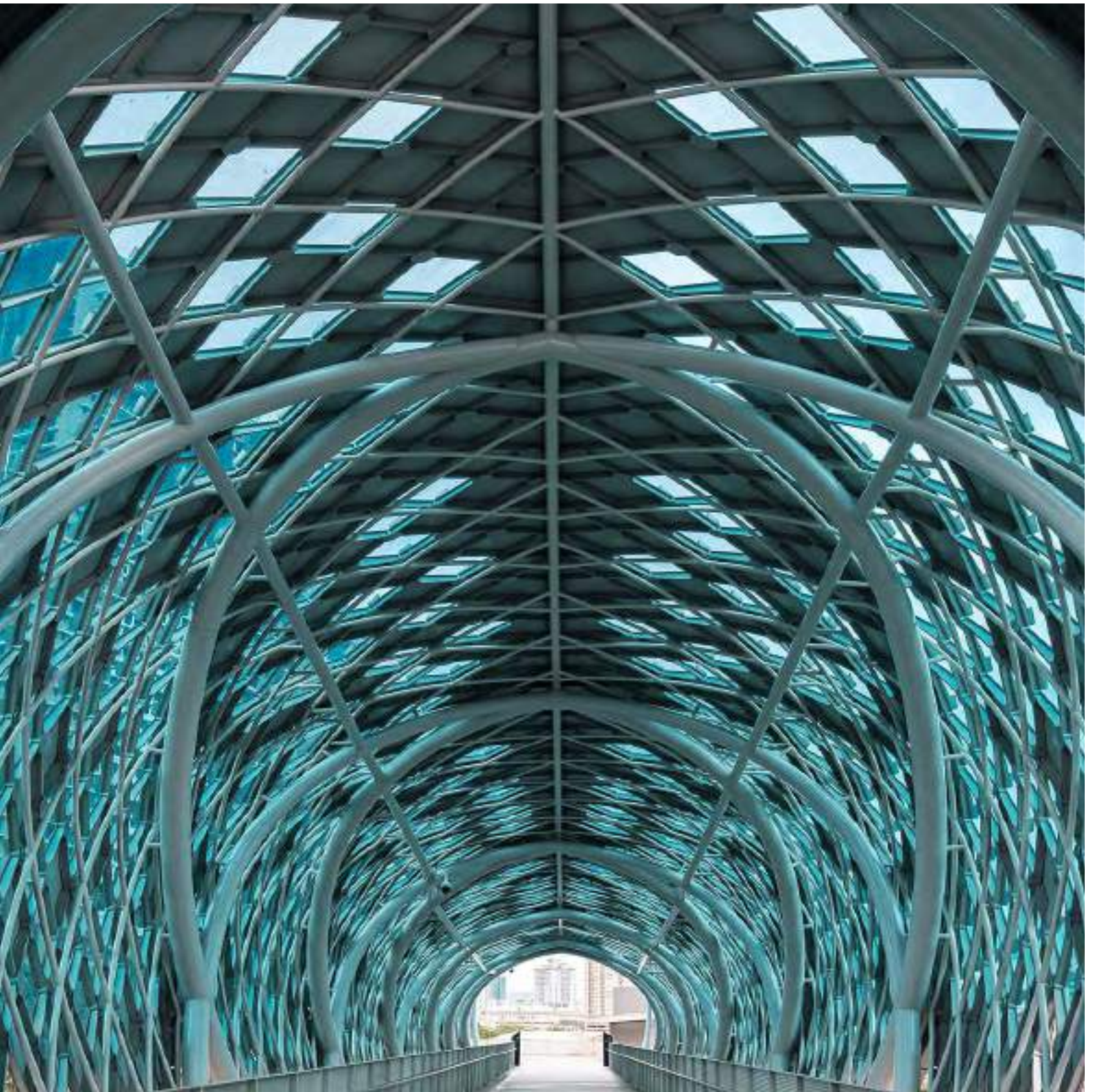




Strength in **Resilience**

ANNUAL REPORT **2023**

26th ANNUAL GENERAL MEETING ("26th AGM")



**Broadcast Venue Boardroom,
7th Floor, Menara AZRB,
No. 71, Persiaran Gurney,
54000 Kuala Lumpur**

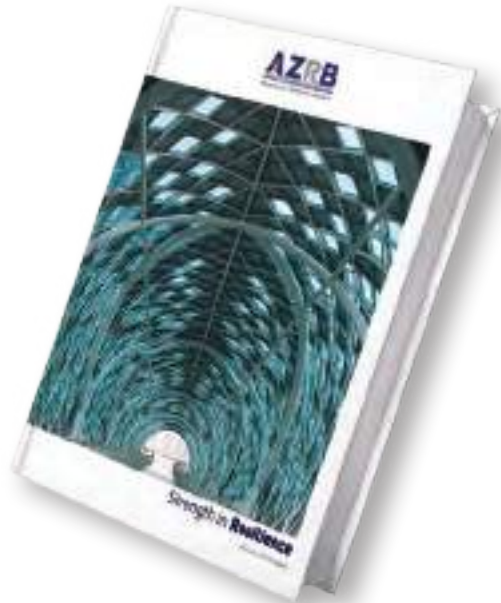
Tuesday, 12 December 2023

10.30 a.m.



**For more information,
visit our website.**

www.azrb.com



Strength in **Resilience**

This year's cover design is an interior look at the iconic Saloma Link Bridge, or *Pintasan Saloma*. It is a futuristically designed pedestrian and cyclist bridge that connects Kampung Bharu to KLCC, and is a testament to the constructive ingenuity of the group. It was opened on 5 February 2020 and has since become an architectural and tourist attraction in the region.

The Saloma Link Bridge is a single steel structure that incorporates a spectacular walkway with a total length of 370 meters (1,213.9 feet). It is illuminated with 4,100 diamond shaped state-of-the-art LED panels designed to look like interwoven betel nut leaves. The bridge's architecture concept is inspired by the '*sireh junjung*' (betel nut leaf arrangement), which is an integral part of a traditional Malay wedding and used extensively in festivities commonly associated with new beginnings that depict a brighter future. The main structure envelopes a 69 meter covered walkway which spans across the Klang River and the Ampang-Kuala Lumpur Elevated Highway or AKLEH.

It is today considered to be the most exquisite pedestrian bridge ever built in Kuala Lumpur and has become one of the top three tourist attractions in Kuala Lumpur.

Our Vision

To be a Trusted **INDUSTRY LEADER** in Delivering **COMMITMENT** with **EXCELLENCE** and **VALUE**

Our Mission

- Smart partnership with customers, employees and stakeholders
 - Institutionalise the virtues of honesty and trust
 - Setting and maintaining high standards; striving for superior performance in all undertakings
 - Pro-active through continuous research and development in meeting challenges
-

Core Values

ABLE

People with High Capability and Expertise

ZEST

Giving Commitment with Energy and Passion

RESILIENCE

Foster Strong and Dynamic People

BEST

Focus on Quality and Excellence

About AZRB

Ahmad Zaki Resources Berhad ("AZRB"), headquartered in Kuala Lumpur, is a leading Engineering & Construction group listed on the Main Market of Bursa Malaysia. The Group has grown tremendously since its formation in 1982, into a trusted and reputable leader in the industry.

In 2022, AZRB and Veritas Architects Sdn Bhd were awarded the PAM Award Gold, under the Special Category by Malaysian Institute of Architects for Excellence in Architecture for the iconic Saloma Link Bridge (*Pintasan Saloma*) - a futuristic looking pedestrian and cyclist bridge that connects Kampung Bharu ("KB") to the Kuala Lumpur City Centre ("KLCC").

AZRB through its wholly-owned subsidiary Ahmad Zaki Sdn Bhd ("AZSB") was awarded by Malaysian Society for Occupational Safety and Health ("MSOSH") the Gold Class 2 Award at the 39th MSOSH OSH Awards in 2021 for Petronas Office Complex project and the Silver Award at the 38th MSOSH OSH Awards in 2019 for KVMRT Package V202 project. In 2020, AZSB was awarded the 5-Star SHASSIC Achievement Award by the Construction Industry Development Board ("CIDB") for Bukit Bintang City Centre and Universiti Teknologi Petronas projects.

AZRB won the 4-Star CIDB Score Award, whilst AZSB won the same award with a 5-Star achievement from CIDB in 2019. In the same year, AZRB received the MSWG Merit Award for Most Improved Corporate Governance Disclosure, as well as the Best Company for Investor Relations and Best Investor Relations Website under the micro-cap category from the Malaysian Investor Relations Association.

In 2018, AZRB won the Best Under Billion Awards for Best Sustainability Reporting from Focus Malaysia. In 2017, the Group's Engineering & Construction Division was named Builder of the Year at the Malaysian Construction Industry Excellence Awards ("MCIEA"). It also scooped two additional awards at the 2017 MCIEA, namely the Best Project Award and the Green Construction Award, for its work on the 37-storey Menara Kerja Raya high rise in Kuala Lumpur.

Over the years, it has been awarded the coveted "Builder of the Year" three times (in 2000, 2006, and 2017) and has been a consistent winner of various construction project categories. Other notable projects completed by the Engineering & Construction Division include Jambatan Putra in Kuantan, Pahang, Universiti Teknologi Petronas in Seri Iskandar, Perak and the Sultan Ahmad Shah Medical Centre @IIUM in Kuantan, Pahang. Presently, its current projects include the MRT Putrajaya Line Stations S202 & S206 and East Klang Valley Expressway ("EKVE").

Apart from Engineering & Construction, AZRB Group is also involved in Oil & Gas, Property, Concession and Plantation.

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Corporate Information

BOARD OF DIRECTORS

Tan Sri Dr Madinah Binti Mohamad

Independent Non-Executive Chairman

Dato' Sri Wan Zakariah Bin Haji Wan Muda

Group Managing Director

Dato' Ir. W Zulkifli Bin Haji W Muda

Deputy Group Managing Director (1)

Dato' Roslan Bin Tan Sri Jaffar

Deputy Group Managing Director (2)

Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng

Non-Independent Non-Executive Director

Dato' Ir. Haji Che Noor Azeman Bin Yusoff

Independent Non-Executive Director

Mr. Lee Chee Khoon

Independent Non-Executive Director

AUDIT AND RISK COMMITTEE

Mr. Lee Chee Khoon (Chairman)

Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng (Member)

Dato' Ir. Haji Che Noor Azeman Bin Yusoff (Member)

NOMINATION COMMITTEE

Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng (Chairman)

Mr. Lee Chee Khoon (Member)

Dato' Ir. Haji Che Noor Azeman Bin Yusoff (Member)

COMPANY SECRETARIES

Dato' Haji Bahari Bin Johari

(LS 0008773/SSM PC No. 201908002206)

Suzana Binti Sanudin

(LS0008028/SSM PC No. 201908002589)

REGISTERED/HEAD OFFICE

Menara AZRB
No. 71 Persiaran Gurney
54000 Kuala Lumpur
☎ 603-2698 7171
🏢 603-2694 8181

Corporate Structure

SHARE REGISTRAR

Mega Corporate Services Sdn Bhd

Level 15-2

Bangunan Faber Imperial Court

Jalan Sultan Ismail

50250 Kuala Lumpur

603-2692 4271

603-2732 5388

AUDITORS

Grant Thornton Malaysia PLT

(AF 0737)

Level 11

Sheraton Imperial Court

Jalan Sultan Ismail

50250 Kuala Lumpur

PRINCIPAL BANKERS

AmBank (M) Berhad

AmBank Islamic Berhad

Alliance Bank Malaysia Berhad

Affin Bank Berhad

Bank Islam Malaysia Berhad

Bank Kerjasama Rakyat Malaysia Berhad

Bangkok Bank Berhad

Bank Pembangunan Malaysia Berhad

CIMB Bank Berhad

Malayan Banking Berhad

UOB Bank Berhad

STOCK EXCHANGE

Main Market of Bursa Malaysia

Securities Berhad

Stock Name: AZRB

Stock Code: 7078

WEBSITE

www.azrb.com



ENGINEERING & CONSTRUCTION

■ Ahmad Zaki Sdn Bhd	100%
■ Peninsular Precast Sdn Bhd	100%
■ AZSB Machineries Sdn Bhd	100%
■ Tadok Granite Manufacturing Sdn Bhd	100%
■ Unggul Energy & Construction Sdn Bhd	100%
■ AZRB International Ventures Sdn Bhd	100%
■ Ahmad Zaki Saudi Arabia Co Ltd	100%
■ Fasatimur Sdn Bhd	50%
■ Salcon MMCB AZSB JV Sdn Bhd	30%



PROPERTY

■ AZ Land & Properties Sdn Bhd	100%
■ Peninsular Prokonsult Sdn Bhd	100%
■ Residence Inn & Motels Sdn Bhd	100%
■ Trend Vista Development Sdn Bhd	100%
■ Temala Development Sdn Bhd	70%
■ Kemaman Technology & Industrial Park Sdn Bhd	60%
■ TB Realty Sdn Bhd	53%
■ Betanaz Properties Sdn Bhd	51%
■ Palmacorp Sdn Bhd	50%



OIL & GAS

■ Inter-Century Sdn Bhd	100%
■ Matrix Reservoir Sdn Bhd	53%
■ TB Supply Base Sdn Bhd	53%
■ Astral Far East Sdn Bhd	53%
■ TB Terminals Sdn Bhd	53%



PLANTATION

■ PT Ihtiar Gusti Pudi	95%
■ Betanaz Mills Sdn Bhd	67%
■ Peak Crops Sdn Bhd	40%



CONCESSION

■ EKVE Sdn Bhd	100%
■ Peninsular Medical Sdn Bhd	100%
■ Sambungan Lebuhraya Timur Sdn Bhd	100%



INVESTMENT HOLDING

■ AZRB Capital Sdn Bhd	100%
------------------------	------



Founder and Group Advisor

**TAN SRI DATO' SRI HAJI WAN ZAKI
BIN HAJI WAN MUDA**



74

Tan Sri Dato' Sri Haji Wan Zaki was appointed as the Executive Vice Chairman of the Company on 24 March 1999. Subsequently, he held the post of Executive Chairman from 1 March 2000 and was redesignated as Executive Vice Chairman of the Company on 26 February 2004. On 1 July 2021, he retired from his position as the Executive Vice Chairman and assumed the role of Group Advisor.

Tan Sri Dato' Sri Haji Wan Zaki is the founder of Ahmad Zaki Sdn Bhd ("AZSB"). Prior to venturing into business, he served in various positions in state-owned companies in Pahang and Terengganu, of which his last was as the Managing Director of Pesama Timber Corporation Sdn Bhd ("Pesama"), a Terengganu state-owned company. He left Pesama in 1984 to focus on expanding the engineering and construction business of AZSB.

Tan Sri Dato' Sri Haji Wan Zaki served as the Chairman of Chuan Huat Resources Berhad from 2002 until 2013. He sits on the board of several private limited companies and has no directorships in other public companies and listed issuers.



Chairman's Message



*Tan Sri Dr Madinah Binti Mohamad
Independent Non-Executive Chairman*

Dear Valued Shareholders,

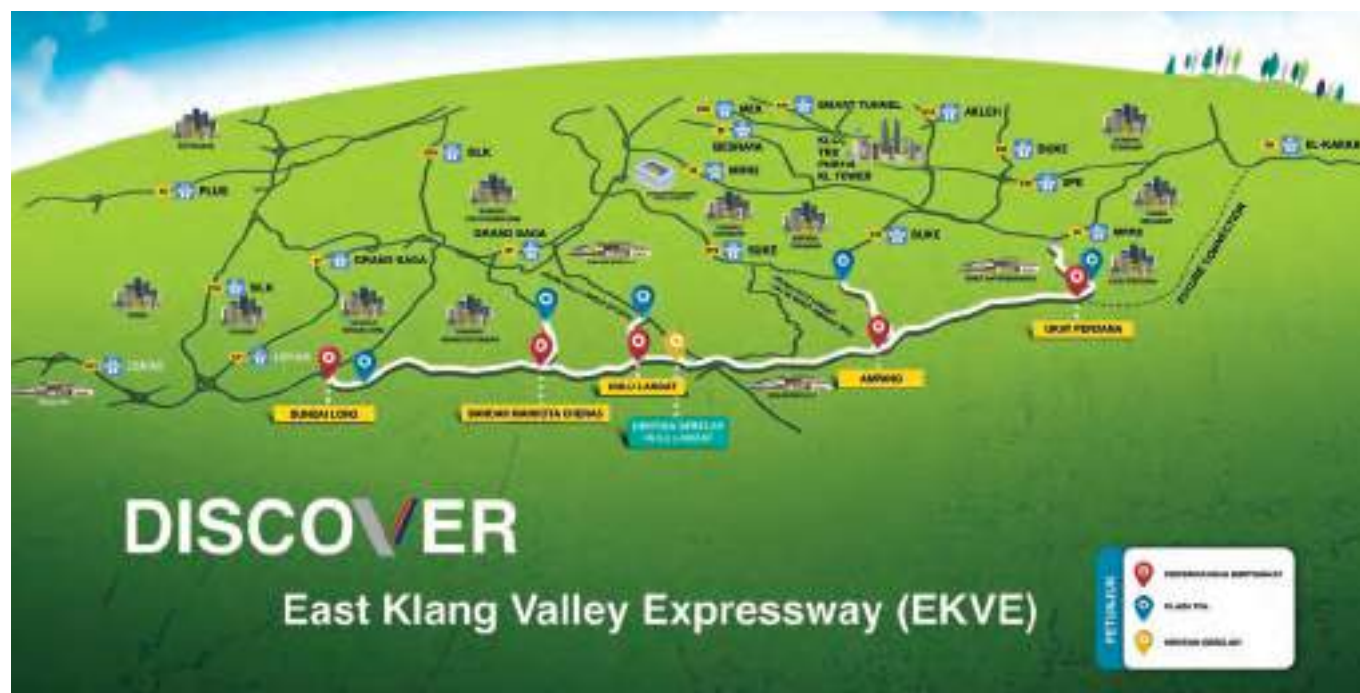
I am honoured to address you for the first time as the Chairman of Ahmad Zaki Resources Berhad ("AZRB" or "the Group"), and on behalf of the Board of Directors ("the Board"), I would like to share with you the performance of our Group and the audited financial statements for the Financial Year Ended 30 June 2023 ("FYE 2023").

PERFORMANCE IN FYE 2023

BUILDING STRENGTH & CAPABILITY IN ENGINEERING & CONSTRUCTION

Reflecting on our performance during FYE 2023, it has been a year filled with achievements and challenges. We have witnessed a decline in earnings of -16.1%. Despite these challenging statistics, we are pushing ahead to complete one of the Group's key projects, the East Klang Valley Expressway ("EKVE"), plying between Bandar Sungai Long and Ukay Perdana in FYE 2024.

Chairman's Message



EKVE Sdn Bhd, the wholly-owned subsidiary of AZRB, the developer of the expressway, started construction of the RM1.55 billion project in September 2015. Initially, the project was expected to take four years to complete, but a series of delays meant that, in October 2020, the completion target had to be revised. The highway reached 92% completion with minimal work done during FYE 2023. The slow progress of the construction was due to the after-shocks of the pandemic, amongst them rising construction costs. This affected the Group's financial position as it had to address the issue of obtaining additional capital. However, as of the date of this report, the funding issue is in its final stages of being resolved, which will enable construction work to resume. The main section of the highway is expected to be opened in stages beginning Quarter 4 FYE 2024, while the remaining stretch is targeted to be completed towards Quarter 4 FYE 2025. Beyond improving our cash flow once operations commence, EKVE will provide us with a substantial asset that can be leveraged to raise capital through third-party investment or additional financing, easing our tight financial position.

During FYE 2023, AZRB secured a contract worth RM122.5 million from the Ministry of Works for a road upgrading project in Cameron Highlands for 42 months, starting 15 June 2023. The road plan and bypass project consist of two site locations: upgrading the 1 km-long FT59 route from the McDonald's roundabout to the Brinchang interchange/Time Tunnel Museum and constructing a one-way loop at the Kea Farm.

OIL & GAS DIVISION EVOLVING STEADILY

The Oil & Gas Division is greatly encouraged by the recent uptake in the demand for its services, signifying increasing confidence in the supply bases' ability to fulfill the needs of major oil and gas companies in its vicinity. The Division expects an increase in drilling operations originating from the tenants at the Tok Bali Supply Base in Kelantan, and we anticipate the expansion of business activities at the supply base will contribute positively to the Group in the near future.

Chairman's Message

STEADY PROGRESS IN CONCESSION DIVISION

The Group also benefits from the contribution from the Concession Division, led by wholly-owned subsidiary Peninsular Medical Sdn. Bhd. ("PenMedic"). Managed by a team of qualified, experienced professionals, we provide Asset Management Services, consisting of Facility Engineering Maintenance, Cleaning, Security and Medical Equipment Maintenance for the International Islamic University Malaysia ("IIUM") in Kuantan, Pahang. The long-term Concession Agreement extends to 2038.

I am pleased to announce that on 28 August 2023, PenMedic was awarded projects from IIUM for additional works for Sultan Ahmad Shah Medical Centre at IIUM, Pahang. The first project includes additional works for the proposed fertility centre at Sultan Ahmad Shah Medical Centre @ IIUM of the Development of Teaching Hospital, IIUM, Medical Campus in Kuantan, worth RM9.7 million. The second project is for additional works for the proposed paediatric ICU at the same medical centre for RM13.95 million. The contract will run for one year from 6 September 2023.

RESTRATEGISING OUR POSITION

Concerning the Plantation Division, the Group is exploring options on the way forward for the Division in the best interests of the Group. We are looking to take the necessary steps to restructure the plantation operations to limit the mounting losses and mitigate its crushing impact on the Group's bottom line. Shareholders will be apprised of any developments.

I am pleased to state that the Group has RM967 million of outstanding order-book as of 30 June 2023 and continues to focus on sourcing for avenues to replenish its order-book. The outstanding balance is expected to sustain the Group for the upcoming financial period.

