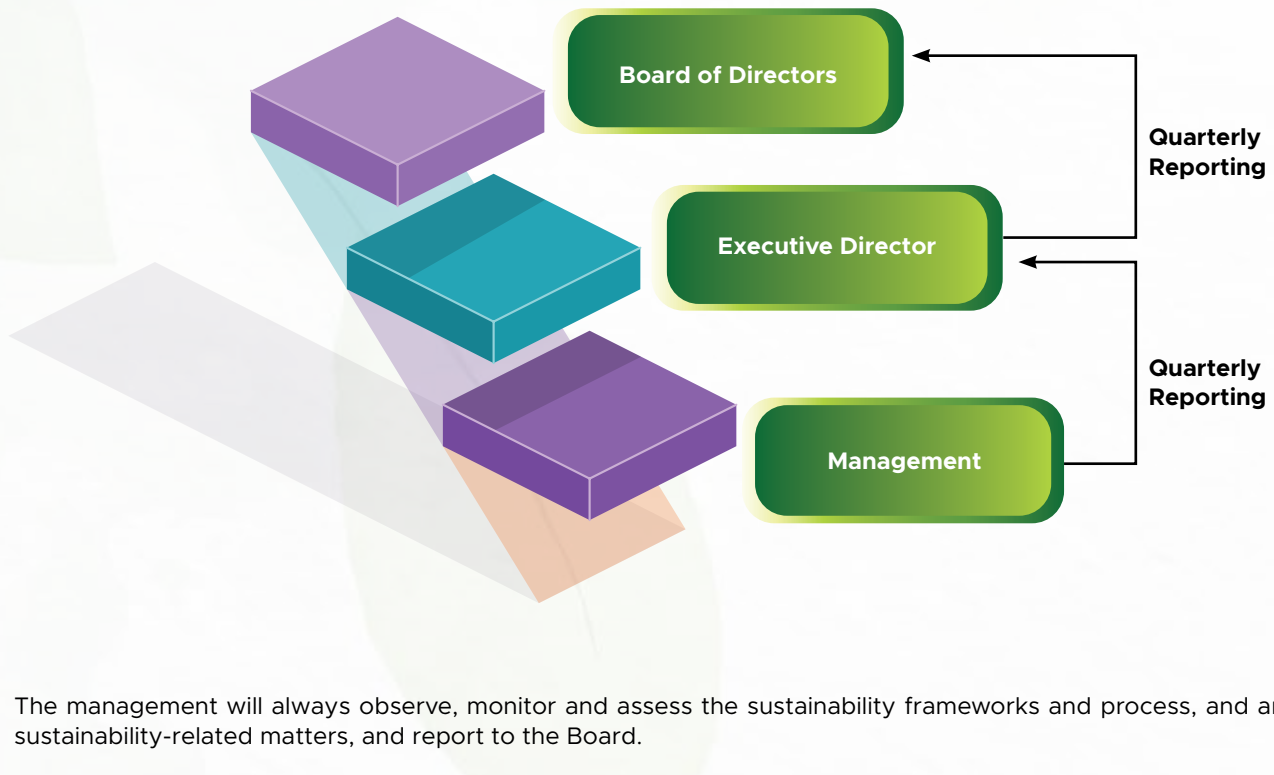
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SUSTAINABILITY GOVERNANCE

The sustainability governance structure in ARB is overseen primarily by the Board of Directors (“**Board**”) who decides on strategic directions including how sustainability matters are integrated directly into the Group’s operation.

The Board oversight of the Group’s sustainability strategy and performance as well as reviews the progress and sets the aspirations on sustainability matters. Meanwhile, the Management that led by the Executive Director is tasked to assist the Board in managing the sustainability-related matters which include but not limited to set the direction, targets and driving the Group’s objective on sustainability.

Our sustainability structure is as follows:



The management will always observe, monitor and assess the sustainability frameworks and process, and any sustainability-related matters, and report to the Board.

Parties	Responsibilities
Board	Oversees the sustainability framework and policies
Executive Director	- Identify the strategies for the management of sustainability issues - Responsible for monitoring the implementation of sustainability strategy - Carry out the sustainability efforts and ensure best practices of sustainability are embedded across the Group
Management	- Review and monitors the Group’s sustainability framework and processes - Oversees the delivery of sustainability strategy, including review of strategic planning and to recommend strategic sustainability policies and framework to the Board - Drives the sustainability efforts, including discussing and monitoring sustainability issues and stakeholders engagement - Implementation of sustainability initiatives, including create awareness among employees, maintain sustainability standards and review the progress - Complies data and information for the preparation of Sustainability Statement - Recommend improvements to sustainability effort and action plans

SUSTAINABILITY STATEMENT

(CONT'D)

STAKEHOLDER ENGAGEMENT

Stakeholders are individuals or groups that have an effect or are affected by our Group's activities. Our stakeholders play a critical role in influencing how we conduct our business operations and shape our strategic decisions. Through active engagement, we aim to understand and meet their expectations while delivering long-term value and promoting business sustainability.

The table below lists the needs of our different stakeholder groups and how we engaged and addressed their needs:-

Stakeholder Group	Sustainability Concern	Engagement Approach	Frequency
Customers 	- Meeting product expectations in terms of quality, cost, price and delivery standards - Delivering new and innovative products - Utilising resources responsibly	- Feedback on product and customers' expectations - Social media engagement - Working with customers as part of the product development process - Customer retention	Ongoing
Employees 	- Training and development - Maintaining safe and conducive work environments - Remain in compliance with local labour laws and regulations	- Training programmes - Annual appraisals - Employee engagement - Management meetings	Regular, Ongoing
Suppliers 	- Tender prices and payments - Ensure timely payouts to suppliers - Cost efficiency and introduction of products - Create awareness of Group policy and commitment to sustainability	- Formal and informal meeting - Process improvement	Ongoing
Investors 	- Corporate information - Financial & operational performance at expense of environmental/social well-being - Company strategy and direction	- Annual general meeting, quarterly results announcement - Press conference - Analysis briefing meetings - Corporate website	Quarterly, Annually
Business Partner 	- Terms of references ("TOR") - Review to ensure business processes are smoothly and efficiently	- Meetings - Discussions - Product launches	Ongoing
Governments and Regulators 	- Remain in compliance with local environmental laws and regulations - Compliance and standards	- Meetings, engagements and dialogues - Written correspondences - Periodical monitoring and reporting	Ad-hoc

SUSTAINABILITY STATEMENT

(CONT'D)

MATERIAL ASSESSMENT

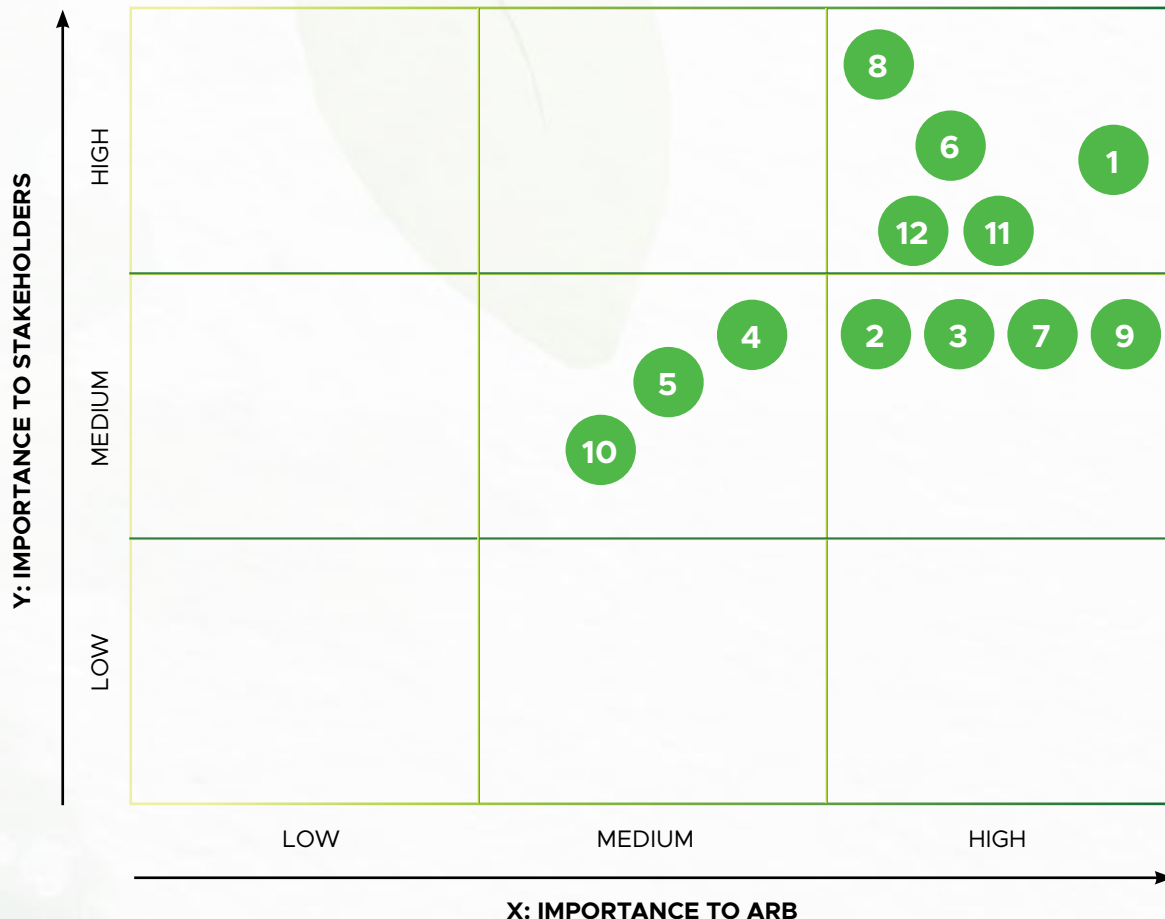
The Group has identified issues that are material to both our Group and key stakeholders. These issues were determined after undertaking a materiality assessment process, whereby each sustainability matter identified was rated based on its likelihood and potential impact on the Group's business and long-term growth.

The Group has identified several pertinent material issues during the reporting period which are relevant to the Group's business operations and stakeholders, in accordance to Bursa Malaysia Securities Berhad' sustainability reporting requirements.

The material issues that were prioritised and determined are as follows:

Areas of impact	Material Matters
Economic	1. Financial Performance 2. Business Conduct 3. Supply Chain Management
Environment	4. Energy Management 5. Water Management
Social	6. Healthy and safe working environment 7. Labour Practices & Standards 8. Employees' welfare 9. Diversity, equity and inclusion 10. Community support
Governance	11. Data Privacy & Security 12. Anti-Bribery & Corruption

The materiality matrix outlines our sustainability priorities by ranking key EESG factors based on their significance to the business and stakeholders.



SUSTAINABILITY STATEMENT

(CONT'D)

MATERIAL ASSESSMENT (CONT'D)

ECONOMIC

1. Financial Performance

OUR PROGRESS	FP 2022	FP 2023	FY 2024
Revenue (RM'million)	594.0	402.7	99.1
Net Profit/(loss) after tax (RM'million)	79.5	(35.5)	2.0

For more information about the Group's financial performance, please refer to the 5 Years Group Financial Highlights from pages 5 to 6 of the Annual Report and Management Discussion and Analysis from pages 10 to 14 of the Annual Report.

2. Business Conduct

ARB's commitment to business is focused on strong corporate governance and prudent management in view of challenging economic environment. We adopt a 'zero tolerance' approach towards corruption. We strive to achieve this by observing the following practices and communicate them with our stakeholders.

- Whistleblowing Policy
- Code of Conduct and Ethics
- Anti-Bribery & Corruption Policy
- Board Charter
- Statement of Corporate Governance

Integrity Operational Matters

ARB is persistently investing effort in incorporating sustainability practices into our core business operations. We recognised that commercially viability is intertwined with sustainability. Hence, we are gradually integrating relevant environmental, social, ethical and governance requirements across all division within the Group.

We conduct our activities in accordance with the laws, rules, and regulations in the various places that we operate as well as support our employees to consistently uphold the highest standard of integrity and accountability.

Anti-Bribery and Anti-Corruption Policy

Our Group has issued Corporate Liability Policy ("CLP") pursuant to section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act 2009"). The objectives of this CLP are listed as below:-

- To foster the growth of a business environment that is free from corruption;
- To ensure all personnel of the Group take reasonable measures to ensure their daily activities do not involve corrupt activities;
- To provide guidance on how to recognise and deal with bribery and corruption issues; and
- To avoid penalty from the relevant authorities due to non-compliance in any acts related to integrity and anti-corruption.

Any non-compliance to this CLP shall constitute a serious offence warranting disciplinary action or possible lawsuit and dismissal of the offender subject to management discretion.

The details of CLP can be found at our website link below:-
<https://www.arbberhad.com/corporate-governance>

SUSTAINABILITY STATEMENT

(CONT'D)

MATERIAL ASSESSMENT (CONT'D)

ECONOMIC (CONT'D)

2. Business Conduct (Cont'd)

Risk Management Assessment

There can be no assurance that our Group will not expose to any risks inherent to the industry that our Group is currently operating in. The potential risks that occurred might cause any material adverse effect on the business, operations and financial performance of the Group. In order to mitigate such risks, our Group has established sound risk management framework to manage risks and governance. Our Board shall use our best endeavours to continuously monitor and manage risks by consistently undertake the necessary risk assessment.

OUR PROGRESS	FP 2023	FY 2024
Percentage of operations assessed for corruption- related cases	100%	100%

Whistle Blowing Policies

Our existing Whistle Blowing Policies can be found at our website link below: -
<https://www.arbberhad.com/corporate-governance>

OUR PROGRESS	FP 2023	FY 2024
Confirmed incidents of corruption and action taken	100%	100%

Corporate Governance and Compliance

ARB is committed to the principles and best practices of corporate governance as laid out in the Malaysian Code on Corporate Governance ("MCCG") 2021 to ensure that standards of corporate governance are being observed throughout the Group with the ultimate objective of enhancing long term shareholders' value and returns to our stakeholders.

Details of our corporate governance framework and practices are elaborated in the Corporate Governance Overview Statement of ARB Annual Report 2024 as well as Corporate Governance Report which is available at the Company website:-

<https://www.arbberhad.com/corporate-governance>

3. Supply Chain Management

Supply chain management is critical in facilitating our operations and the Group strives to build long-term mutually beneficial relationships with our suppliers. Therefore, we engage with our suppliers in fair, transparent and ethical manner. We review our suppliers based on, amongst others, price and payment terms, products and service quality. Suppliers who share similar core values with us would be our preferred suppliers.

All of our suppliers are sourced locally. This is because we believe in contributing to our local economic growth and sustaining a healthy ecosystem for local players. We find that engaging local partners enhances the Group's efficiency by allowing us to deal with potential risks that may arise from supply chain disruptions.

OUR PROGRESS	FP 2022	FP 2023	FY 2024
Proportion of spending on local suppliers	100%	100%	100%

SUSTAINABILITY STATEMENT

(CONT'D)

MATERIAL ASSESSMENT (CONT'D)

ENVIRONMENTAL

As part of our continuing efforts towards environmental sustainability, our Group ensures that there are sufficient measures to prevent any adverse impact on the environment.

4. Energy Management

Effective energy management is essential for reducing operational costs, minimizing environmental impact, and contributing to global efforts to mitigate climate change. As energy consumption is a significant factor in the production processes, efficient energy use not only enhances the company's sustainability but also supports long-term financial stability. By focusing on reducing energy usage, the Group can minimize our carbon footprint and adhere to environmental regulations, fostering a responsible business model.

The Group is committed to reducing electricity consumption across all of our operations. To achieve this, we have implemented various energy-saving initiatives, including optimizing production processes and encouraging employees to adopt energy-efficient practices. Employees are regularly reminded to switch off lights and appliances during rest periods or off days to conserve energy. Additionally, power-saving features or sleep modes are enabled on computers, photocopiers, and other equipment to reduce power consumption when not in use.

The Group also monitors energy usage and continuously explores opportunities to improve energy efficiency in our operations. By focusing on sustainable energy practices, we aim to reduce our overall environmental impact.

OUR PROGRESS	FP 2023	FY 2024
Percentage of reduction in CO ₂ emission in comparison to prior period (approximately)	36%	85%
Total electricity consumption (approximately)	129.5 MWh	19.1 MWh

5. Water Management

We acknowledge that clean water is a limited natural resource, and it is essential to support the practical needs of society. Hence the Group is adopting water conservation initiatives by using water more efficiently and reducing unnecessary usage including close monitoring of our water consumption to identify wastage of continuous improvement in our operations.

OUR PROGRESS	FP 2023	FY 2024
Total water consumption (approximately)	7.2 M ³	1.9 M ³

SUSTAINABILITY STATEMENT

(CONT'D)

MATERIAL ASSESSMENT (CONT'D)

SOCIAL

The Group values social sustainability, understanding its importance for both our Company and the communities where we operate. We are committed to applying these principles in all areas of our business. This commitment is a key part of our values and guides us to make decisions that have a positive social impact, provide value to our stakeholders, and support the well-being and empowerment of everyone in society.

As part of the Group's efforts to create long-term value and build a sustainable organisation, we focus on strengthening our sustainability programs in these key areas:

- Providing a healthy and safe working environment
- Implementing fair labor practices to attract and retain skilled employees
- Supporting employee well-being
- Promoting diversity and inclusiveness

6. Healthy and safe working environment

Health and safety are paramount in maintaining a productive and effective workforce. Ensuring a safe working environment not only protects employees from injury and illness but also fosters a culture of well-being and accountability within the organisation.

The Group prioritizes the well-being and safety of our employees by ensuring that our premises are clean, organised and adequately equipped with fire prevention measures.

In FY 2024, we conducted the following safety and health training programs to promote safety awareness among employees.

OUR PROGRESS	FP 2023	FY 2024
Percentage of staff attending OSH Training	99%	91%

7. Labour Practices & Standards

The Group always believe that employees are the greatest asset and the backbone of our long-term success. It is crucial to have a motivated workforce that is well equipped to meet current and future challenges. We consistently provide learning and development opportunities to employees to enable them to achieve personal growth and better work performance.

Our Group has always placed great importance on nurturing a learning culture and continuous effort to retain talent. We aim continues to support our talent in achieving their ambitions by enabling them to explore new opportunities and build their expertise. In addition, we also conduct regular employee engagement events to strengthen the communication at different levels.

We provide 'on-the-job' training opportunities coupled with coaching and formal training. We believe the emphasis on 'on-the-job' learning broadens our employees' experiences and sharpens their functional and people skills for their career development.

The following table shows the percentage of employees that are contractors or temporary staff:

EMPLOYMENT TYPE	FY 2024
Contractors or temporary staff (%)	0

SUSTAINABILITY STATEMENT

(CONT'D)

MATERIAL ASSESSMENT (CONT'D)

SOCIAL (CONT'D)

7. Labour Practices & Standards (Cont'd)

The following table shows the total hours of training by employee category:

TOTAL HOURS OF TRAINING BY EMPLOYEE CATEGORY	FP 2023	FY 2024
Management	16	148
Executive	24	92
Non-Executive / Technical Staff	0	4
Intern	0	4
Total training hours	40	248

The following table shows the total turnover by employee category:

STAFF VOLUNTARY TURNOVER RATE	FY 2024
Management	4
Executive	0
Non-Executive	1
Total employee turnover	5

Human Rights Violations

There was no complaint received from any regulatory bodies during FY 2024 in regards to human rights violations against our employees.

SUSTAINABILITY STATEMENT

(CONT'D)

MATERIAL ASSESSMENT (CONT'D)

SOCIAL (CONT'D)

8. EMPLOYEES' WELFARE

The Group is committed to continuously look after the benefits and welfare of its employees and endeavors its best to ensure that adequate resources which include various services, facilities and amenities are provided to the employees for their economic betterment, social status improvement, healthy well-being and efficiency in performing their duty with the company.

We protect employee welfare by offering competitive salaries, incentives, and rewards to boost morale. In addition to monetary benefits, we provide annual leave, sick leave, and hospitalization leave. Additionally, we award commitment incentives to staffs who have well-performed and demonstrated their positive dedication to their works.

In line with our commitment to fostering employee well-being and promoting a positive work environment, we have organised several activities and initiatives:

- A New Year Feast celebration in January 2024
- Hari Raya celebration in April 2024



New Year Feast celebration

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL ASSESSMENT (CONT'D)

SOCIAL (CONT'D)

8. EMPLOYEES' WELFARE (CONT'D)



Hari Raya celebration

ARB Internship

ARB Internship Programme aims at developing offers an opportunity to under graduate students to gain valuable hands on exposure in their field of study. We train the students individual and include: -

- enhancing leadership skills among others, via involvement in group-wide special projects; and
- face-to-face development interventions where a dedicated coach and mentor is assigned to guide the students throughout their internship journey.

9. DIVERSITY, EQUITY AND INCLUSION

The Group has a zero-tolerance policy for discrimination of any kind, whether based on gender, age, disability, political views, or other factors. Diversity is crucial for fostering an inclusive workplace that promotes creativity, innovation, and different perspectives. A diverse workforce enhances problem-solving capabilities and drives better decision-making, as it brings together individuals from various backgrounds, experiences, and viewpoints. Furthermore, promoting diversity and inclusion not only aligns with corporate social responsibility but also reflects the values of equality and respect, creating a positive work environment where all employees can thrive.