We are greatly encouraged by the Malaysian Government's announcement of the Twelfth Malaysia Plan ("12MP"), which highlighted 'Enhancing Connectivity & Transport Infrastructure' as one of the key Policy Enablers that will play a crucial role in facilitating growth across all sectors of Malaysia's economy. This should translate into better opportunities for the construction industry in the coming five years. The recent announcement made by the Government in the revised budget also supports this intention, and this augurs well for the industry we are invested in. In addition to new projects being rolled out by the Government, the Group continues to tender for projects in the private sector, which, in turn, keeps its clientele base sufficiently diversified.

Moving forward, the Group intends to leverage its position as a reputable builder of distinction to tap into any suitable opportunities in the sector.

As a whole, the Group continues to practice prudent financial management and rigorously manages its resources to ensure that it will continue to remain resilient. Our track record and past performance have been a testament to the trust that our clients continue to place in us. Since our inception, we have successfully delivered several key projects, maintaining the high standards of quality and excellence that AZRB is known for. This trust is invaluable and encourages us to strive for continuous improvement.



On going project at The Masjid Bandaraya KotaSAS.

Chairman's Message

STRATEGIC DIRECTION FOR LONG-TERM VALUE CREATION

In response to these challenges, we have been re-evaluating our strategic direction. We recognise the need to pivot towards new revenue drivers. In this regard, our Tok Bali Supply Base holds tremendous potential for expansion. With its promising opportunities, the oil & gas sector is a path we intend to explore with determination. By diversifying our revenue sources, we aim to reduce our reliance solely on the construction industry, which has been experiencing a soft period.

Our long-term vision is clear - we intend to become a multi-sector conglomerate with diversified revenue streams. While the construction industry will always be at the heart of what we do, we believe the key to our sustainability lies in our ability to adapt and grow in other sectors.

SUMMARY OF FINANCIAL RESULTS



REVENUE

RM380.4 million
FYE 2022: RM723.1 million



LOSS BEFORE TAX

RM(70.9) million
FYE 2022: RM(67.6) million



LOSS FOR PERIOD

RM(103.9) million
FYE 2022: RM(79.6) million



LOSS ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF PARENT

RM(89.2) million
FYE 2022: RM(76.8) million



BASIC LOSS PER SHARE (SUBUNIT)

(14.96) sen
FYE 2022: (12.87) sen

As of 30 June 2023, revenue dropped to RM380.4 million, which was lower by 47.4% from the RM723.1 million recorded in FYE 2022.

Overall, the Plantation, Engineering & Construction, and Property Divisions posted substantially lower contributions, partially offset by improved income from our Oil & Gas and Concession business segments.

The Group incurred a Loss Before Tax ("LBT") of RM70.9 million in FYE 2023 when compared to RM67.6 million in FYE 2022, but it must be noted that the LBT was primarily caused by the result of the Kalimantan plantation operations, which single-handedly accounted for most of the losses incurred this year.

The Management Discussion & Analysis ("MD&A") in this Annual Report presents a detailed review of our financial and operational performance.

CORPORATE EXERCISES

The Group has proposed to raise approximately RM12 million from a private placement of 10% of its share base, with the proceeds to be used as capital for the Engineering & Construction Division.

This will involve issuing up to 59.7 million shares to third-party investors, with the identity and issue price to be determined later. It should be noted that the Group has yet to undertake any other fundraising exercise in the past 12 months.

We have obtained all necessary approvals, including from Bursa Malaysia on 4 October 2023. The private placement is targeted for completion by the first quarter of 2024. The proceeds from this exercise will be expended for the purchase of building materials and payments to contractors and suppliers for two projects currently undertaken by the Group.

Chairman's Message

COMMITMENT TO INTEGRITY, EXCELLENCE, AND RESILIENCE

Our steadfast dedication to corporate governance underscores our profound responsibility to shareholders and stakeholders. We recognise that our actions hold significant weight, and as a public listed entity, we must uphold the highest ethical standards and adhere to all relevant regulations.

Quality of work has always been our hallmark, and we are dedicated to preserving our reputation for excellence. It has not been easy for the Group to maintain business as usual. However, we are deeply aware of our responsibilities and continue to be trusted by clients to undertake projects, even in the face of challenging market conditions.

In these uncertain times, effective risk management is not a choice; it is an imperative. We proactively identify and address risks that may impede our progress. Our commitment to monitoring our financial health is unwavering and underscores our seriousness in ensuring the wellbeing and security of our employees, supply chain, clients, shareholders and all stakeholders. By strategically diversifying our portfolio, we aim to enhance our resilience and maintain a robust balance sheet.



Colourful Saloma Link Bridge, latest attraction in Kuala Lumpur.

PROSPECTS MOVING FORWARD

We foresee the extended period of losses at AZRB may be nearing an end with the imminent completion of a major tolled section of the EKVE and restructuring of the loss-making plantation operations. While the completion of the EKVE project will get us back on track and provide a recurring source of income, streamlining non-core assets will eventually reduce losses to a significant degree.

Subsequently, an improving financial position and a more balanced risk profile will unshackle the Group from past constraints to capitalise on growth opportunities and weather economic fluctuations. In addition, we are exploring potential strategic partnerships and collaborations to expand our project portfolio as a confident step towards the future.

The Tok Bali Supply Base ("TBSB") for the oil & gas industry is a case in point. At TBSB, we offer our clients a geographically strategic and cost-efficient distribution hub for production and drilling support, covering the North Malay Basin and Malaysia Thailand Joint Development Area. We are greatly encouraged by the plans our clients have in place. Which is to make TBSB their primary operations hub. We look forward to catering to our clients' aspirations and thus realise the value TBSB has to offer.

Looking further ahead, TBSB has the potential to be converted into a complete port to serve the state of Kelantan, which is poised to stimulate more economic activities and encourage profound developmental support for local businesses, and at the same time, help build a healthier socioeconomic platform for its communities.

Our commitment to adding value to our shareholders and stakeholders remains at the forefront of our endeavours. We will continue to focus on profitability and sustainable growth with the aim to enhance shareholder returns, even in challenging times. Our stakeholders, including employees and partners, are critical to our success, and we will ensure that their interests are safeguarded.

Chairman's Message

SUSTAINABILITY AS THE WAY FORWARD

We fully grasp the significance of integrating sustainability into our business ethos. Sustainability is no longer merely an option but a foundational necessity. By adopting eco-conscious construction methods, reducing our carbon footprint, and actively participating in community development initiatives, we wholeheartedly commit to positively impacting the spectrum of environmental, social and governance ("ESG") responsibilities.

We are focusing on strengthening internal processes, mitigating risk and tapping into opportunities. During the reporting period, we intensified efforts to integrate ESG considerations across all of our operations with the intention for it to be used as a platform to support recovery and to drive future growth.

With the advent of new strategies and capabilities to create sufficient and sustainable value for all our stakeholders, we will progressively extend our reporting scope in accordance with the Global Reporting Initiative ("GRI") framework, complementing our existing benchmarks of Bursa Malaysia Sustainability Reporting Guide and the FTSE4Good Bursa Malaysia Index criteria.

AZRB remains committed to the aspirations of the United Nations Sustainable Development Goals ("UNSDGs"), including the UN's hope of reducing greenhouse gas ("GHG") emissions by 45% by 2030 (from 2010 levels) and subsequently meeting the ultimate goal of net-zero.

Further details on the Group's efforts on sustainability are presented in the Sustainability Statement of this Annual Report.



TBSB has the potential to be converted into a port.

Chairman's Message

ACKNOWLEDGEMENTS

I want to take this opportunity to express the Board's appreciation to our shareholders who have stayed the course even through such challenging times. Their patience and understanding have been a source of assurance and, more importantly, an incentive for us to go the extra mile towards regenerating the company for a brighter and more sustainable future.

I am grateful to our shareholders, clients, employees, and partners for their continued support and trust. We look forward to your unwavering support as we stride confidently into the future.

The Board also appreciates the unwavering support shown by our business partners and various parties throughout our supply chain amidst difficult conditions in a trying financial year.

On behalf of the Board members, I would like to thank YM Raja Tan Sri Dato' Aman Bin Raja Haji Ahmad, who retired as our Chairman after having tirelessly served the Board for over 19 years and Tan Sri Dato' Sri Haji Wan Zaki Bin Haji Wan Muda, who retired as a Director of AZRB since its inception. However, I am pleased to note that Tan Sri Wan Zaki Bin Haji Wan Muda has opted to remain on board as Group Advisor to the AZRB Group. Both YM Raja Tan Sri Dato' Aman Bin Raja Haji Ahmad and Tan Sri Wan Zaki Bin Haji Wan Muda contributed immensely to the group and were pivotal for the success of the Group before this. I would like to wish YM Raja Tan Sri Dato' Aman Bin Raja Haji Ahmad a blessed and well deserved retirement and best endeavours on his future ventures. I would also like to take this opportunity to welcome Mr Lee Chee Koon, who recently joined us as a member of the Board and whose skills and experience will be an asset to our Board.



Menara AZRB

My profound appreciation further goes to my fellow Board members, who have supported and provided wise counsel to our collective efforts in resolving prevailing issues and positioning the Group on the path to recovery.

On a personal note, it has been my privilege to have served AZRB, and while it is unfortunate that my tenure coincided with a downtrend in the Group's performance, it has been, nonetheless, an insightful experience.

As a parting message, I salute the management and staff of AZRB for your support and continued determination in steering AZRB in the right direction towards a positive and complete turnaround.

Thank you.

Tan Sri Dr Madinah Mohamad
Chairman

Board of Directors



1. TAN SRI DR MADINAH BINTI MOHAMAD
Independent Non-Executive Chairman

2. DATO' SRI WAN ZAKARIAH BIN HAJI WAN MUDA
Non-Independent Executive Director
Group Managing Director

3. DATO' IR. W ZULKIFLI BIN HAJI W MUDA
Non-Independent Executive Director
Deputy Group Managing Director (1)

4. DATO' ROSLAN BIN TAN SRI JAFFAR
Non-Independent Executive Director
Deputy Group Managing Director (2)

5. TAN SRI DATO' LAU YIN PIN @ LAU YEN BENG
Non-Independent Non-Executive Director

6. DATO' IR. HAJI CHE NOOR AZEMAN BIN YUSOFF
Independent Non-Executive Director

7. MR LEE CHEE KHOON
Independent Non-Executive Director

Board of Directors' Profile



TAN SRI DR MADINAH BINTI MOHAMAD

Independent Non-Executive Chairman



67

Date of Appointment:

16 August 2021

Board Meeting Attendance for FYE 2023:

7/7

Tan Sri Dr Madinah was appointed as an Independent Non-Executive Director of the Company on 16 August 2021 and was subsequently appointed as Chairman on 1 May 2023. She was appointed as a member of the Audit and Risk Committee on 14 October 2021 and appointed as a member of the Nomination Committee on 1 May 2023. She relinquished her membership in the Audit and Risk Committee on 30 June 2023.

She holds a Doctorate in Human Resource Development, Masters in Human Resource Development from Universiti Putra Malaysia and Bachelor's in Social Sciences (Political Science) from Universiti Sains Malaysia.

Tan Sri Dr Madinah began her career as an Administrative and Diplomatic Officer in 1981 with the Ministry of Foreign Affairs and has over 35 years of experience in public service, including various positions in several ministries and departments, including being appointed as the Secretary General of the Ministry of Science, Technology & Innovation ("MOSTI") and Secretary General of the Ministry of Education. She also served on the boards of multiple Government-Linked Companies ("GLCs"), most notably the Securities Commission Malaysia, Malaysia Digital Economy Corporation Sdn Bhd ("MDEC") and Malaysian Communications and Multimedia Commission ("MCMC").

In April 2009, Tan Sri Dr Madinah was appointed the Secretary General of MOSTI, where she was instrumental in policy formulation and implementation, directly responsible for the development of science, technology and innovation in Malaysia where she contributed significantly to the drafting and finalising of the National Space Policy and National Innovation Policy. Tan Sri Dr Madinah also developed and implemented the Malaysian Government's Biotechnology Policy, ICT Policy and National Science, Technology and Innovation Policy.

Tan Sri Dr Madinah served as the Secretary General of the Ministry of Education before her retirement in 2016. She held the position since 2013, where she was very much involved in policy guidance and administration and was directly involved in driving the education transformation agenda, which included creating a clear vision and direction for the execution of the Malaysia Education Blueprint 2013-2025 in order to meet the new demands and expectations of institutional stakeholders and the citizens of Malaysia.

Her final stint in public service was her appointment as the first female Auditor General of Malaysia, of which she held office from 2017 until her contract ended in 2019.

Tan Sri Dr Madinah is also a member of Pengajian Program (JKPP) Program Bachelor Sains Pembangunan Sumber Manusia Dengan Kepujian, Fakulti Pengajian Pendidikan, Universiti Putra Malaysia.

Currently, Tan Sri Dr Madinah sits on the boards of Tomei Consolidated Berhad and Puncak Niaga Holdings Berhad as an Independent Non-Executive Director.



DATO' SRI WAN ZAKARIAH BIN HAJI WAN MUDA

Group Managing Director
Non-Independent Executive Director



63

Date of Appointment:
2 January 1999

Board Meeting Attendance for FYE 2023:
7/7

Dato' Sri Wan Zakariah was appointed as an Executive Director on 24 March 1999 and was subsequently appointed as Group Managing Director on 1 January 2003. He is presently the Chairman of the Employees' Share Scheme Committee and the Remuneration Committee.

Dato' Sri Wan Zakariah obtained a Bachelor of Science in Quantity Surveying from the Thames Polytechnic, United Kingdom (now known as the University of Greenwich) in 1986. He joined Ahmad Zaki Sdn Bhd ("AZSB") in 1986 as a Quantity Surveyor and was appointed a Director of AZSB in 1994. In 1996 Dato' Wan Zakariah was promoted to the position of Managing Director of AZSB.

Dato' Sri Wan Zakariah sits on the board of several private limited companies and has no directorships in other public companies and listed issuers.

Board of Directors' Profile

DATO' IR. W ZULKIFLI BIN HAJI W MUDA**Deputy Group Managing Director (1)****Non-Independent Executive Director**

61

Date of Appointment:
2 January 1999**Board Meeting Attendance for FYE 2023:**
6/7

Dato' Ir. W Zulkifli was appointed as a Non-Executive Director on 2 January 1999. He was re-designated as the Executive Director on 1 March 2003 and was subsequently appointed as Deputy Group Managing Director (1) on 1 December 2017. He sits on the Employees' Share Scheme Committee as an ordinary member.

Dato' Ir. W Zulkifli holds a Bachelor of Science (Civil Engineering) Degree which he obtained in 1985 from the University of Southern Illinois, United States of America. He began his career with AZSB as a Project Engineer in 1985. He was promoted to the position of Project Manager and was appointed the Executive Director (Operations) of AZSB in 1996. Dato' Ir. W Zulkifli was subsequently appointed as the Managing Director of AZSB on 7 February 2003.

Dato' Ir. W Zulkifli does not hold directorships in other public companies and listed issuers but sits on the board of several private limited companies.



Board of Directors' Profile

**DATO' ROSLAN BIN TAN SRI JAFFAR****Deputy Group Managing Director (2)****Non-Independent Executive Director****47****Date of Appointment:**

8 January 2015

Board Meeting Attendance for FYE 2023:

7/7

Dato' Roslan was appointed as an Executive Director of the Company on 8 January 2015 and on 1 December 2017 was appointed Deputy Group Managing Director (2). He sits on the Employees' Share Scheme Committee and Remuneration Committee as an ordinary member.

Dato' Roslan holds a Bachelor's Degree in Mechanical Engineering from Imperial College London, United Kingdom and is a Fellow of the Association of Chartered Certified Accountants ("ACCA"), United Kingdom.

Dato' Roslan joined the Company in 2010 as Chief Operating Officer and was appointed as an Executive Director of AZSB in the same year. Prior to joining the Company, he was with PricewaterhouseCoopers where he worked in both the Assurance and Advisory divisions in both the Kuala Lumpur and Washington DC offices specialising in the Infrastructure, Government and Utilities sector.

Currently, he is the Vice Chair on the Board of Governors at an established international school in Kuala Lumpur and a member of the Board of Trustees at a Royal foundation.

Dato' Roslan does not hold directorships in other public companies and listed issuers but sits on the board of several private limited companies.

Board of Directors' Profile

**TAN SRI DATO' LAU YIN PIN****@ LAU YEN BENG****Non-Independent Non-Executive Director****74****Date of Appointment:**

15 November 2010

Board Meeting Attendance for FYE 2023:

7/7

Tan Sri Dato' Lau was appointed as an Independent Non-Executive Director of the Company on 15 November 2010. He was then re-designated as a Non-Independent Director on 1 June 2023, in line with the Main Market Listing Requirements of Bursa Securities that limits the tenure of an Independent Director to not more than a cumulative period of 12 years from the date of their first appointment. He was appointed as a member of the Audit and Risk Committee and the Nomination Committee on 1 March 2011 and 24 March 2016, respectively. On 28 May 2021, he was re-designated as the Chairman of the Nomination Committee.

Tan Sri Dato' Lau obtained his Diploma in Commerce with distinction from Tunku Abdul Rahman College, Malaysia, in 1974. He has been a member of the Malaysian Institute of Accountants since 1979. He was made a Fellow of the Association of Chartered Certified Accountants ("ACCA"), United Kingdom, in 1981 and in 1987 he graduated as a member of the Institute of Chartered Secretaries and Administrators ("ICSA"), United Kingdom. In 2002, he was appointed a Senator of Dewan Negara by Seri Paduka Baginda Yang di-Pertuan Agong, Malaysia.

Tan Sri Dato' Lau had served as a Non-Independent Non-Executive Director and Chairman of the Board of Directors of Nanyang Press Holdings Berhad and Star Publications (Malaysia) Berhad, and as an Independent Non-Executive Director of Media Chinese International Limited, a company listed on the Malaysian and Hong Kong stock exchanges. He also served on the Board of Tenaga Nasional Berhad in various capacities, including chairing the Board Audit Committee and a member of the Board Tender Committee and Board Disciplinary Committee. Tan Sri Dato' Lau also served as a Board Member of Tenaga Nasional Berhad's subsidiary companies.

Tan Sri Dato' Lau does not hold directorships in other public companies and listed issuers but sits on the board of several private limited companies.

Board of Directors' Profile

**DATO' IR. HAJI CHE NOOR AZEMAN
BIN YUSOFF**
Independent Non-Executive Director

Date of Appointment:
14 October 2021

Board Meeting Attendance for FYE 2023:
7/7

Dato' Ir. Haji Che Noor Azeman was appointed as an Independent Non-Executive Director of the Company on 14 October 2021 and was appointed as a Senior Independent Director of AZRB on 1 June 2023. He was also appointed as a member of the Nomination Committee and Audit and Risk Committee on 1 May 2023 and 30 June 2023 respectively.

Dato' Ir. Haji Che Noor Azeman graduated with an MSc in Highway Engineering and a BSc. (Hons.) in Civil Engineering from the University of Strathclyde, United Kingdom. He is also a Professional Engineer with a Practicing Certificate from the Board of Engineers Malaysia, the Institution of Engineers Malaysia and ASEAN Chartered Professional Engineer ("ACPE").

Dato' Ir. Haji Che Noor Azeman began his career in Jabatan Kerja Raya ("JKR"), Malaysia and has served in JKR for almost 37 years, rising through the ranks until his last post as Director of Road & Bridge Engineering Specialist, Road Branch in JKR. He also served as the President of the Chartered Institution of Highways & Transportation Malaysia Branch ("CIHTMB") from 2019 to 2021. Currently, he is serving as a Council Member for the Road Engineering Association Malaysia ("REAM") and also the Intelligent Transportation System of Malaysia ("ITSM") for the term 2023-2025.

Dato' Ir. Haji Che Noor Azeman does not hold directorships in other public companies and listed issuers, but sits on the board of several private limited companies.



Board of Directors' Profile

**MR LEE CHEE KHOON**

Independent Non-Executive Director



51

Date of Appointment:

15 March 2023

Board Meeting Attendance for FYE 2023:

3/3

Mr Lee Chee Khoon was appointed an Independent Non-Executive Director of the Company on 15 March 2023. He is currently the Chairman of the Audit & Risk Committee and a member of the Nomination Committee.

Mr Lee Chee Khoon obtained his Master's Degree in Banking & Finance from the University of Sheffield, United Kingdom and obtained a Bachelor's Degree in Accounting & Economics from the University of Sydney, Australia. He is currently a member of the Malaysia Securities Commission and is a non-active member of the Hong Kong Securities and Futures Commission and the United Kingdom Financial Conduct Authority.

Mr Lee Chee Khoon started his financial advisory career as a Senior Associate with PricewaterhouseCoopers (Singapore) and subsequently moved to PricewaterhouseCoopers (PwC) London as Assistant Director (Corporate & Project Finance). In 2003, he was appointed as the Executive Director at the Kuala Lumpur office, specialising in Project Finance, Mergers & Acquisitions and Corporate Finance. He then joined RGMI (Singapore) in 2006 as the Head of Corporate Finance and acting Chief Financial Officer.

In 2007, he was appointed Chief Executive Officer at BNP Paribas Investment Bank (Securities) Malaysia and subsequently joined Kara Agrii II in 2010 as Chief Executive Officer. He moved to CIMB Investment Bank (Malaysia) in 2012 and has served CIMB Investment Bank in various capacities, holding the positions of Managing Director (Agri Business), Chief Executive Officer of North Asia Wholesale Banking, and from 2014 to 2017, he was appointed as the Chairman/Senior Managing Director/Chief Executive Officer at CIMB Securities Ltd (Hong Kong). In 2017, he was appointed Senior Managing Director of South East Asia at CIMB Investment Bank in Malaysia.