While the Group does not have a fixed policy regarding workplace diversity, it is committed to providing equal employment opportunities and creating a work environment where all employees can perform, excel, and collaborate, regardless of their religion, ethnicity, gender, age, or nationality. The Group values diversity in skills, experiences, cultures, and age, recognizing that this variety enhances overall performance and fosters a more dynamic workplace.

Our Group strives to create a work environment that values diversity, equity, and inclusion to promote unity and collaboration, which leads to better business results. A diverse and inclusive team not only supports personal growth but is also essential for keeping our employees, boosting their dedication, and driving our group's overall success, resilience, and improved performance.

SUSTAINABILITY STATEMENT

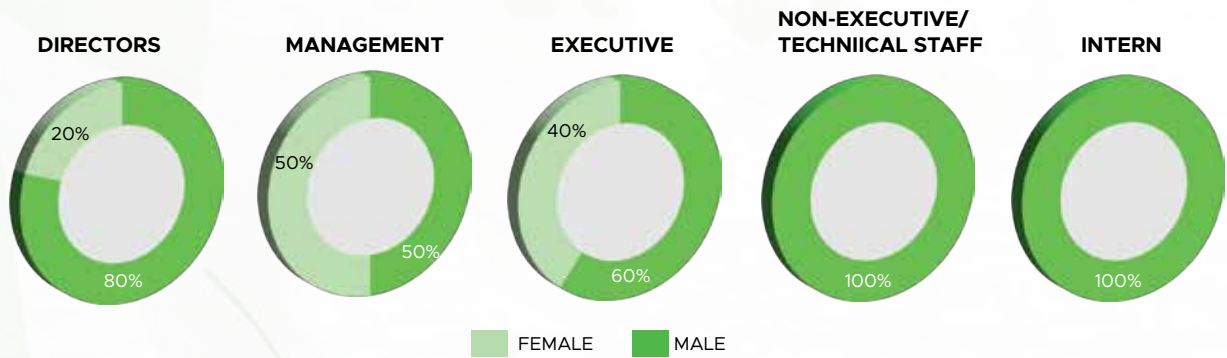
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MATERIAL ASSESSMENT (CONT'D)

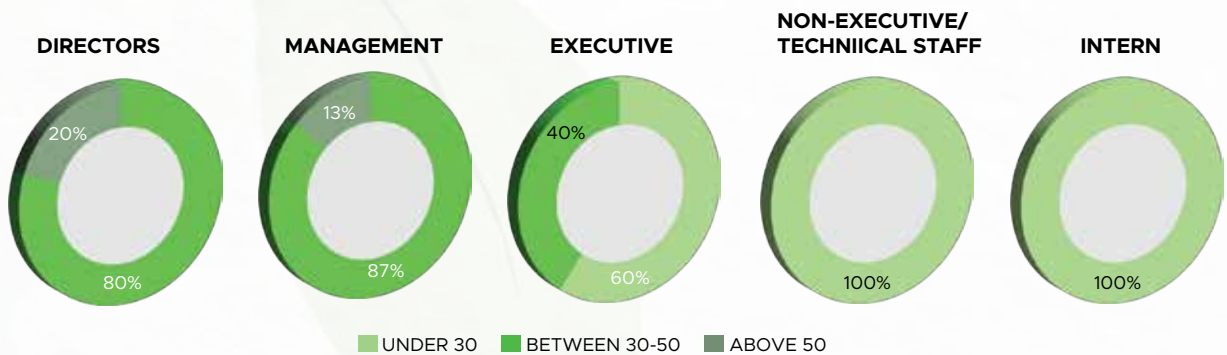
SOCIAL (CONT'D)

9. DIVERSITY, EQUITY AND INCLUSION

By Gender



By Age Group



SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL ASSESSMENT (CONT'D)

SOCIAL (CONT'D)

10. COMMUNITY SUPPORT

We are dedicated to making a positive impact on the communities where we operate. Our community engagement efforts focus on meaningful contributions, including donations to local charities. By building strong partnerships with local organizations, we aim to create shared values, empower communities, and support their long-term well-being.

Collaboration with Universiti Kebangsaan Malaysia ("UKM")

Our Group has continued collaborated with UKM to provide a platform for younger generation and public to equip with readied and developed skill for upcoming technology trend of 4.0.

This year, our focus is on Research and Innovation in Data Analysis Simulation Applications and Artificial Intelligence for Smart Agricultural Data Visualization, supporting advancements in precision agriculture and data-driven farming solutions.

OUR PROGRESS	FP 2023	FY 2024
Total amount invested in the community (RM'000)	542.2	15
Total number of beneficiaries of the investment in communities	1	1

Below are the site photos of UKM-ARB Research and Innovation in Data Analysis Simulation Applications and Artificial Intelligence for Smart Agricultural Data Visualization.



SUSTAINABILITY STATEMENT

(CONT'D)

MATERIAL ASSESSMENT (CONT'D)

GOVERNANCE

11. DATA PRIVACY & SECURITY

We recognise the importance of protecting the data privacy and security of our employees, business partners, suppliers and customers. Our dedication to upholding data privacy and security is fundamental to our sustainability efforts and reflects our values of confidentiality, availability and integrity of data.

During FY 2024, we recorded zero complaint concerning breaches of customer privacy and loss of customer data.

12. ANTI-BRIBERY & CORRUPTION

The Board has established an Anti-Bribery & Corruption Policy (“**ABC Policy**”) that is not only applicable to Directors and employees of the Group, but also to business associates such as suppliers, consultants, agents, representatives, and service providers who perform services for or on behalf of the Group.

The ABC Policy is publicly accessible on ARB’s corporate website at <https://www.arbberhad.com/corporate-governance>.

Our Group is committed to conducting business in an honest and ethical manner, and it takes a zero-tolerance approach to bribery and corruption. The ABC Policy addresses and provides guidance in relation to high-risk transactions or activities such as gifts, entertainment, and hospitality; donations and sponsorship; facilitation payments; dealing with public officials; and conflict of interest situations.

We adopt a risk-based approach towards anti-bribery and anti-corruption, where corruption risk assessment is conducted to prioritise risk areas. All business divisions of the Group have been assessed for corruption risk.

The following table shows the percentage of employees received anti-corruption training:

OUR PROGRESS	FP 2023	FY 2024
Top Management	100%	100%
Senior Management	100%	100%
Management	100%	100%
Executives	100%	80%
Non-Executive	100%	0%
Total	100%	91%

There were no reports of any bribery or corruption cases through any of our reporting channels including the whistleblowing channel in FY 2024.

SUSTAINABILITY STATEMENT

(CONT'D)

SUSTAINABILITY PERFORMANCE REPORT (FY 2024)

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Top Management	Percentage	100.00
Senior Management	Percentage	100.00
Management	Percentage	100.00
Executive	Percentage	80.00
Non-Executive	Percentage	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	15,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	1
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Director Under 30	Percentage	0.00
Director Between 30-50	Percentage	80.00
Director Above 50	Percentage	20.00
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	87.00
Management Above 50	Percentage	13.00
Executive Under 30	Percentage	60.00
Executive Between 30-50	Percentage	40.00
Executive Above 50	Percentage	0.00
Non-executive/Technical Staff Under 30	Percentage	100.00
Non-executive/Technical Staff Between 30-50	Percentage	0.00
Non-executive/Technical Staff Above 50	Percentage	0.00
Intern Under 30	Percentage	100.00
Intern Between 30-50	Percentage	0.00
Intern Above 50	Percentage	0.00
Gender Group by Employee Category		
Director Male	Percentage	80.00
Director Female	Percentage	20.00
Management Male	Percentage	50.00
Management Female	Percentage	50.00
Executive Male	Percentage	60.00
Executive Female	Percentage	40.00
Non-executive/Technical Staff Male	Percentage	100.00
Non-executive/Technical Staff Female	Percentage	0.00
Intern Male	Percentage	100.00
Intern Female	Percentage	0.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	80.00
Female	Percentage	20.00
Under 30	Percentage	0.00
Between 30-50	Percentage	80.00
Above 50	Percentage	20.00

SUSTAINABILITY STATEMENT

(CONT'D)

SUSTAINABILITY PERFORMANCE REPORT (FY 2024) (CONT'D)

Indicator	Measurement Unit	2024
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	19.10
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	10
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	148
Executive	Hours	92
Non-executive/Technical Staff	Hours	4
Intern	Hours	4
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	0
Non-executive/Technical Staff	Number	1
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	100.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Percentage	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	0.001900
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	0.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	0.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	0.00
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	0.00
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	0.00
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	0.00

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of ARB Berhad (“ARB” or “Company”) recognises the importance of adopting high standard of corporate governance throughout the Company and its subsidiaries (“the Group” or “Group of Companies”) as a fundamental part of discharging its responsibilities to protect and enhance stakeholders’ interest and to continue delivering sustainable performance of its Group.

This Statement is made pursuant to Paragraph 15.25 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the Board is pleased to present the Group’s application of the principles as set out in the Malaysian Code on Corporate Governance (“MCCG”) 2021.

In line with ARB’s intent to enhance its corporate governance disclosure, this Statement is complemented with a Corporate Governance Report (“CG Report”), based on the prescribed format by Bursa Securities which details down the application of each Practice set out in the MCCG. The CG Report is made available on ARB’s website at <https://www.arbberhad.com/investor-relations> together with an announcement of the same on the website of Bursa Securities.

This Statement should also be read in tandem with the other statements in this Annual Report (e.g. Statement on Risk Management and Internal Control, Audit Committee Report and Sustainability Statement) for a more holistic and granular understanding of the Group’s corporate governance framework and practices which may be better explained in the context of the respective statements.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART I - BOARD RESPONSIBILITIES

The Board is collectively responsible to discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company and shall act with integrity for creating and delivering long-term success of the Group and sustainable value to the shareholders and various stakeholders. The Board determines the Group’s vision and mission to guide and set the pace for its current operations and future development.

The Board delegates authority to management, and monitors and evaluates the implementation of policies, strategies and business plans.

In ensuring orderly and effective discharging of its duties and responsibilities, the Board has established and delegated the authority to the Board Committees, namely, the Audit Committee, Nomination Committee and Remuneration Committee to monitor and evaluate the implementation of policies, strategies and business plans, internal control systems and risk management.

The Board appoints the Chairman and members of each Committee and the Board Committees operate within their approved Terms of Reference set by the Board. The Chairman of each Board Committee reports to the Board on the deliberation and outcome of the Committee meetings and make appropriate recommendations thereon to the Board for its consideration and decision.

The Executive Directors are responsible for the day-to-day management of the business to ensure that the business operates continuously in conformity with the implementation of Board’s policies, strategies and decisions. In addition, the Independent Directors, who constitute a majority of the Board, provide effective oversight over management and ensure that there is independence of judgement.

Practice 1.4 of the MCCG recommends that the Chairman of the Board should not be a member of the Audit Committee, Nomination Committee, and Remuneration Committee. As the Company has a moderate sized Board comprising of only four (4) members, the Chairperson, Ms Yuen Ya Ting, is also a member for Audit Committee, Nomination Committee and Remuneration Committee. Through her active participation and extensive board and corporate experience, the discussions and decisions made at these committees have greatly benefited from her input. The Company believes that the Board’s objective in receiving or assessing committees’ reports has not been diminished in any way.

The Board members have direct and unrestricted access, to all relevant Company’s information and to the senior management personnel to assist them in the discharge of their duties and responsibilities and to enable them to make informed decisions. The Board also has direct communication channels with the External Auditors, Internal Auditors and Board Committees. As and when necessary, the Board members may seek independent professional advice, at the Company’s expense, in the furtherance of their duties.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART I - BOARD RESPONSIBILITIES (CONT'D)

The Board is supported by one (1) suitably qualified Company Secretary who serves as corporate governance counsels to the Board. The Company Secretary assists the Board in adhering to the relevant corporate governance legislative promulgations and internal policies and procedures and apprises the Board on the latest statutory and regulatory requirements relating to corporate governance.

The Board and Board Committees' meetings are conducted in hybrid manner to allow the Board members to join the meetings in-person or via a virtual meeting platform. The meeting materials are distributed electronically at least seven (7) days prior to the meetings to allow preparation and meaningful discussion by the Board and Board Committees members during the meetings. All proceedings of meetings, including issues raised, deliberations and decisions of the Board and Board Committees are properly minute and filed in the statutory records of the Company by the Company Secretary.

In between Board meetings, approvals on matters requiring the sanction of the Board are sought by way of Directors' circular resolutions enclosing all the relevant information to enable the Board to make informed decisions. All Directors' circular resolutions approved by the Board are tabled for notation at the subsequent Board meeting. The Board also perused the decisions deliberated by the Board Committees through minutes of these Board Committees meetings. The Chairman of the respective Board Committees is responsible for informing the Board at the Directors' Meetings of any salient matters noted by the Board Committees and which may require the Board's direction.

Board Charter

The Company's Board Charter provides guidance and clarity regarding the roles and responsibilities of the Board and the Board Committees, the requirements of Directors in carrying out their roles and in discharging their duties towards the Company as well as the Board's operating practices. To ensure that it remains relevant, the Board Charter will be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.

A copy of the Board Charter is available for reference at the Company's website at <https://www.arbberhad.com/corporate-governance>.

Code of Conduct and Ethics

The Board is committed to creating an environment whereby ethics and professionalism are placed in the highest priority in line with good corporate governance practices. The Board shall observe and adhere to the Code of Conduct and Ethics.

The Code of Conduct and Ethics is a guide to assist the Group's Directors and all levels of employees in living up to the Group's high ethical business standards and provides guidance on the way employees should conduct themselves when dealing with other parties doing business with the Group. It also sets out and identifies the appropriate communication on and feedback channels, which facilitate whistle-blowing. The Directors have maintained strong oversight of the performance and implementation of corporate governance for the Group.

The Board will review the Code of Conduct and Ethics when necessary to ensure it remains relevant and appropriate. The details of the Code of Conduct and Ethics are available for reference at the Company's website at <https://www.arbberhad.com/corporate-governance>.

Whistle-blowing Policy

The Company has in place the Whistle-blowing Policy for its Directors and employees of the Group and is designed to provide them with proper internal reporting channels and guidance to disclose any wrongdoing or improper conduct relating to unlawful conducts, inappropriate behaviour, malpractices, any violation of established written policies and procedures within the Group or any action that is or could be harmful to the reputation of the Company and/or compromise the interests of the shareholders, clients and the public without fear of reprisal, victimisation, harassment or subsequent discrimination.

The details of the Whistle-blowing Policy are available for reference at the Company's website at <https://www.arbberhad.com/corporate-governance>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART I - BOARD RESPONSIBILITIES (CONT'D)

Anti-Bribery and Anti-Corruption Policy

The Company has adopted an Anti-Bribery and Anti-Corruption Policy ("ABAC Policy"), which is made available at the Company's website at <https://www.arbberhad.com/corporate-governance>.

The Board has adopted a zero-tolerance approach against all forms of Bribery and Corruption, as defined in the ABAC Policy, and takes a strong stance against such acts. The ABAC Policy leverages on the core principles of the Company as set out in the Company's Code of Conduct and Ethics. The ABAC Policy serves as a guideline on how to deal with Bribery and Corruption which may arise in the course of business of the Company.

Directors' Fit and Proper Policy

The Board has established the Directors' Fit and Proper Policy, to ensure that any person to be appointed or elected/re-elected as a Director of the Group possesses the necessary quality and character as well as integrity, competency and commitment to enable the discharge of the responsibilities required of the appointed position in the most effective manner. The Directors' Fit and Proper Policy is accessible on the Company's website at <https://www.arbberhad.com/corporate-governance>.

Sustainability

The Company is committed to operate in a sustainable manner, as this will not only create value to the Company, but also to the employees, business communities and society surrounding us. The details pertaining the sustainability governance can refer to the sustainability statement in page 15 to 32.

PART II - BOARD COMPOSITION

Board Composition and Balance

The Nomination Committee ensures that the composition of the Board is refreshed periodically. The tenure of each director is reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the Board. It also reviews the performance of all directors, including their independence (for independent directors) annually and those with satisfactory evaluation are recommended to the Board for re-election.

At present, the Board comprises one (1) Executive Director and three (3) Non-Executive Directors, all of whom are Independent Directors. The composition of the Board complies with Paragraph 15.02 of the MMLR of Bursa Securities whereby at least two (2) or one third (1/3) of its Board members are independent directors and one (1) director is a woman as well as the recommendation of MCCG whereby at least half of the Board comprises of independent directors.

Re-election of Directors

The procedures for the annual re-election of directors are set out in the Company's Constitution. In accordance with the Company's Constitution, one-third (1/3) of the Directors for the time being or, if their number is not a multiple of three (3), the number nearest to one-third (1/3) with minimum of one (1), shall retire from office and an election of Directors shall take place. The Constitution further provides that each Director shall retire once every three (3) years but shall be eligible for re-election.

Newly appointed directors shall hold office only until the next Annual General Meeting ("AGM") and shall be eligible for re-election.

The re-election of each director is voted separately. To assist shareholders in their decision, sufficient information such as personal profile, meetings attendance and their shareholdings in the Group of each Director/ person standing for re-election/ election are furnished in the Annual Report.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT (CONT'D)

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

PART II - BOARD COMPOSITION (CONT'D)

Tenure of Independent Directors

As at the date of this statement, none of the independent directors have served the Company for more than nine (9) years.

Boardroom Diversity

The Board acknowledges the recommendation of MCCG and recognises the importance of boardroom diversity. In driving the long-term vision of the Group, it is essential for the Board to possess an optimum mix of skills, qualifications and experiences that can support the Group in responding to changing market dynamics, evolving business models and emergence of novel risks. The combination of the skills, experience and expertise of the incumbent Directors allows the Board to apply breadth and depth of perspectives when deliberating on contentious issues.

The Board constantly advocates fair and equal participation and opportunity for all individuals of the right calibre without any specific discrimination as to the age, ethnicity or gender of the candidates concerned. The Board has been taking steps to seek out female candidates based on meritocracy with the optimum mix of skills, knowledge and experience to fill Board positions.

Gender Diversity Policy

The Board is supportive with the recommendation of MCCG and recognises the importance of establishment of gender diversity policy. However, the Group does not have the workforce gender policy currently. Currently, the Board comprises one (1) female director which reflects the Board's commitment towards achieving a more gender diversified Board. This also in line with the requirement of MMLR whereby the listed issuer must have at least one (1) woman director in the board.

New Candidates for Board Appointment

The Nomination Committee ("NC") is tasked by the Board to make independent recommendations for appointments to the Board. Appointment of Directors shall be based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

In making these recommendations, the NC shall assess the suitability of candidates, considering the character, integrity, competence, professionalism, time commitment and other qualities of the candidates, before recommending their appointments to the Board for approval.

The Company Secretary will ensure that all appointments are properly made, and that legal and regulatory requirements are complied with.

During the financial year ended 31 December 2024, there was no any new appointment of Director took place.

Nomination Committee

The NC comprises three (3) Directors, all of whom are Independent Non-Executive Directors. The NC is spear-headed by an Independent Non-Executive Director as specified under Practice 5.8 of the MCCG.

The members of the NC are as follows:-

Chairman

Aiman Afiffudin Bin Ramlee

Independent Non-Executive Director

Members

Khor Chin Meng

Independent Non-Executive Director

Yuen Ya Ting

Independent Non-Executive Chairperson

The Terms of Reference of the NC can be viewed at the Company's website at <https://www.arbberhad.com/corporate-governance>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II - BOARD COMPOSITION (CONT'D)

Nomination Committee (Cont'd)

During the financial year ended 31 December 2024, the NC had assisted the Board on the following functions:

- Performed an assessment on the Board, Board Committees and individual Directors;
- Reviewed and recommended the re-election of Directors pursuant to the Company's Constitution;
- Assessed the independence of the Company's Independent Directors and recommended the continuance of Independent Directors;
- Reviewed the size and composition of the Board and made recommendation to the Board as regards any changes that may, in their view, be beneficial to the Company; and
- Reviewed the effectiveness of the Board as a whole, committees of the Board and the contribution of individual directors.

Annual Evaluation of Effectiveness of the Board, Board Committees and Directors

The Board has, through the NC, undertaken a formal and objective annual evaluation to assess the effectiveness of the Board and the Board Committees as a whole and the contribution of each Director, including the independence of the Independent Non-Executive Director, making reference to the guides available and good corporate governance compliance. The evaluation process was carried out by sending the following customized assessment forms to Directors:-

- i. Assessment on the Internal Auditor;
- ii. External Auditors' Evaluation
- iii. Board and Board Committee Performance Evaluation Form;
- iv. Evaluation of Level of Independence of a Director; and
- v. Performance Evaluation.

Each Director is provided with the assessment forms for their completion prior to the meeting. The results of all assessments and comments by the Directors are summarized and deliberated at the NC meeting and thereafter the NC's Chairman will report the results and deliberation to the Board.