Mr Lee Chee Khoon currently sits on the board of several private limited companies and has no directorships in other public companies and listed issuers.

Board of Directors' Profile



Saloma Link Bridge connecting Kampung Bharu to KLCC in the heart of Kuala Lumpur.

Notes:

Family Relationship:

Except for Dato' Sri Wan Zakariah Bin Haji Wan Muda and Dato' Ir W Zulkifli Bin Haji W Muda are siblings, and their nephew Dato' Roslan Bin Tan Sri Jaafar is the son-in-law of Tan Sri Haji Wan Zaki Bin Haji Wan Muda, the Founder and Group Advisor of AZRB. None other Directors are related to one another, nor with any other shareholder.

Conflict of Interest.

Save as disclosed in the related party transactions on Note No. 45 in the Financial Statements of this Annual Report, none other Directors have any conflict of interest with the Company during the financial period.

Convictions of Offences

None of the Directors have been convicted of any offences within the past five (5) years and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 June 2023.

Management Discussion and Analysis



Although the Financial Year Ended 30 June 2023 ("FYE 2023") continued the pandemic-induced trend of losses at Ahmad Zaki Resources Berhad ("AZRB" or "the Group"), we are diligently working on new strategies to stimulate an effective turnaround.

Dato' Sri Wan Zakariah Bin Haji Wan Muda
Group Managing Director

The completion of our flagship East Klang Valley Expressway ("EKVE") project remains the Group's single most important priority. The cash crunch caused by the pandemic and coupled with the rising building material prices created a perfect storm which severely impacted our ability to proceed with work on EKVE. However, we have since worked hard to secure additional financial support from our main lenders as well as the Government to enable us to restart work and thus complete the EKVE project. Once completed we can begin generating the much-needed revenue via toll collection to improve cash flow and ease our current financial position.

We are confident that the completion of EKVE will provide the financial breathing space for AZRB to tap the potential of existing assets such as the Tok Bali Supply Base ("TBSB") and to expand our revenue base. At this stage, it is pertinent to point out that our less-than-favourable circumstances during FYE 2023 were primarily due to financial constraints and not one of business competence or technical capabilities.

With a sterling track record for delivering nationally-important and high-profile projects like the EKVE and portions of the Klang Valley Mass Rapid Transit ("MRT") system, AZRB maintains the trust and assurance of our clients. This is reflected by the recent contracts we were awarded for the construction and upgrading of roads in Cameron Highlands by the Ministry of Works, and for a fertility centre and paediatric Intensive Care Unit ("ICU") at the Sultan Ahmad Shah Medical Centre in Kuantan awarded by the International Islamic University Malaysia ("IIUM"). These positive developments, in the face of recent tribulations, have strengthened the resolve of management and staff, who are now even more motivated and energised to reverse the negative streak of the past few years.

Management Discussion and Analysis



Masjid As-Syakirin, KLCC

Business Objectives Anchored on Value Creation

AZRB has been a key partner in the development of critical infrastructure projects for the nation, business and industry, and social communities, across Peninsular Malaysia for the past four decades. The Group's Engineering and Construction ("E&C") Division is renowned for its experience and expertise in constructing and project managing large-scale infrastructure, public facilities, property development and ancillary amenities, including a network of highways, roads, commuter rail links and maritime facilities, hospitals, educational institutions, sports facilities, offices, hotels, residential units and mosques. These projects support a multitude of industries involved in national infrastructure, medical, private, social and oil & gas sectors. Such infrastructure and facilities have served to stimulate both economic and socioeconomic activities by creating business and job opportunities particularly in the less-developed regions along the east coast of Malaysia, where AZRB is one of the largest private investors in the state of Kelantan.

As an established business and listed entity, the Group strives to provide financial returns to our shareholders, income and other benefits for our workforce, business opportunities for contractors, vendors and service providers, taxation income for the Government and aid for the communities in our areas of operations.

Operating Environment in FYE 2023

Although the Malaysian economy grew by a 20-year high of 8.7% in calendar year 2022 before moderating in the first half of 2023, the factors most relevant to the Group's operations were the cost of building materials, financing implications and available opportunities within the construction sector.

Inflation and the weakening Ringgit have led to an overall spike in building material costs, with the national rate climbing to 3.3% in 2022 and the currency dropping to a historic low of 1 USD = RM4.74 in October 2022. (Sources: DOSM and BNM)

In a property industry survey, the Real Estate and Housing Developers' Association Malaysia ("REHDA") noted that average building costs increased by 17% in the second half of 2022, with the price of cement, steel, aluminium and bricks rising by more than 20%. As reported in the previous financial year, these unforeseeable events contributed to the delay in completing the EKVE while significantly raising construction costs for other projects.

The financial year also saw continued tightening of monetary policy by Bank Negara Malaysia ("BNM"). The central bank had raised its Overnight Policy Rate ("OPR") on four separate occasions since May 2022 from 1.75% previously to the current rate of 3.00% points in its bid to contain inflationary pressures.

The difficult economic outlook, together with destabilising geopolitical events resulted in a cost of living crisis across the whole globe. Understandably, governments focused on ensuring livelihoods for citizens, and thus in the case of Malaysia, this meant minimal fiscal allocation for new infrastructure development projects.

OVERVIEW & PERSPECTIVES

SUSTAINABILITY REPORT

INTEGRITY & GOVERNANCE

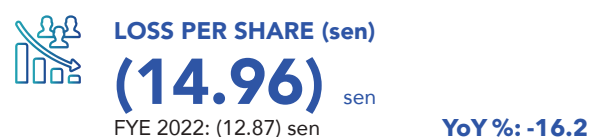
FINANCIAL STATEMENTS

ACCOUNTABILITY

Management Discussion and Analysis

FINANCIAL PERFORMANCE

Financial Performance at a Glance 2023



The Group achieved Revenue of RM380.4 million in FYE 2023, contracting by -47.4% from RM723.1 million in FYE 2022 as a result of minimal contributions from our Plantation business and lower sales from Engineering & Construction.

Our traditional mainstay of Engineering & Construction recorded 34.1% lower revenue contribution amounting to RM235.7 million as opposed to RM357.9 million in FYE 2022, which was mainly due to lower construction volume for the financial year.

On a brighter note, both the Oil & Gas and Concession Divisions show growth in revenue, whereby they recorded revenue growth of RM71.6 million (FYE 2022: RM58.0 million) and RM56.2 million (FYE 2022: RM54.3 million) respectively.

Similar to the Engineering & Construction business, our Property Division saw a delay in new property launches, resulting in a lower revenue contribution of RM7.9 million against RM38.6 million in FYE 2022.

Our plantations in Kalimantan contributed RM8.9 million to Group Revenue, which constituted a drop from RM214.4 million in FYE 2022. Going forward, we are considering all options available to the Group on the future direction of this division.

The Group sustained a Loss Before Tax ("LBT") of RM70.9 million for the financial year in review, which was 4.9% higher than RM67.6 million in FYE 2022.

The Engineering & Construction Division recorded lower LBT of -RM4.9 million (FYE 2022: RM46.9 million), while the Concession Division achieved a higher pre-tax profit of RM35.5 million as compared to RM34.5 million in the previous financial year. The Oil & Gas and Property Divisions posted losses of RM3.9 million (FYE 2022: RM5.1 million) and RM4.2 million (FYE 2022: RM2.8 million), respectively.

As to be expected, the Plantation segment incurred the highest losses at RM92.4 million (FYE 2022: RM48.2 million), which was partially offset by gains from Concession, amounting to RM47.1 million.

Loss attributable to owners amounted to RM89.2 million against RM76.8 million in FYE 2022, representing a decline of 16.1%. As a result, Loss Per Share ("LPS") was higher at 14.96 sen in comparison with 12.87 sen in FYE 2022.

At the close of the financial year, the Shareholders' Funds stood at RM67.2 million (FYE 2022: RM174.5 million) while Net Tangible Assets dropped to a value of -RM3.4 million from RM117.2 for a Net Tangible Assets per Share of -0.6 sen (FYE 2022: 20 sen).

Management Discussion and Analysis

REVIEW OF OPERATIONS

Segmental Financial Performance at a Glance FYE 2023

Revenue (RM Million)

LBT (RM Million)

Engineering & Construction



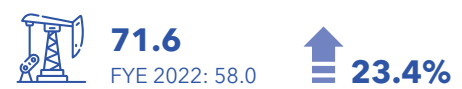
(4.9)
FYE 2022: (46.9)

Concession



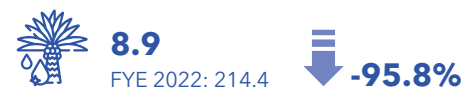
35.5
FYE 2022: 34.5

Oil & Gas



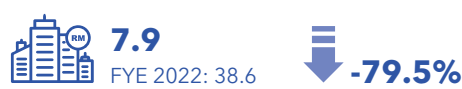
(3.9)
FYE 2022: (5.1)

Plantation



(92.4)
FYE 2022: (48.2)

Property



(4.2)
FYE 2022: (2.8)

Engineering & Construction

During the financial year in review, the division completed and delivered its project for Line 2 of the Klang Valley MRT ahead of time, which was subsequently opened to the public by the end of March 2023. Of the eight packages awarded to contractors by Mass Rapid Transit Corporation Sdn Bhd ("MRT Corp"), our package was the first to reach completion despite considerable technical challenges of building an elevated rail line above Jalan Kepong with its high traffic volume.

Other ongoing projects that continued from the previous financial year was mainly the EKVE, PNB Hotel and Office Towers and Petronas Office Complex in Kemaman. As announced on 28 February 2022, we were awarded by Majlis Ugama Islam Dan Adat Resam Melayu Pahang ("MUIP") for a project known as "Cadangan Pembangunan Institusi Masjid Bandaraya dan Kompleks Pusat Islam, Kota Sultan Ahmad Shah, Mukim Kuala Kuantan, Daerah Kuantan, Pahang Darul Makmur", with a total value of RM205.4 million. These projects will contribute significantly to Group Revenue for the current year.

The drop from the previous financial year was due to the slowdown of construction progress for our EKVE project due to funding issues. This has been addressed with a term loan facility of RM180 million from certain financial institutions and a loan from the Government of Malaysia amounting to RM165 million.

We have since added three new projects with a combined value of RM146.2 million to our order book with the first being awarded before the close of the financial year and the remaining two concurrently approved in August this year.

The first project by the Ministry of Works is a RM122.5 million design and build contract for a new bypass road and upgrading works for current roads in Cameron Highlands, Pahang. The project is expected to take 42 months to complete and will contribute positively to the Group's future earnings.

Management Discussion and Analysis



EKVE

Concession

• EKVE

Similar issues of higher material and labour costs significantly impacted the division at a time when the Group was facing financial constraints, leading to a delay in its completion.

The EKVE section from Sungai Long to Ampang covering 92% of the highway is now scheduled for completion by end of FYE 2024 and will begin generating revenue, while the overall completion of the remaining Ampang to Ukay Perdana stretch is scheduled for completion by FYE 2025.

Forming part of the Kuala Lumpur Outer Ring Road ("KLORR"), the EKVE spans 24km of mainline and an additional 15km of spur roads to provide commuters with an alternative route to the congested Middle Ring Road 2 ("MRR2").

• Peninsular Medical Sdn Bhd

The Concession Division remains to be the Group's main pillar of strength with continued strong numbers both in terms of revenue and profitability, and continues to contribute steady and stable results to the Group.

During the year we were awarded two projects from IIUM for a fertility centre and paediatric ICU at the Sultan Ahmad Shah Medical Centre located within IIUM's medical campus in Kuantan, worth RM9.7 million and RM14.0 million respectively.

Oil & Gas

With crude oil prices trending towards USD100 per barrel and with a positive outlook for the industry over the next three years, Petronas appears likely to increase operations in amongst others, drilling activities. (Sources: Petronas Activity Outlook 2023 - 2025, <https://www.thestar.com.my/business/business-news/2023/01/06/upbeat-outlook-on-og-sector-petronas-activities>.)

Management Discussion and Analysis



TBSB

This represents a growth opportunity for our Oil & Gas Division, which is extending its support services beyond production activities to include drilling packages which will in turn positively contribute to its top line in FYE 2024.

Beyond this, we are aggressively positioning and marketing TBSB as the preferred supply base for the North Malay Basin ("NMB") and Malaysian Thailand Joint Development Area ("JDA") as part of the Petronas' continued focus on cost optimisation and efficiency improvements.

Plantation

During the early part of the financial year, the mill at the plantation was shut down for major maintenance works. The works were required due to issues in the efficiencies of Fresh Fruit Bunch ("FFB") processing and significant reduction in Crude Palm Oil ("CPO") production.

Upon completion of the works, the plantation was then faced with the condition of the CPO market in Indonesia being bearish and CPO prices dropped significantly by more than 50%. This followed the issuance of strict government regulation on CPO exports in order to regulate domestic cooking oil prices.

The sudden regulation resulted in traders and buyers cancelling their CPO purchase, forcing almost all palm oil mills to cut production. As highlighted in the previous financial year, the bulk of our CPO sales are realised from the purchase and processing of external fruit due to the unavailability of skilled harvesters.

These issues significantly impacted the division's cash flow and ability to operate as before. The cash flow issue faced by the Group also restricted its ability to support the plantation. To this end, the Group is studying all the options available to the Group with regards to the forward direction of the division.

Property

Our property development activities are currently focused on a couple of developments in Terengganu. In FYE 2022, the division saw the successful handover of 102 units of double storey link houses at its Laman Temala Project. In late FYE 2023, the division launched its second phase of residential development at Tiara Paka comprising 49 units of single storey link houses. The bulk of the revenue recognition from this project will be recognised in FYE 2024 and FYE 2025. As of the date of this report all 49 units of single storey link houses of Tiara Paka Phase 2 have been sold.



Residence Inn Cherating

Management Discussion and Analysis

MANAGING RISKS

Risk management is important in corporate governance because it protects the organisation from unexpected negative event. Good corporate governance allows corporations to proactively identify and mitigate risk, reduce risk exposure and ultimately minimise reputational and financial ramifications. In addition to overseeing the organisation's risk landscape, the board will look into risk management reporting. Our audit and risk committee constantly evaluates risk insights and in turn helps the board to make more informed decisions.

Despite our nominally prudent approach to business and operations, AZRB has been a casualty of events beyond our control since the first pandemic year in 2020, leading to sustained losses over the past four financial periods.

We will remain vigilant over the continuing volatility in the operating environment and with uncertainties and variables specifically affecting our business segments, we have intensified our efforts to identify and assess risks and opportunities by adopting Enterprise Risk Management ("ERM") framework best practices.

Further details are presented in the Statement of Risk Management and Internal Control on pages 83 to 88 in this Annual Report 2023.

• Business Sustainability Risk

A lack of significant projects, particularly in our core business segment of engineering & construction, can affect the Group considerably. We will continue to leverage our competencies and exemplary track record of project delivery to increase infrastructure projects.

At the same time, it is imperative that we diversify from depending on government-related contracts by strengthening relationships and solidifying our presence in the private sector.

• Operational Risk

External events such as the COVID-19 pandemic and the resulting curbs on economic and social activities significantly disrupted operations.

While we recognise the highly prohibitive circumstances, AZRB has since developed alternative approaches to maintain continuity in selected business and work processes.

We have also consolidated a higher level of competency amongst our talent and improved the integrity of our business and operational processes, as well as various management systems.

• Financial and Liquidity Risk

The Group has been hampered by financial constraints and cash flow issues precipitated by factors related to the pandemic. In turn, our unfavourable financial situation has impacted operations like the completion of the EKVE, various other projects and expansion of facilities at TBSB.

We intend to resolve our cash flow issue in the immediate term and our high gearing over the longer term by maximising revenue-generating activities while actively controlling costs.

• Cybersecurity Risk

Cybersecurity risks proliferated at the onset of the pandemic and caused threats and loss of customer and business data. These include threats to our digital assets' confidentiality, availability and integrity, and network and system security.

We have deployed appropriate security measures to protect confidential information via continuous upgrades to our IT security and safety methodology and with ongoing training on cybersecurity awareness amongst our employees.

Management Discussion and Analysis

**Masjid Tuanku Mizan Zainal Abidin****OUTLOOK & PROSPECTS**

The Malaysian economy is projected to grow by a slower pace of between 4.0% and 5.0% in 2023 according to BNM and thereafter, by 4.9% as forecasted by the Asian Development Bank ("ADB").

In addition, BNM has maintained its OPR at 3.0% with the inflation rate expected to hover at the 3.0% range from 2023 to 2024. Moderating inflation is expected to have a knock-on but lagging effect on the cost of building materials.

In a separate development, the Federal Government's review of the 12th Malaysia Plan ("12MP") has highlighted 'Enhancing Connectivity & Transport Infrastructure' as one of the key policy enablers to facilitate growth across all economic sectors.

Potentially, these initiatives will create opportunities for the construction industry over the next five years.

In the meantime, we are set to leverage on our impressive track record in Engineering & Construction to replenish our order book, which amounted to an outstanding value of RM967 million as at the close of FYE 2023. We have assessed this amount as sufficient to sustain operations for the new financial year.

Over and above new contracts from the Government, we are striving to diversify our client base by tendering for projects in the private sector, again based on our sterling reputation as an accomplished builder.

As explored earlier, the Group is eagerly tapping opportunities to drive demand for services in Oil & Gas including the utilisation of TBSB as the base of choice for major companies operating off the coast of Malaysia, and in the South China Sea.

Given our setbacks in the past financial years, we will amplify efforts to secure new business while prudently managing our finances and meticulously managing our resources to position AZRB on the path to recovery.

Thank you.

Dato' Sri Wan Zakariah Bin Haji Wan Muda

Group Managing Director

Senior Management Profiles

MOHAMMAD FAUZI BIN HAJI AHMAD

Managing Director, EKVE Sdn Bhd & Director, Concession Division



57

DATE JOINED:

3 October 2011

DATE OF APPOINTMENT TO CURRENT POSITION:

6 November 2017

QUALIFICATIONS:

- Bachelor of Science in Civil Engineering, University of Pittsburgh, USA

WORKING EXPERIENCE:

- Radicare (M) Sdn Bhd (2001 to 2005)
- Abrar-Manfield Consortium (1996 to 2001)
- Kuala Lumpur City Centre (KLCC) (1993 to 1996)
- Projek Penyelenggaraan Lebuhraya (PROPEL) (1990 to 1993)
- Pengurusan Lebuhraya Berhad (PLB) (1989 to 1990)

HAYATI TAMZIR

Executive Director, Contracts & Commercial, Ahmad Zaki Sdn Bhd



57

DATE JOINED:

2 January 2018

DATE OF APPOINTMENT TO CURRENT POSITION:

1 June 2019

QUALIFICATIONS:

- Bachelor of Building, New South Wales University, Sydney, Australia

WORKING EXPERIENCE:

- UEM Builders Sdn Bhd, posted in India (2010 to 2017)
- Pembinaan Bintang Baru Sdn Bhd (2010)
- Syarikat Siah Brothers Trading Sdn Bhd (1990 to 2010)

WAN RAZALI BIN W ZULKIFLI

Executive Director, Operations, Ahmad Zaki Sdn Bhd



35

DATE JOINED:

2 January 2018

DATE OF APPOINTMENT TO CURRENT POSITION:

1 January 2023

QUALIFICATIONS:

- Master Science in Management, Imperial College Business School, London, UK
- Master in Engineering: ACGI Civil & Environmental Engineering, Imperial College, London, UK

WORKING EXPERIENCE:

- VINCI Construction Grands Projects Sdn Bhd, Malaysia (2016 to 2018) & (2013 to 2014)
- VINCI Construction Grands Projects, Rueil Malmaison, France (2016)

Senior Management Profiles

SHAHRULANUAR ISHAK**Group Chief Financial Officer & Head of Group Strategy****48****DATE JOINED:**

1 December 2021

DATE OF APPOINTMENT TO CURRENT POSITION:

1 April 2023

QUALIFICATIONS:

- Member of Malaysian Institute of Accountants (MIA)
- Fellow of Association of Chartered Certified Accountants (ACCA), UK
- BA (Hons) Accounting and Finance, De Montfort University, Leicester, UK
- Diploma in Islamic Banking and Insurance, Institute of Islamic Banking and Insurance, London

WORKING EXPERIENCE:

- Rohas Tecnic Berhad (2016 to 2021)
- Syarikat Takaful Malaysia Berhad (2015 to 2016)
- Deloitte Malaysia (2015 to 2015)
- Maxis Berhad (2011 to 2015)
- KPMG Malaysia (1999 to 2011)

TUNKU SITI RAUDZOH BT. TUNKU IBRAHIM**Director, Group Corporate Services****65****DATE JOINED:**

3 January 2023

DATE OF APPOINTMENT TO CURRENT POSITION:

3 January 2023

QUALIFICATIONS:

- Post Graduate Diploma in Human Resource Management, University of Lincoln, UK

WORKING EXPERIENCE:

- MRCB (2018 to 2022)
- UEM Builders Berhad (1996 to 2017)
- Sime Darby Malaysia Region (1987 to 1996)

GAY SAW GHIN LYE**Director, Group Legal****66****DATE JOINED:**

1 October 2020

DATE OF APPOINTMENT TO CURRENT POSITION:

1 February 2022

QUALIFICATIONS:

- Council of Higher Legal Education, London, UK (Lincoln's Inn)
- LL.B (Hons.) University of London, UK

WORKING EXPERIENCE:

- UEM Builders Berhad (2008 to 2019)
- Ninebio Sdn Bhd (2007 to 2008)
- M/s Abu Talib Shahrom & Zahari (1993 to 2007)
- M/s Cheang & Ariff (1991 to 1993)
- M/s Abdul Ghani & Co. (1988 to 1991)
- M/s Mokhtar & Co. (1986 to 1988)

Senior Management Profiles

MOHD HARON BIN MOHD IDRIS

Director, Group Security

**57****DATE JOINED:**

2 July 2007

DATE OF APPOINTMENT TO CURRENT POSITION:

1 May 2020

QUALIFICATIONS:

- Executive Diploma in Management, Universiti Teknologi Malaysia
- Diploma in Hotel & Management, National Restaurant Association USA

WORKING EXPERIENCE:

- DISD Coordinator Foreign Affair (2006 to 2007)
- Staff Assistant to Defence Advisor Malaysian High Commission in Islamabad, Pakistan (2002 to 2006)
- Counter Intelligence Instructor - PULARIS (2000 to 2002)
- DISD Surveillance & Interrogation Coordinator (1998 to 2000)
- Chief of Security Detachment Ipoh, Perak (1995 to 1998)
- Chief of Security Detachment Butterworth, Penang (1993 to 1995)
- DISD Counter Intelligence Group (1987 to 1993)

SHAHID BIN ABDULLAH

Group Financial Controller

**48****DATE JOINED:**

17 January 2022

DATE OF APPOINTMENT TO CURRENT POSITION:

1 August 2022

QUALIFICATIONS:

- BA (Hons) Accounting and Finance, De Montfort University, Leicester, UK

WORKING EXPERIENCE:

- Sapura Resources Berhad (2013 to 2022)
- Maxis Berhad (2012 to 2013)
- Sapura Resources Berhad ((2007 to 2011)
- Dawarma Sdn Bhd (2002 to 2007)
- Kpmg, Kuala Lumpur (1999 to 2002)

SUZANA SANUDIN

Group Company Secretary

**55****DATE JOINED:**

15 April 2022

DATE OF APPOINTMENT TO CURRENT POSITION:

13 May 2022

QUALIFICATIONS:

- Licensed Secretary
- Bachelor of Science (Accounting/Law), De Monfort University, UK

WORKING EXPERIENCE:

- Boustead Heavy Industries Corporation Berhad (2008 to 2022)
- MK Land Holdings Berhad (1995 to 2008)

Senior Management Profiles

NUR HASMIN KAMAROLLZAMAN
 General Manager, TB Supply Base Sdn Bhd


43

DATE JOINED:

25 April 2022

DATE OF APPOINTMENT TO CURRENT POSITION:

25 April 2022

QUALIFICATIONS:

- Bachelor of Science in Applied Geology, University Malaya
- Member of Geological Society of Malaysia (GSM)
- Member of Society of Petroleum Engineers

WORKING EXPERIENCE:

- Viddacom (B) Sdn Bhd (2014 to 2022)
- Halliburton Energy Services (M) Sdn Bhd (2012 to 2014)
- Varel International (2010 to 2012)
- Smith International (2008 to 2010)
- Geoservices (2005 to 2008)

HAMKAMARUL BAHRIN BIN MOHAMAD
 General Manager Operation, Inter-Century Sdn Bhd


57

DATE JOINED:

1 September 1996

DATE OF APPOINTMENT TO CURRENT POSITION:

1 January 2010

QUALIFICATIONS:

- Diploma Automotive

WORKING EXPERIENCE:

- Perwaja Steel (1993 to 1996)

MOHD NASIR BIN MOHD NOOR
 Head of Property Development


46

DATE JOINED:

4 October 2021

DATE OF APPOINTMENT TO CURRENT POSITION:

4 October 2021

QUALIFICATIONS:

- Master Of Science (Construction Management) (Universiti Teknologi Malaysia)
- B. SC, Property Management, University Teknologi Malaysia

WORKING EXPERIENCE:

- Real Estate/ Development Advisor/Consultant (2021)
- MK Land Holding Bhd (2017 to 2020)
- Glenmarie Properties Sdn Bhd (2010 to 2017)
- UM Land Bhd (2002 to 2010)
- Hakimi & Associates Sdn Bhd (2000 to 2002)

OVERVIEW & PERSPECTIVES

SUSTAINABILITY REPORT

INTEGRITY & GOVERNANCE

FINANCIAL STATEMENTS

ACCOUNTABILITY

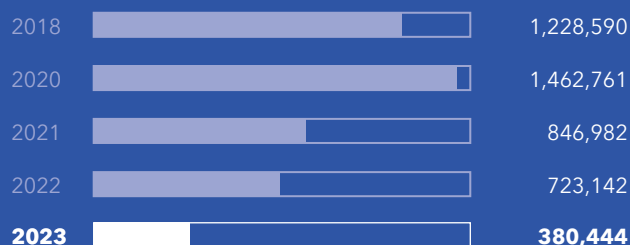
5-Year Financial Highlights

GROUP FIVE-YEAR SUMMARY

	2018	2020	2021	(Restated) 2022	2023
Revenue (RM '000)	1,228,590	1,462,761	846,982	723,142	380,444
Profit/(Loss) Before Taxation (RM '000)	24,817	(75,790)	(55,385)	(67,631)	(70,888)
Profit/(Loss) Attributable to Owners of the Company (RM '000)	14,232	(98,321)	(68,637)	(76,758)	(89,231)
Paid-up Capital (RM '000)	197,536	197,536	197,536	197,536	197,536
Shareholders' Funds (RM '000)	461,481	355,098	296,331	174,458	67,246
Net Tangible Assets Per Share (Sen)	69	51	40	20	(0.6)

Source: Extracted from audited financial statements as of 31 December 2017 - 2018 and 30 June 2020 - 2023.

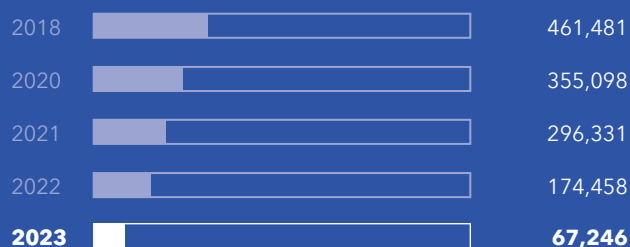
REVENUE (RM'000)



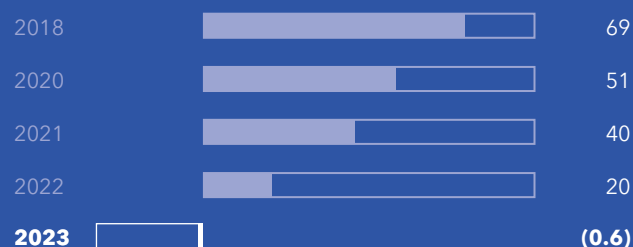
PROFIT/(LOSS) BEFORE TAX (RM'000)



SHAREHOLDERS' FUNDS (RM'000)



NET TANGIBLE ASSETS PER SHARE (Sen)



Calendar of Events

26 - 28 July 2022

Hotel Le Meridien Putrajaya

Kuala Lumpur Northern Dispersal Expressway (KL-NODE) Value Engineering (VE) Workshop, Chaired by YBhg Dato' Ir Mohd Shuhaimi Bin Hasssan, Director General, Malaysian Highway Authority.



27 September 2022

AZRB, HQ

Talk & Discussion on

Construction Industry Payment & Adjudication Act 2012 (Malaysia) - CIPAA 2012 Lessons Learned & Moving Forward organised by Contract Department.

11-13 October 2022

World Trade Centre Kuala Lumpur.

11th Malaysian Road Conference & Exhibition 2022 and International Road Federation Asia - Pacific Regional Congress "TOWARDS RESILIENT ROAD INFRASTRUCTURE".



12 December 2022

Menara AZRB

Virtual live streaming of the 25th Annual General Meeting (AGM) 2022 of AZRB.

Awards and Recognitions 2023

2022

PAM Awards 2022 for Excellence in Architecture (PAM Award Gold -Special Category) for Saloma Link.

Malaysian Institute of Architects



2022

Sustainable Infrastar Rating Certificate for MRT V202/S202 Project

MMC Gamuda



38th MSOSH Occupational Safety and Health Awards: Silver Award for KVMRT Package V202 project

Malaysian Society for Occupational Safety and Health (MSOSH)

2019



Best IR Website (micro-cap company category)

Malaysian Investor Relations Association (MIRA)

2019



Best Company for IR (micro-cap company category)

Malaysian Investor Relations Association (MIRA)

2019

2019

Merit Award - Most Improved Corporate Governance Disclosure 2018

Minority Shareholders Watch Group (MSWG)



2018

GOLD Safety Award 2018 - East Klang Valley Expressway 5.5 Million Man-Hours Without Lost Time Injury (LTI)

Kementerian Kerja Raya & Lembaga Lebuhraya

2018

5-Star Award - SCORE Certificate of Achievement

CIDB Malaysia & SME Corp Malaysia

2011

The Malaysian Construction Industry Excellence Awards 2011: Special Mention Award (Environment) - Environmental Best Practices Award

CIDB Malaysia

2013

The Malaysian Construction Industry Excellence Awards 2013: The Best Project Award (Building Project - Medium Category for Menara AZRB)

CIDB Malaysia

2013

PAM Award Gold: Commercial High-Rise Office (for Menara AZRB)

Pertubuhan Arkitek Malaysia

2015

PAM Award Commendation: Commercial High-Rise (for Menara Kerja Raya)

Pertubuhan Arkitek Malaysia

2011

The Malaysian Construction Industry Excellence Awards 2011: CEO of The Year

CIDB Malaysia

2010

Bumiputera Entrepreneur Award 2010: Construction Cluster Award (Infrastructure)

Gagasan Badan Ekonomi Melayu (GABEM)

2006

The Malaysian Construction Industry Excellence Awards 2006: Builder of the Year Award

CIDB Malaysia

Awards and Recognitions 2023

2021

39th MSOSH Occupational Safety and Health Awards: Gold Class 2 for Petronas Office Complex project

Malaysian Society for Occupational Safety and Health (MSOSH)



2021

QLASSIC Score 84% for UTP Project

CREAM-CIDB Malaysia



2020

5-Star SHASSIC Achiever Award for BBCC project

CIDB Malaysia



2020

5-Star SHASSIC Achiever Award for UTP project

CIDB Malaysia



2021

QLASSIC Score 82% for Block A POC Project

CREAM-CIDB Malaysia

2018

4-Star Award - SCORE Certificate of Achievement

CIDB Malaysia & SME Corp Malaysia

2018

5-Star Award - Sistem Penilaian Keselamatan dan Kesihatan Dalam Pembinaan (SHASSIC)

CIDB Malaysia

2018

Best Under Billion Awards 2018 - Best Sustainability Reporting (RM150 Million to RM499 Million Market Cap Category)

Focus Malaysia

2017

The Malaysian Construction Industry Excellence Awards 2017: Builder of the Year Award

CIDB Malaysia



2016

Green Building Index Platinum Rating Certification: Main Contractor

Green Building Index Sdn Bhd

2017

The Malaysian Construction Industry Excellence Awards 2017: The Best Project Award (Building Project - Major Category)

CIDB Malaysia

2017

The Malaysian Construction Industry Excellence Awards 2017: Green Construction Award

CIDB Malaysia

2000

The Malaysian Construction Industry Excellence Awards 2000: Builder of the Year Award

CIDB Malaysia



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SOCIAL: Enhancing Local Community

Sustainability Statement

About the Sustainability Statement

(GRI 2-1 to 2-5, 2-22)

This is the sixth edition of AZRB's Sustainability Statement ("the Statement"), covering the period from 1 July 2022 to 30 June 2023. The information, initiatives and performance overview of our Environmental, Social and Governance ("ESG"), which cover all subsidiary companies and Divisions within the Group in Malaysia, where applicable.

**PRINCIPAL GUIDELINES**

Bursa Malaysia's Sustainability Reporting Guide
Global Reporting Initiative

**SUPPLEMENTARY GUIDELINE**

FTSE4 Good Bursa Malaysia Index Rating Guide

**COMMITMENT**

Sustainability Development Goals

References and Guidelines

(GRI 2-1 to 2-3)

This Statement adheres to the frameworks and guidelines of Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MMLR"), Bursa Malaysia Sustainability Reporting Guide (2nd Edition) and Bursa Malaysia Corporate Governance Guide. This Statement also refers to the FTSE4Good Bursa Malaysia ("F4GBM") Index criteria and the guidelines of the Global Reporting Initiative ("GRI").

Scope and Limitation of the Statement

(GRI 2-1, 2-2, 2-3, 2-26)

For this year's edition, this Statement discloses all five divisions in the AZRB Group, comprising Engineering & Construction ("E&C"), Plantation, Oil & Gas ("O&G"), Concession and Property.

Division	Project/Subsidiaries	Description	Location
E&C	PNB 1194	35-storey office block and 50-storey hotel tower.	Jalan Sultan Ismail, Kuala Lumpur
	UTP2	Academic building for Faculty of Geoscience & Petroleum Engineering and TNB 33kV substation.	Universiti Teknologi Petronas, Tronoh, Perak
	Petronas Office Complex ("POC")	Petronas office complex and Petronas 1 operations complex, new annex building, infrastructure and landscaping works.	Kerteh, Terengganu
	Kuala Lumpur Outer Ring Road ("KLORR")	Dual two-lane EKVE with a total length of 39.66 kilometres ("km").	Sungai Long, Kajang to Ukay Perdana, Ulu Klang, Selangor
	PNB118	Construction of Jalan Hang Jebat, Jalan Kenanga and Chin Woo Tunnels and associated works of PNB 118.	Jalan Hang Jebat, Kuala Lumpur
	MRTS206	Elevated stations and other associated works at Serdang Raya (South), Seri Kembangan and University Putra Malaysia.	Seri Kembangan, Selangor

Sustainability Statement

Division	Project/Subsidiaries	Description	Location
E&C	TGLK	Dual two-lane bridge across Sungai Kuantan to connect Kuantan City and Tanjung Lumpur and fly-over known as Kuantan Putra Bridge.	Tanjung Lumpur, Kuantan, Pahang
	Masjid Bandaraya KotaSAS ("MBK")	Development of city mosque institution and Islamic Centre Complex.	Kota Sultan Ahmad Shah, Kuantan, Pahang
O&G	TB Supply Base Sdn. Bhd. ("TBSB")	Integrated support services and facilities for oil and gas industry in the offshore Peninsular Malaysia and Gulf of Thailand.	Tok Bali, Kelantan
	Inter-Century Sdn. Bhd. ("ICSB")	Supply of marine fuel products and lubricants at Kemaman Supply Base on the O&G platforms operating in offshore East Coast of Peninsular Malaysia.	Kemaman, Terengganu
Plantation	PT Ichtiar Gusti Pudi ("PTIGP")	Operation of palm oil plantation - estates and mill.	Landak, West Kalimantan, Indonesia
Concession	Peninsular Medical Sdn. Bhd. ("PenMedic")	25-year concession contract with International Islamic University of Malaysia ("IIUM") and Ministry of Higher Education to design, build, finance and maintain a 300-bed teaching hospital, namely Sultan Ahmad Shah Medical Centre ("SASMEC").	Kuantan, Pahang
	East Klang Valley Expressway ("EKVE")	50-year concession contract with Ministry of Works for the design, construction, operation and maintenance of the expressway. EKVE is currently under construction.	Sungai Long, Kajang to Ukay Perdana, Ulu Klang, Selangor
Property	Temala Development Sdn. Bhd. ("TDSB")	Property development of 102 units double storey terrace house known as Perumahan Penjawat Awam Malaysia ("PPAM") Puncak Temala (Phase 1), completed in September 2021. Puncak Temala is an integrated township comprising 5 main phases of residential and commercial components sitting on 67 acres of land.	Bukit Payung, Marang, Terengganu
	Kemaman Technology & Industrial Park Sdn. Bhd. ("KTIP")	Approximately 303 acres of integrated development which consists of 5 main phases of 80 acres residential component known as Tiara Paka and 223 acres of commercial and industrial components known as Taman Industri Paka. Total of 132 units, of which 83 units of terrace houses were completed and 49 units in progress.	Paka, Dungun, Terengganu
	Residence Inn and Motel Sdn Bhd	Residence Inn Cherating ("RIC") offers 138 rooms rated 3-star and provides several facilities to its guests such as fitness centre, training rooms, swimming pool, poolside bar and car power charging station.	Mukim Sungai Karang, Kuantan, Pahang

Contact Us (GRI 2-3, 2-26)

We welcome your feedback to improve our initiatives in addressing our stakeholders' concerns. Comments and suggestions can be raised to sustainability@azrb.com.

Sustainability Statement

Stakeholder Engagement (GRI 2-29)

Stakeholder engagement is vital in understanding and dealing with our stakeholders' concerns regarding our business performance. This enables us to incorporate their needs and expectations in our decision making process as well as to maintain good relations with them.

Stakeholder Expectations

“ Our Stakeholders have vested interests in the manner the Group is addressing their respective concerns ”



Sustainability Statement

AZRB has distinct methods of engagement for each stakeholder group, as summarised in the table below:

Stakeholders	Engagement Channel (Frequency)	Stakeholders' Concerns	How We Address (Relevant Sections)
Board	- Board Meetings (Quarterly) - Ongoing communications (Periodic) - Directors' trainings (Throughout the year) - General Meeting (Annually)	- Growth and strategic direction of the Company - Group's financial performance - Governance, risk and control - Economic, Environmental and Social risks and opportunities	- Financial Statements - Corporate Governance - Sustainability Statement - Performance Driven
Shareholders and Investors	- Financial results announcement (Quarterly) - General Meeting (Annually) - Annual Report (Annually) - Corporate Website (Periodic) - Press Release (Periodic)	- Group's financial performance - Corporate governance, laws and regulations compliance, ethical business conduct, risk management - Merger and acquisitions, new business opportunities - Group's position within the industry	- Financial Statements - Corporate Governance - Sustainability Statement - Performance Driven
Government Agency/ Regulator/ Local Authority	- Regular meetings with regulators (Periodic) - Regular consultations (Periodic) - Site inspections/Audits (Periodic) - Reporting i.e. monitoring reports (Periodic)	- Approval and permit - Laws and regulations compliance - Annual reporting - Contributions to the economy, local community - Labour practices, environmental and health issues	- Sustainability Strategy addressing: MSM 1: Economic and Business Performance MSM 4: Health, Safety and Environment MSM 5: Diversity, Inclusivity and Social Justice
Clients/ Customers	- Feedback and enquiry templates (Periodic) - Client satisfaction survey (Annually) - Regular meetings with clients (Periodic) - Site visits (Ongoing) - AIQA assessments (Quarterly)	- Progress completion of project - Quality of deliverables - Health, safety and environmental compliance	- Sustainability Strategy addressing: MSM2: Quality and Innovation MSM4: Health, Safety and Environment
Employees	- Training calendar (Throughout the year) - On-site work safety training (Periodic) - Kelab Sukan dan Rekreasi (throughout the year) - Team building activities (as and when required) - Staff e-Portal (On-going) - Annual performance appraisal (Annually) - Town hall sessions (Periodic) - Engagement and dialogue sessions (On-going) - Intranet (Ongoing)	- Career development - Employee's training/Knowledge and skills enhancement - Safety and health at workplace - Work-life balance - Employee's benefits and rewards - Attractive remuneration - Diversity and inclusivity	- Sustainability Strategy addressing: MSM 4: Health, Safety and Environment MSM 5: Diversity, Inclusivity and Social Justice

Sustainability Statement

Stakeholders	Engagement Channel (Frequency)	Stakeholders' Concerns	How We Address (Relevant Sections)
Vendors/ Suppliers/ Sub-contractors	- Contract negotiations and bidding opportunities (as and when required) - Suppliers/ sub-contractors audit and evaluation (Annually) - Vendor registration screening (pre-qualification of suppliers and sub-contractors) (Periodic) - Performance reviews (Suppliers, sub-contractors and consultants performance evaluation) (Annually)	- Cost of services - Quality and timely delivery - Compliance issues - Contractual terms - Knowledge transfer and capacity building - Fair procurement process	- Sustainability Strategy addressing: (i) MSM 3: Supply Chain Management
Media	- Press Releases (as and when required) - Advertisements (as and when required) - Announcements (as and when required)	- Company development - Financial and business updates - Community development initiatives - Communication of corporate updates & news - Public service announcements i.e. on road closures, traffic disruptions etc. - Company Reputation	- Sustainability Strategy addressing: (i) MSM 1: Economic and Business Performance (ii) MSM 4: Health, Safety and Environment
Communities	- Corporate social responsibility activities (throughout the year) - Community engagement and outreach programmes (as and when required) - Strategic partnership (as and when required) - Town hall and dialogue sessions (on-going)	- Impact of operations (i.e. health, safety, environmental and security) on community - Charity and giving donation - Local community development - Staying connected with the company - Access to project information	- Sustainability Strategy addressing: (i) MSM 1: Economic and Business Performance (ii) MSM 4: Health, Safety and Environment (iii) MSM 5: Diversity, Inclusivity and Social Justice
Civil Society Organisations	Collaborative engagement sessions (as and when required)	- Health, safety and environmental issues - Security issues - Human rights - Local community support	- Sustainability Strategy addressing: (i) MSM 4: Health, Safety and Environment (ii) MSM 5: Diversity, Inclusivity and Social Justice