Based on the evaluations conducted for the financial year ended 31 December 2024, the NC and the Board were satisfied with the performance of the individual Directors, Board as a whole, Board Committees as well as the independence and objective judgements that the Independent Directors have brought to the Board.

Time Commitment and Directorship in Other Public Listed Companies

Under the Board Charter, the directorships in other public listed companies in Malaysia held by any Board member at any one time shall not exceed any number as may be prescribed by the relevant authorities. In addition, at the time of appointment, the Board shall obtain the Director's commitment to devote sufficient time to carry out his responsibilities. Any Director is, while holding office, at liberty to accept other Board appointment in other companies so long as the appointment is not in conflict with the Company's business and does not affect the discharge of his/her duty as a Director of the Company. To ensure the Directors have the time to focus and fulfill their roles and responsibilities effectively, one (1) criterion as agreed by the Board is that they must not hold directorships at more than five (5) public listed companies as prescribed in Paragraph 15.06 of MMLR.

The dates scheduled for Board meetings, Board Committee meetings and meeting of members are set in advance and circulated to the Directors to facilitate the Directors' time planning. At the end of each Board and Committee meetings, the date of the next meetings is to be re-confirmed. Each Board member is expected to achieve at least 50% attendance of total Board meetings in any applicable financial year with appropriate leave of absence be notified to the Chairman and/or Company Secretaries, where applicable.

During the financial year ended 31 December 2024, all Directors have dedicated adequate time and effort to attend Board and Board Committee meetings held to deliberate on matters under their purview. The meeting attendance of Directors during the financial year ended 31 December 2024 are furnished below:-

CORPORATE GOVERNANCE

OVERVIEW STATEMENT (CONT'D)

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

PART II - BOARD COMPOSITION (CONT'D)

Time Commitment and Directorship in Other Public Listed Companies (Cont'd)

Name of Directors	Meeting Attendance	Percentage of Attendance
Yuen Ya Ting	4/5	80%
Khor Chin Meng	5/5	100%
Hong Zi Shen	5/5	100%
Aiman Afiffudin Bin Ramlee	5/5	100%

Continuing Education Programs

All Directors have completed the Mandatory Accreditation Programme as required by Bursa Securities.

The Board believes that continuous training for Directors is vital for the Board members to enhance their skills and knowledge and to enable them to discharge their duties effectively. As such, the Directors will continuously attend the necessary training programmes, conferences, seminars, exhibitions and/or forums to keep abreast with the current developments in the various industries as well as the current changes in laws and regulatory requirements.

The Directors, after assessing and identifying their own training needs, attended the following conferences, seminars and training programmes during the financial year ended 31 December 2024:

Name of Directors	Seminars/Conferences/ Training Programmes Attended	Date of Attendance
Yuen Ya Ting	1. Modern Meetings	8 March 2024
Khor Chin Meng	1. E-invoicing implementation strategy & essential tax updates	4 April 2024
Hong Zi Shen	1. Mandatory Accreditation Programme Part 2	4 December 2024
Aiman Afiffudin Bin Ramlee	1. Mandatory Accreditation Programme Part 2	13&14 January 2025

The Board of Directors is also constantly updated with relevant reading materials and technical updates, which will enhance their knowledge and equip themselves with the necessary skills to effectively discharge their duty as Directors of the Company. In addition, relevant guidelines on statutory and regulatory requirements were circulated to the Board from time to time for Board reference.

PART III - REMUNERATION

Remuneration Committee

The Board has instituted a set of policies and procedures to govern the remuneration of Directors and Senior Management. The policies and procedures serve as guidelines for the Board in remunerating Directors and Senior Management with a view to attract, retain and motivate talented and high-calibre individuals.

The Board has established a Remuneration Committee ("RC") to assist the Board in its oversight function on matters pertaining to Remuneration of Directors and Senior Management.

The RC, which is chaired by Aiman Afiffudin Bin Ramlee, the Independent Non-Executive Director. The RC comprises exclusively of Independent Non-Executive Directors to assist the Board for determining the Directors' remuneration.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART III - REMUNERATION

Remuneration Committee (Cont'd)

The members of the RC are as follows:-

Chairman

Aiman Afiffudin Bin Ramlee

Independent Non-Executive Director

Members

Khor Chin Meng

Independent Non-Executive Director

Yuen Ya Ting

Independent Non-Executive Chairperson

The Terms of Reference of the RC can be viewed at the Company's website at <https://www.arbberhad.com/corporate-governance>.

During the financial year ended 31 December 2024 the RC reviewed the payment of Directors' fees and other benefits payable to Directors and made its recommendation to the Board.

Remuneration Policy

The RC is authorised by the Board to establish a formal and transparent procedure for developing policy for remuneration of the Executive Directors of the Company and for fixing the remuneration packages of individual Director. The RC also determines and recommends to the Board any performance-related pay schemes for Executive Directors.

The Board believes in a remuneration policy that fairly supports the Directors' responsibilities and fiduciary duties in steering the Group to achieve its long-term goals and enhance shareholders' value. The Board offers a competitive remuneration package in order to attract, develop and retain talented individuals to serve as directors.

The RC's principal objective is to evaluate, deliberate and recommend to the Board a remuneration policy for Executive Directors that is fairly guided by market norms and industry practice. The RC also recommends the Executive Directors' remuneration and benefits based on his individual performance and that of the Group.

The determination of the remuneration for Non-Executive Directors is a matter of the Board as a whole. The level of remuneration for Non-Executive Directors reflects the amount paid by other comparable organisations, adjusted for the experience and levels of responsibilities undertaken by the Non-Executive Directors concerned. The remuneration package of Non-Executive Directors will be a matter to be deliberated by the Board, with the Director concerned abstaining from deliberations and voting on deliberations in respect of his individual remuneration. In addition, the Company also reimburses reasonable out-of-pocket expenses incurred by all the Executive Directors in the course of their duties as Directors of the Company. The aggregate annual Directors' fees and other benefits payable are to be approved by shareholders at the AGM based on recommendations of the Board.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT (CONT'D)

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

PART III - REMUNERATION (CONT'D)

Details of Directors' Remuneration (Cont'd)

In determining the level and component parts of Directors' remuneration, the RC takes into consideration the demands, complexities and performance of the Group as well as the time commitment, skills and experience that are required as Directors. The detailed disclosure of Directors' remuneration at the Company's and Group's level for the financial year ended 31 December 2024 are as follows:

The Company

Name of Directors	Fee (RM)	Allowance (RM)	Salary (RM)	Bonus (RM)	Benefits in Kind (RM)	Other Emoluments (RM)	Total (RM)
Yuen Ya Ting	24,000	-	-	-	-	1,800	25,800
Khor Chin Meng	24,000	-	-	-	-	2,100	26,100
Aiman Afiffudin Bin Ramlee	24,000	-	-	-	-	2,100	26,100
TOTAL	72,000	-	-	-	-	6,000	78,000

The Group

Name of Directors	Fee (RM)	Allowance (RM)	Salary (RM)	Bonus (RM)	Benefits in Kind (RM)	Other Emoluments (RM)	Total (RM)
Yuen Ya Ting	24,000	-	-	-	-	1,800	25,800
Khor Chin Meng	24,000	-	-	-	-	2,100	26,100
Aiman Afiffudin Bin Ramlee	24,000	-	-	-	-	2,100	26,100
Hong Zi Shen	-	-	140,000	-	-	17,534	157,534
Lai Choon Khong	40,000	-	-	-	-	-	40,000
Muhammad Ritzwan Bin Roslan	4,000	-	31,742	1,000	-	4,872	41,614
TOTAL	116,000	-	171,742	1,000	-	28,406	317,148

Senior Management's Remuneration

Key management personnel are defined as those people who have authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and provide key management personnel services to the Group.

The total remuneration received by top three (3) senior management of the Group including salary, bonus, benefits in-kind and other emoluments in bands width of RM50,000 for the financial year ended 31 December 2024 are as follows:

Range of Remuneration	Number of Senior Management	Group	Company
Below RM100,000	2	130,654	-
RM100,001 – RM150,000	-	-	-
RM150,001 – RM200,000	1	157,534	-
RM200,001 – RM250,000	-	-	-
RM250,001 – RM300,000	-	-	-

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART III - REMUNERATION (CONT'D)

Senior Management's Remuneration (Cont'd)

The remuneration of these top three (3) senior management of the Company disclosed above is on an aggregate basis. At this particular juncture, the Board is of the opinion that the disclosure of the Senior Management personnel's names and the various remuneration components (salary, bonus, benefits in-kind, other emoluments) would not be in the best interest of the Group due to confidentiality and security concerns.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I - AUDIT COMMITTEE ("AC")

The AC comprises solely of Independent Directors to provide a robust and impartial oversight on financial reporting, audit and risk management processes. The members of the AC are as follows: -

Directors	Designation
Khor Chin Meng	Chairman / Independent Non-Executive Director
Yuen Ya Ting	Member / Independent Non-Executive Chairperson
Aiman Afiffudin Bin Ramlee	Member / Independent Non-Executive Director

The AC is chaired by an Independent Director who is not the Chairman of the Board, therefore observed the recommendation of Practice 9.1 of MCCG which stipulates that the Chairman of the AC shall not be the Chairman of the Board.

The vast experience of the AC members in the areas of accounting, finance and auditing allows the AC to collectively possess the requisite financial literacy to have a sound understanding of the financial matters of the Group. The AC has unrestricted access to both the internal and external auditors, who in turn report directly to the AC.

Assessment of Suitability and Independence of External Auditors

The AC has established formal and transparent arrangements to maintain an appropriate relationship with the external auditors. This includes undertaking an annual assessment to ascertain the suitability, objectivity, and independence of the external auditors. The Auditors will highlight to the AC and the Board on matters that require the Board's attention.

The AC is responsible for reviewing the audit, recurring audit-related and non-audit services provided by the External Auditors. The AC has been explicitly accorded the power to communicate directly with both the External Auditors and Internal Auditors. The terms of engagement for services provided by the External Auditors are reviewed by the AC prior to submission to the Board for approval. The effectiveness and performance of the External Auditors are reviewed annually by the AC.

To assess or determine the suitability and independence of the External Auditors, the AC has taken into consideration of the following:

- the adequacy of the experience and resources of the External Auditors;
- the External Auditor's ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;
- the nature of the non-audit services provided by the External Auditors and fees paid for such services relative to the audit fee; and
- whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or tenure of the External Auditors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

PART I - AUDIT COMMITTEE ("AC") (CONT'D)

Assessment of Suitability and Independence of External Auditors (Cont'd)

Annual appointment or re-appointment of the External Auditors is via shareholders' resolution at the AGM on the recommendation of the Board. The External Auditors are being invited to attend the AGM of the Company to response and reply to the Shareholders' enquiries on the conduct of the statutory audit and the preparation and contents of the audited financial statement.

Where necessary, the AC will meet with the External Auditors without the presence of Executive Directors and members of management to ensure that the independence and objectivity of the External Auditors are not compromised and matters of concerns expressed by the AC are duly recorded by the Company Secretaries.

In presenting the Audit Planning Memorandum to the AC, the External Auditors have highlighted their internal policies and procedures with respect to their audit independence and objectivity which include safeguards and procedures and independent policy adopted by the External Auditors.

The AC is satisfied with the competence and independence of the External Auditors for the financial year ended 31 December 2024.

PART II - RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board acknowledges the significance of a sound system of risk management and internal control to manage the overall risk exposure of the Group. The Board has ultimate responsibility for reviewing the Company's risks, approving the risk management framework and policy and overseeing the Company's strategic risk management and internal control framework to achieve its objectives within an acceptable risk profile as well as safeguarding the interest of stakeholders and shareholders and the Group's assets.

The key features of the Risk Management Framework are presented in the Statement on Risk Management and Internal Control of the Company as set out in this Annual Report.

The Board has engaged a professional service provider to assume the Internal Audit Function of the Group. The Internal Auditors conducted regular audit reviews and assessed the effectiveness and adequacy of the governance, risk management and internal controls in the Group. These reviews were reported to the AC directly by the Internal Auditors.

During the financial year ended 31 December 2024 the internal audit function is outsourced to GovernanceAdvisory Sdn. Bhd which reports directly to the AC.

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

PART I - COMMUNICATION WITH STAKEHOLDERS

The Board recognises the importance of ongoing engagement and communication with the stakeholders of the Company, which will build mutual trust and better understanding. The Company is committed to provide its stakeholders on timely basis with transparent, accurate and quality disclosure of the Company's operations, financial conditions, and future prospects in conformity with applicable legal and regulatory requirements.

The Annual Report is made available on ARB's website, and it provides a balanced, comparable and meaningful assessment of the Group's position and prospects as well as comprehensive details about business activities and financial performance for the financial year.

The Company's website at <https://www.arbberhad.com/corporate-governance> incorporates an Investor Relations section which provides all relevant information on the Company which are accessible to the public. This section enhances the Investor Relations function by including all announcements made by the Company and its annual reports.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART I – COMMUNICATION WITH STAKEHOLDERS

The quarterly financial results are announced to Bursa Securities after the Board's approval. This is important in ensuring equal and fair access to information by the investing public.

Shareholders and investors may also forward their queries to the Company via email to contact@arbberhad.com.

In addition to the dissemination of information to shareholders and other interested parties via announcements to Bursa Securities, its website, circulars and press releases, the Board is of the view that the annual and any extraordinary general meetings as ideal opportunities to communicate with shareholders.

The Chairman or the Executive Directors of the Company will brief shareholders on the Company's projects and elaborate further on proposals for which the approval of shareholders is being sought at general meetings.

Whilst the Company aims to provide as much information as possible to its shareholders, it is also mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

PART II- CONDUCT OF GENERAL MEETINGS

The Annual General Meeting ("AGM") and Extraordinary General Meeting of the Company are important platforms for the Directors and senior management to engage with the shareholders to facilitate greater understanding of the Company's business, governance and performance. Shareholders are encouraged to actively participate during AGMs by raising questions and providing feedback to the Board and Senior Management.

During the financial year ended 31 December 2024, all Directors including the respective Chairmen of the Board Committees were present during the Twenty-fifth (25th) AGM to facilitate the shareholder engagement and provide clear and meaningful responses to shareholders' concerns and queries. Feedbacks gathered during the AGM are evaluated and considered for further action by the Board and Senior Management.

The notice of the upcoming AGM will be made available to shareholders more than twenty-eight (28) days prior to the meeting in order to provide shareholders with sufficient time to review the Group's financial and operational performance as well as the resolutions that are to be tabled during the AGM. The upcoming AGM would be conducted virtually through live streaming and online remote voting via the remote participation and voting facilities.

The Company has implemented poll voting for all the resolutions set out in the Notice of AGM and Extraordinary General Meeting to be voted via electronic means to expedite verification and counting of votes. In addition, the Company appointed scrutineer to validate the votes cast at the general meetings.

STATEMENT BY THE BOARD ON CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board has deliberated, reviewed and approved this Corporate Governance Overview Statement. The Board considers and is satisfied that to the best of its knowledge the Company has fulfilled its obligations under the MCGG, the relevant chapters of the MMLR of Bursa Securities on corporate governance and all applicable laws and regulations throughout the financial year ended 31 December 2024, except for the departures set out in the CG Report. The Company shall continue to strive for high standards of corporate governance throughout the Group, and the highest level of integrity and ethical standards in all of its business dealings.

This Statement together with the CG Report was approved by the Board on 23 April 2025.

STATEMENT OF DIRECTORS' RESPONSIBILITY

IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

This statement is prepared as required under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Pursuant to the Companies Act 2016 ("Act"), the Directors are required to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year ended.

The Directors consider that, in preparing the financial statements for the financial year ended 31 December 2024, the Group has adopted appropriate accounting policies and applied them consistently, made judgements and estimates that are reasonable and prudent, and prepared the financial statements on a going concern basis. The Directors also consider that all applicable approved accounting standards have been followed.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose, with reasonable accuracy at any time, the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the provisions of the Act and the applicable approved accounting standards in Malaysia.

ADDITIONAL COMPLIANCE INFORMATION

1. AUDIT AND NON-AUDIT FEES PAID TO EXTERNAL AUDITORS

During the financial year ended 31 December 2024, the amounts of audit and non-audit fees paid/ payable by the Company and the Group to the External Auditors were as follows:

	Company (RM'000)	Group (RM'000)
Audit Fees	300	394
Non-Audit Fees	6	6
TOTAL FEES	306	400

2. MATERIAL CONTRACTS

There were no material contracts involving the Directors', chief executive (who is not a Director) and major shareholders' interests, either subsisting at the end of the financial year ended 31 December 2024 or, if not then subsisting, entered into since the end of the previous financial year.

3. CONTRACTS RELATING TO LOAN

During the financial year ended 31 December 2024, there were no material contracts relating to loans entered into by the Company involving Directors and major shareholders.

4. UTILISATION OF PROCEEDS FROM CORPORATE EXERCISE

The Company did not raise funds through any corporate proposals during the financial year ended 31 December 2024.

5. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND TRADING NATURE ("RRPTs")

The Company obtained shareholders' approval for the mandate on RRPTs at the last Annual General Meeting held on 27 June 2024. However, no RRPT transactions were incurred during the financial year ended 31 December 2024.

The Company is not seeking approval from the shareholders for the proposed renewal of the shareholders' mandate for the Company to enter into RRPT(s) of a revenue or trading nature pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad at the forthcoming Annual General Meeting to be convened on Wednesday, 25 June 2025, at 8:00 a.m.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

A. INTRODUCTION

The Board of Directors (“The Board”) of ARB Berhad is pleased to make the following statement on risk management and internal control which outlines the nature and scope of the risk management and internal control within the Group during the financial year 2024. The Statement on Risk Management and Internal Control is made in compliance with paragraph 15.26(b) of the Main Market: Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad and as guided by the “Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers” issued by Bursa Securities.

B. BOARD RESPONSIBILITY

The Board is committed to its responsibilities to maintain a sound system of risk management and internal control to safeguard the shareholders’ investments and the Group’s assets and for reviewing the adequacy and integrity of the system. Notwithstanding, due to the limitations that are inherent in any system of risk management and internal control, the Group’s risk management and internal control system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and it can only provide reasonable but not absolute assurance against material misstatement or loss, contingencies, fraud or any irregularities.

The Board was assisted by the Audit Committee to fulfill its responsibilities in internal audit function.

C. RISK MANAGEMENT

The Board recognises that risk management is an integral part of the Group’s business operations and that the identification and management of risk will affect the achievement of the Group’s business objectives. The Management is responsible and accountable to the Board for risk management processes being carried out to achieve the Group’s business objectives within the risk appetite parameters. In discharging its responsibilities, the Board has taken into account the guidance of the Malaysian Code on Corporate Governance.

Risk management and internal controls are treated as an integral part of overall management process. The Management oversees the Risk Management framework and the scope of work includes evaluating the existing controls for effectiveness and efficiency and providing recommendations for improvement.

D. KEY ELEMENTS OF INTERNAL CONTROL

The Board is committed to maintain a sound internal control structure to govern the manner in which the Group and its employees conduct themselves. The key features of controls are: -

- (i) the responsibilities of the Board and Management are clearly defined in the organisation structure to ensure both parties’ roles and responsibilities in overseeing the conduct of the group’s business effectively;
- (ii) Senior Management regularly performs review on finance units; and
- (iii) quarterly and comprehensive information provided to the Management, covering financial performance and key business indicators.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

E. INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to GovernanceAdvisory.com Sdn Bhd (“GASB”). GASB is an independent professional firm supports the Audit Committee, and by extension, the Board, by providing an independent assurance on the effectiveness of the Group’s systems of internal control.

During the financial year under review, an internal audit was carried out on the Human Resources for the group of companies. Review was conducted in accordance with approved Internal Audit Planning Memorandum. GASB ensured that:

- Policies and procedures were in place and consistently practiced;
- Manpower requirements were planned/budgeted for and approved by management, and suitable candidates were recruited/ employed in accordance with the requester requirements;
- Resigning employee’s last working date was communicated to the respective departments for, among others, return of company’ assets, timely deactivation of user access in application systems; and
- The authorized personnel checked and approved the salary and statutory payment prior to remittance, salary and statutory payment were paid to the valid employee, and confirm statutory contribution and deductions were timely remitted to the statutory bodies.

Internal Audit Review Report carried out for current financial year was tabled and presented to the Audit Committee that controls tested have been applied consistently and effectively, any weakness in the application of controls was of a minor nature. No action is required by the Management. The cost incurred by the Group for the internal audit function for the current financial year was RM 10,000.00.

F. ASSURANCE FROM MANAGEMENT

According to the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, the Board has received assurance from the Executive Directors regarding the adequacy and effectiveness of the Group’s risk management and internal control operation in all material aspect. It is therefore of the view that risk management and internal control system is satisfactory and no material internal control failures was noted.

G. REVIEW OF THE STATEMENTS

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad MMRL, the external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report 2024. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide 3 (“AAPG”): 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. AAPG 3 does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group. Based on their review, nothing has come to their attention that causes them to believe that this statement is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

H. CONCLUSION

The Board is satisfied that the present Risk Management and Internal Control available is satisfactory, adequate and effective for the Group’s business. The Board however recognises the ever changing dynamic business environment, and hence will endeavour to continue improving, and enhancing the existing system of risk management and internal control to ensure their continued relevance.