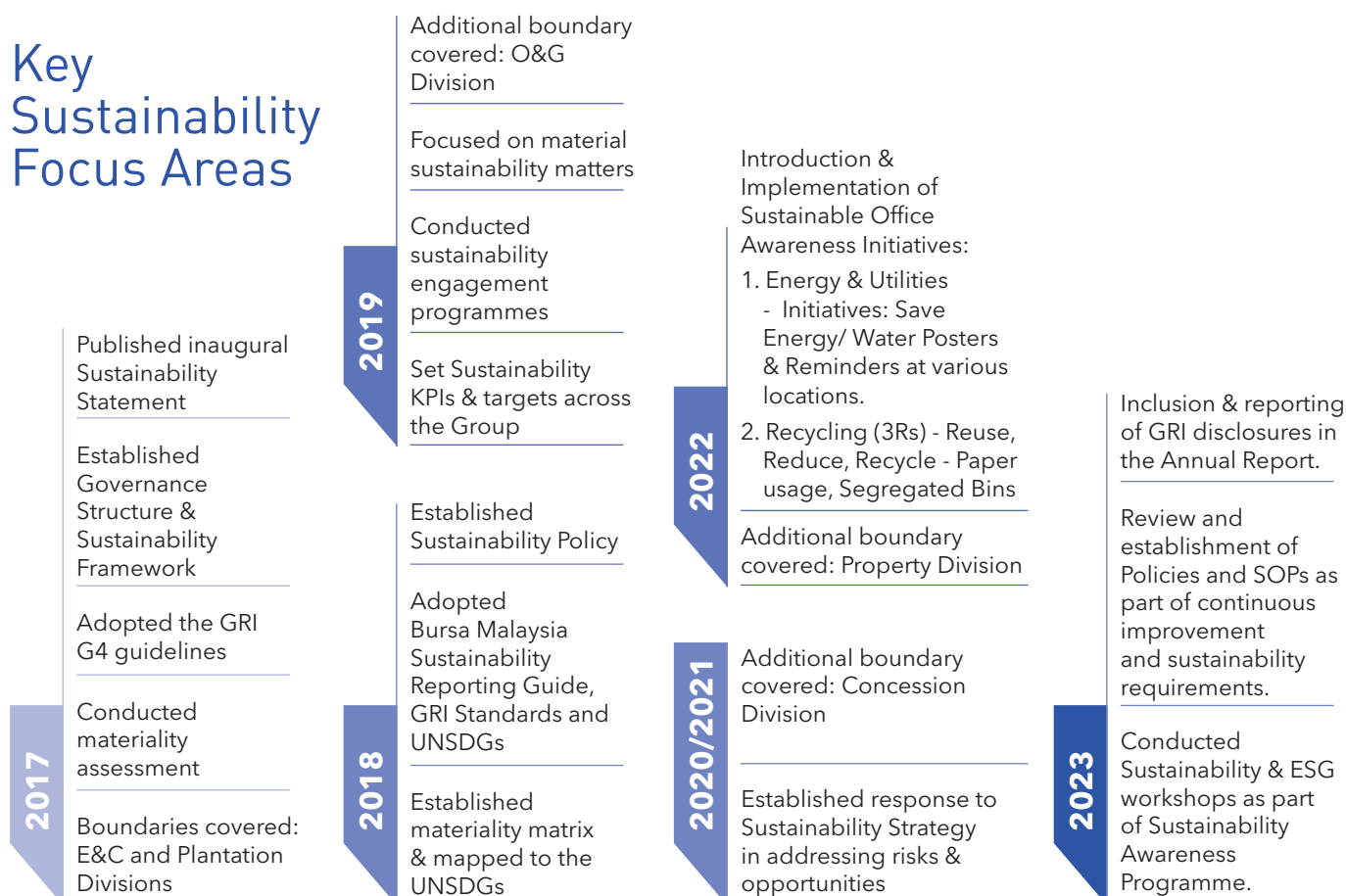
Sustainability Statement

Sustainability Roadmap (GRI 2-9 to 2-18, 2-22 to 2-25, 2-28, 2-29, 3-1 to 3-3, F4GBM)

Following our inaugural Sustainability Statement in FYE 2018, AZRB has gradually integrated environmental, social and governance (“ESG”) considerations into our operations and activities. In tandem, the Group has steadily expanded our disclosures through the years. Over time, we have also progressively embedded sustainability as a platform for stakeholder value creation beyond mere compliance with statutory requirements. With greater appreciation of ESG, we now have a clearer picture of the balance sustainability creates between our business aspirations and the needs and desires of our diverse stakeholder groups, from shareholders, investors and business partners to customers, employees, vendors, the authorities and communities.

As a result of this eye-opening perspective, we realise the need for a more structured and holistic approach to tracking and reporting on our sustainability performance. In this manner, we hope to develop resilience in business to accrue benefits for our stakeholders while mitigating any negative impact from our activities on the environment. To achieve this goal, our Group is continuing to work closely with our consultants to establish a new Sustainability Roadmap to guide our on-going journey to assimilate ESG into every aspect and all levels of AZRB, our business operations and corporate activities. The Roadmap comprises five main steps for concurrent or progressive implementation, involving the establishment of a sustainability governance structure, formulation of a sustainability policy, determination of new materiality matters followed by the setting of key performance indicators (“KPI”) and action plans as well as reporting according to local and global sustainability frameworks.

Key Sustainability Focus Areas



Sustainability Statement

Governance Structure [GRI 2-9 to 2-18]

The Group has an existing governance structure with five tiers in the chain of command, from the Board of Directors ("the Board") at the top to the Sustainability Department ("SD") at the other end.

The Board has the oversight responsibility of our ESG strategy and performance while the Audit and Risk Committee ("ARC") focuses effective implementation of the sustainability strategy.

The Group Managing Director ("GMD"), Sustainability Working Committee ("SWC") and SD constitutes the secretariat to track planning and implementation of the strategy, reporting to both the Board and ARC.

Existing Governance Structure



Sustainability Policy

[GRI 2-23, 2-24]



Proactively and continuously assess and address significant economic, environmental and social risks and the impact of our operation, and integrate these considerations into business planning, decision making and implementation processes that ensures sustainable outcome.



Comply with relevant legislation, standards, policies and procedures.



Conduct business activities in an ethical and transparent manner.



Set clearly defined targets, and measures and monitors sustainability performance to support continual improvement.



Explore ways to improve efficiency in all operations.



Continuously maintaining communication with stakeholders on its corporate footprint in the economic, environmental and social realms.

We understand that a Sustainability Policy acts as an anchor for AZRB to carry out our operations in a financially, environmentally and socially-responsible manner in creating value for our stakeholders.

Following a session with our sustainability consultants, the Group proposes for a revision on the existing policy to emphasise further commitment towards ESG, the implementation of best practices, continuous improvement to our ESG performance, innovation and a healthy respect towards environmental and social priorities.

Sustainability Statement



EKVE

Materiality Matters & Sustainability Strategy

[GRI 2-13, 2-16, 2-27, 3-1 to 3-3, GRI 201, F4GBM]

AZRB had previously conducted a Materiality Study to determine the Group's most material matters, enabling us to focus efforts and resources on improving the sustainability performance where it matters most for our stakeholders.

Our five most material matters are spread across the four pillars of our Sustainability Strategy, which is based on the goals of enhancing economic value (Economy); reducing environmental footprint (Nature); enhancing local community (Social); and cultivating a healthy and safe workplace (Wellbeing).



Sustainability Statement

In delivering our commitment to sustainability, we have identified risks, opportunities and appropriate actions taken to address our Sustainability Strategy that are crucial to the Group's operations and towards meeting the stakeholders' expectations.

Sustainability Strategy	Material Sustainability Matters' Indicators	Risks	Opportunities	Responses
Economy: Enhancing Economic Value	1. Post COVID-19 (Endemic): Protecting Our Business Continuity 2. Indirect Economic Impact 3. Risk and Regulatory Compliance 4. Supply Chain Management 5. Quality	1. Sustaining business operation and enduring challenges post COVID-19 (Endemic). 2. Strategic initiative affected by travel limitation. 3. Foreign exchange fluctuation. 4. Satisfactory level of quality of works. 5. Shortage and escalating cost of raw materials throughout the supply chain. 6. Change in Government (Legislation/ regulation/ policies)	1. Value creation. 2. Enhancement to business operation. 3. Ensuring cost-competitiveness. 4. Exceeding customers' satisfaction level or expectations. 5. Improved speed, quality of services.	1. Explore growth opportunities through innovation to add value to the business and future-proof the business. 2. Business process reengineering to improve the effectiveness and efficiency of operation. 3. Undertake cost optimisation initiative to stay competitive. 4. Setting and maintaining high-standards and striving for superior performance in all undertakings. 5. Digitalisation, which involves modelling the entire supply chain in order to analyse the network and total cost.
Wellbeing: Cultivating a Healthy & Safe Workplace	1. Health and Safety 2. Security and Assets 3. Innovation Features and Technology	1. Major safety hazards. 2. Non-compliance to SOPs at workplace post COVID-19 (Endemic). 3. Non-conductive workers' accommodation.	1. Enhancement of HSE management system. 2. Working under new normal conditions. 3. Setting up of Centralised Labour Quarters ("CLQ").	1. Increase HSE training and awareness. 2. Fully inoculated staff against COVID-19. 3. Strict adherence to post COVID-19 (Endemic) SOPs. 4. Enhancement of the emergency preparedness and response.
Nature: Reducing Environmental Footprint	1. Environment 2. Green Building Projects 3. Sustainable Office Programme	1. Carbon emissions 2. Deforestation	1. Enhancement of HSE management system. 2. Management of change.	1. Compliance to HSE regulations.
Social: Enhancing Local Community	1. Diversity, Inclusivity and Social Justice 2. Human Rights 3. Training and Career Development 4. Community Outreach Programme	1. Susceptible to staff turnover and no successor to key positions. 2. Illegal foreign workers and child labour. 3. Workers' accommodation.	1. Improve communication channel between top management and employees. 2. Establishment of clearer and achievable KPI. 3. Imposing strict labour requirements to the subcontractors.	1. Town hall talks. 2. AZRB Newsletter. 3. Sports & Recreational Club's activities. 4. Enforcement of security monitoring against illegal foreign workers and child labour.

Sustainability Statement

Alignment with UNSDGs

The Group has previously aligned the impact of our activities to the United Nations Sustainable Development Goals ("UNSDG"), which were introduced in 2015 to address global challenges such as poverty, inequality, climate change, environmental damage, education and health, among others.

Our alignment with the goals are clustered according to the ESG pillars of sustainability as shown in the infographic on this page.

Sustainability Strategy	SDGS
 ECONOMY: Enhancing Economic Value	  
 WELLBEING: Cultivating a Healthy & Safe Workplace	  
 NATURE: Reducing Environmental Footprint	    
 SOCIAL: Enhancing Local Community	      



Sustainability Statement

Disclosures According to the GRI and F4GBM

Our ESG disclosures are based on the Global Reporting Initiative ("GRI") framework and the FTSE4Good Bursa Malaysia ("F4GBM") criteria.

While we have yet to reach a comprehensive level of disclosure, nevertheless, we are determined to gradually improve on our curation and collation of all required data and information under 35 applicable areas listed by the GRI and 25 under F4GBM.

FTSE4GOOD BURSA MALAYSIA (F4GBM)



Environment

- Emissions
- Water & Effluents
- Water
- Energy
- Biodiversity
- Supply Chain
- Products & Services Responsibility
- Material
- Compliance
- Land Remediation, Contamination or Degradation



Social

- Diversity
- Human Rights
- Occupational Safety & Health
- Anti-Competitive Behaviour
- Anti-Corruption
- Labour Practices
- Society
- Product & Services Responsibility
- Supply Chain
- Compliance



Economic / Governance

- Procurement Practices
- Community Investment
- Indirect Economic Impact
- Climate Related Financial Risk & Opportunities
- Responsible / Sustainable Lending

GLOBAL REPORTING INITIATIVE (GRI)

CODE	AREA
1	Foundation
2	General Disclosures
3	Material Topics
11	Sector Standards*
201	Economic Performance
202	Market Presence
203	Indirect Economic Impacts
204	Procurement Practices
205	Anti-Corruption
206	Anti-Competitive Behaviour
207	Tax
301	Materials
302	Energy
303	Water & Effluents
304	Biodiversity
305	Emissions
306	Effluents & Waste
308	Supplier Environmental Assessment
401	Employment
402	Labour Management Relations
403	Occupational Health & Safety
404	Training & Education
405	Non-Discrimination
407	Freedom of Association & Collective Bargaining
408	Child Labour
409	Forced or Compulsory Labour
410	Security Practices
411	Rights of Indigenous People
413	Local Communities
414	Supplier Social Assessment
415	Public Policy
416	Customer Health & Safety
417	Marketing & Labelling
418	Customer Privacy

* Yet to apply to engineering and construction, oil & gas services and property development.

Sustainability Statement

ESG STRATEGY 1

Enhancing Economic Value

**Most Material Matters:**

Economic & Business Performance

Quality & Innovation

Supply Chain Management

GRI Indicators

GRI 2-6, 2-24, 2-27, 201-207

F4GBM Indicators

Procurement Practices

Indirect Economic Impact

Climate-related Financial Risks & Opportunities

Product and Services Responsibility

Engineering Financial Revival

(GRI 201, 203, F4GBM)

While Financial Year Ended 2023 ("FYE 2023") marked another year of losses for AZRB since the advent of COVID-19, the Group is heading towards potential recovery in the years ahead and a return to pre-pandemic profitability.

We are on track to complete the East Klang Valley Expressway ("EKVE"), which would provide much-needed recurring income to ease the crippling financial constraints affecting our recent business performance. The Group will proceed to focus on leveraging valuable assets such as the EKVE and the Tok Bali Supply Base ("TBSB") for the oil & gas industry to drive future growth.

An anticipated return to profitability will maintain our previous track record of sustaining economic value for our diverse stakeholders including shareholders and investors, business partners, customers, employees, vendors, the Federal and State governments as well as various community groups.

Further details on the Group's financial performance and business strategies are presented in the Management Discussion & Analysis of this Annual Report 2023.

Providing Critical Infrastructure

(GRI 203, F4GBM)

Our contribution to stakeholders goes beyond financial returns as AZRB is involved in developing critical infrastructure for the nation, industries, businesses and communities in the Klang Valley and states on the east coast.

As an example, the TBSB is essential to offshore oil & gas operations within the North Malay Basin ("NMB"), Joint Development Area ("JDA") and Commercial Arrangement Area ("CAA"). Further, the TBSB provides Kelantan with its only commercial port, a vital facility that can spur economic activities in a state with among the lowest gross domestic product ("GDP").

The EKVE, meanwhile, is a key portion of the Klang Valley Outer Ring Road ("KLOOR"). Upon completion, it has the potential of not only easing traffic on other highways, but also drive economic development in areas along its alignment.

The Group also completed our project for Line 2 of the Klang Valley Mass Rapid Transit ("MRT") during the financial year in review. It is noteworthy that we delivered our package ahead of time despite the considerable challenge of constructing an elevated rail line over the high-traffic Jalan Kepong.

Going forward, we will be undertaking several key projects including roads in Cameron Highlands and additional facilities at the Sultan Ahmad Shah Medical Centre tied to the International Islamic University Malaysia ("IIUM") in Kuantan.

Sustainability Statement

Stimulating Economic and Socioeconomic Development

(GRI 203, 204, F4GBM)

Beyond the positive impact from our development of infrastructure, AZRB also generates business and job opportunities across our supply chain for Engineering & Construction, Concession, Oil & Gas and Property Development.

Wherever possible, we always prioritise homegrown contractors, suppliers and service providers based on our intention to support the domestic economy while also relying on local materials that are not subject to price fluctuations due to currency volatility.

Procurement Practices

(GRI 204, F4GBM)

Local sourcing is AZRB's main criteria to support local businesses as we believe that a strong local supply chain is vital as it keeps the value chain within the local economy. Materials and main supplies such as concrete, reinforcement bars, common clay bricks, timber and crusher runs and quarry dust are 100% locally-sourced and used for our construction operations. Unless otherwise specified by clients, tiling and ceiling materials are sourced from non-local suppliers.

Our selection of local suppliers is also based on an environmental impact perspective. We place priority on suppliers that adopt green building elements and integrated building management systems which promote energy efficiency and reduce waste generation. During the financial year in review, 99.69% of our contracts were awarded to local companies.

Indirect economic impact from current active local subcontractors (Period: Jul 2022 - Jun 2023)

No	Project Name	Number of contractors and subcontractors	% of local content	Total amount of local contracts
1	FLYOVER	10	100%	RM2,218,792
2	EKVE	7	100%	RM3,784,974
3	PNB 1194	41	100%	RM10,936,528
4	PNB118	20	100%	RM 3,760,894
5	POC	17	100%	RM 8,834,355
6	KL-NODE	1	100%	RM 1,321,531
7	MBK	30	96%	RM51,692,287
8	CAM	7	100%	RM734,779
TOTAL		134	99.69%	RM82,012,409

AZRB's procurement processes conform to the MS ISO 9001:2015 - Quality Management Systems. In generating comprehensive work packaging for each trade, we ensure that the Procurement Schedule is readily available and agreed upon internally prior to the commencement of construction at site. We strive to complete the procurement process within sixty days from calling a tender until the issuance of an award to sub-contractors.

The criteria of evaluation of sub-contractors and suppliers includes both technical and capability.



SUB-CONTRACTORS

Management Support	20%
Site Management	50%
Safety & Health	15%
Environment	15%
Total	100%



SUPPLIERS

Management Support	35%
Site Management	65%
Total	100%

Performance evaluation is conducted for sub-contractors and suppliers in E&C Division annually, to assess suitability for future projects and subsequently, to be retained in the approved sub-contractor list.

Sustainability Statement

Assessment for the period: Jan 2022 – Dec 2022

Target (By standards' benchmarks)

Std: ISO 9001:

Target > 70% Sub-contractor Assessment Score

Dec 2022: 57.67% (68/118)

Dec 2021: 58.20% (110/189)

Dec 2020: 40% (117/295)

Std: ISO 9001:

Target > 70% Supplier Assessment Score

Dec 2022: 77.27% (34/44)

Dec 2021: 79.31% (46/58)

Dec 2020: 81% (111/137)

Integrated Management System

We are committed to the Quality Management Systems ("QMS") benchmarked against the MS ISO 9001:2015 standards. Accordingly, we have established an Integrated Management System ("IMS") for procurement, to improve our performance in pursuit of excellence and value delivery. The integration and consideration of quality, health, safety and environmental concerns in all our work activities is essential for us to be a dynamic, progressive and caring organisation. No non-compliance reports were issued by SIRIM during the financial year.

Ensuring Quality Products & Services (GRI 416, F4GBM)

The Group is committed towards ensuring quality in all our projects and service provision, including in our development of infrastructure and properties, support for oil & gas activities, maintenance of facilities and equipment, as well as construction of affordable homes.

As an example, our engineering & construction projects are assessed internally by our own Internal Quality Assessment ("AIQA") and also according to Quality Assessment System for Building Construction Works ("QLASSIC") by the Construction Industry Development Board ("CIDB").

The Group also has stringent requirements for prospective contractors and suppliers including experience and track record in similar projects. We conduct annual performance evaluation on all our vendors.

Certification for E&C Division by SIRIM:

- MS ISO 9001:2015 Quality Management System
- MS ISO 14001:2015 Environmental Management System
- MS ISO 45001:2018 Occupational Health and Safety Management System, upgraded from OHSAS 18001:2007

Certifications for quality for our Concession Division, PenMedic:

- MS ISO 9001: 2015 Quality Management System
- MS ISO 13485: 2016 Medical Device Quality Systems
- MS ISO 45001: 2018 Occupational Health and Safety Management System
- MS ISO 14001: 2015 Environmental Management System Quality/ Biomedical/Safety/Environmental



Sustainability Statement

Balancing Risks and Opportunities [GRI 2-16, 2-25, F4GBM]

At AZRB, we recognise that risk management is a cornerstone of business sustainability. Accordingly, our approach is guided by the principle of safeguarding stakeholder value in gauging the risks and opportunities associated with our business activities.

AZRB is adopting the Enterprise Risk Management (“ERM”) framework best practises to identify risks and classify their respective levels; outline the key controls; and recommend risk action plans for mitigation.

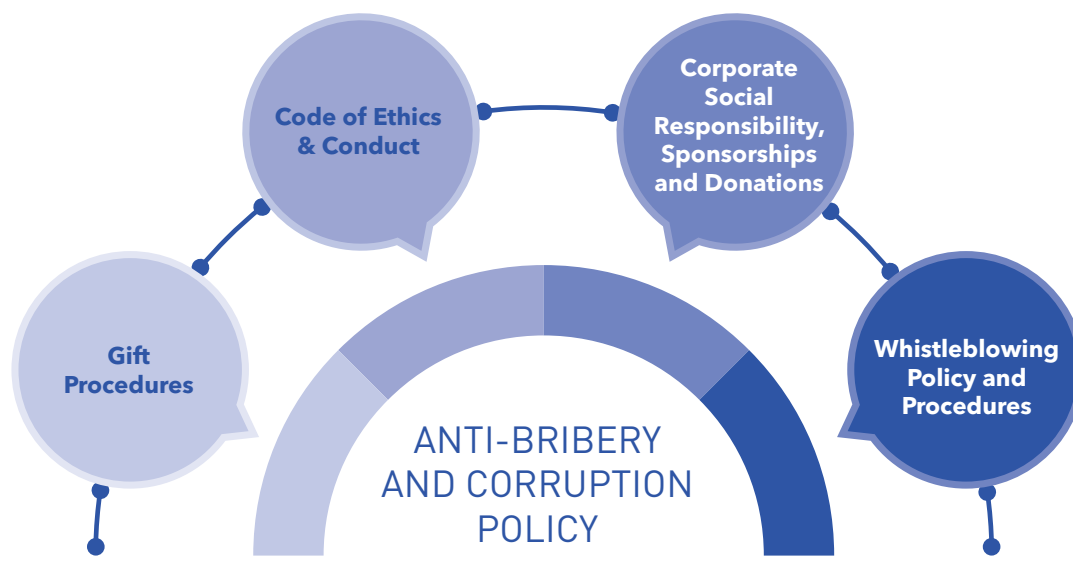
All major projects are subject to risk assessment by the project team and subsequently tabled to the Board Audit & Risk Committee (“ARC”) for deliberation, which is responsible for ensuring the effectiveness of risk management practices in AZRB.

Further details are available in the Management Discussion & Analysis and Statement on Risk Management and Internal Control of this Annual Report 2023.

Promoting Ethical Business Conduct [GRI 2-15, 2-23, 205, 206, F4GBM]

We acknowledge that sound business ethics within a culture of accountability and transparency is the foundation of a successful and sustainable business. We are committed to these principles to inspire confidence among employees, protect our reputation with external parties and promote cost efficiency in our operations.