This statement was approved by the Board on 23 April 2025.

AUDIT COMMITTEE REPORT

(A) Composition

Throughout the financial year ended 31 December 2024 ("FYE 2024"), the Audit Committee ("AC") comprised:-

Directors	Designation
Khor Chin Meng	Chairman / Independent Non-Executive Director
Yuen Ya Ting	Member / Independent Non-Executive Chairperson
Aiman Afiffudin Bin Ramlee	Member / Independent Non-Executive Director

The Audit Committee comprises three (3) members, all of whom are Independent Non-Executive Directors. None of the Independent Non-Executive Directors have appointed Alternate Directors. The Chairman of the Audit Committee, Mr Khor Chin Meng is a Fellow Member of the Fellowship of Chartered Certified Accountant (FCCA) fulfilling the requisite qualifications under Paragraph 15.09(1)(c) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). All members of the AC are financially literate and are able to analyse and interpret financial statements in order to effectively discharge their duties and responsibilities as members of the AC.

(B) Meetings and Attendance

During FYE 2024, the Audit Committee conducted five (5) meetings. The details of attendance of the members of the Audit Committee are as follows:

Name	Attendance	Percentage of Attendance
Khor Chin Meng	5/5	100%
Yuen Ya Ting	4/5	80%
Aiman Afiffudin Bin Ramlee	5/5	100%

The Directors of the Company, internal auditors, external auditors and the relevant key personnel were invited to attend the meeting as and when necessary, in order to facilitate direct communications in respect on matters of significant concern of interest.

The AC meetings were structured through the use of agendas and relevant meeting papers which were distributed to the AC prior to the meetings. The meetings were of adequate length to allow the AC to accomplish its agenda with sufficient time to discuss emerging issues. The AC conducted its meeting in an open and constructive manner and encouraged focused discussion, questioning and expressions of differing opinions.

The external auditors will report their findings of the significant accounting and auditing issues to the AC for review, deliberation and decision making. The finance team will present the unaudited quarterly financial statements, as well as other financial reporting related matters for the AC's deliberation and recommendation to the Board for approval, where appropriate. The Chairman of the AC will report and highlight the key issues discussed at each AC meeting to the Board accordingly.

(C) Term of Reference

The terms of reference of the Audit Committee outlining the composition, authorities, roles and responsibilities of the Audit Committee, which are consistent with the requirements of the MMLR of Bursa Securities and the recommendations of the Malaysian Code on Corporate Governance, are available on the Company's website at <https://www.arbberhad.com/corporate-governance>.

AUDIT COMMITTEE REPORT (CONT'D)

(D) Summary of Work

During the FYE 2024, the AC worked closely with the External Auditors, Internal Auditors and Management to monitor, oversee, review and evaluate the effectiveness and adequacy of the Group's risk management and internal control, financial management and reporting. During FYE 2024, the following activities were carried out by the AC:-

- a) Reviewed the unaudited quarterly financial results announcements of the Company and of the Group prior to the Boards' approval with particular focus on compliance with financial reporting standards in Malaysia and provisions of the Companies Act 2016 and the Group's accounting policies and practice;
- b) Reviewed the Audit Planning Memorandum for FYE 2024;
- c) Reviewed the external auditors terms of engagement and the audit plan of the Company and of the Group for FYE 2024;
- d) Evaluated the performance of the external auditors for FYE 2024 covering areas such as calibre, quality processes, audit team, audit scope, audit communication, audit governance and independence;
- e) Reviewed and assessed the adequacy of the scope and functions of the internal audit plan;
- f) Reviewed the internal audit reports presented and considered the findings of internal audit through the review of the internal audit reports tabled and management responses thereof;
- g) Reviewed the effectiveness of the Group's system of internal control;
- h) Reviewed related party transactions and conflict of interest situation that may arise within the Company or the Group;
- i) Reviewed the Company's compliance with the Listing Requirements, applicable Approved Accounting Standards and other relevant legal and regulatory requirements; and
- j) Reviewed the relevant statements/report contained in the Annual Report 2024.

(E) Internal Audit Function and Activities

The Internal Audit ("IA") function is considered an integral part of the assurance framework within the Group. IA function plays an intermediary role in that it assists in the discharge of the oversight function which is delegated by the Board to the AC. It serves as a mean of obtaining sufficient assurance of regular review and/or appraisal of the adequacy and effectiveness of the system of internal controls from the perspective of governance, risks and control.

The Group outsources its IA function to GovernanceAdvisory.com Sdn Bhd ("GA"), which has adequate resources and appropriate standing to undertake its work independently and objectively to provide reasonable assurance to the AC regarding the adequacy and effectiveness of risk management, internal control and governance systems.

The personnel conducting and carrying out the IA function are free from any relationship or conflict of interest or undue influence of others which could impair their independence. GA reports directly to the AC.

The total cost incurred for the IA function of the Group in respect of the FYE 2024 amounted to RM10,000.00.

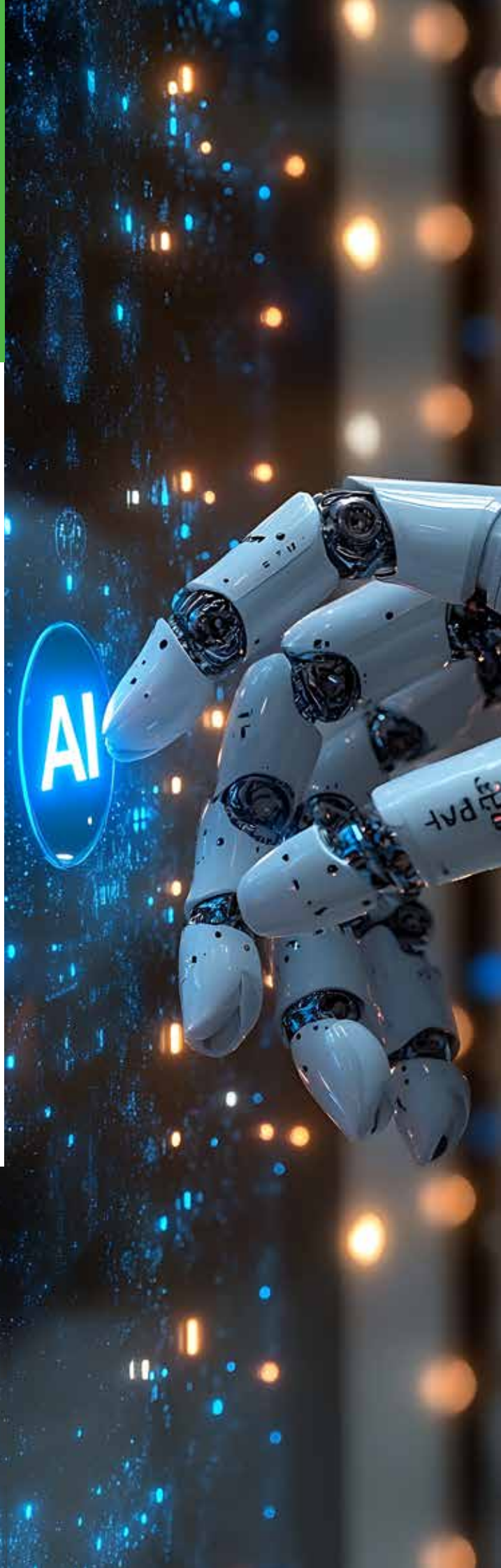
The summary of the works undertaken by the internal auditors during the period under review are as follows:-

- (a) Human Resource Review for ARB Berhad Group

This report is made in accordance with a resolution passed at the AC meeting held on 23 April 2025.

FINANCIAL STATEMENTS

51	DIRECTORS' REPORT
55	STATEMENTS OF FINANCIAL POSITION
57	STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
58	STATEMENTS OF CHANGES IN EQUITY
61	STATEMENTS OF CASH FLOWS
63	NOTES TO THE FINANCIAL STATEMENTS
104	STATEMENT BY DIRECTORS
104	STATUTORY DECLARATION
105	INDEPENDENT AUDITORS' REPORT



DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year from 1 January 2024 to 31 December 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the provision of management services and investment holding. The principal activities of the subsidiaries are described in Note 9 to the financial statements. There have been no significant changes in the nature of these principal activities of the Group and of the Company during the financial year.

CHANGE OF FINANCIAL YEAR END

In the previous financial period, the Group and the Company have changed their financial year end from 30 June to 31 December. Accordingly, the financial statements of the Group and of the Company for the current financial year are drawn up for a period of twelve (12) months from 1 January 2024 to 31 December 2024, and comparative amounts are presented for a period of eighteen (18) months from 1 July 2022 to 31 December 2023. Therefore, the amounts presented in statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows and related note are not comparable with the amounts presented for comparative period.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year attributable to:		
Owners of the Company	1,884	5,596
Non-controlling interests	75	-
	<u>1,959</u>	<u>5,596</u>

DIVIDENDS

The Directors do not recommend any final dividend in respect of the financial year ended 31 December 2024.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those presented in the statements of changes in equity.

ISSUE OF SHARES AND DEBENTURES

There were no changes in the issued and paid-up capital of the Company during the financial year except for issuance of 13,811,830 new ordinary shares pursuant to the conversion of 193,369,528 Irredeemable Convertible Preference Shares ("ICPS") at a conversion price of RM0.14 each.

The new ordinary shares issued during the financial year rank pari-passu in all respects with the existing ordinary shares of the Company.

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

DIRECTORS' REPORT

(CONT'D)

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

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

The Company

Khor Chin Meng
Hong Zi Shen
Yuen Ya Ting
Aiman Afiffudin Bin Ramlee

Subsidiaries (excluding those who are already listed above)

Muhammad Ritzwan Bin Roslan⁽¹⁾
Joseph Wong Yok Sek @ Wong Kie Ing⁽²⁾
Lai Choon Khong⁽²⁾
Dato' Baharon Bin Talib⁽²⁾
Dato' Sri Liew Kok Leong⁽²⁾
Chan Wai Heng⁽²⁾

⁽¹⁾ Appointed during the financial year

⁽²⁾ Resigned/Ceased as the Group's subsidiaries during the financial year

DIRECTORS' INTERESTS

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

The Company

	Number of ordinary shares			
	As at 1.1.2024	Acquired	Disposed	As at 31.12.2024
Direct interest:				
Hong Zi Shen	2,100,000	-	-	2,100,000

By virtue of his interests in the shares of the Company, the Director is also deemed to be interested in the shares of all the subsidiaries to the extent the Company has an interest.

None of the other Directors holding office at the end of the financial year held any interest in the shares of the Company and of its related corporations.

DIRECTORS' REPORT

(CONT'D)

DIRECTORS' BENEFITS

Since the end of the previous financial period, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than the following:

- (a) certain Directors who may be deemed to derive benefits by virtue of trade transactions entered into with companies in which certain Directors have substantial financial interests; and
- (b) certain Directors who received remuneration from the subsidiaries as Directors of the subsidiaries.

The details of the above transactions are disclosed in Note 27(c) to the financial statements.

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

DIRECTORS' REMUNERATION

The Directors' remuneration of the Group and of the Company are amounted to RM317,148 (2023: RM2,183,802) and RM78,000 (2023: RM130,520) respectively during the financial year.

INDEMNITIES AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been the Director or auditor of the Group and of the Company.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

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

- (c) The Directors are not aware of any circumstances:
 - (i) which would require the writing off of bad debts or the making of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

DIRECTORS' REPORT

(CONT'D)

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (CONT'D)

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

(d) In the opinion of the Directors:

- (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
- (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

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

AUDITORS

The auditors, CHENGCO PLT, do not seek for reappointment. The auditors' remuneration of the Group and of the Company are amounted to RM394,000 (2023: RM1,065,000) and RM300,000 (2023: RM1,065,000) respectively during the financial year.

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

HONG ZI SHEN
Director

KHOR CHIN MENG
Director

Kuala Lumpur, Malaysia
23 April 2025

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	Group 2024 RM'000	2023 RM'000	Company 2024 RM'000	2023 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	6	17,777	97	-	-
Right-of-use assets	7	214	917	-	-
Intangible assets	8	-	31	-	-
Investment in subsidiaries	9	-	-	-	202,535
		<u>17,991</u>	<u>1,045</u>	<u>-</u>	<u>202,535</u>
Current assets					
Trade receivables	12	86,905	42,146	-	-
Other receivables	13	82,845	153,718	80,805	380
Amounts due from a subsidiary	21	-	-	126,642	-
Current tax asset		-	32	-	-
Cash and cash equivalents	14	21,740	23,766	553	231
		<u>191,490</u>	<u>219,662</u>	<u>208,000</u>	<u>611</u>
TOTAL ASSETS		<u>209,481</u>	<u>220,707</u>	<u>208,000</u>	<u>203,146</u>
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	15	201,606	199,673	201,606	199,673
Irredeemable convertible preference shares	16	-	1,933	-	1,933
Reserves	17	7,031	1,809	6,066	470
		<u>208,637</u>	<u>203,415</u>	<u>207,672</u>	<u>202,076</u>
Non-controlling interests	9(h)	-	1,572	-	-
TOTAL EQUITY		<u>208,637</u>	<u>204,987</u>	<u>207,672</u>	<u>202,076</u>

STATEMENTS OF FINANCIAL POSITION (CONT'D)

AS AT 31 DECEMBER 2024

	Note	Group		Company	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
LIABILITIES					
Non-current liabilities					
Lease liabilities	7	88	241	-	-
		88	241	-	-
Current liabilities					
Trade payables	18	-	11,464	-	-
Other payables and accruals	19	607	2,291	328	1,070
Lease liabilities	7	100	701	-	-
Current tax liability		49	1,023	-	-
		756	15,479	328	1,070
TOTAL LIABILITIES		844	15,720	328	1,070
TOTAL EQUITY AND LIABILITIES		209,481	220,707	208,000	203,146

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		1.1.2024 31.12.2024 RM'000	1.7.2022 31.12.2023 RM'000	1.1.2024 31.12.2024 RM'000	1.7.2022 31.12.2023 RM'000
Revenue	22	99,105	402,732	27,095	218,883
Cost of sales		(94,852)	(318,892)	-	-
Gross profit		4,253	83,840	27,095	218,883
Other income		4,944	95,292	2	-
Administrative expenses		(5,248)	(150,835)	(735)	(1,968)
Other expenses		(1,833)	(86,530)	(20,767)	(62,727)
Finance costs		(19)	(105)	-	-
Profit/(Loss) before tax	23	2,097	(58,338)	5,595	154,188
Taxation	24	(138)	22,824	1	-
Profit/(Loss) for the financial year		1,959	(35,514)	5,596	154,188
Other comprehensive income for the year, net of tax					
Items that may be reclassified subsequently to profit or loss:					
Gain on foreign currency translation		3,338	826	-	-
Total comprehensive income/(loss)		5,297	(34,688)	5,596	154,188
Profit/(Loss) for the financial year attributable to:					
Owners of the Company		1,884	(35,859)	5,596	154,188
Non-controlling interests	9(h)	75	345	-	-
		1,959	(35,514)	5,596	154,188
Total comprehensive income/(loss) attributable to:					
Owners of the Company		5,222	(35,260)	5,596	154,188
Non-controlling interests	9(h)	75	572	-	-
		5,297	(34,688)	5,596	154,188
Earnings/(Loss) per share attributable to Owners of the Company (sen):					
Basic	25	0.15	(2.94)		
Diluted	25	0.15	(2.91)		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Group	Note	Share capital RM'000	Attributable to Owners of the Company				Non-controlling interests RM'000	Total equity RM'000
			Irredeemable convertible preference shares ("ICPS") RM'000	Non-distributable	Exchange translation reserve RM'000	Retained earnings RM'000	Total attributable to Owners of the parent RM'000	
As at 1 January 2024		199,673	1,933	(3,338)	5,147	203,415	1,572	204,987
Profit for the financial year		-	-	-	1,884	1,884	75	1,959
Gain on foreign currency translations		-	-	3,338	-	3,338	-	3,338
Other comprehensive income		-	-	3,338	-	3,338	-	3,338
Total comprehensive income		-	-	3,338	1,884	5,222	75	5,297
Transaction with Owners of the Company								
Issuance of shares pursuant to conversion of ICPS	15,16	1,933	(1,933)	-	-	-	-	-
Acquisitions of additional interests in subsidiaries from non-controlling interests:		-	-	-	-	-	1	1
- Accretion of equity interests		-	-	-	-	-	(1,648)	(1,648)
Effects of dilution of interests in subsidiaries		-	-	-	-	-	-	-
Total transactions with Owners of the Company		1,933	(1,933)	-	-	-	(1,647)	(1,647)
As at 31 December 2024		201,606	-	-	7,031	208,637	-	208,637

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Group (Cont'd)		Attributable to Owners of the Company						
Note	Share capital RM'000	Irredeemable convertible preference shares ("ICPS") RM'000	Non-distributable			Distributable		
			Exchange translation reserve RM'000	Retained earnings RM'000	Total attributable to Owners of the parent RM'000	Non-controlling interests RM'000	Total equity RM'000	
As at 1 July 2022		196,935	4,671	-	175,625	377,231	629	377,860
Loss for the financial period		-	-	-	(35,859)	(35,859)	345	(35,514)
Gain on foreign currency translations		-	-	599	-	599	227	826
Other comprehensive income		-	-	599	-	599	227	826
Total comprehensive (loss)/income		-	-	599	(35,859)	(35,260)	572	(34,688)
Transaction with Owners of the Company								
15,16	Issuance of shares pursuant to conversion of ICPS	2,738	(2,738)	-	-	-	-	-
	Disposal of subsidiaries	-	-	2	-	2	(263)	(261)
	Demerger of AIGL Group	-	-	(3,939)	-	(3,939)	(5,106)	(9,045)
	Acquisitions of additional interests in subsidiary from non-controlling interests:							
	- Accretion of equity interests	-	-	-	2,533	2,533	(2,778)	(245)
	Effects of dilution of interests in a subsidiary	-	-	-	15,024	15,024	(15,024)	-
	Ordinary shares capital contributed by non-controlling interests of subsidiaries	-	-	-	-	-	23,542	23,542
	Non-convertible redeemable preference shares ("NCRPS") contributed by non-controlling interest of a subsidiary	-	-	-	-	-	1	1
	Redemption of NCRPS by non-controlling interest of a subsidiary	-	-	-	(6,000)	(6,000)	5,999	(1)
	Dividend paid to a non-controlling interest	-	-	-	-	-	(6,000)	(6,000)
Dividend-in-specie		-	-	-	(146,176)	(146,176)	-	(146,176)
Total transactions with Owners of the Company		2,738	(2,738)	(3,937)	(134,619)	(138,556)	371	(138,185)
As at 31 December 2023		199,673	1,933	(3,338)	5,147	203,415	1,572	204,987

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Company

	Note	Attributable to Owners of the Company			Total equity RM'000
		Share capital RM'000	ICPS RM'000	Distributable Accumulated losses/ Retained earning RM'000	
As at 1 January 2024		199,673	1,933	470	202,076
Profit for the financial year/ Total comprehensive income		-	-	5,596	5,596
Transaction with Owners of the Company					
Issuance of shares pursuant to conversion of ICPS	15,16	1,933	(1,933)	-	-
Total transactions with Owners of the Company		1,933	(1,933)	-	-
As at 31 December 2024		201,606	-	6,066	207,672
As at 1 July 2022		196,935	4,671	(7,542)	194,064
Loss for the financial period/ Total comprehensive loss		-	-	154,188	154,188
Transaction with Owners of the Company					
Issuance of shares pursuant to conversion of ICPS	15,16 9(f)	2,738	(2,738)	-	-
Dividend-in-specie		-	-	(146,176)	(146,176)
Total transactions with Owners of the Company		2,738	(2,738)	(146,176)	(146,176)
As at 31 December 2023		199,673	1,933	470	202,076

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	1.1.2024	1.7.2022	1.1.2024	1.7.2022
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before tax	2,097	(58,338)	5,595	154,188
Adjustments for:				
Depreciation of property, plant and equipment	2,274	130,588	-	-
Depreciation of right-of-use assets	386	1,220	-	-
Finance costs	19	105	-	-
Gain on termination of leases	(1)	(16)	-	-
Dividend income	-	-	(26,945)	(218,883)
Interest income	(576)	(2,621)	(2)	-
Impairment loss on property, plant and equipment	-	44,214	-	-
Impairment loss on investment in associate	-	26,132	-	62,707
Impairment loss on other investments, net	-	2,579	400	-
Impairment loss on amount due from subsidiaries	-	-	16,134	-
Impairment loss on trade and other receivables	9,660	9,564	4,233	20
Gain on demerger of ARB IOT Group Limited ("AIGL") Group	-	(89,284)	-	-
(Gain)/loss on disposal of subsidiaries	(4,120)	(213)	-	-
Gain on dilution of subsidiaries	(8,141)	-	-	-
Loss on disposal of other investment	314	899	-	-
Unrealised loss on foreign exchange	-	10	-	-
Operating profit/(loss) before changes in working capital	1,912	64,839	(585)	(1,968)
Changes in working capital:				
Trade receivables	(50,327)	53,566	-	-
Other receivables	(93,793)	(178,757)	86,130	(400)
Trade payables	(9,763)	11,380	-	-
Other payables and accruals	174,577	155,725	(742)	922
Cash generated from/(used in) operations	22,606	106,753	84,803	(1,446)
Interest received	576	2,621	2	-
Income tax paid	(45)	(296)	1	-
Net cash from/(used in) operating activities	23,137	109,078	84,806	(1,446)

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	1.1.2024	1.7.2022	1.1.2024	1.7.2022
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of additional equity interest of subsidiaries	-	(245)	-	-
Advances to subsidiaries	-	-	(142,776)	-
Net cash (outflow)/inflow upon disposal of subsidiaries	(5)	(340)	-	-
Net cash outflow upon dilution of subsidiaries	(8,079)	-	-	-
Net cash outflow upon demerger of AIGL Group	-	(53,630)	-	-
Capital contribution to subsidiaries	-	-	31,347	(9,960)
Dividend received from subsidiaries	-	-	26,945	10,000
Proceed from redemption of other investments	-	(1)	-	-
Purchase of property, plant and equipment	(20,000)	(154,521)	-	-
Net cash (used in)/ from investing activities	(28,084)	(208,737)	(84,484)	40
CASH FLOWS FROM FINANCING ACTIVITIES				
Decrease/(Increase) in fixed deposits with the licensed banks	7,267	(7,267)	-	-
Ordinary share capital contributed by non-controlling interests of subsidiaries	-	23,542	-	-
Payment of lease liabilities	(417)	(1,291)	-	-
Net cash from financing activities	6,850	14,984	-	-
Net increase/(decrease) in cash and cash equivalents	1,903	(84,675)	322	(1,406)
Effects of exchange rate changes	3,338	826	-	-
Cash and cash equivalents at beginning of the year/period	16,499	100,348	231	1,637
Cash and cash equivalents at end of the year/period	21,740	16,499	553	231
Cash and cash equivalents comprised:				
Fixed deposits with licenced banks	-	7,267	-	-
Cash and bank balances	21,740	16,499	553	231
	21,740	23,766	553	231
Less: Fixed deposits with licenced banks	-	(7,267)	-	-
	21,740	16,499	553	231

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No.1, Medan Syed Putra Utara, 59200 Kuala Lumpur, W.P. Kuala Lumpur. The principal place of business of the Company is located at 29-03A, Q Sentral, 2A, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur, W.P. Kuala Lumpur.

The Company is principally engaged in the provision of management services and investment holding. The principal activities of the subsidiaries are described in Note 9 to the financial statements. There have been no significant changes in the nature of these principal activities of the Group and the Company during the financial year.

In the previous financial period, the Group and the Company have changed their financial year end from 30 June to 31 December. Accordingly, the financial statements of the Group and of the Company for the current financial year are drawn up for a period of twelve (12) months from 1 January 2024 to 31 December 2024, and comparative amounts are presented for a period of eighteen (18) months from 1 July 2022 to 31 December 2023. Therefore, the amounts presented in statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows and related note are not comparable with the amounts presented for comparative period.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 23 April 2025.

2. BASIS FOR PREPARATION

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 ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial period except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 29(a) to the financial statements.

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

The financial statements are presented in Ringgit Malaysia ("RM") which is also the functional currency of the Company and all values are rounded to the nearest thousand (RM'000), unless otherwise indicated.

3. OPERATING SEGMENTS

The Group's businesses are organised into business units based on their products and services provided. The performance of each segment is measured based on the internal management report reviewed by Chief Operating Decision Maker. The Group is organised into 4 main business segments as follows:

- (a) Cloud
- (b) Customer relationship Management ("CRM")
- (c) Platform
- (d) Investment holding and others

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. OPERATING SEGMENTS (CONT'D)

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The inter-segment transactions have been entered into at arms-length with terms mutually agreed between the segments and have been eliminated to arrive at the Group's results.

(a) Business segments

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment:

	Cloud RM'000	IoT RM'000	CRM RM'000	Platform RM'000	Investment holding and others RM'000	Total RM'000
2024						
Assets						
Segment assets	29,446	-	-	78,859	101,176	209,481
Deferred tax assets and tax recoverable	-	-	-	-	-	-
Total assets	29,446	-	-	78,859	101,176	209,481
Liabilities						
Segment liabilities	215	-	-	192	388	795
Deferred tax liabilities and tax payable	2	-	-	1	46	49
Total liabilities	217	-	-	193	434	844
Additions to non-current assets:						
Property, plant and equipment	-	-	-	20,000	-	20,000
Revenue						
Total revenue	2,403	-	6,200	90,526	150	99,279
- Inter-segment revenue	(18)	-	-	(6)	(150)	(174)
Revenue from external parties	2,385	-	6,200	90,520	-	99,105
Results						
Segment profit/(loss)	631	-	771	(595)	1,309	2,116
Finance costs	(17)	-	-	(2)	-	(19)
Profit/(Loss) before tax	614	-	771	(597)	1,309	2,097
Tax expense	(71)	-	(1)	(1)	(65)	(138)
Profit/(Loss) for the financial year	543	-	770	(598)	1,244	1,959

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. OPERATING SEGMENTS (CONT'D)

(a) Business segments (Cont'd)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment: (Cont'd)

	Cloud RM'000	IoT RM'000	CRM RM'000	Platform RM'000	Investment holding and others RM'000	Total RM'000
2024 (Cont'd)						
Items included in the business segment performance analysis are:						
Depreciation of:						
- property, plant and equipment	52	-	-	2,222	-	2,274
- right-of-use assets	343	-	-	43	-	386
2023						
Assets						
Segment assets	35,555	-	11,519	14	173,587	220,675
Deferred tax assets and tax recoverable	32	-	-	-	-	32
Total assets	35,587	-	11,519	14	173,587	220,707
Liabilities						
Segment liabilities	13,574	-	18	7	1,098	14,697
Deferred tax liabilities and tax payable	962	-	(4)	-	65	1,023
Total liabilities	14,536	-	14	7	1,163	15,720
Additions to non-current assets:						
Property, plant and equipment	30,137	102,384	22,000	-	-	154,521
Revenue						
Total revenue	144,736	273,755	53,630	67	-	472,188
- Inter-segment revenue	(4,473)	(54,541)	(10,430)	(12)	-	(69,456)
Revenue from external parties	140,263	219,214	43,200	55	-	402,732

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. OPERATING SEGMENTS (CONT'D)

(a) Business segments (Cont'd)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment: (Cont'd)

	Cloud RM'000	IoT RM'000	CRM RM'000	Platform RM'000	Investment holding and others RM'000	Total RM'000
2023 (Cont'd)						
Results						
Segment (loss)/profit	(35,863)	48,143	(32,999)	(56)	(37,458)	(58,233)
Finance costs	(95)	(10)	-	-	-	(105)
(Loss)/Profit before tax	(35,958)	48,133	(32,999)	(56)	(37,458)	(58,338)
Tax expense	1,028	18,673	3,239	1	(117)	22,824
(Loss)/Profit for the financial period	(34,930)	66,806	(29,760)	(55)	(37,575)	(35,514)
Items included in the business segment performance analysis are:						
Depreciation of:						
- property, plant and equipment	11,090	100,576	18,922	-	-	130,588
- right-of-use assets	1,031	189	-	-	-	1,220

(b) Geographical segments

The Group operates predominantly in Malaysia and revenue from overseas is insignificant. Accordingly, the information by geographical segment is not presented.

(c) Major customers

There are two (2) (2023: five (5)) major customers contributing to 98% (2023: 79%) of the Group's revenue.

4. CAPITAL MANAGEMENT

The primary objective of the capital management is to maintain strong capital base, good credit rating and healthy capital ratios, in order to support the Group's businesses and maximizing shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

4. CAPITAL MANAGEMENT (CONT'D)

The Group monitors capital utilisation on the basis of net debt-to-equity ratio, which is net debt divided by the Shareholders' funds. The net debt-to-equity ratios at the end of the year is as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Lease liabilities	188	942	-	-
Less: Cash and cash equivalents	(21,740)	(23,766)	(553)	(231)
Net cash	(21,552)	(22,824)	(553)	(231)
Total capital	208,637	203,415	207,672	202,076

Gearing ratio is not presented as the Group and the Company are in net cash position.

The Group and the Company have no external borrowings. The debt-to-equity ratio does not provide a meaningful indicator of the risk of borrowings.

5. FINANCIAL RISK MANAGEMENT

The overall financial risk management objective of the Group is to optimise its shareholders' value and not to engage in speculative transactions.

The Group is exposed mainly to market risk (which comprises foreign currency risk and interest rate risk), credit risk and liquidity and cash flow risk arising from their business activities.

(a) Market risk: Foreign currency risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Group also holds cash and bank balances and deposits with licensed banks denominated in USD for working capital purposes. At the end of each reporting period, such foreign currency balances amounted to RMNil (2023: RM7,551,502).

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity analysis of the Group's profit after tax to a reasonably possible change in exchange rate against the respective functional currency of the Group, with all other variables held constant.

	Group	
	2024	2023
	RM'000	RM'000
(Loss)/Profit after tax		
USD/RM		
- strengthen by 10%	-	574
- weaken by 10%	-	(574)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

5. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Market risk: Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company will fluctuate because of changes in market interest rates. The exposure to market risk of the Group for changes in interest rates primarily relates to the deposits placed with licensed banks and lease liabilities of the Group during the financial year.

The Group's exposed to interest rate risk from the interest-bearing financial instruments is negligible. As such, sensitivity analysis is not disclosed.

(c) Credit risk

Exposure to credit risk arises mainly from sales made on credit terms and deposits with licensed banks. The Group controls the credit risk on sales by ensuring that its customers have sound financial position and credit history. The Group also seeks to invest cash assets safely and profitably with approved financial institutions in line with the policy of the Group.

Exposure to credit risk

At the end of each reporting period, the maximum exposure to credit risk of the Group and of the Company is represented by the carrying amount of each class of financial assets recognised in the statements of financial position. Information regarding credit enhancement for trade and other receivables is disclosed in Notes 12 and 13 respectively.

Credit risk concentration profile

The credit risk concentration profile has been disclosed in Note 12.

(d) Liquidity and cash flow risk

Liquidity and cash flow risks are the risks that the Group and the Company will not be able to meet their financial obligation when they are fall due. The exposure of the Group and of the Company to liquidity risk are principally from their payable and lease liabilities.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

The analysis of financial instruments by remaining contractual maturities has been disclosed in Notes 7, 18 and 19 respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

6. PROPERTY, PLANT AND EQUIPMENT

Group

2024

Cost	Computer system RM'000	Furniture, fittings, and office equipment RM'000	Plant and machinery RM'000	Renovation RM'000	Total RM'000
At the beginning of the year	77,579	181	-	-	77,760
Additions	20,000	-	-	-	20,000
Disposal of subsidiaries	(47,818)	(181)	-	-	(47,999)
At the end of the year	49,761	-	-	-	49,761
Accumulated depreciation					
At the beginning of the year	33,355	94	-	-	33,449
Charge for the year	2,228	46	-	-	2,274
Disposal of subsidiaries	(22,365)	(140)	-	-	(22,505)
At the end of the year	13,218	-	-	-	13,218
Accumulated impairment					
At the beginning of the year	44,214	-	-	-	44,214
Disposal of subsidiaries	(25,448)	-	-	-	(25,448)
At the end of the year	18,766	-	-	-	18,766
Net carrying amount	17,777	-	-	-	17,777

2023

At the beginning of the period	133,998	189	56,000	23	190,210
Additions	154,144	49	-	328	154,521
Disposal of subsidiaries	(210,563)	(56)	(56,000)	(351)	(266,970)
Written off	-	(1)	#	-	(1)
At the end of the period	77,579	181	-	-	77,760
Accumulated depreciation					
At the beginning of the period	25,655	20	933	-	26,608
Charge for the period	108,327	84	22,167	10	130,588
Disposal of subsidiaries	(100,627)	(10)	(23,100)	(10)	(123,747)
Written off	-	-#	-	-	-
At the end of the period	33,355	94	-	-	33,449
Accumulated impairment					
Charge for the period	44,214	-	-	-	44,214
At the end of the period	44,214	-	-	-	44,214
Net carrying amount	10	87	-	-	97

Amount is less than RM1,000.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (a) All items of property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.
- (b) Depreciation is calculated to write down the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the various business segments of the Group. The principal annual rates used are as follows:

Computer system	10% - 33%
Furniture, fittings and office equipment	10%
Plant and machinery	20% - 33%
Renovation	10% - 20%

- (c) Included in computer system of the Group are carrying amount of RM17,777,000 (2023: RM Nil) related to hardware and software system.
- (d) The Group assessed whether there are any indications of impairment of certain property, plant and equipment during the financial year. In doing this, management considered the current environment, taking into consideration the impact of environment and performance of Cash Generating Units ("CGUs").

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections derived from financial budgets approved by management.

Management has made estimates about future results and key assumptions applied to cash flow projections of the CGUs. These key assumptions are applied to cash flow projections of the CGUs and include forecast growth in future revenues and operating profit margins, as well as determining appropriate pre-tax discount rates and growth rates.

In the previous financial period, an impairment loss of RM44,214,000 is recognised in relation to computer system of certain subsidiaries as the recoverable amounts are lower than the carrying amounts of the CGU.

7. RIGHT-OF-USE ASSETS / LEASE LIABILITIES

Right-of-use assets

	Group	
Premises and office spaces	2024	2023
	RM'000	RM'000
Cost		
At the beginning of the year/period	1,999	2,282
Additions	342	2,056
Disposal of subsidiaries	(1,999)	(280)
Termination of leases	(128)	(2,059)
At the end of the year/period	214	1,999
Accumulated depreciation		
At the beginning of the year/period	1,082	288
Charge for the year/period	386	1,220
Disposal of subsidiaries	(1,425)	(83)
Termination of leases	(43)	(343)
At the end of the year/period	-	1,082
Net carrying amount	214	917

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

7. RIGHT-OF-USE ASSETS / LEASE LIABILITIES (CONT'D)

Lease liabilities

	Group	
Premises and office spaces	2024 RM'000	2023 RM'000
At the beginning of the year/period	942	2,005
Additions	325	2,056
Disposal of subsidiaries	(595)	(201)
Interest charged	19	105
Termination of leases	(86)	(1,732)
Payment of:		
- principal	(398)	(1,186)
- interest	(19)	(105)
	(417)	(1,291)
At the end of the year/period	188	942
Represented by:		
Current liabilities	100	701
Non-current liabilities	88	241
	188	942
Lease liabilities owing to non-financial institutions	188	942

(a) The Group leases office spaces in the location which it operates. The lease of the shop lots and office spaces comprised fixed payment over the lease term.

(b) The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases. After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liabilities.

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms for premises and office spaces are 2 to 3 years.

(c) The Group has certain leases of premises, office spaces and equipments with lease term of twelve (12) months or less, and low value leases of office equipment of RM20,000 and below. The Group applies the "short-term lease" and "lease of low-value assets" exemptions for these leases.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

7. RIGHT-OF-USE ASSETS / LEASE LIABILITIES (CONT'D)

Lease liabilities (Cont'd)

Premises and office spaces (Cont'd)

(d) The following are the amounts recognised in profit or loss:

	Group	
	2024 RM'000	2023 RM'000
Administrative expenses:		
- Depreciation of right-of-use assets	386	1,220
- Expense relating to short-term leases	218	439
- Expense relating to leases of low-value assets	2	13
	<u> </u>	<u> </u>
Finance costs:		
- Interest expense on lease liabilities	19	105
	<u> </u>	<u> </u>

(e) The table below summarises the maturity profile of the lease liabilities as at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

Group	Weighted average incremental borrowing rate %	Within one year RM'000	One to five years RM'000	Total RM'000
2024				
Lease liabilities	5.08	<u>104</u>	<u>104</u>	<u>208</u>
2023				
Lease liabilities	4.40	<u>728</u>	<u>243</u>	<u>971</u>

(f) The Group leases several assets that include extension and termination options. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. Management determines whether these extension and termination options are reasonably certain to be exercised.

As at 31 December 2024, there are no undiscounted potential future rental payments that are not included in the lease term (2023: Nil).

(g) Lease liabilities are fixed rate instruments. Sensitivity analysis at the end of the reporting period is not presented as it is not affected by changes in interest rates.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

7. RIGHT-OF-USE ASSETS / LEASE LIABILITIES (CONT'D)

Lease liabilities (Cont'd)

Premises and office spaces (Cont'd)

- (h) For the purpose of the statements of cash flows, the reconciliation of liabilities arising from financing activities as follows:

	Group	
	2024	2023
	RM'000	RM'000
At the beginning of the year/period	942	2,005
Cash flows	(417)	(1,291)
Non-cash flows:		
- Additions	325	2,056
- Accretion of interest	19	105
- Disposal of subsidiaries	(595)	(201)
- Termination of leases	(86)	(1,732)
	188	942

8. INTANGIBLE ASSETS

Goodwill

	Group	
	2024	2023
	RM'000	RM'000
Cost		
At the beginning of the year/period	31	38,780
Disposal of subsidiaries	(31)	(38,749)
	-	31
Net carrying amount	-	31

- (a) Intangible assets are initially measured at cost. After initial recognition, intangible assets, excluding goodwill are carried at cost less accumulated amortisation and any accumulated impairment losses.

- (b) Goodwill

Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost. After initial recognition, goodwill is measured at cost less accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

8. INTANGIBLE ASSETS (CONT'D)

- (c) The Group assesses whether there are any indicators of impairment during the financial year. In doing this, management considers the current environment and performance of the Cash Generating Units ("CGUs").

Management has made significant judgments and estimates about the future results and key assumptions applied to cash flow projections of the CGUs in determining their recoverable amounts using the value-in-use ("VIU") model. These key assumptions include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rate.

The calculations of VIU for the CGUs of goodwill are most sensitive to the following assumptions:

- Revenue growth rates

The forecasted growth rates are determined based on past performance of the CGUs.

- Expenses growth rate

In the previous financial period, expenses are projected at annual increase of approximately 3.0% per annum.

- Pre-tax discount rates

In the previous financial period, pre-tax discount rate of 5.11% per annum has been applied in determining the recoverable amount of the CGUs.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9. INVESTMENT IN SUBSIDIARIES

	Company 2024 RM'000	2023 RM'000
Unquoted shares, at cost	-#	400
Capital contribution	-	202,135
	-	202,535

Amount is RM1.

- (a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

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

The Group controls an investee if and only if the Group has: (i) Power over the investee; (ii) Exposure, or right to variable returns from its involvement with the investee; and (iii) The ability to use its power over the investee to affect its returns.

An investee that the Group has less than a majority of the voting or similar rights, the Group consider all relevant facts and circumstances in assessing whether it has power over an investee when, including: (i) the contractual arrangement with the other vote holders of the investee; (ii) rights arising from other contractual agreements; and (iii) the voting rights of the Group and potential voting rights.

The Group treats a portion of an investee as a deemed separate entity and controls the deemed separate entity. Specified assets of the investee are the only source of payment for specified liabilities of the investee. Parties other than those with the specified liability do not have rights or obligations related to the specified assets or to residual cash flows from those assets. In substance, none of the returns from the specified assets can be used by the remaining investee and none of the liabilities of the deemed separate entity are payable from the assets of the remaining investee. Thus, in substance, all the assets, liabilities and equity of that deemed separate entity are ring-fenced from the overall investee.

The Group identified the activities that significantly affect the returns of the deemed separate entity and how those activities are directed in order to assess whether it has power over that portion of the investee. The Group also consider whether it has exposure or rights to variable returns from its involvement with that deemed separate entity and the ability to use its power over that portion of the investee to affect the amount of the investor's returns when assessing the control of the deemed separate entity.