The Group has adopted the ISO 37001:2016 Anti-Bribery Management System (“ABMS”), which addresses the five key principles of T.R.U.S.T to comply with Section 17A, Malaysian Anti-Corruption Commission (“MACC”) Act 2009 (Amendment 2018).



The Group has an Anti-Bribery and Corruption Policy (“ABC Policy”) to deter any act of bribery and corruption at the workplace. The ABC Policy together with other related policies and procedures are communicated to the directors, employees and other business associates through multiple platforms such as workshops and via training courses, staff induction sessions, email transmissions and the AZRB official website.

Sustainability Statement

ESG STRATEGY 2

Reducing Environmental Footprint

**Most Material Matters:**

Health, Safety & Environment

GRI Indicators

GRI 2-23, 2-24, 2-25, 2-27, 301 – 303, 305 – 308

F4GBM Indicators

Emissions

Waste and Effluents

Water

Energy

Supply Chain (Environmental)

Product and Services Responsibility (Environmental)

Materials

Compliance (Environmental)

Compliance to Environmental Laws and Regulations (F4GBM)

Environmental Quality Act 1974 & Amendment 2012

Solid Waste and Public Cleansing Management Act 2007

Street, Drainage & Building Act 1974

Preventing Depletion of Natural Resources (GRI 301 to 303, F4GBM)

AZRB accepts the responsibility of moderating consumption of natural resources such as energy, water and fuel as well as raw materials for the construction of infrastructure and properties.

We acknowledge that our operation and corporate activities require considerable natural resources to power heavy machinery and vehicles especially in the case of Engineering & Construction and Oil & Gas services.

Resource-saving measures practiced by our employees have lowered our consumption of electricity and water. They include switching off air conditioning units and computers during breaks and after office hours. Our commitment towards conservation is poised to gain traction in the new financial year (FYE 2024) when we plan to expand our compilation of consumption data to gain insights into ways and means to cut down usage.

Apart from utilities and construction materials, we also practice the prudent use of all office materials, particularly at our headquarters of Menara AZRB where we have an on-going recycling programme for paper, cardboards and similar lightweight items.

Electricity Consumption at Menara AZRB FYE 2023 (kWh)

**854,075**

FYE 2022: 901,654

FYE 2021: 840,355

Variance FYE 2023 & FYE 2022

**-5.27%**

Our consumption of electricity at corporate headquarters Menara AZRB dropped by 5.27% during the financial year in review. We will extend consumption data to include other operational sites directly under our control in the new financial year. This will be the baseline for future comparison of electricity usage.

Water Consumption at Menara AZRB FYE 2023 (M³)

**10,245**

FYE 2022: 10,883

FYE 2021: 5,156

Variance FYE 2023 & FYE 2022

**-5.86%**

Our consumption of water at corporate headquarters Menara AZRB dropped by 5.86% during the financial year in review. We will extend consumption data to include other operational sites directly under our control in the new financial year. This will be the baseline for future comparison of water usage.

Sustainability Statement

Preserving Biodiversity and Natural Environment (GRI 304, F4GBM)

AZRB is committed towards the preservation of the environment and impact on biodiversity, particularly in areas where we develop physical infrastructure such as the EKVE, the TBSB and individual properties.

We comply with all environmental regulations including the submission of Environmental Impact Assessments ("EIA") to the Department of Environment ("DOE") for every construction project. The Group has an Environmental Management System ("EMS") ISO 14001:2015 to guide our operations and activities in reducing environmental impact and ensuring compliance to legal and other requirements. We also coordinate with the Wildlife and Natural Park Department on wildlife conservation.

In addition, we have a Green Policy for environment-friendly port operations at the TBSB, which includes five guiding principles of:

- protect the community from harmful environmental impacts of port operation;
- distinguish the port as a leader in environmental stewardship and compliance;
- promote sustainability;
- employ best available technology to avoid or reduce environmental impacts; and
- engage and educate the community.

Avoiding and Averting Pollution (GRI 303, 306, F4GBM)

AZRB adheres to and implements stringent procedures to avoid environmental pollution across all our operations. Our Health, Safety and Environment ("HSE") Policy spells out guidelines to control air, water, noise and waste pollution. For air quality, we monitor on a regular basis the total suspended particles ("TSP") to ensure they remain within permissible limits set by the DOE. We have on-going initiatives to reduce TSP, which include vehicle wash-through facilities at all project sites.

Similarly for water quality, we carry our periodic sampling at all water bodies to determine any discharge of effluent falls within compliance standards. In addition, we have installed silt traps and silt basins at the appropriate locations to filter effluent before they are discharged into drains and rivers. Our operational sites also monitor noise generated from construction and other activities. Hazardous waste generated by project sites are disposed off according to local requirements. Our increasing use of IBS has effectively minimised construction waste at our project sites.

(a) Scheduled Waste Disposal FYE 2023

 n/a Spent lubricating oil (SW 305) 2022: n/a 2021: 400.0 2020: n/a Recovery	 3.2kg Clinical waste (SW404) 2022: n/a 2021: n/a 2020: n/a Incinerator	 523.0kg Contaminated soil (SW408) 2022: n/a 2021: 995.1 2020: 354.6 Recovery	 83.0kg Contaminated filter (SW408) 2022: n/a 2021: n/a 2020: n/a Recovery	Total 682.2kg 2022: n/a 2021: 2,119.1 2020: 354.6 Disposal Methods: Recovery Incinerator *n/a: Data Not Available
 n/a Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes (SW409) 2022: n/a 2021: 500.0 2020: n/a Recovery	 73.0kg Rags, plastics, papers or filters contaminated with scheduled wastes (SW410) 2022: n/a 2021: 44.0 2020: n/a Recovery	 n/a Waste of inks, paints, pigments, lacquer, dye or varnish (SW417) 2022: n/a 2021: 180.0 2020: n/a Recovery		

Sustainability Statement

(b) Solid Waste Disposal FYE 2023



n/a

Domestic waste

2022: n/a
2021: 19.5
2020: 78

Landfill



42.84mt

Construction waste

2022: 928
2021: 282
2020: 1,884

Landfill



23.02mt

Construction waste (steel)

2022: 84.5
2021: 105.71
2020: 407.16

Recycling



n/a

Construction waste (plastic barrier)

2022: 0.74
2021: 2.21
2020: 3,870

Recycling

Total
65.86mt

2022: 1,013.24
2021: 409.42
2020: 6,239.16

Disposal Methods:

Recycling

Landfill

*n/a:
Data Not Available

As the TBSB serves the oil & gas industry, it is a member of the global initiative, National Oil Spill Contingency Plan ("NOSCP"), which provides guidance on dealing with oil spills and leakages.

The NOSCP has the following objectives:

- To implement an immediate response system that is adjusted to reduce the impact on the environment and economy as a result of oil spills;
- To improve resource capabilities in terms of equipment and staff to deal with oil spills; and
- To strengthen the cooperation of all agencies involved to ensure the effectiveness of oil spill control responses.
- Beyond the TBSB, our subsidiary company, EKVE Sdn Bhd, has an active engagement programme with the Ampang Water Treatment Plant to mitigate any impact from its construction works.

Reducing Emissions to Fight Climate Change

(GRI 305, F4GBM)

AZRB is committed towards reducing GHG emissions, the main cause of climate change that in turn is posing an existential threat by threatening food security and living conditions while raising the risk of natural disasters.

We have kicked off the process to quantify our emissions from operations and related activities as the first step to lower our carbon footprint and contribute to global efforts against rising temperatures.

As a start, we have compiled data for **Scope 1** direct emissions from the consumption of petrol and diesel by company vehicles and **Scope 2** indirect emissions from our consumption of electricity drawn from the national grid.

Our emissions for the reporting period represent the baseline for carbon dioxide equivalent "(CO₂-E)".

GHG Emissions FYE 2023

Scope	Emission Source	Type of Emissions	Consumption	CO ₂ -E (mt)
1	Mobile Combustion	Petrol & Diesel	276,000 litres	695.5
2	Purchased Electricity	Various	854,075 kWh	529.5
GRAND TOTAL				1,225.0

- Conversion of petrol / diesel to CO₂E: litre x 2.39/2.64kg (Source: www.ecoscore.be)
- Conversion of electricity to CO₂E (Malaysia): kWh x 0.62kg (Source: www.worldbenchmarkingalliance.org)
- 2023 is baseline year. Data from Menara AZRB.

Sustainability Statement

Developing Efficient Green Buildings

The Group is considered one of the leading developers of green buildings in Malaysia. To date, we have completed three buildings with green ratings in Kuala Lumpur and Kuantan with another two projects in progress in Kuala Lumpur and Kerteh, Terengganu.

Green Buildings

Project	Green Rating	Status
Menara KKR, Kuala Lumpur	GBI, Platinum	Completed in 2015
IIUM Medical Centre, Kuantan, Pahang	Energy Efficiency Building	Completed in 2016
UDA, Kampung Baru, Kuala Lumpur	GBI Gold-Office GBI Certified for Residential	Completed in 2021
PNB 1194, Jalan Sultan Ismail, Kuala Lumpur	GBI Platinum & GBI Certified	In Progress
POC, Kerteh, Terengganu	GBI Gold-Office GBI Certified for Residential	In Progress

Greening the Supply Chain

(GRI 308, F4GBM)

As an established business, we understand our role as an agent of change for contractors and suppliers in property development. Our green building projects and use of IBS serve to set an example of green practices across our supply chain.

We are reviewing the option of including clauses related to environmentally-responsible practices in our assessment criteria for existing and prospective contractors, vendors and service providers.

For now, we continue to encourage the use of renewable materials for resource conservation. In addition, we also give priority for suppliers who promote the green building elements such as rain water harvesting as an alternative for cold water supply and Integrated Building Management system which could promote energy saving.

Sustainable Office Programmes

During the year the Group continued to engage in sustainable practices. The Sustainable Office Programmes that was introduced in FYE 2021 began with the objective of cultivating a sustainable lifestyle. This continued effort highlights the approach of not just conserving energy and water but also proper waste management into their daily routine.

We continued the efforts through pasting of stickers as gentle reminders at various locations on the importance of conserving water and electricity. Employees also practice the 3Rs (Reduce, Reuse and Recycle) at the office when printing unofficial documents by reusing and recycling paper and printing on draft or eco-mode.



Sustainability Statement

ESG STRATEGY 3

WELLBEING: Cultivating a Healthy & Safe Workplace

**Most Material Matters:**

Health, Safety & Environment

Quality & Innovation

Diversity, Inclusivity & Social Justice

GRI Indicators

GRI 2-7, 2-8, 2-19, 2-20, 2-27, 401 – 410, 414 – 418

F4GBM Indicators

Diversity

Human Rights

Occupational Safety and Health

Labour Practices

Product and Services Responsibility (Social)

Supply Chain (Social)

Compliance to Social Laws and Regulations (F4GBM)

Occupational, Safety and Health Act 1994

Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease Regulations 2004

Employment Act 1955

Industrial Relations Act 1967

Consumer Protection Act 1999



Sustainability Statement

Providing Fair & Equitable Employment (GRI 202, 401, 405, F4GBM)

As an established business, AZRB has a responsibility to provide job opportunities to the local community and contribute towards the cultivation of a talent base at all sites where we operate.

The Group is recognised as an attractive employer offering remuneration packages aligned with the market average and median. Our remuneration structure is designed to ensure there is an appropriate balance of fixed and variable rewards comprising base salaries, fixed and performance-based bonuses as well as a share option schemes.

In addition to wages, we also provide generous monetary and non-monetary benefits in the form of business travel, retrenchment, relocation, healthcare, insurance, marital and parental leave.

At all times, we maintain a healthy and conducive work environment that is defined by diversity and inclusivity, including the following:

Race & Religion

We practice equal hiring in the company. We have hired 2.53% from other races to fill vacancies as they fit. This involves Executive and Non-Executive positions.

Gender

Male employees make up 75.87% of the total workforce in AZRB. Despite our efforts to be fair and unbiased, our workforce continues to be male dominated given the nature of work involved in construction.

Age

Our employee distribution across the different age groups shows the majority of our employees are within the 30-40 age brackets.

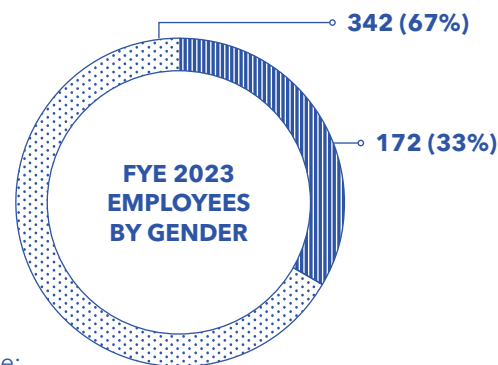
Disabilities

We hire anyone who meets employment standards regardless of any disabilities.

Nationality

We will hire anyone who meets employment standards regardless of the nationality. The aim is to transfer and share knowledge, skills and experience within our employees.

Employee Demographics AZRB / AZSB / PPSB / EKVE / KTIP / PMSB / AZLAND excluding TBSB, ICSB, AFE, RIC



Total Full Time:

514 (100%)

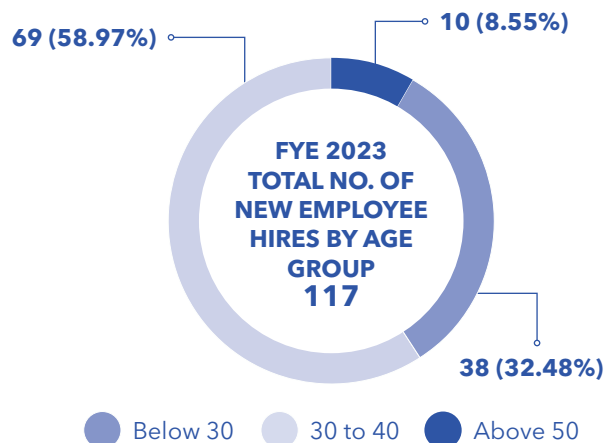
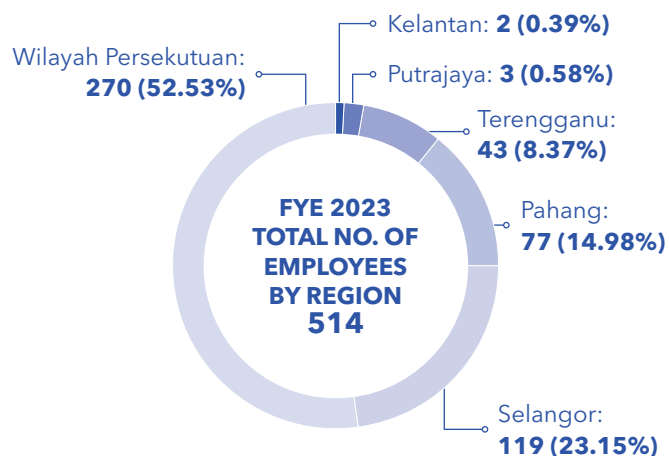
Part Time: 0 (0.00%)



Male



Female



Below 30



30 to 40

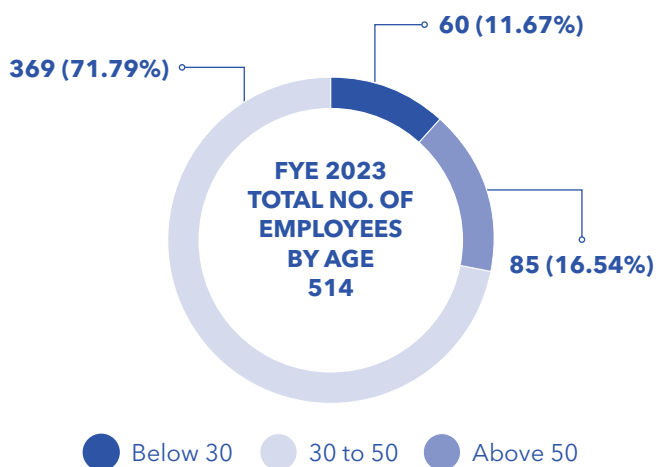
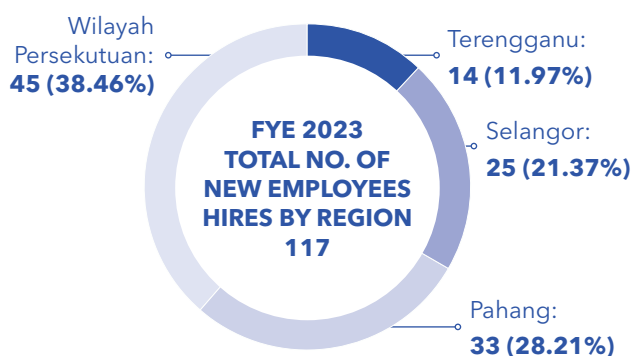
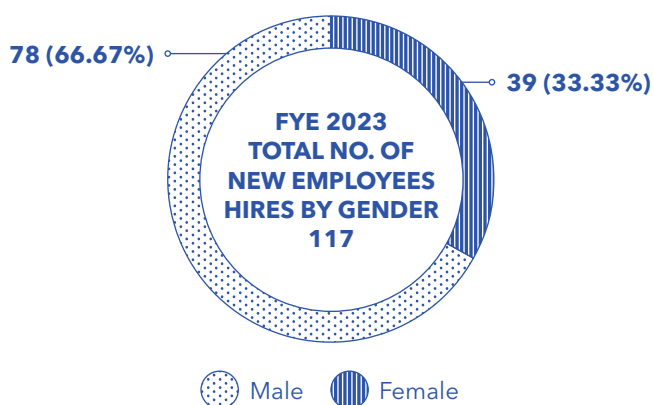


Above 50

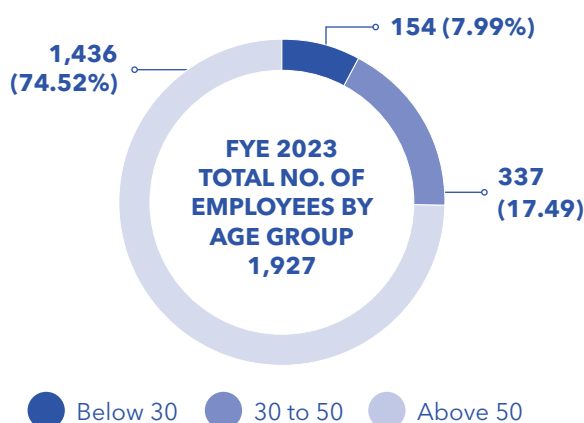
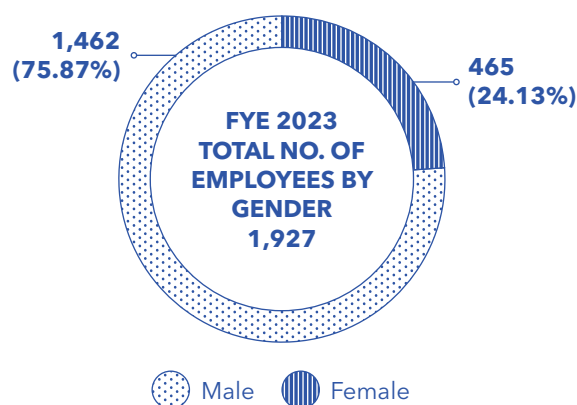
Sustainability Statement

Employee Demographics

AZRB / AZSB / PPSB / EKVE / KTIP / PMSB / AZLAND
excluding TBSB, ICSB, AFE, RIC



AZRB GROUP (Consolidated)



Local Employment

We provide opportunities for qualified and experienced locals in various positions. We are proud to declare that 100% of employees are from our local talent pool. This shows that the local workforce is future-ready and globally competitive. Local people make the best employees because they have a better understanding in terms of culture, business practices and legal requirements.

Sustainability Statement

Staff Welfare (GRI 402, F4GBM)

Work-life balance of employees is one of the commitments by AZRB. We provide benefits to employees in support of their welfare.



Kelab Sukan & Rekreasi ("KSR")

KSR is a social club for AZRB employees, which organises various activities:

1. Sports and Recreational Activities -Hiking, Trekking
2. Talks - Health, *Tazkirah*
3. Donation Drives - Children's Book Donation, *Zakat* Collection, *Bubur Lambuk* distribution employees in support of their welfare.



Medical Care

Hospitalisation, Outpatient and Dental.



Leaves

Annual Leave, Medical Leave, Prolonged Illness Leave, Maternity Leave, Paternity Leave, Compassionate Leave, Marriage Leave, Hajj Leave, Pilgrimage Leave, Transfer Leave, Disaster Leave and Replacement Leave.



Bereavement Contribution

1. RM500 donation for the death of immediate family members (spouse/children/parents).
2. *Khairat Kematian* - In respect of death of an employee while in service due to illness or natural causes which is not covered by insurance. The benefit is to be claimed by the next of kin.

Prevention of Forced and Child Labour (GRI 408, 409, F4GBM)

AZRB does not tolerate any form of forced labour including bonded labour, indentured labour and slave labour or human trafficking. We adhere to the minimum age provisions in the Children and Young Persons (Employment) Act 1966. We do not hire employees under the age of 18 for any positions in the Group. We strictly prohibit the employment of workers below the age of 18 years, or any forced or compulsory labour.

The policies we follow to support the prevention of Forced and Child Labour are as listed below.

Employment Act 1955

- Compliance to provide minimum protection to employees with regards to the working conditions, wages, holidays, retrenchment benefits and others.
- Elimination of excessive working hours.

Occupational Health and Safety Act 1994

- Ensuring the security, safety, health and welfare of the employees.

Sustainability Statement

15 July 2022

Menara AZRB

AZRB employees sweated it out at the Pound Exercise Workout organised by KSR AZRB at Menara AZRB.

13 August 2022

AZSB site-office, Projek Majlis Bandaraya, Kuantan, KotaSAS

IMS Awareness Training organised by QAQC Department.