Upon loss of control of a subsidiary, the Group's profit or loss is calculated as the difference between (i) the fair value of the consideration received and of any investment retained in the former subsidiary and (ii) the previous carrying amount of the assets (including any goodwill) and liabilities of the subsidiary and any non-controlling interests.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

- (b) The principal place of business of the subsidiaries are in Malaysia and/or incorporated in Malaysia unless indicated otherwise. The details of the subsidiaries are as follows:

Name of company		Effective interest in equity		Principal activities
		2024 %	2023 %	
ARB Asset Sdn. Bhd.	(c)(1)	100	100	^ Investment holding
<i>Subsidiary of ARB Asset Sdn. Bhd.</i>				
ARB Tower Sdn. Bhd.		100	100	^ Investment holding
<i>Subsidiary of ARB Tower Sdn. Bhd.</i>				
ARB Cell Sdn. Bhd.	(c)(2)	100	100	^ Investment holding
<i>Subsidiary of ARB Cell Sdn. Bhd.</i>				
ARB Cloud Cosec Sdn. Bhd.		100	(d)(1) 100	^ Dormant
ARB Vision Sdn. Bhd.	(c)(3)	100	100	^ Investment holding
<i>Subsidiary of ARB Vision Sdn. Bhd.</i>				
ARB Analysis Sdn. Bhd.		100	100	^ Provision of ERP and Customer Relationship Management system ("CRM")
ARB WM Sdn. Bhd.	(c)(4)	100	100	^ Investment holding
<i>Subsidiary of ARB WM Sdn. Bhd.</i>				
ARB Wemeet Sdn. Bhd.		100	100	^ Business in provision of virtual meeting platform
* ARB Holdings Sdn. Bhd. ("ARB Holdings")	(c)(5)	-	100	^ Investment holding
<i>Subsidiaries of ARB Holdings</i>				
* ARB Digital Technology Sdn. Bhd. ("ARB Digital Technology")	(c)(6)	-	100	^ Investment holding

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

- (b) The principal place of business of the subsidiaries are in Malaysia and/or incorporated in Malaysia unless indicated otherwise. The details of the subsidiaries are as follows: (Cont'd)

Name of company		Effective interest in equity		Principal activities
		2024 %	2023 %	
Subsidiaries of ARB Holdings (Cont'd)				
Subsidiaries of ARB Digital Technology (Cont'd)				
* ARB Codes Sdn. Bhd.	(c)(6)	-	100	^ Investment holding
Subsidiary of ARB Codes Sdn. Bhd.				
* ARB Axflix Sdn. Bhd.	(c)(6)	-	51	^ Providing Information Technology Outsourcing ("ITO") services
* ARB C5 Sdn. Bhd.	(c)(6)	-	100	^ Investment holding
Subsidiary of ARB C5 Sdn. Bhd.				
* ARB Cloud Sdn. Bhd.	(c)(6)	-	100	^ Reselling cloud based products
* ARB Net Sdn. Bhd.	(c)(7)	-	100	^ Investment holding
* ARB Smarttech Sdn. Bhd.	(c)(8)	-	100	^ Investment holding
Subsidiary of ARB Smarttech Sdn. Bhd.				
* ARB Fintech Sdn. Bhd.	(c)(8)	-	100	^ Dormant
* ARB Techinvest Sdn. Bhd.	(c)(6)	-	100	^ Investment holding
Subsidiary of ARB Techinvest Sdn. Bhd.				
* ARB System Sdn. Bhd.	(c)(6)	-	100	^ Provision of ERP and Customer Relationship Management system ("CRM")
* ARB VM Sdn. Bhd.	(c)(6)	-	100	^ Investment holding
Subsidiary of ARB VM Sdn. Bhd.				
* ARB Workforce Software Sdn. Bhd.	(c)(6)	-	100	^ Provision of information technology outsourcing services

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

- (b) The principal place of business of the subsidiaries are in Malaysia and/or incorporated in Malaysia unless indicated otherwise. The details of the subsidiaries are as follows: (Cont'd)

Name of company	Effective interest in equity				Principal activities
	2024		2023		
%					
Subsidiaries of ARB Holdings (Cont'd)					
Subsidiaries of ARB Digital Technology (Cont'd)					
* Techenergy Power Sdn. Bhd.	(c)(6)	-		100	^ Investment holding
Subsidiary of Techenergy Power Sdn. Bhd.					
* ARB Industry Sdn. Bhd.	(c)(6)	-		100	^ Provision of information technology outsourcing services.
* Youth Inspired Sdn. Bhd.	(c)(9)	-	(d)(2)	51	^ Investment holding
Subsidiary of Youth Inspired Sdn. Bhd.					
* OMC One Sdn. Bhd.	(c)(9)	-	(d)(3)	51	^ Provision of information technology outsourcing service and phone retailer
* ARB IOT Limited - Cayman Island	(c)(5)	-	(d)(4)	100	^ Investment holding

* Subsidiaries not audited by CHENGCO PLT.

^ In the current financial year, the status of these subsidiaries have been changed, due to the Group undertook an internal restructuring exercise to streamline the efficiency of the group corporate structure.

The financial statements of all subsidiaries used in consolidation are prepared as of 31 December.

- (c) During the financial year, the Group completed the following subscriptions, acquisitions and disposals of companies:

- (1) On 30 May 2024, ARB Berhad acquired 1 ordinary shares representing 100% equity interest of ARB Asset Sdn. Bhd. from ARB Digital Technology Sdn. Bhd. for a total cash consideration of RM1. Following the internal reorganisation, ARB Asset Sdn. Bhd. and its subsidiary company, namely ARB Tower Sdn. Bhd. became a wholly-owned subsidiary of ARB Berhad.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(c) During the financial year, the Group completed the following subscriptions, acquisitions and disposals of companies: (Cont'd)

(2) On 10 July 2024, ARB Tower Sdn. Bhd. acquired 1 ordinary shares representing 100% equity interest of ARB Cell Sdn. Bhd. from ARB Digital Technology Sdn. Bhd. for a total cash consideration of RM1. Following the internal reorganisation, ARB Cell Sdn. Bhd. and its subsidiary company, namely ARB Cloud Cosec Sdn. Bhd. became a wholly-owned subsidiary of ARB Tower Sdn. Bhd..

(3) On 31 May 2024, ARB Tower Sdn. Bhd. acquired 9 ordinary shares representing 90% equity interest of ARB Vision Sdn. Bhd. for a total cash consideration of RM9. Following the internal reorganisation, ARB Vision Sdn. Bhd. and its subsidiary company, namely ARB Analysis Sdn. Bhd. became a subsidiary of ARB Tower Sdn. Bhd..

On 20 December 2024, ARB Tower Sdn. Bhd. acquired remaining 1 ordinary shares representing 10% equity interest of ARB Vision Sdn. Bhd. for a total cash consideration of RM1. Following the internal reorganisation, ARB Vision Sdn. Bhd. and its subsidiary company, namely ARB Analysis Sdn. Bhd. became a wholly-owned subsidiary of ARB Tower Sdn. Bhd..

(4) On 30 May 2024, ARB Tower Sdn. Bhd. acquired 1 ordinary shares representing 100% equity interest of ARB WM Sdn. Bhd. from ARB Digital Technology Sdn. Bhd. for a total cash consideration of RM1. Following the internal reorganisation, ARB WM Sdn. Bhd. and its subsidiary company, namely ARB WeMeet Sdn. Bhd. became a wholly-owned subsidiary of ARB Tower Sdn. Bhd..

(5) On 15 July 2024, the Group equity interest in ARB Holdings Sdn. Bhd. ("ARB Holdings") and ARB IoT Limited, its wholly-owned subsidiary ("ARB Holdings Group"), was diluted from 100.0% to 9.1%, for a total consideration of RM400,000. Investment in ARB Holdings had reclassified as other investments in the Group.

(6) On 31 May 2024, the Group equity interest in ARB Digital Technology Sdn. Bhd. ("ARB Digital Technology"), a direct wholly-owned subsidiary of ARB Holdings, ARB Codes Sdn. Bhd., ARB Axflix Sdn. Bhd., ARB C5 Sdn. Bhd., ARB Cloud Sdn. Bhd., ARB Techinvest Sdn. Bhd., ARB System Sdn. Bhd., ARB VM Sdn. Bhd., ARB Workforce Software Sdn. Bhd., Techenergy Power Sdn. Bhd., and ARB Industry Sdn. Bhd., its wholly-owned subsidiaries ("ARB Digital Technology Group"), was diluted from 100% to 10%, for a total consideration of RM9 due to inactive subsidiaries. Investment in ARB Digital Technology had reclassified as other investments in the Group.

(7) On 29 March 2024, ARB Digital Technology, a direct wholly-owned subsidiary of ARB Holdings, disposed 100% equity interest of ARB Net Sdn. Bhd. for a total cash consideration of RM1. Consequently, ARB Net Sdn. Bhd. disposed off from the Group.

(8) On 12 July 2024, ARB Tower Sdn. Bhd., a direct wholly-owned subsidiary of ARB Asset Sdn. Bhd., disposed 100% equity interest of ARB Smarttech Sdn. Bhd. for a total cash consideration of RM1. Consequently, ARB Smarttech Sdn. Bhd. and its subsidiary company, namely ARB Fintech Sdn. Bhd. disposed off from the Group.

(9) On 19 June 2024, the Group equity interest in Youth Inspired Sdn. Bhd. ("Youth Inspired"), a direct wholly-owned subsidiary of ARB Tower Sdn. Bhd. and OMC One Sdn. Bhd., its wholly-owned subsidiary ("Youth Inspired Group"), was diluted from 51.0% to 17.0%. Consequently, investment in Youth Inspired had reclassified as other investments.

On 30 August 2024, ARB Tower Sdn. Bhd. disposed 51 ordinary shares representing 17% of equity interest of Youth Inspired for a total cash consideration of RM1. Consequently, Youth Inspired and its subsidiary company, namely OMC One Sdn. Bhd. disposed off from the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(d) In the previous financial period, the Group completed the following subscriptions, acquisitions, disposals and incorporations of companies:

- (1) On 21 November 2022, the Group's equity interest in ARB Cloud Cossec Sdn. Bhd. ("ARB Cloud Cossec"), an indirect wholly-owned subsidiary of the Company, was diluted from 100% to 51%, for a total cash consideration of RM245,000.

On 9 January 2023, ARB Cell Sdn. Bhd., an indirect wholly-owned subsidiary of the Company, acquired 960,784 ordinary shares representing 49% of equity interest in ARB Cloud Cossec, for a total cash consideration of RM245,000. Consequently, ARB Cloud Cossec became wholly-owned subsidiary of the Company.

- (2) On 30 October 2023, ARB Digital Technology Sdn. Bhd., an indirect subsidiary of the Company had subscribed 51 ordinary shares representing 51% of equity interest of Youth Inspired Sdn. Bhd. ("Youth Inspired") for a total cash consideration of RM51.
- (3) On 30 November 2023, Youth Inspired acquired 10 ordinary shares representing 100% of equity interest of OMC One Sdn. Bhd. from Techenergy Power Sdn. Bhd. for a total cash consideration RM10. Consequently, OMC One Sdn. Bhd. became a wholly-owned subsidiary of Youth Inspired.
- (4) On 19 September 2022, ARB IOT Limited, an indirect subsidiary of the Company, had additional subscribed 15,000,000 ordinary shares of AIGL for a total cash consideration of USD1,500.

(e) Acquisition of equity interest in subsidiaries

2023

During the previous financial period, there was acquisition of Youth Inspired Sdn. Bhd.

The fair value of consideration transferred and the impact on cash flows of the acquisitions of subsidiary was negligible to the Group.

(f) Disposal of equity interest in subsidiaries

2024

- (i) During the current financial year, there are disposal of ARB Net Sdn. Bhd., ARB Smartech Sdn. Bhd. and its subsidiary, and ARB Fintech Sdn. Bhd..

The effects on the Group's financial statements are as follows:

	RM'000
Cash proceeds	* -
Less: Cost of investment in subsidiaries	-
Gain on disposal of subsidiaries at subsidiaries' company level	-
Post-acquisition reserves recognised up to the date of disposal	4,120
Gain on disposal of subsidiaries at the Group level	4,120

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(f) Disposal of equity interest in subsidiaries (Cont'd)

2024 (Cont'd)

- (i) During the current financial year, there are disposal of ARB Net Sdn. Bhd., ARB Smartech Sdn. Bhd. and its subsidiary, and ARB Fintech Sdn. Bhd.. (Cont'd)

The value of assets and liabilities of disposal and deemed disposal of subsidiaries as at date of disposal are as follows:

	RM'000
Right-of-use assets	574
Other receivables, prepayments and deposits	293
Cash and bank balances	5
Other payables and accruals	(4,397)
Lease liabilities	(595)
Net assets/(liabilities)	(4,120)
Gain on disposal of subsidiaries at the Group level	4,120
Net disposal proceeds	* -
Cash and cash equivalents of subsidiaries disposed	5
Net cash outflow upon disposal of subsidiaries	5

* Amount is less than RM1,000.

2023

- (i) In the previous financial period, there are disposal of ARB Synergy Sdn. Bhd. and its subsidiary, ARB Databook Pte. Ltd., ARB Middleware Sdn. Bhd and its subsidiary, ARB Distribution Sdn. Bhd, and deemed disposal of Magical Solution Sdn. Bhd. and its subsidiary, ARB Pay Sdn. Bhd..

The effects on the Group's financial statements are as follows:

	RM'000
Cash proceeds	* -
Less: Cost of investment in subsidiaries	* -
Gain on disposal of subsidiaries at subsidiaries' company level	-
Post-acquisition reserves recognised up to the date of disposal	215
	215
Realisation of exchange translation reserve to profit and loss	(2)
Gain on disposal of subsidiaries at the Group level	213

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

- (f) Disposal of equity interest in subsidiaries (Cont'd)

2023 (Cont'd)

- (i) In the previous financial period, there are disposal of ARB Synergy Sdn. Bhd. and its subsidiary, ARB Databook Pte. Ltd., ARB Middleware Sdn. Bhd and its subsidiary, ARB Distribution Sdn. Bhd, and deemed disposal of Magical Solution Sdn. Bhd. and its subsidiary, ARB Pay Sdn. Bhd.. (Cont'd)

The value of assets and liabilities of disposal and deemed disposal of subsidiaries as at date of disposal are as follows:

	RM'000
Property, plant and equipment	375
Trade receivables	1,448
Other receivables, prepayments and deposits	363
Cash and bank balances	340
Trade payables	(617)
Other payables and accruals	(770)
Current tax liability	(192)
Net assets	947
Less : Non-controlling interest	(263)
Less : Realisation of exchange translation reserve to profit and loss	2
Less : Reclassified to other investments (Note 11)	(899)
	(213)
Gain on disposal of subsidiaries at the Group level	213
Net disposal proceeds	* -
Cash and cash equivalents of subsidiaries disposed	340
Net cash outflow upon disposal of subsidiaries	340

* Amount is less than RM1,000.

- (ii) In the previous financial period, AIGL Group was demerged from the Group via the Dividend-In-Specie.

The effects on the Group and Company's financial statements are as follows:

	Group RM'000
Dividend-in-specie	146,176
Net assets deconsolidation	(92,069)
Realisation of exchange translation reserve to profit and loss	3,939
	58,046
Non-controlling interest	5,106
Reclassified to investment in associate (Note 10)	26,132
Gain on demerger of AIGL Group at the Group level	89,284

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(f) Disposal of equity interest in subsidiaries (Cont'd)

- (ii) In the previous financial period, AIGL Group was demerged from the Group via the Dividend-In-Specie. (Cont'd)

The effects on the Group and Company's financial statements are as follows: (Cont'd)

	Company RM'000
Dividend-in-specie	146,176
Cost of investment	(146,176)
Gain on demerger of AIGL Group at the Company level	-
The value of assets and liabilities of AIGL Group as at date of demerger are as follows:	
	RM'000
Property, plant and equipment	142,848
Right-of-use assets	197
Intangible assets	38,749
Trade receivables	2,700
Other receivables, prepayments and deposits	15,859
Current tax asset	21
Cash and bank balances	53,630
Other payables and accruals	(162,136)
Lease liabilities	(201)
Current tax liability	(86)
Deferred tax liabilities	488
Net assets	92,069
Realisation of exchange translation reserve to profit and loss	(3,939)
Non-controlling interest	(5,106)
	83,024
Less : Reclassified to investment in associate (Note 10)	(26,132)
	56,892
Gain on demerger of AIGL Group at the Group level	89,284
	146,176
Less : Dividend-in-specie	(146,176)
Net demerger proceeds	-
Cash and cash equivalents of AIGL Group	53,630
Net cash outflow upon demerger of AIGL Group	53,630

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(g) Changes in stake of equity interest in subsidiaries

2024

- (i) During the current financial year, there are changes in stake of equity interest in Youth Inspired Sdn. Bhd. and its subsidiary, OMC One Sdn. Bhd., ARB Holdings Sdn. Bhd. and its subsidiary, ARB IoT Limited as well as ARB Digital Technology Sdn. Bhd. and its subsidiaries.

The value of assets and liabilities of deemed dilution of subsidiaries are as follows:

	RM'000
Property, plant and equipment	46
Intangible assets	31
Trade receivables	6,298
Other receivables, prepayments and deposits	153,984
Cash and bank balances	8,479
Current tax asset	47
Other payables and accruals	(172,282)
Trade payables	(1,700)
Current tax liability	(1,082)
	<u>(6,179)</u>
Less : Non-controlling interest	<u>(1,648)</u>
Net assets/(liabilities)	(7,827)
Gain/(Loss) on dilution of a subsidiary company at Group level	<u>8,227</u>
Net disposal proceeds	400
Cash and cash equivalents of subsidiaries diluted	<u>(8,479)</u>
Net cash outflow upon dilution of subsidiaries	<u><u>(8,079)</u></u>
ARB share of net asset	<u>314</u>
NCI share of net liabilities	(8,141)
Less : NCI consideration	* -
Gain on dilution of equity interest in subsidiaries	<u><u>(8,141)</u></u>

* Amount is less than RM1,000.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(h) Subsidiaries with non-controlling interest

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

2024

	ARB Axflix	Youth Inspired Group	Other individually immaterial subsidiaries	Total
NCI percentage of ownership interest and voting interest (%)	49%	49%		
Carrying amount of NCI (RM'000)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(Loss)/Profit allocated to NCI (RM'000)	<u>(31)</u>	<u>107</u>	<u>(1)</u>	<u>75</u>
Total comprehensive (loss)/income allocated to NCI (RM'000)	<u>(31)</u>	<u>107</u>	<u>(1)</u>	<u>75</u>

Summarised financial information of the subsidiaries that have material NCI as at the end of each reporting period prior to intra-group elimination are as follows:

	ARB Axflix RM'000	Youth Inspired Group RM'000
Results		
Revenue	18	2,284
(Loss)/Profit for the financial year	(64)	219
Total comprehensive (loss)/income	<u>(64)</u>	<u>219</u>
Cash flows (used in)/from operating activities	(66)	524
Cash flows from investing activities	-	-
Cash flows used in financing activities	-	(500)
Net (decrease)/increase in cash and cash equivalents	<u>(66)</u>	<u>24</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(h) Subsidiaries with non-controlling interest (Cont'd)

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

2023

	ARB Axflix	Youth Inspired Group	Other individually immaterial subsidiaries	Total
NCI percentage of ownership interest and voting interest (%)	49%	49%		
Carrying amount of NCI (RM'000)	<u>65</u>	<u>1,507</u>	<u>-</u>	<u>1,572</u>
(Loss)/Profit allocated to NCI (RM'000)	<u>(221)</u>	<u>1,181</u>	<u>(615)</u>	<u>345</u>
Total comprehensive (loss)/income allocated to NCI (RM'000)	<u>(221)</u>	<u>1,181</u>	<u>(388)</u>	<u>572</u>

Summarised financial information of the subsidiaries that have material NCI as at the end of each reporting period prior to intra-group elimination were as follows:

	ARB Axflix RM'000	Youth Inspired Group RM'000
Assets and liabilities		
Non-current assets	19	-
Current assets	136	17,105
Current liabilities	<u>(22)</u>	<u>(14,029)</u>
Net assets	<u>133</u>	<u>3,076</u>
Results		
Revenue	56	16,794
(Loss)/Profit for the financial period	(451)	1,896
Total comprehensive (loss)/income	<u>(451)</u>	<u>1,896</u>
Cash flows used in operating activities	(523)	(489)
Cash flows from investing activities	359	-
Cash flows from financing activities	<u>-</u>	<u>500</u>
Net (decrease)/increase in cash and cash equivalents	<u>(164)</u>	<u>11</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

10. INVESTMENT IN ASSOCIATE

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
At cost:				
Quoted equity shares				
- outside Malaysia	-	26,132	-	62,707
Less : Accumulated impairment	-	(26,132)	-	(62,707)
Net carrying amounts	-	-	-	-

(a) The detail of the associate company, incorporate outside Malaysia is as follows:

Name of company	Effective interest in equity		Principal activity
	31.12.2024	31.12.2023	
	%	%	
Associate of ARB Berhad			
ARB IOT Group Limited - Cayman Island	-	28.38	Investment holding

(i) During the current financial year, the Group equity interest in ARB Holdings Group was diluted from 100.0% to 9.1% and as a result of indirectly diluted AIGL equity interest to 2.58%. Hence, ARB IOT Group Limited Group has ceased to be an associate of the Group.

(b) The associate is accounted for using the equity method in the consolidated financial statements.

(c) The summarised financial information of the associate is as follows:

31.12.2023	ARB IOT Group Limited RM'000
Non-current assets	181,794
Current assets	72,209
Non-current liabilities	488
Current liabilities	(162,422)
Net assets	92,069
Loss for the financial period	(22,617)
Other comprehensive income	-
Total comprehensive loss	(22,617)
Included in the total comprehensive income is:	
Revenue	273,755

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

10. INVESTMENT IN ASSOCIATE (CONT'D)

- (d) The reconciliation of net assets of the associate to the carrying amount of the investment in associate is as follows:

31.12.2023	ARB IOT Group Limited RM'000
Net assets at end of the financial period	92,069
The Company's equity interest	28.38%
Interest in associated company (RM'000)	26,132
Accumulated impairment (RM'000)	(26,132)
Net carrying amounts at end of the financial period (RM'000)	-

11. OTHER INVESTMENTS

	Group	
	2024 RM'000	2023 RM'000
Financial assets at fair value through profit or loss		
Equity securities:		
Unquoted shares in Malaysia		
Cost		
At the beginning of the year/period	3,669	5,450
Additions	313	899
Redemption/Disposal	(3,982)	(2,680)
At the end of the year/period	-	3,669
Accumulated impairment		
At the beginning of the year/period	(3,669)	(1,090)
Charge for the period	-	(2,579)
Disposal	3,669	-
At the end of the year/period	-	(3,669)
Net carrying amount	-	-

- (a) Unquoted shares of the Group are categorised as Level 3 in the fair value hierarchy. Fair values of investments in unquoted shares are estimated based on the price to book valuation model, for which the price to book ratio is a significant unobservable input.