24 - 31 August 2022

Kelab Sukan & Rekreasi (KSR) AZRB organised the Merdeka Challenge where employees participated in the Running and Skipping Rope Categories.

08 September 2022

PPSB site-office, Hulu Langat

QMS Refresher Training organised by QAQC.

20 September 2022

PPSB site-office, Hulu Langat

QMS Briefing organised by QAQC.

**07 October 2022**

PPSB site-office, Hulu Langat

Workshop for Factory Managers Job Responsibility.

14 October 2022

PPSB site-office, Hulu Langat

Job Responsibility Presentation by Operation Managers.

19 October 2022

PPSB site-office, Hulu Langat

Revised Procedures Workshop

20 October 2022

PPSB site-office, Hulu Langat

Google Form Creation Virtual Training facilitated by IT Department.

21 October 2022

PPSB site-office, Hulu Langat

Virtual Workshop on Sr. Technical Assistants Job Responsibility.

23 November 2022

PPSB site-office, Hulu Langat

Workshop on SR Coordinators Job Responsibility.



Sustainability Statement

24 November 2022

PPSB site-office, Hulu Langat

- Workshop for Production Engineers and Lab Technicians Job Responsibility.
- Workshop for QAQC Engineers Job Responsibility.

**02 December 2022**

PPSB site-office, Hulu Langat

- Workshop on Quantity Surveyors Job Responsibility.
- Workshop conducted for QMS - Manual, QMSP 01, 02 & 03

05 January 2023

PPSB site-office, Hulu Langat

Joint workshop between the QAQC, HSE and Administration Departments on Work Planning for 2023.



Workshop on how to conduct staff meetings, staff presentation and site supervision conducted by the Administration and Operations Departments.

18 - 20 January 2023

Menara AZRB

IMS Internal Auditor Training organised by the QAQC Department.

3 March 2023

Menara AZRB

IMS Internal Auditors Meeting 2023 and Session with Management.

22 March 2023

Menara AZRB

The IT Department conducted a Google Workspace Training session.

**19 June 2023**

Menara AZRB

BOD & Senior Management Training.

Sustainability Statement

Cultivating Safety & Health in the Workplace

(GRI 403, F4GBM)

The Group prioritises the safety and health of our employees. We maintain an occupational safety and health ("OSH") framework that is comprehensive and based on guidelines by local and international standards such as SIRIM and ISO.

We abide by the Employment Act 1955 (Amendments) 2022 to provide protection to employees with regards to working conditions, hours, wages, holidays and others as well as the Occupational Health and Safety Act 1994 to ensure safety, health and welfare of the employees.

Health & Safety Statistics FYE 2023

Injury Rate (IR)

Nil

Long Term Injury Rate

(LTIR)

Nil

Occupational Disease Rate (ODR)

Nil

Occupational Disease Rate (ODR)

Nil

Maintaining Collaborative and Cooperative Relations

(GRI 402, F4GBM)

As a responsible employer, we are committed to maintaining healthy and productive relations with our employees. We hold regular town hall meetings, face-to-face meetings, emails and group messages to engage, interact and communicate with employees at all levels.

We understand the importance of senior management involvement in employee engagement in order to enable employees and create a culture that values and supports them. We also value the cultivation of an open, transparent and safe working environment where employees feel able to speak up.

In addition, our policy on labour standards is communicated with employees via the Group's Employee Handbook and memos.

Harnessing Potential in Talent

(GRI 403, 404, F4GBM)

AZRB believes in driving potential among our employees and a culture of continuous skills development, which has the added benefit of ensuring business continuity for our business interests.

We facilitate our employees to constantly hone their skills and develop their career via regular internal and external training sessions.

During the financial year, a total of 181.5 training hours were recorded and attended by 732 participants. The training attended by our employees comprised both internal and external training. We conducted over 40 training sessions facilitated either internally or by external parties.

These included technical and non-technical programmes.

Sustainability Statement

Month	Training between July 2022 to June 2023	Number of Participants	Duration per training session (hour)
July 2022	Infectious Disease: Are We Ready for Another Pandemic? - 20/7/2022 (External)	35	4
	Integrity Awareness - 25/7/2022 (Internal)	12	3.5
	Presentation with Impact 20-21/07/2022 (External)	10	7
	Presentation with Impact 20-21/07/2022 (External) Day 1	2	8
	Presentation with Impact 20-21/07/2022 (External) Day 2	1	8
August 2022	Authorities Raid Procedure Training - 22/8/2022 (Internal)	10	4
	DOSH-SIRIM PPE Approval (External)	25	1
	IMS Awareness - 13/8/2022 (Internal)	16	4
	Isu Pengurusan Buangan Terjadual, Pelupusan Haram Dan Impaknya Kepada Alam Sekitar (Webinar)	1	4
	AZRB Welcome On Board	16	4
	Site Supervision Briefing - 13/8/2022 (Internal)	6	4
September 2022	Authorities Raid Procedure Training - 5/9/2022 (Internal)	6	4
	Introduction To Emotional Intelligence (Internal)	17	4
	IPPF Talk (Public)	1	8
	Talk on CIPAA - Lesson Learnt & Moving Forward (Internal)	30	4
October 2022	ACEM Webinar Series Site Supervision Course (Discipline Module: Civil & Structural) (Public)	6	8
	Let's 3R - (External)	34	3
	Pematuhan Akta Kualiti Alam Sekeliling 1974 ke Arah Pembudayaan Gaya Hidup Lestari (Public)	5	8
	Scammers - Tahu Jangan Keliru, Kenal Jangan Kesal (Webinar) - 12/10/22 (External)	71	2
November 2022	Pengurusan Bencana Waspada Setiap Saat - 29/11/22 (External)	17	4
	The Art of Speech Delivery	21	4
	AZRB Welcome On Board	17	4
December 2022	Introduction To Emotional Intelligence - 24/12/22 (Internal)	11	4
	Kesedaran Keselamatan Dan Tanggungjawab Sebagai Pengguna Jalan Raya - 5/12/22 (External)	11	4
	AZRB Welcome On Board	12	4
January 2023	AZRB/AZSB's IMS Internal Auditor Training (Internal) - 18-20/1/23	20	24
	Kesan Stress Kepada Immunity (External) - 26/1/23	56	4
	Microsoft EXCEL Intermediate to Advance (Public) - 16-17/01/23	7	4
February 2023	AZRB/AZSB Internal Safety, Health and Environmental Assessment (AiSHEA) Workshop (Internal) - 15/2/23	26	2
	Pre-Contract Examination for Insurance Agents (PCEIA) - 7/2/23	1	8
March 2023	Google Workspace Suite (External) - 22/3/23	130	2.5
	AZRB Welcome On Board	11	4
May 2023	Epidemiologi Penyakit Berkaitan Cuaca Panas (External) 30/05/23	63	2.5
	Technical Field Visit - River Education Trip 2023 (Public) 10/05/23	1	8
June 2023	Board of Directors & Senior Management Training (External) 19/06/23	24	6

Sustainability Statement

20 July 2022

The MoH conducted an online Internal Awareness Training on "Infectious Disease: Are We Ready for Another Pandemic?".

**05 October 2022**

Virtual

Online Internal Awareness Training - Let's 3R by Alam Flora Sdn. Bhd organised by HSE Department.

**12 August 2022**

PPSB site-office,
Hulu Langat

Workshop on Safe Lifting Operations organised by HSE Department.

**12 October 2022**

Menara AZRB and PPSP site-office, Hulu Langat

- A Hybrid Seminar on "Scammers" was conducted by the Commercial Crime Investigation Department, Kuala Lumpur Contingent Police Headquarters.
- Another hybrid Internal Awareness Training, "*Tahu Jangan Keliru, Kenal Jangan Kesal*" was facilitated by Kuala Lumpur Contingent Police Headquarters.

23 August 2022

The HSE Department conducted an online Internal Awareness Training on DOSH-SIRIM PPE Approval Certification & Testing Procedures.

28 September 2022

PPSP site-office, Hulu Langat

In maintaining AZRB's quality standards, the main audit process for the ISO 9001:2015 Certification was completed.

**05 December 2022**

Menara AZRB

The Royal Malaysia Police conducted a hybrid Internal Awareness Training on Safety & Responsibility of Road Users.

Sustainability Statement

07 December 2022

Menara AZRB & PNB 118

Kumpulan Megaklinik Zahran conducted free medical check-ups for AZRB employees as part of PERKESO's Health Screening Programme ("HSP").

**24 February to September 2023**

Menara AZRB

The HSE Committee conducted a series of talks and training on the 5S methodology consisting of 5 steps: Sort, Set in Order, Shine, Standardise and Sustain at Menara AZRB.

**26 January 2023**

Menara AZRB

A hybrid Internal Awareness Training on the Impact of Stress on the Immunity System facilitated by the MoH.

**20 May 2023**

Menara AZRB

Hybrid Internal Awareness Training conducted by the Ministry of Health ("MoH") on Epidemiology of Heat-Related Illnesses.

**15 February 2023**

Menara AZRB

Hybrid HSE Workshop on Safety, Health And Environmental Assessment ("AiSHEA") conducted by the HSE Head of Department.



Sustainability Statement

ESG STRATEGY 4

SOCIAL: Enhancing Local Community

**Most Material Matters:**

Health, Safety & Environment
Quality & Innovation
Diversity, Inclusivity & Social Justice

GRI Indicators

GRI 413

F4GBM Indicators

Human Rights
Society

**Breakdown of Donations FYE 2023****AZRB**

RM1,016,006.00 million
(92.96%)

AFE

RM2,500.00 million
(0.23%)

RIC

RMRM4,333.00 million
(0.40%)

EKVE

RM18,500.00 million
(1.69%)

PMSB

RM3,500.00 million
(0.32%)

TBSB

RM16,130.40 million
(1.48%)

AZSB

RM32,014.50 million
(2.93%)

Total: RM1,092,983.90

Supporting Marginalised Communities

(GRI 413, F4GBM)

AZRB actively engages in programmes and activities with various communities while also encouraging our employees to volunteer in Corporate Social Responsibility ("CSR") programmes and charitable causes.

During the financial year, several donations were made as a commitment to pursue long term and sustainable relationship with its stakeholders, mainly, the marginalised community and the less fortunate. Total donations made for the financial year ended was **RM1,092,983.90**.

Some of the contributions and financial aid that were extended were for the Eid Adha - donation to the *surau* (community), financial aid and basic necessities for flood affected victims in Kelantan, contribution to commemorate the *Awal Muharram* festivities with the community at Tok Bali and printers which were donated to schools in Kelantan.



*Ibadah Qurban & Aqiqah with community members.
29 June 2023 - Perumahan Awam, Taman Perlis 2, Kuala Lumpur*

The Road Ahead

As the state of sustainability performance in our organisation affects our relationship with our stakeholders, we will continuously strive to meet our stakeholders' expectations. We are committed to addressing the risks by continually evaluating the impacts of ESG from our business operations.

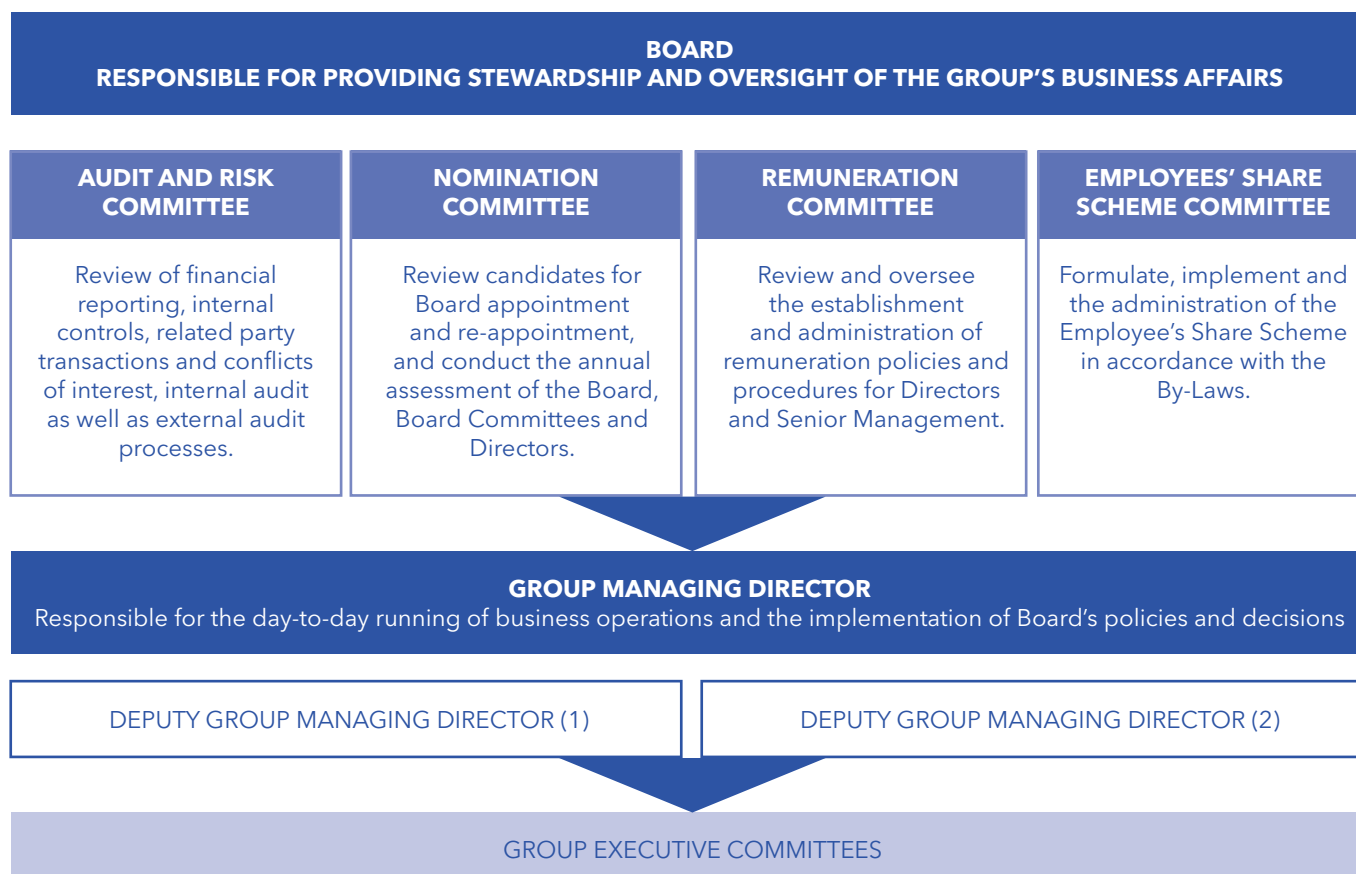
Corporate Governance Overview Statement

The Board of Directors ("Board") of Ahmad Zaki Resources Berhad ("AZRB" or "Company") is pleased to present this Corporate Governance Overview Statement ("Statement") which outlines the corporate governance practices of the Company that are in place during the financial year ended 30 June 2023. The Board adopts and applies the principles and best practices as governed by the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Malaysian Code on Corporate Governance ("MCCG"), and is to be read together with the Corporate Governance Report ("CG Report"), which is available on the Company's website at www.azrb.com or on Bursa Securities' website at www.bursamalaysia.com.

The Statement takes guidance from the 3 principles set out in the MCCG throughout the financial year under review:

- (a) Principle A: Board leadership and effectiveness;
- (b) Principle B: Effective audit and risk management; and
- (c) Principle C: Integrity in corporate reporting and meaningful relationship with stakeholders.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS



Corporate Governance Overview Statement

A.1 BOARD'S ROLES AND RESPONSIBILITIES

The Board recognises its roles and responsibilities in discharging its fiduciary duties and leadership functions. The Board is ultimately responsible in determining the direction of the Group; including setting the strategic direction, establishing short, medium and long-term business goals and monitoring the achievement of these goals for the Group. The roles and responsibilities of the Board are clearly defined in the Board Charter which is available on the website of the Company <https://www.azrb.com/corporate-governance>.

The principal responsibilities of the Board shall include but not limited to the following:

- Reviewing and adopting a strategic plan for the Company and the Group;
- Promoting a good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour;
- Overseeing the conduct of the Company and the Group's businesses, and to evaluate whether the businesses are being properly managed;
- Identifying principal risks affecting the Company and the Group and ensuring the implementation of appropriate internal controls and mitigation measures;
- Approving succession planning; including appointing, training, fixing the compensation of and where appropriate, replacing Senior Management;
- Overseeing the development and implementation of shareholder and stakeholder communication policies for the Company and the Group; and
- Reviewing the adequacy and the integrity of the management information and internal control systems of the Company including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board delegates the authority to implement the Group's strategies and managing the operations of the Group to the Group Managing Director and Deputy Group Managing Directors who are supported by a highly qualified Management team. The Board has oversight on matters delegated to the Management whereby updates are reported, at the very least on a quarterly basis, or as and when required. Non-Executive Directors play key supporting roles, contributing knowledge and experience towards the formulation of policies and in the decision-making process. They could provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests while ensuring that high standards of corporate governance are applied.

In order to assist in the oversight function with respect to specific responsibility areas, the Board has established 4 Board Committees; namely, the Audit and Risk Committee, Nomination Committee, Remuneration Committee and Employees' Share Scheme Committee. Details of the terms of reference of each of the Board Committees are stipulated in the Board Charter. The Board is regularly updated on the proceedings and deliberations of the Board Committees with recommendations highlighted and reported to the Board.

During the financial year under review, the Board has deliberated on business strategies and critical issues concerning the Group, including the business plan, annual budgets, investment proposals, financial results as well as key performance indicators.

Corporate Governance Overview Statement

Chairman of the Board

The Board is led by Tan Sri Dr Madinah Binti Mohamad, an Independent Non-Executive Chairman. The Chairman ensures that all Directors are properly briefed on issues arising at Board meetings and sufficient time is allowed for discussion. When chairing Board meetings, the Chairman, amongst others, ensures the following:

- (a) All relevant issues are on the agenda of Board meetings;
- (b) The Board debates strategic and critical issues;
- (c) The Board receives the necessary management reports relating to the Company's business on a timely basis;
- (d) All Directors are able to participate openly in discussions at Board meetings; and
- (e) Providing leadership to the Board, and is responsible for the developmental needs of the Board.

Separation of Position of Chairman and Group Managing Director

There is a clear division of responsibilities between the Chairman and the Group Managing Director to ensure that there is a balance of power and authority. The Non-Executive Chairman is responsible for looking after the best interest of all shareholders by instilling good corporate governance practices, leadership and effectiveness of the Board, whilst the Group Managing Director, with the assistance of the Deputy Group Managing Directors, has the overall responsibilities for the execution of the Group's strategies in line with the Board's direction, oversees the business operations and drives the Group's businesses and performance towards achieving the Group's vision and goals.

Company Secretaries

The Board has direct access to the advice and services of the Company Secretaries, whom are qualified to act in accordance with the requirements of the Companies Act, 2016.

In discharging its responsibilities, the Board is supported by Company Secretaries who are qualified, experienced, competent, and knowledgeable on laws and regulations issued by the relevant authorities. The Company Secretary is present for all Board and Board Committee meetings and acts as counsel on corporate governance matters to the Board whilst also co-coordinating the information flow as well as meeting proceedings. The role and responsibilities of the Company Secretaries can be found in the Board Charter.

Access to Information and Advice

All Directors, including Independent Non-Executive Directors, have full and timely access to information concerning the Company or other external information as they may feel necessary in discharging their duties. Board papers and reports which include the Group's performance and major operational, financial and corporate information are distributed to the Directors at least 3 days prior to Board meetings to enable Directors to obtain further explanation, where necessary, in order to be properly briefed before the meeting. The Board collectively, and each Director individually, has the right to seek independent professional advice in furtherance of their duties, at the Company's expense, subject to the approval by the Board. Such requests may be done via email or during the Board meeting.

Corporate Governance Overview Statement

Board Charter

The objectives of the Board Charter are to ensure that all Directors are aware of their duties and responsibilities as Board members and the various legislations and regulations affecting their conduct and that the principles and practices of good corporate governance are applied in all their dealings in respect, and on behalf of the Company.

The Board Charter is periodically reviewed to ensure that the content is kept contemporaneous with the latest regulations imposed by regulators and best practices whilst at the same time maintaining its relevance to the evolving circumstances of the Group. The Board Charter was last reviewed and updated on 27 May 2022 and is made available at the Company's website at www.azrb.com.

Code of Ethics & Conduct, Whistle Blowing Policy and Anti-Bribery & Corruption Policy

The Group has established a Code of Ethics & Conduct for Directors and employees which lays out the ethical, business and lawful conduct of the Company, including managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering which is encapsulated in the Group's Human Resource Policies.

The Group has also adopted the Anti-Bribery and Corruption Policy ("ABC Policy") which is in line with the implementation of the new corporate liability provision under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018). The ABC Policy is applicable to all Directors, employees and any person who performs services for and on behalf of the Group, which includes contractors, sub-contractors, consultants, suppliers, agents, intermediaries and representatives of the Group.

The Board allows employees and associates to report concerns they may have on any suspected and/or known improper conduct, wrongdoing, corruption, fraud and/or abuse in accordance with the procedures as provided under the Whistleblowing Policy.

The Code of Ethics & Conduct, ABC Policy and Whistleblowing Policy can be found on the Company's website for reference, and to ease access for reporting by Directors, employees and associates of the Group, and it should be noted that these policies are subject to regular review and updates.

A.2 BOARD SIZE AND COMPOSITION

As at 30 June 2023, the Board was comprised of three (3) Non-Independent Executive Directors, one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors. The present composition of the Board is in line with the requirements of Paragraph 15.02 of the MMLR which constitutes having at least 2 or 1/3 of the Board comprising of independent directors, of which the Company has met the criteria with having at least half of the Board comprising of independent directors as recommended by MCCG.