Sensitivity analysis for investments in unquoted shares is not material to the Group.

There is no transfer between levels in the hierarchy during the financial year.

- (b) In the previous financial period, the Group has redeemed the 212,884 Redeemable Convertible Preference Shares ("RCPS") of Yes's Comm Enterprise Sdn. Bhd. for a total redemption proceed of RM1,781,500.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

12. TRADE RECEIVABLES

	Group 2024 RM'000	2023 RM'000
Current		
Trade receivables		
- Third parties	87,500	43,471
Less : Impairment losses		
- Individual assessment	(595)	(1,325)
Total trade receivables	86,905	42,146

- (a) Trade receivables are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal credit terms of trade receivables granted by the Group ranged from 180 to 210 days (2023: 180 to 210 days). Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoices amounts, which represent their fair values on initial recognition.
- (c) Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

The Group uses an allowance matrix to measure the expected credit loss of trade receivables from individual customers.

The expected loss rates are based on the historical credit losses experienced by the Group. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the customers of the Group. The Group has identified the base lending rate, unemployment rate, inflation rate and labor force participation as the key macroeconomic factors. Nevertheless, the Group believe that these factors are immaterial for the purpose of impairment calculation for the period.

For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within administrative expenses in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

Management exercised significant judgments in determining the probability of default by trade receivables and appropriate forward-looking information.

- (d) Lifetime expected loss provision for trade receivables of the Group and of the Company are as follows:

Group	Gross carrying amount RM'000	Impairment losses RM'000	Total RM'000
2024			
Current	87,500	(595)	86,905
Past due:			
1 to 30 days	-	-	-
	87,500	(595)	86,905

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

12. TRADE RECEIVABLES (CONT'D)

- (d) Lifetime expected loss provision for trade receivables of the Group and of the Company are as follows: (Cont'd)

Group	Gross carrying amount RM'000	Impairment losses RM'000	Total RM'000
2023			
Current	39,471	(1,125)	38,346
Past due: 1 to 30 days	4,000	(200)	3,800
	<u>43,471</u>	<u>(1,325)</u>	<u>42,146</u>

- (e) The movement in impairment losses on trade receivables are as follows:

	Group 2024 RM'000	2023 RM'000
At the beginning of the year/period	1,325	-
Net (Reversal)/Charge for the year/period	<u>(730)</u>	<u>1,325</u>
At the end of the year/period	<u>595</u>	<u>1,325</u>

- (f) The credit risk concentration profile of the trade receivables at the end of the reporting period are as follows:

	Group 2024 RM'000	2023 RM'000
By country		
Malaysia	<u>86,905</u>	<u>42,146</u>

There are two (2) (2023: two (2)) customers concentrated in trade receivables balances. The Group does not have significant exposure to single customers or to industry groups and does not anticipate the carrying amounts recorded at the end of the reporting period to be significantly different from the values that would eventually be received.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

13. OTHER RECEIVABLES

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Amount due from associate	-	160,541	-	400
Deposits	2,040	732	-	-
Prepayments	-	61	-	-
Other receivables	85,058	572	85,058	-
	87,098	161,906	85,058	400
Less : Impairment losses	(4,253)	(8,188)	(4,253)	(20)
	82,845	153,718	80,805	380

- (a) Other receivables and deposits are classified as financial assets measured at amortised cost.
- (b) Impairment for other receivables are recognised based on the simplified approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group defined significant increase in credit risk based on payment trends and past due information.

A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

- (i) Significant financial difficulties of the debtor;
- (ii) It is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- (iii) The disappearance of an active market for a security because of financial difficulties.

The probability of non-payment by other receivables is adjusted by forward looking information as stated in Note 12(c) and multiplied by the amount of the expected loss arising from default to determine the twelve month or lifetime expected credit loss for the other receivables.

- (c) The movement in impairment losses on other receivables are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
At the beginning of the year/period	8,188	-	20	-
Charge for the period	10,390	8,239	4,233	20
Disposal of subsidiaries	(14,499)	(51)	-	-
Exchange differences	174	-	-	-
At the end of the year/period	4,253	8,188	4,253	20

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

14. CASH AND CASH EQUIVALENTS

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	21,740	16,499	553	231
Deposits with licensed banks	-	7,267	-	-
	21,740	23,766	553	231

- (a) Cash and bank balances and deposits with licensed banks are classified as financial assets measured at amortised cost. It is highly liquid investments that are readily convertible to a known amount of cash and are subject to insignificant changes in value with original maturities period of three months or less.
- (b) Deposits with licensed banks of the Group have maturity period of 180 days to 210 days in previous financial period.
- (c) The interest rates of deposits with licensed banks of the Group are 1.75% to 5.45% per annum in previous financial period.
- (d) The currency exposure profile of cash and bank balances are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	21,740	16,214	553	231
United States Dollar	-	7,552	-	-
	21,740	23,766	553	231

- (e) No expected credit losses were recognised arising from the deposits with financial institutions because the probability of default by these financial institutions were negligible.

15. SHARE CAPITAL

	Group and Company		2023	
	2024			
	Number of	Amount	Number of	Amount
	shares	RM'000	shares	RM'000
	'000		'000	
Issued and fully paid ordinary shares				
At the beginning of the year/period	1,235,990	199,673	1,216,435	196,935
Issuance of shares pursuant to conversion of ICPS	13,812	1,933	19,555	2,738
At the end of the year/period	1,249,802	201,606	1,235,990	199,673

- (a) During the current financial year, the Company issued 13,811,830 (2023: 19,554,536) new ordinary shares pursuant to the conversion of 193,369,528 (2023: 273,763,572) Irredeemable Convertible Preference Shares ("ICPS") at a conversion price of RM0.14 (2023: RM0.14) each.
- (b) Owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

16. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES

	Group and Company			
	2024		2023	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
At the beginning of the year/period	193,369	1,933	467,133	4,671
Conversion to ordinary shares	(193,369)	(1,933)	(273,764)	(2,738)
At the end of the year/period	-	-	193,369	1,933

The Irredeemable Convertible Preference Shares ("ICPS") issued at an issue price of RM0.01 each have been admitted to the Official List of Bursa Malaysia Securities Berhad and the listing of and the quotation for 1,008,150,000 ICPS was granted with effect from 18 January 2019. During the current financial year, ICPS has been fully converted to ordinary shares.

The salient features of the ICPS were as follow:

- (a) Each registered holder of the ICPS shall have the conversion right at any time during the conversion period of five years commencing from the issue date of the ICPS of 16 January 2019 up to the maturity date of 15 January 2024 which is the date immediately preceding the fifth anniversary of the issue date of the ICPS.
- (b) Based on the conversion price of RM0.20, the ICPS can be converted by way of surrendering twenty (20) ICPS of RM0.01 each for one new ordinary share or by a combination of such number of ICPS and cash with an aggregate value equal to the conversion price, subject to a minimum of one ICPS, and paying the difference between the aggregate value of the ICPS surrendered and the conversion price in cash for one new ordinary share.
- (c) The ICPS have a tenure period of 5 years from the date of issue and will not be redeemable in cash. All outstanding ICPS will be mandatorily converted by the Company into new ordinary shares at the conversion price of RM0.20 each on the maturity date, with any fractional new ordinary shares arising from the mandatory conversion of the ICPS on the maturity date shall be disregarded.
- (d) Upon conversion of the ICPS into new ordinary shares, such shares upon allotment and issuance, rank pari passu in all respects with the then existing ordinary shares, save and except that they will not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of such new ordinary shares.

17. RESERVES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-distributable				
Exchange translation reserve	-	(3,338)	-	-
Distributable				
Retained earnings	7,031	5,147	6,066	470
	<u>7,031</u>	<u>1,809</u>	<u>6,066</u>	<u>470</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

17. RESERVES (CONT'D)

- (a) Exchange translation reserve

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

18. TRADE PAYABLES

	Group	
	2024	2023
	RM'000	RM'000
Current		
Trade payables		
- Third parties	-	11,464

- (a) Trade payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2023: 30 to 210 days).
- (c) The table below summarises the maturity profile of the trade payables as at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

Group	Weighted average incremental borrowing rate %	Within one year RM'000
2024		
Trade payables	-	-
2023		
Trade payables	-	11,464

19. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Other payables	-	1,178	-	-
Accruals	590	1,113	328	1,070
Provision	17	-	-	-
	607	2,291	328	1,070

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

19. OTHER PAYABLES AND ACCRUALS (CONT'D)

- (a) Other payables and accruals are classified as financial liabilities measured at amortised cost.
- (b) The maturity profile of the other payables of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within one (1) year.

20. DEFERRED TAX LIABILITIES

	Group	
	2024 RM'000	2023 RM'000
At the beginning of the year/period	-	15,800
Recognised in profit or loss:		
Property, plant and equipment	-	(10,090)
Unabsorbed capital allowances	-	(6,198)
	-	(16,288)
Disposal of subsidiaries	-	488
At the end of the year/period	-	-

Components of deferred tax liabilities at the end of each reporting period comprise the tax effects of:

	Group	
	2024 RM'000	2023 RM'000
Property, plant and equipment	-	-
Unabsorbed capital allowances	-	-
	-	-

21. AMOUNTS DUE FROM A SUBSIDIARY

	Company	
	2024 RM'000	2023 RM'000
Amounts due from a subsidiary	142,776	-
Less: Impairment loss	(16,134)	-
	126,642	-

Amounts due from a subsidiary is classified as financial assets measured at amortised cost.

Amounts due from a subsidiary was non-trade in nature, unsecured, interest-free, repayable upon demand and where to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

22. REVENUE

	Group		Company	
	1.1.2024	1.7.2022	1.1.2024	1.7.2022
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers				
Sale of goods	98,959	234,953	-	-
Rendering of information technology services	146	167,779	-	-
Management fee	-	-	150	-
Dividend income	-	-	26,945	218,883
	99,105	402,732	27,095	218,883
Timing of revenue recognition				
Transferred at a point in time	99,105	402,732	27,095	218,883
Transferred over time	-	-	-	-
	99,105	402,732	27,095	218,883

(a) Sale of goods

Revenue from sale of goods is recognised at a point in time when the Group satisfies a performance obligation by transferring a promised good (i.e. an asset) to a customer. An asset is transferred as and when a customer obtains control of that asset which coincides with the delivery of goods and acceptance by the customer.

There is no material right of return provided to the customers on the sale of goods and there is no significant financing component in the revenue arising from sale of goods as the sales are made on the normal credit terms not exceeding twelve (12) months.

Revenue from rendering of information technology services is recognised when the Group renders services to a customer and such customer is able to receive and consume such services. The Group has a present right to the payment of the services rendered.

(b) Management fee

Management fee is the provision of management services to subsidiaries and recognised over time when subsidiaries simultaneously receive and consume the benefits.

(c) Dividend income

Dividend income is recognised when the right to receive dividend payment is established.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

23. PROFIT/(LOSS) BEFORE TAX

	Group		Company	
	1.1.2024	1.7.2022	1.1.2024	1.7.2022
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before tax is arrived at after charging:				
Auditors' remuneration:				
- Statutory audit				
Auditor of the Company				
- current year/period	394	1,065	300	1,065
- under provision in prior period	-	-	-	1
Other auditors				
- current year/period	18	297	-	-
- over provision in prior period	-	(5)	-	-
- Other services	6	689	6	5
Depreciation of:				
- property, plant and equipment	2,274	130,588	-	-
- right-of-use assets	386	1,220	-	-
Expenses on financial liabilities at amortised costs:				
- Interest expense of lease liabilities	19	105	-	-
Impairment loss on property, plant and equipment	-	44,214	-	-
Impairment loss on investment in associate	-	26,132	-	62,707
Impairment loss on other investment, net	-	2,579	400	-
Impairment loss on trade and other receivables	9,660	9,564	4,233	20
Impairment loss on amount due from subsidiaries	-	-	16,134	-
Loss on disposal of other investment	314	899	-	-
Low value assets - rental of equipment	2	13	-	-
Short term leases - rental of premises	218	439	-	-
Realised loss foreign exchange	-	6	-	-
Unrealised loss foreign exchange	-	10	-	-
And crediting:				
Gain on disposal of subsidiaries, net	(4,120)	(213)	-	-
Gain on dilution of subsidiaries	(8,141)	-	-	-
Gain on demerger of AIGL Group	-	(89,284)	-	-
Gain on termination of lease	(1)	(16)	-	-
Income on financial asset at amortised cost:				
- Interest income	(576)	(2,621)	2	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

24. TAXATION

	Group		Company	
	1.1.2024 31.12.2024 RM'000	1.7.2022 31.12.2023 RM'000	1.1.2024 31.12.2024 RM'000	1.7.2022 31.12.2023 RM'000
Income tax				
- Current period provision	138	1,475	-	-
- (Over)/Under provision in prior period	-#	(8,011)	(1)	-
	138	(6,536)	(1)	-
Deferred tax (Note 20)				
- Relating to origination and reversal of temporary differences	-	(16,284)	-	-
- Over provision in prior period	-	(4)	-	-
	-	(16,288)	-	-
	138	(22,824)	(1)	-

Amount is less than RM1,000.

- (a) Malaysian income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated taxable profit for the fiscal year.
- (b) Numerical reconciliation between the average effective tax rate and the applicable tax rate of the Group and of the Company is as follows:

	Group		Company	
	1.1.2024 31.12.2024 RM'000	1.7.2022 31.12.2023 RM'000	1.1.2024 31.12.2024 RM'000	1.7.2022 31.12.2023 RM'000
Profit/(Loss) before tax	2,097	(58,338)	5,595	154,188
Tax at Malaysian statutory rate of 24% (2023: 24%)	503	(14,001)	1,343	37,005
Tax effects in respect of:				
Non-allowable expenses	2,343	54,065	40	154
Non-taxable income	(7,515)	(73,826)	(6,467)	(52,532)
Changes in unrecognised temporary differences	-	8,523	-	-
Tax exempt income	-	(20,258)	-	-
Deferred tax assets not recognised	4,956	32,129	5,084	15,373
	287	(13,368)	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

24. TAXATION (CONT'D)

- (b) Numerical reconciliation between the average effective tax rate and the applicable tax rate of the Group and of the Company is as follows: (Cont'd)

	Group		Company	
	1.1.2024 31.12.2024 RM'000	1.7.2022 31.12.2023 RM'000	1.1.2024 31.12.2024 RM'000	1.7.2022 31.12.2023 RM'000
Utilisation of unrecognised deferred tax assets	(149)	(1,441)	-	-
	138	(14,809)	-	-
(Over)/Under provision in prior period				
- Income tax	-	(8,011)	(1)	-
- Deferred tax	-	(4)	-	-
Tax expense	138	(22,824)	(1)	-

- (c) Unrecognised deferred tax assets

The amounts of temporary differences for which no deferred tax assets have been recognised in the consolidated statement of financial position are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unabsorbed capital allowances	32,612	43,252	4	4
Unused tax losses				
Expires by 30 June/31 December 2028	55	-	55	-
Expires by 30 June/31 December 2030	319	374	319	374
Expires by 30 June/31 December 2031	155	-	155	-
Expires by 30 June/31 December 2032	149	2,186	149	260
Expires by 30 June/31 December 2033	1,293	65,143	1,260	64,055
Expires by 30 June/31 December 2034	21,194	-	21,185	-
Other deductible temporary differences	(3,826)	35,860	-	-
	51,951	146,815	23,127	64,693

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that taxable profits of the subsidiaries would be available against which the deductible temporary differences could be utilised.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the respective local tax authorities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

25. EARNINGS/(LOSS) PER ORDINARY SHARE ("EPS/(LPS)")

(a) Basic EPS/(LPS)

The basic EPS/(LPS) of the Group is calculated based on the profit/(loss) attributable to Owners (ordinary equity holders) of the Company divided by the weighted average number of ordinary shares in issue.

	Group	
	1.1.2024	1.7.2022
	31.12.2024	31.12.2023
Profit/(Loss) attributable to Owners of the Company (RM'000)	<u>1,884</u>	<u>(35,859)</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,249,137</u>	<u>1,218,563</u>
Basic EPS/(LPS) (sen)	<u>0.15</u>	<u>(2.94)</u>

(b) Diluted EPS/(LPS)

The diluted EPS/(LPS) of the Group is calculated based on the profit/(loss) attributable to Owners (ordinary equity holders) of the Company divided by the weighted average number of ordinary shares in issue adjusted to assume conversion of all dilutive potential ordinary shares arising from ICPS as follow:

	Group	
	1.1.2024	1.7.2022
	31.12.2024	31.12.2023
Profit/(Loss) attributable to Owners of the Company (RM'000)	<u>1,884</u>	<u>(35,859)</u>
Weighted average number of ordinary shares in issue ('000)	1,249,137	1,218,563
Effect of dilution of assumed conversion of ICPS ('000)	<u>-</u>	<u>13,812</u>
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>1,249,137</u>	<u>1,232,375</u>
Diluted EPS/(LPS) (sen)	<u>0.15</u>	<u>(2.91)</u>

26. EMPLOYEE BENEFITS

	Group	
	1.1.2024	1.7.2022
	31.12.2024	31.12.2023
	RM'000	RM'000
Salaries, wages, bonuses and allowances	831	5,197
Defined contribution plans	101	632
Social security contributions	5	62
Other employee benefits	<u>17</u>	<u>734</u>
	<u>954</u>	<u>6,625</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

27. RELATED PARTY DISCLOSURES

(a) Identification of related parties

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

Related parties also include Key Management Personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The Key Management Personnel include all the Directors of the Group and of the Company.

The Group has related party relationship with its subsidiaries, Directors and companies in which Directors of the Group have interest.

	Group		Company	
	1.1.2024	1.7.2022	1.1.2024	1.7.2022
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Transactions with subsidiaries companies:				
- Management fees income	-	-	150	-
- Dividend Income	-	-	26,945	218,883
Transactions with companies in which a Company's Director has substantial financial interests:				
- Revenue	-	110,693	-	-
- Office rental expense	-	(198)	-	-
- Set up fee for professional hub	-	(1,500)	-	-
- Purchase of property, plant and equipment	-	(30,000)	-	-
Transactions with companies in which a Major Shareholder and their family members have financial interests:				
- Revenue	20	-	-	-
- Office rental expense	(44)	-	-	-

The related party transactions described above were carried out on agreed contractual terms and conditions and in the ordinary course of business between the related parties of the Group and the Company.

All intragroup transactions, balances, income and expenses are eliminated in full on consolidation.

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

27. RELATED PARTY DISCLOSURES (CONT'D)

(c) Compensation of key management personnel

The key management personnel comprise the Directors of the Group and their remuneration during the financial year are as follows:

	Group		Company	
	1.1.2024	1.7.2022	1.1.2024	1.7.2022
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Executive Directors:				
- fee	44	191	-	-
- non-fee emoluments	195	1,862	-	-
Non-executive Directors:				
- fee	72	124	72	124
- non-fee emoluments	6	7	6	7
	317	2,184	78	131

28. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

There were no material subsequent events from the end of the period and ending on the date of this report.

29. FINANCIAL REPORTING STANDARDS

(a) MFRSs, Amendments to MFRSs and Interpretations adopted

The significant accounting policies adopted by the Group are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 December 2024.

- (i) MFRSs, Amendments to MFRSs and Interpretations effective for annual periods beginning on or after 1 January 2024
- Amendments to MFRS 16 Leases - *Lease Liability in a Sale and Leaseback*
 - Amendments to MFRS 101 Presentation of Financial Statements - *Non-current Liabilities with Covenants*
 - Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures - *Supplier Finance Arrangements*

(b) New/Revised MFRSs, Amendments to MFRSs and Interpretations not adopted

- (i) MFRSs, Amendments to MFRSs and Interpretations effective for annual periods beginning on or after 1 January 2025
- Amendments to MFRS 121 *The Effect of Changes in Foreign Exchange Rates - Lack of Exchangeability*

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

29. FINANCIAL REPORTING STANDARDS (CONT'D)

(b) New/Revised MFRSs, Amendments to MFRSs and Interpretations not adopted (Cont'd)

- (ii) MFRSs, Amendments to MFRSs and Interpretations effective for annual periods beginning on or after 1 January 2026
 - Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures—Amendments to the Classification and Measurement of Financial Instruments*
 - Annual Improvements to MFRS Accounting Standards—Volume 11
 - Amendments to MFRS 9 and MFRS 7 *Contracts Referencing Nature-dependent Electricity*
- (iii) MFRSs, Amendments to MFRSs and Interpretations effective for annual periods beginning on or after 1 January 2027
 - MFRS 18 *Presentation and Disclosure in Financial Statements*
 - MFRS 19 *Subsidiaries without Public Accountability: Disclosures*
- (iv) MFRSs, Amendments to MFRSs and Interpretations effective date yet to be confirmed
 - Amendments to MFRS 10 *Consolidated Financial Statements* and MFRS 128 *Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an investor and its Associate or Joint Venture*

The Group and the Company are in the process of assessing the impact of implementing these Amendments since the effects would only be observable for future financial year.

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on pages 55 to 103 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of the financial performance and cash flows of the Group and of the Company for the financial period then ended.

On behalf of the Board,

HONG ZI SHEN
Director

Kuala Lumpur, Malaysia
23 April 2025

KHOR CHIN MENG
Director

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, HONG ZI SHEN, being the Director primarily responsible for the financial management of ARB BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 55 to 103 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared
by the abovenamed at Kuala Lumpur
in the Federal Territory
on 23 April 2025

HONG ZI SHEN

Before me:

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ARB BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ARB 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 year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 55 to 103.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Key Audit Matter - Impairment of trade and other receivables

The Group's trade and other receivables representing 88.6% of the Group's total current assets as at 31 December 2024. The assessment of recoverability of receivables involved judgements and estimation uncertainty in analysing historical bad debts, customer concentration, customer creditworthiness and customer payment terms.

Our audit procedures are as follows:

- Obtained and evaluated the Group's credit risk policy, and tested the processes used by management to assess credit exposures.
- Assessed the recoverability of trade receivables by checking past payment trend and assessing the receipts during the financial year and subsequent to year end collections.
- Obtained confirmation.
- Reviewed the appropriateness of the disclosures made in the financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ARB BERHAD (CONT'D)

Report on the Audit of the Financial Statements (Cont'd)

Key Audit Matters (Cont'd)

Key Audit Matter - Revenue recognition

As per the Group's revenue recognition of RM99million and corresponding costs require significant judgement exercised by the Group. There is a presumption of a risk of fraud in the area of revenue recognition in accordance with ISA 240 The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements.

Our audit procedures are as follows:

- Obtained an understanding of and tested the internal controls over the timing and amount of revenue recognised.
- Inspected the terms of significant sales transactions on sampling basis to determine the point of transfer of control and assessed whether revenue was recognised in accordance with the terms stated in the respective sales invoices.
- Inspected samples of documents which evidenced the sales of goods to customers.
- Tested the recording of sales transactions close to the year end, including credit notes issued after the year end, to establish whether the transactions were recorded in the correct accounting period.
- Interviewed with key customer and key supplier to discuss the significant transaction and understanding the substance and nature of the transactions.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARB BERHAD (CONT'D)

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 of 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.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ARB BERHAD (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable 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 other than all the subsidiaries of which we have not acted as auditors as disclosed in Note 9 to the financial statements.

Other Matters

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

CHENGCO PLT
201806002622
(LLP0017004-LCA) & AF0886
Chartered Accountant

Kuala Lumpur
Date: 23 April 2025

TAN WAE LENG
No. 02850/05/2026 J
Chartered Accountant

STATISTICS OF ORDINARY SHAREHOLDINGS

AS AT 10 APRIL 2025

Total Number of Issued Shares : 1,249,801,166
 Class of Shares : Ordinary Shares
 Voting Rights : One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS (BASED ON RECORD OF DEPOSITORS AS AT 10 APRIL 2025)

SIZE OF HOLDINGS	NUMBER OF HOLDERS	NUMBER OF SHARES HELD	PERCENTAGE OF SHARES (%)
LESS THAN 100 SHARES	81	3,266	0.00
100 TO 1,000 SHARES	827	410,689	0.03
1,001 TO 10,000 SHARES	3,133	19,749,239	1.58
10,001 TO 100,000 SHARES	4,166	165,290,465	13.23
100,001 TO LESS THAN 5% OF ISSUED SHARES	1,203	794,912,964	63.60
5% AND ABOVE OF ISSUED SHARES	2	269,434,543	21.56
TOTAL	9,412	1,249,801,166	100.00

DIRECTORS' INTERESTS IN ORDINARY SHARES (BASED ON REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 10 APRIL 2025)

No.	Name of Directors	No. of Shares held		No. of Shares held	
		Direct	Percentage (%)	Indirect	Percentage (%)
1	YUEN YA TING	-	-	-	-
2	HONG ZI SHEN	2,100,000	0.17	-	-
4	KHOR CHIN MENG	-	-	-	-
5	AIMAN AFFUDIN BIN RAMLEE	-	-	-	-

LIST OF SUBSTANTIAL SHAREHOLDERS (BASED ON REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 10 APRIL 2025)

No.	Name of Substantial Shareholder	No. of Shares held		No. of Shares held	
		Direct	Percentage (%)	Indirect	Percentage (%)
1	DATO' SRI LIEW KOK LEONG	161,980,332	12.96	116,115,179*	9.29*
2	UKAY ONE SDN BHD	116,115,179	9.29	-	-

* Deemed interest through his substantial shareholdings in Ukay One Sdn Bhd pursuant to Section 8 of the Act

STATISTICS OF ORDINARY SHAREHOLDINGS (CONT'D)

AS AT 10 APRIL 2025

LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS (BASED ON REGISTER OF DEPOSITORS AS AT 10 APRIL 2025)

NO	SHAREHOLDER	NO OF SHARES	%
1	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. (PLEDGED SECURITIES ACCOUNT FOR LIEW KOK LEONG)	153,319,364	12.27
2	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. (CIMB FOR UKAY ONE SDN. BHD.)	116,115,179	9.29
3	JAYAMAJU BARAT SDN. BHD.	40,003,571	3.20
4	PELANGI LANGIT SDN. BHD.	36,187,600	2.90
5	ROBUST STARHILL SDN. BHD.	35,883,400	2.87
6	NUSANTARA SELATAN SDN. BHD.	30,429,100	2.43
7	PSSBJAYA HOLDINGS SDN. BHD.	22,418,500	1.79
8	LAMAN MUTIARA SDN. BHD.	18,905,400	1.51
9	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. (PLEDGED SECURITIES ACCOUNT FOR WONG WAH PENG)	14,621,600	1.17
10	LOH KOK WAI	13,610,000	1.09
11	CPINTERNATIONAL NETWORKING SDN. BHD.	12,999,900	1.04
12	SEAH TIN KIM	10,878,200	0.87
13	BUMI PNBC SDN. BHD.	10,650,000	0.85
14	WAN AHMAD SHAIPUDDIN BIN WAN IBRAHIM	9,981,200	0.80
15	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. (CIMB FOR LIEW KOK LEONG)	8,660,968	0.69
16	LIEW SOH CHAN	8,400,000	0.67
17	VICTOR LIM FUNG TUANG	7,832,642	0.63
18	CHAN TIANG SENG	7,500,000	0.60
19	INTELLIKONNECT (MALAYSIA) SDN. BHD.	7,000,000	0.56
20	OUI KEE SENG	5,950,000	0.48
21	OPTIMUM MAJU SDN. BHD.	5,809,500	0.46
22	LOH KOK WAI	5,501,100	0.44
23	SHEIKH AHMAD DARABI BIN SULAIMAN	5,303,100	0.42
24	BIDANG BARAT SDN. BHD.	5,000,000	0.40
25	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. (PLEDGED SECURITIES ACCOUNT FOR SAM WEI BEE)	5,000,000	0.40
26	MELATI SINAR SDN. BHD.	4,775,800	0.38
27	MOOMOO NOMINEES (TEMPATAN) SDN. BHD. (PLEDGED SECURITIES ACCOUNT FOR YONG WEE HEIONG)	4,752,100	0.38
28	YUNG BOON HONG @ YANG KOK CHING	4,700,000	0.38
29	TAN MENG HOOI	4,670,714	0.37
30	KENANGA NOMINEES (TEMPATAN) SDN. BHD. (PLEDGED SECURITIES ACCOUNT FOR PAK SOW LOON)	4,500,000	0.36
TOTAL		621,358,938	49.72

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Sixth (26th) Annual General Meeting (“AGM”) of **ARB BERHAD** (“ARB” or “the Company”) will be held at Synergy III, Level LG02, THE WESTIN KUALA LUMPUR, 199, Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia on Wednesday, 25 June 2025 at 8:00 a.m. for the transaction of the following businesses:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Consolidated Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon. **Please refer to Explanatory Notes to Ordinary Business**
2. To approve the Directors’ fees amounting of up to RM300,000.00 and other benefits payable of up to RM300,000.00 for the period from the 26th AGM up to the conclusion of 27th AGM of the Company. **Ordinary Resolution 1**
3. To re-elect Ms Yuen Ya Ting who is retiring pursuant to Clause 105 of the Company’s Constitution and being eligible, has offered herself for re-election. **Ordinary Resolution 2**
4. To note the retirement of Messrs. Chengco PLT as Auditors of the Company and to authorise the Director and/or Companies Commission of Malaysia on the appointment of an Auditors pursuant to Section 272 of the Companies Act 2016 and to authorise the Directors to fix the new Auditors’ remuneration. **Ordinary Resolution 3**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions:

5. **AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016** **Ordinary Resolution 4**

“THAT approval be and is hereby given to waive the statutory pre-emptive rights to be offered new shares ranking equally to the existing issued shares of the Company pursuant to Section 85 of the Companies Act, 2016 (“the Act”) read together with Clause 61 of the Company’s Constitution.

THAT pursuant to Sections 75 and 76 of the Act and subject to the approvals of the relevant governmental/ regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and 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 issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company or such higher percentage as Bursa Malaysia Securities Berhad (“Bursa Securities”) allowed for the time being and that the Directors be and are hereby also empowered to obtain approval from Bursa Securities for the listing and quotation of the additional shares so issued.

AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company, or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is earlier, unless revoked or varied by an ordinary resolution of the Company at a general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

6. **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES (“PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY”)** **Ordinary Resolution 5**

“**THAT**, subject to the Companies Act, 2016 (“the Act”), the provisions of Constitution of the Company, the Main Market Listing Requirement of Bursa Malaysia Securities Berhad (“MMLR”) (“Bursa Securities”) and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase 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 interest of the Company provided that:-

- (i) the aggregate number of shares purchased or held as treasury shares does not exceed 10% of the total number of issued and paid-up shares of the Company as quoted on Bursa Securities as at the point of purchase;
- (ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares be backed by an equivalent amount of retained profits; and
- (iii) the Directors of the Company may decide either to retain the shares purchased as treasury shares, or cancel the shares, or retain part of the shares so purchased as treasury shares and cancel the remainder, or resell the shares, or transfer the shares or distribute the shares as dividends;

AND THAT the authority conferred by this resolution will commence after the passing of this ordinary resolution and will continue to be in force until: -

- (i) the conclusion of the next AGM at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement or to effect the purchase(s) of the shares with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and to take all such steps as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto.”

- 7. To transact any other business of the Company for which due notice shall have been given.

By Order of the Board

TAN TONG LANG (MAICSA 7045482 / SSM PC No. 202208000250)
Company Secretary

Kuala Lumpur
30 April 2025

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Notes:-

- (1) *A member/shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy may, but need not, be a member of the Company. Where a member/shareholder appoints more than one proxy to attend and vote at the meeting, such appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.*
- (2) *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.*
- (3) *Where a member of the Company is an authorised nominee defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
- (4) *Where a member of the Company is an exempt authorised nominee defined under the SICDA which is exempted from compliance with the provision of subsection 25A(1) of SICDA which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
- (5) *The Proxy Form must be deposited at the Share Registrar's office, Aldpro Corporate Services Sdn Bhd at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan not less than 48 hours before the time set for holding the meeting or any adjournment thereof.*
- (6) *For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall request from Bursa Malaysia Depository Sdn Bhd the Record of Depositors as at 9 June 2025. Only members whose name appears on the Record of Depositors as at 9 June 2025 shall be entitled to attend, speak and vote at the said meeting or appoint proxies to attend, speak and/or vote on his/her stead.*

Explanatory Notes to Ordinary Business

1. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 31 December 2024

This item of the Agenda is for discussion purposes only, as Section 340(1)(a) of the Companies Act 2016 does not require the shareholders to formally approve the Audited Financial Statements. Therefore, this item will not be put forward for voting.

2. Ordinary Resolution 1 – Directors' Fees and Benefits

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors of the Company shall be approved at a general meeting.

The proposed Ordinary Resolution 1, if passed, will facilitate the payment of proposed Directors' fees of RM300,000.00 for the period from the 26th Annual General Meeting ("AGM") up to the conclusion of the 27th AGM of the Company to the Directors.

The benefits payable to the Directors has been reviewed by the Remuneration Committee and the Board of Directors of the Company, which recognises that the benefits payable is in the best interest of the Company and in accordance with the remuneration framework of the Group. The benefits comprised of meeting allowance, travelling allowance and Board Committee allowances.

The proposed benefits of RM300,000.00, if approved, will authorised the payment of Directors' benefits for the period from the 26th AGM up to the conclusion of the 27th AGM. In the event that the proposed amount is insufficient (due to enlarged Board size and additional number of meetings), approval will be sought at the next AGM for the shortfall.

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

3. Ordinary Resolution 2 – Re-election of Director pursuant to Clause 105 of the Company’s Constitution

Ms Yuen Ya Ting (“Ms Julia”) is standing for re-election as Director of the Company and being eligible, has offered herself for re-election at the 26th AGM.

Pursuant to Practice 5.7 of the Malaysian Code on Corporate Governance, the profile of Ms Julia is set out in the Directors’ profile of the Annual Report 2024. The Board, save for Ms Julia who has abstained from deliberation and voting, has through the NC, considered her assessment of and agreed that she has meets the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) on character, experience, integrity, competence and time commitment to effectively discharge her role as Director.

The Board, save for Ms Julia who has abstained from deliberation and voting, has also through the NC conducted an assessment on the independence of Ms Julia and is satisfied that she has complied with the criteria on independence as prescribed by the Main Market Listing Requirements of Bursa Securities.

4. Ordinary Resolution 3 – Retirement of Messrs. Chengco PLT upon the conclusion of 26th AGM and to authorise the Director and/or Companies Commission of Malaysia on the appointment of an Auditors pursuant to Section 272 of the Companies Act 2016

Messrs. Chengco PLT has expressed that they would not seeking re-appointment as the Auditors of the Company for the ensuing year. As such, the term of office of Messrs. Chengco PLT shall end upon the conclusion of the 26th AGM.

In relation thereto, authority be and is hereby given to the Director and/or Companies Commission of Malaysia to appoint a new Auditors pursuant to Section 272 of the Companies Act 2016 in place of the retiring Auditors and to authorise the Directors to fix the new Auditors’ remuneration.

Explanatory Notes to Special Business

1. Ordinary Resolution 4 – Authority to allot and issue shares pursuant to Sections 75 and 76 of the Act

The proposed Ordinary Resolution 4, if passed, is empower the Directors to issue and allot up to an aggregate amount of not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being or such other percentage as Bursa Securities may from time to time allowed for such purposes as the Directors consider would be in the best interest of the Company without having to convene separate general meetings. This authority will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next AGM of the Company.

The waiver of pre-emptive rights pursuant to Section 85 of the Companies Act 2016 will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer new shares to all the existing shareholders of the Company prior to issuance of new shares in the Company under the general mandate.

At the 25th AGM held on 27 June 2024, the Directors of the Company has been granted a general mandate by the members of the Company to issue and allot shares in the Company not exceeding 10% of the total number of issued shares of the Company. Up to the date of Notice, the Company did not issue any new shares pursuant to this mandate obtained and accordingly no proceeds were raised.

2. Ordinary Resolution 5 – Proposed Renewal of Authority for the Company to purchase its own shares (“Proposed Renewal of Share Buy-Back Authority”)

This Ordinary Resolution 5, if passed, will allow the Directors of the Company to exercise the power of the Company to purchase not more than ten percent (10%) of the total number of issued shares of the Company at any time within the time period stipulated in the Main Market Listing Requirement of Bursa Securities. This authority, unless revoked or varied by the Company at a general meeting, shall continue to be in full force until the conclusion of the next AGM of the Company. The Company has not purchased any of its own shares since obtaining the said mandate from its shareholders at the last AGM held on 27 June 2024. Further details are set out in the Circular to Shareholders dated 30 April 2025 in relation to the Proposed Renewal of Share Buy-Back Authority.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company

- (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"),*
- (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and*
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*

STATEMENT ACCOMPANYING NOTICE OF 26TH ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. Details of individual who are standing for election as Directors (excluding Directors for re-election)

No individual is seeking election as a Director at the 26th AGM of the Company.

2. General mandate for issue of securities in accordance with Paragraph 6.03 of the Main Market Listing Requirements of Bursa Securities.

The details of the proposed authority for Directors of the Company to issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out under Explanatory Note.

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ARB BERHAD
[Registration No. 199701033435 (448934-M)]

PROXY FORM

(Before completing this form please refer to the notes below)

NUMBER OF SHARES HELD	CDS ACCOUNT NO.

*I/We (Full Name in Block Letters).....
*NRIC No./Passport No./Company Registration No.
of
being a member / members of ARB Berhad [Registration No. 199701033435 (448934-M)], hereby appoint

Name of Proxy	*NRIC No./Passport No.	% of Shareholdings to be Represented
Address		
Email Address	Contact No.	

*and/or failing *him/her

Name of Proxy	*NRIC No./Passport No.	% of Shareholdings to be Represented
Address		
Email Address	Contact No.	

or failing *him/ her, the Chairman of the Meeting as *my/ our proxy to attend and vote for *me/ us and on *my/ our behalf at the Twenty-Sixth (26th) Annual General Meeting of the Company will be held at Synergy III, Level LG02, THE WESTIN KUALA LUMPUR, 199, Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia on Wednesday, 25 June 2025 at 8:00 a.m. for the transaction of the following businesses:-

Agenda	For	Against
Ordinary Resolution 1 To approve the Directors' fees amounting of up to RM300,000.00 and other benefits payable of up to RM300,000.00 for the period from the 26 th AGM up to the conclusion of 27 th AGM of the Company.		
Ordinary Resolution 2 To re-elect Ms Yuen Ya Ting who is retiring pursuant to Clause 105 of the Company's Constitution and being eligible, has offered herself for re-election.		
Ordinary Resolution 3 To note the retirement of Messrs. Chengco PLT as Auditors of the Company and to authorise the Director and/or Companies Commission of Malaysia on the appointment of an Auditors pursuant to Section 272 of the Companies Act 2016 and to authorise the Directors to fix the new Auditors' remuneration.		
Ordinary Resolution 4 Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
Ordinary Resolution 5 Proposed renewal of authority for the Company to purchase its own shares.		

(Please indicate with an "X" or "✓" in the space provided on how you wish to cast your vote. If you do not do so, the proxy will vote or abstain from voting at his/ her discretion)

Dated this..... day of 2025

Signature:.....
(If shareholder is a corporation, this form should be executed under the seal.)

*strike out whichever is inapplicable

Fold this flap for sealing

Notes:-

- (1) A member/shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy may, but need not, be a member of the Company. Where a member/shareholder appoints more than one proxy to attend and vote at the meeting, such appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- (2) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.
- (3) Where a member of the Company is an authorised nominee defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (4) Where a member of the Company is an exempt authorised nominee defined under the SICDA which is exempted from compliance with the provision of subsection 25A(1) of SICDA which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (5) The Proxy Form must be deposited at the Share Registrar's office, Aldpro Corporate Services Sdn Bhd at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan not less than 48 hours before the time set for holding the meeting or any adjournment thereof.
- (6) For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall request from Bursa Malaysia Depository Sdn Bhd the Record of Depositors as at 9 June 2025. Only member whose name appears on the Record of Depositors as at 9 June 2025 shall be entitled to attend, speak and vote at the said meeting or appoint proxies to attend, speak and/or vote on his/her stead.

Then fold here

Affix Stamp
Here

The Share Registrar of
ARB BERHAD
[Registration No. 199701033435 (448934-M)]
c/o Aldpro Corporate Services Sdn Bhd
B-21-1, Level 21, Tower B, Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur, Wilayah Persekutuan

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REQUEST FORM FOR PRINTED COPY OF ARB BERHAD'S ANNUAL REPORT AND CIRCULAR

To: The Share Registrar of
ARB BERHAD
c/o Aldpro Corporate Services Sdn Bhd
B-21-1, Level 21, Tower B, Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan

Please find below my complete particulars for the delivery of a printed copy of ARB's Annual Report and Circular:

Particulars of Shareholder

Name : _____

Identity Card No./Passport No./
Company Registration No. : _____

CDS Account No. : _____

Mailing Address : _____

Telephone No. : _____

Date : _____

Signature of Shareholder:

Name:

Note: By completing, signing and returning this Request Form to the Company's Share Registrar, you hereby agree that the Company and/or its service provider may collect, obtain, store, process and disclose your personal data that you have provided in this Request Form or which is otherwise collected from you or your authorised representative, for the purpose of processing your request. The printed Annual Report and Circular will be forwarded to you within four (4) market days from the day of receipt of your request.



Go paperless to help our environment.
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Annual Report through your mobile device
by scanning this QR code.

ARB BERHAD
199701033435 (448934-M)

www.arbberhad.com