The Board is satisfied that the size and composition of the present Board is sufficient to provide for a diversity of views, to facilitate effective decision making, and has an appropriate balance of executive, independent and non-independent directors. The Independent Directors have the appropriate combination of experience and expertise in engineering, accounting, finance and audit. The seven (7) members of the Board are persons of high calibre and integrity, and that they all have a sound understanding of the Group's business as well as deep industry expertise. They possess the skills, knowledge, experience and competencies to address key risks and major issues relating to the business, its policies and strategies. The profile of the individual Directors is set out on pages 14 to 20 of this Annual Report.

Corporate Governance Overview Statement

Appointment to the Board

As documented in the Board Charter, the Board may exercise the power pursuant to the Constitution to appoint a person who is willing to act as a Director either to fill a casual vacancy or as an additional Director upon appropriate recommendation by the Nomination Committee. The appointment of new directorship's would be through a formal and transparent selection process and would take into consideration the evaluation of the individual candidate's abilities in terms of their skills, knowledge, experience, expertise and integrity to discharge their responsibilities. The Board recognises the importance of diversity and would take into consideration the said diversity in the selection process.

Re-election of Directors

In accordance with the Company's Constitution, Directors appointed during the year are required to retire and seek election by shareholders at the following Annual General Meeting ("AGM") immediately after their appointment. The Constitution also requires 1/3 of the Directors to retire by rotation and seek re-election at each AGM, and that each Director shall submit herself/himself for re-election every 3 years.

Time Commitments

The Board is satisfied with the level of time committed by the Directors toward fulfilling their roles and responsibilities. Their attendance at the board meetings during the financial year ended 30 June 2023 is as per the table below:

Name	Attendance
Tan Sri Dr Madinah binti Mohamad	7/7
Dato' Sri Wan Zakariah bin Haji Wan Muda	7/7
Dato' Ir. W Zulkifli bin Haji W Muda	6/7
Dato' Roslan bin Tan Sri Jaffar	7/7
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	7/7
Dato' Ir. Haji Che Noor Azeman bin Yusoff	7/7
Mr. Lee Chee Khooon ¹	3/3
Raja Tan Sri Dato' Seri Aman bin Raja Haji Ahmad ²	4/4
Tan Sri Dato' Sri Haji Wan Zaki bin Haji Wan Muda ³	3/4

¹ Appointed on 15 March 2023

² Retired on 30 April 2023

³ Retired on 30 April 2023

All the Directors have complied with the minimum requirement of at least 50% attendance of Board meetings during the financial year as stipulated in the MMLR.

Directors are provided with complete, adequate and timely information prior to meetings, and on an ongoing basis, to enable them to make informed decisions on pertinent matters. The circulation of meeting materials to Board members is carried out using a secured technological platform which facilitates a seamless information flow and allows for timely enhancements to be made to the materials, if necessary.

Corporate Governance Overview Statement

Boardroom and Gender Diversity

The Board is supportive of the diversity in gender, ethnicity and age. The Board will endeavour to improve diversity in the Board by widening the scope of director sourcing and actively looks for directors to add relevant expertise to the Board.

There are 4 female Directors in the subsidiaries of AZRB. The Board will continue to source for qualified female candidates without compromising on the business imperative.

Directors' Training

The Directors keep themselves abreast with the latest industry developments as well as new statutory and regulatory requirements by attending various training programmes, seminars and/or conferences to enable them to discharge their duties effectively.

The Board emphasises the importance of continued education and training for its Directors so as to broaden their knowledge and for them to keep abreast with recent developments of the business environment, relevant changes in laws and regulations, and also, in the areas related to their duties. During the financial year under review, the Directors have attended training programmes, seminars and/or conferences as follows:

- Dealing with Performance Bonds in The Real World
- Judicial Management - A Corporate Rescue Tool
- Financial Crisis Impacting the Construction Industry
- Changes to The Employment Act 1955 (Pindaan) 2022 and Its Impact to the Company
- Board Audit Committee Dialogue and Networking : A Serious Allegation Is Reported - What Should Boards Do?
- A Dialogue with Bursa Malaysia - FTSE4GOOD ESG Rating for all PLCs
- Corporate Members' Exclusive : 60-Minute Guide on Crisis Management
- Board Risk Committee Dialogue & Networking - Session #1
- Circular Economy Conference 2023
- Bursa Malaysia Mandatory Accreditation Programme

Nomination Committee ("NC")

The NC was established by the Board. All members of the NC are Independent Non-Executive Directors. Amongst others, the NC is to assist the Board to evaluate candidates for nomination to the Board and to assess the effectiveness of the Board and each individual Director on an on-going basis in terms of contribution, skills, experience and other qualities.

Details of the members of the NC with their respective attendance during the financial year ended 30 June 2023 are as follows:

Name	Attendance
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng - <i>Chairman</i>	1/1
Raja Tan Sri Dato' Seri Aman bin Raja Haji Ahmad ¹ - <i>Member</i>	1/1
Dato' Ir. Haji Che Noor Azeman bin Yusoff ² - <i>Member</i>	Nil
Mr. Lee Chee Khoon ³ - <i>Member</i>	Nil

¹ Retired on 30 April 2023

² Appointed on 1 May 2023

³ Appointed on 1 May 2023

Corporate Governance Overview Statement

The Terms of Reference of the NC is available for reference at www.azrb.com

Key matters were discussed by the NC was amongst others:

- Assessing and recommending to the Board the continuation of service of the Directors who are seeking re-election at the AGM;
- Assessing and recommending to the Board on the appointment of Chairpersons for subsidiaries of AZRB;
- Considering and recommending Independent Non-Executive Directors who have served for a cumulative term of more than 12 years to continue in office as Non-Independent Non-Executive Directors;
- Assessing the effectiveness of the Board and Board Committees as a whole and the contribution of each individual Director according to the assessment process;
- Reviewing the required mix of skills and experience and other qualities, including core competencies, which Non-Executive Directors should bring to the Board;
- Reviewing and assessing the annual performance and effectiveness of the Board and the Board Committees; and
- Reviewing the terms of office and performance of the Audit and Risk Committee and each of its members annually to determine whether the Audit and Risk Committee had carried out their duties in accordance with their terms of reference.

Independent Non-Executive Directors

The Board noted on the recent changes made to the MMLR that limit the tenure of an Independent Director ("ID") to not more than a cumulative period of 12 years from the date of his/her first appointment as ID, with effect from 1 June 2023. Raja Tan Sri Dato' Seri Aman bin Raja Haji Ahmad, who had served the Company for more than 12 years, has retired as of 30 April 2023, whilst, Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng, who had also served as an Independent Non-Executive Director of the Company for a cumulative term of more than 12 years, has now been re-designated as a Non-Independent Director as of 1 June 2023, which is in compliance with the MMLR.

A.3 REMUNERATION

The Board believes that the level of remuneration offered by the Company is sufficient to attract and retain Senior Management, Executive and Non-Executive Directors who are needed to run the Company, and to maximise shareholders' value. The component parts of remuneration packages have been structured to link rewards to corporate and individual performances for Senior Management and Executive Directors, whilst Non-Executive Directors' remuneration reflects their experience and level of responsibilities. In addition, all Senior Management and Directors are indemnified under a Directors' and Officers' Liability Insurance against any liability incurred by them in discharging their duties.

Corporate Governance Overview Statement

The details of the Directors' remuneration for the financial year ended 30 June 2023 are shown in the table below:

Name of Director	Received from the Company (AZRB)			Received from the Group		
	Fees and Meeting Allowance	Salary ¹ and other Emoluments	Benefits-in-kind	Fees and Meeting Allowance	Salary ¹ and other Emoluments	Benefits-in-kind
Executive Directors						
Dato' Sri Wan Zakariah bin Haji Wan Muda	7,000	1,314,648	41,124	224,700	1,314,648	58,074
Dato' Ir. W Zulkifli bin Haji W Muda	6,000	-	-	31,000	1,199,964	61,579
Dato' Roslan bin Tan Sri Jaffar	7,000	922,500	26,618	84,000	922,500	36,518
Non-Executive Directors						
Tan Sri Dr Madinah binti Mohamad ²	154,600	-	1,984	154,600	-	1,984
Dato' Ir. Haji Che Noor Azeman bin Yusoff ³	7,000	-	-	189,700	-	17,100
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	164,000	-	-	228,800	-	-
Mr. Lee Chee Khoon ⁴	39,484	-	1,400	55,484	-	1,400
Raja Tan Sri Dato' Seri Aman bin Raja Haji Ahmad ⁵	209,800	-	21,301	209,800	-	21,301
Tan Sri Dato' Sri Haji Wan Zaki bin Haji Wan Muda ⁶	3,000	-	25,579	3,000	-	27,936

Notes:

¹ Excludes Employees Provident Fund ("EPF") and other statutory contributions.

² Appointed as Chairman on 1 May 2023

³ Appointed as Senior Independent Director on 1 June 2023

⁴ Appointed as Independent Non-Executive Director on 15 March 2023

⁵ Retired on 30 April 2023

⁶ Retired on 30 April 2023

Corporate Governance Overview Statement

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT**B.1 AUDIT AND RISK COMMITTEE ("ARC")**

The ARC assists the Board in overseeing the financial reporting of the Group by reviewing the quarterly financial results and annual audited financial statements to ensure that they are drawn up in accordance with the applicable financial reporting standards and the requirements of the Companies Act, 2016 prior to recommending them for approval by the Board and subsequent issuance to the shareholders.

During the financial year under review, the ARC consisted of three (3) members, all of whom are Independent Non-Executive Directors with one (1) being a member of Malaysian Institute of Accountants. They have undertaken, and will continue to undertake, continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as and when required.

The terms of reference of the ARC is available on the Company's website. The membership of the ARC, meeting & attendance, training, summary of work and summary work of the internal audit function are set out on pages 79 to 82 under the Audit and Risk Committee Report of this Annual Report.

B.2 RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its overall responsibilities for the Group's system of risk management and internal control, which includes the establishment of an appropriate control environment and framework, reviewing the integrity, effectiveness and adequacy of these systems to ensure that the Group's assets and the shareholders' interests are safeguarded.

The Company has in place an ongoing process for identifying, evaluating and managing significant risks that may affect the achievement of the business objectives of the Group. This function is embedded and carried out as part of the Group's operating and business management processes. The Group has also continued to implement its risk management procedures in areas of Enterprise Risk Management and Project Risk Management in its major subsidiaries. The ARC is delegated with the oversight responsibility of risk management. The Board, through its ARC, reviews the key risks identified to ensure proper management and mitigation of risks within its control.

The Group's risk management and internal control framework is available in the Statement on Risk Management and Internal Control which can be found on pages 83 to 88 of this Annual Report.

Corporate Governance Overview Statement

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

C.1 COMMUNICATION WITH STAKEHOLDERS

The Board acknowledges the importance of timely and equal dissemination of all material business, corporate and financial developments affecting the Group to shareholders and other stakeholders. Whilst the Group endeavours to provide as much information as possible to its stakeholders, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

The Board ensures that continuous disclosures made are effective and transparent whilst regular communication with its stakeholders is conveyed through a variety of communication channels such as annual reports, circulars to shareholders, press releases, announcements made through Bursa Malaysia; including quarterly result and annual financial results which provide shareholders with an overview of the Group's business and financial performances.

The Company maintains a corporate website at www.azrb.com which provides corporate and financial information of the Group. Shareholders and the public can also direct their queries through the email contacts provided in the corporate website.

C.2 CONDUCT OF GENERAL MEETINGS

The Directors regard the Company's AGM as an important opportunity for all shareholders to engage directly with the Board.

Notice of the AGM together with the Form of Proxy are given to shareholders at least 21 days prior to the AGM, which gives shareholders sufficient time to prepare themselves to attend the meeting or to appoint a proxy to attend and vote on their behalf. Each item of special business included in the Notice of AGM is accompanied by an explanatory statement for the proposed resolution to facilitate the full understanding and evaluation of issues involved.

The 25th AGM held on 12 December 2022 was conducted virtually via a live stream and through the Remote Participation and Voting facilities which is in line with the Company's health and safety measures as per the Securities Commission Guidance and FAQs on the Conduct of General Meetings for Listed Issuers.

Besides all Directors, including the Chairman of each of the Board Committees, both Senior Management and external auditors also attended the 25th AGM to respond to the questions raised by the shareholders or proxies. All resolutions as set out in the Notice of AGM held on 12 December 2022 were voted by poll and validated by an Independent Scrutineer. The proceedings at the 25th AGM were recorded in the minutes of the meeting which is available in the Company's corporate website.

This Corporate Governance Overview Statement was approved by the Board of Directors of the Company on 30 October 2023.

Audit and Risk Committee Report

The Board of Ahmad Zaki Resources Berhad is pleased to present the Audit and Risk Committee ("ARC") Report for the financial year ended 30 June 2023.

COMPOSITION

The present members of the ARC are as follows:

Chairman

Mr. Lee Chee Khoon

Independent Non-Executive Director

Members

Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng

[A member of the Malaysian Institute of Accountants ("MIA")]

Non-Independent Non-Executive Director

Dato' Ir. Haji Che Noor Azeman bin Yusoff

Independent Non-Executive Director

TERMS OF REFERENCE

The written terms of reference of the ARC is readily accessible to the public for reference on the Company's website at www.azrb.com.

MEETINGS AND ATTENDANCE

Details of attendance of each member at the ARC meetings during the financial year under review are as follows:

Date of Meeting	29 Aug '22	29 Sept '22	26 Oct '22	29 Nov '22	28 Feb '23	30 May '23	Total Attendance
Member							
Mr. Lee Chee Khoon ¹	NA	NA	NA	NA	NA	√	1/1
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	√	√	√	√	√	√	6/6
Dato' Ir. Haji Che Noor Azeman bin Yusoff ²	NA	NA	NA	NA	NA	NA	NA
Raja Tan Sri Dato' Seri Aman bin Raja Haji Ahmad ³	√	√	√	√	√	NA	5/5
Tan Sri Dr Madinah binti Mohamad ⁴	√	√	√	√	√	√	6/6

Notes:

¹ Appointed on 1 May 2023

² Appointed on 30 June 2023

³ Retired on 30 April 2023

⁴ Resigned on 30 June 2023

Audit and Risk Committee Report

The Group Managing Director, both Deputy Group Managing Director's, Group Chief Financial Officer and Financial Controller were invited to attend all ARC meetings to facilitate direct communications as well as to provide clarification on audit issues, and the Group's operations, if any. The relevant person in charge of the respective division/project was duly invited to brief the ARC on specific issues arising from the audit reports or any matters of interest, if required. The Head of Internal Audit and Chief Compliance Officer also attended the ARC meetings by invitation to present the reports on internal audit, risk management, sustainability, integrity and any other compliance or governance related matters.

The external auditors were also invited to attend the ARC meetings to present their reports on the audited financial statements. For each financial year period, a private meeting between the ARC and the external auditors without the presence of the Executive Directors and the Senior Management was scheduled to discuss any and all audit feedback.

Beyond the formally scheduled or organised meetings, the ARC has unrestricted access to both the internal and external auditors, who report functionally and directly to the ARC. The ARC has established a transparent framework to maintain an appropriate relationship with the Company's external auditors. During the financial year under review, the external auditors have provided the necessary assurances that its personnel are, and have been independent, throughout the conduct of the audit in accordance to the terms of all relevant professional and regulatory requirements.

SUMMARY OF ACTIVITIES UNDERTAKEN BY ARC

The following activities were carried out by the ARC during the financial year ended 30 June 2023 in discharging its functions and duties:

Financial Reporting

- (i) Reviewed the unaudited quarterly financial results of the Group including the announcements pertaining thereto presented by the Management before recommendations were made to the Board for approval.
- (ii) Reviewed the consolidated audited financial statements of the Company and the Group which were drawn up in accordance with the applicable Malaysian Financial Reporting Standards and International Financial Reporting Standards, and the requirements of the Companies Act 2016, for recommendation to the Board for approval.

External Audit

- (i) Reviewed and approved the audit planning memorandum covering the engagement team, materiality, audit scope, audit methodology and timing of audits, audit focus areas, significant accounting policies/disclosures, risk of false and misleading financial statements, directors' responsibilities, auditors' responsibilities and auditors' independence.
- (ii) Reviewed the External Auditors' status of the audit.
- (iii) Reviewed the audit fees of the External Auditors for the ensuing year prior to recommendations made to the Board for approval.
- (iv) Reviewed the non-audit services rendered by the External Auditors to the Group for the financial year under review prior to engagement. The External Auditors also reported to the ARC their policies and measures taken to ensure independence and objectivity were maintained.
- (v) Met with the External Auditors without the presence of Executive Directors and management team of the Company to discuss any issues of concern to the External Auditors arising from the annual audit. There was no major issue raised during the meetings.

Audit and Risk Committee Report

Internal Audit ("IA")

- (i) Deliberated and approved the annual IA plan and budget for the IA function for the financial year ended 30 June 2023.
- (ii) Reviewed and discussed the IA reports which consist of the findings, recommendations and the management responses to ensure that all key risks were addressed and adequate controls were put in place on a timely basis.
- (iii) Reviewed the IA's follow up reports on outstanding audit issues to monitor the effectiveness of corrective actions taken by Management.
- (iv) Reviewed the effectiveness of the internal control and governance processes within the Group.
- (v) Assessed the IA's proficiency, resources and independence to ensure adequate discharge of the duties and responsibilities of the IA function.

Risk Management

- (i) Reviewed and discussed the Risk Management Plan of the Company and its subsidiaries for the financial year ended 30 June 2023.
- (ii) Reviewed and approved the Quarterly Risk Management reports of the Company and its subsidiaries.

Governance

- (i) Reviewed the recurrent related party transactions ("RRPT") entered into by the Group on a quarterly basis. Reviewed any related party transactions and conflict of interest situations that may arise within the Company and the Group.
- (ii) Reviewed the draft Circular to Shareholders with regard to the proposed renewal of shareholders' mandate for existing RRPT of a revenue or trading nature of the Group including the adequacy and appropriateness of the procedures for RRPT and the Audit Committee Statement stated therein.
- (iii) Reviewed and discussed the Sustainability Plan of the Company and its subsidiaries for the financial year ended 30 June 2023.
- (iv) Reviewed and recommended the following Corporate Statements for inclusion in the Company's Annual Report for the Board's approval:
 - Sustainability Statement;
 - Statement of Risk Management and Internal Controls which was supported by an independent review by our External Auditors;
 - Audit and Risk Committee Report; and
 - Directors' Responsibility Statement for the financial year ended 30 June 2023.

Audit and Risk Committee Report

Internal Audit Function

The Group's IA function is performed in-house and is independent from the main activities and operations of the Group. The IA reports functionally to the ARC and administratively to the GMD. The main role of the IA function is to undertake regular reviews of the Group's systems of internal controls, procedures and operations so as to provide a risk-based, and objective assurance, to the ARC regarding the adequacy and effectiveness of governance, risk management and control process.

The IA activities during the financial year are summarised below:

- Prepared the annual IA plan for deliberation and approval by the ARC;
- Performed 10 audit reviews on business divisions and projects to ascertain the adequacy and compliance of their system of governance, risk management and internal control; and
- Conducted 1 follow-up audit to determine the adequacy, effectiveness and timeliness of actions taken by Management on the audit recommendations while providing updates on their status to the ARC.

The results of the audit reviews were discussed with Management and subsequently, the audit findings, including the recommendations for improvement, were presented to the ARC at scheduled meetings. In addition, the IA function carried out follow-up reviews to ensure that corrective actions had been implemented in a timely manner by Management and the results of such reviews were also periodically reported to the ARC. Although there were a few internal control weaknesses identified, none of the weaknesses have resulted in any material breaches that would require a separate disclosure in this Annual Report.

The IA function was headed by the Head of Internal Audit, Mohd Zaki bin Ismail who has both extensive and diverse professional experience in relation to internal audit, risk management and corporate governance. He is an associate member of the Institute of Internal Auditors Malaysia and a member of the Malaysian Institute of Accountants. There are 2 internal auditors in the Group. The IA personnel are free from any relationships, or conflict of interest, which could impair their objectivity and independence. The IA activities were conducted using a risk-based approach and were guided by the International Professional Practice Framework. The total cost incurred for the IA function for the financial year ended 30 June 2023 amounted to RM242,742.93.

Statement on Risk Management and Internal Control

INTRODUCTION

Pursuant to the Main Market Listing Requirements ("Listing Requirements") of the Bursa Malaysia Securities Berhad ("Bursa Securities") and the requirements of the Malaysian Code on Corporate Governance, the Board of Directors ("the Board") is committed to maintaining a sound system of risk management and internal control within Ahmad Zaki Resources Berhad ("AZRB") and its subsidiaries ("the Group") to manage risk and to report on internal controls and regulatory compliance so as to safeguard shareholders' investment and the Group's assets.

Set out below is the Board's Statement on Risk Management and Internal Control ("Statement" or "SORMIC") for the financial year ended 30 June 2023 which was prepared in accordance with the Guidelines for Directors of Listed Issuers ("Guidelines") issued by Bursa Securities and pursuant to Paragraph 15.26(b) of the Listing Requirements. This Statement outlines the nature and scope of risk management and internal control covering all of the Group's operations except for associate companies and smaller investments.

BOARD'S RESPONSIBILITY

The Board recognises the importance of maintaining a sound system of risk management and internal control within the Group and as such has reaffirmed its commitment and responsibility for the Group's risk management and internal control systems covering not only financial controls but also operational, strategic and compliance controls, and for reviewing the adequacy of integrity in these systems.

The system of risk management and internal control is designed to identify and manage the Group's risk within the acceptable risk tolerance, rather than to eliminate the risk of failure in achieving the Group's business objectives in accordance with the Group's strategy. Accordingly, it can only provide reasonable assurance but not absolute assurance against material misstatement, financial loss or fraud. The Group's concept of reasonable assurance also recognises that the cost of control procedures should not exceed the expected benefits.

KEY INTERNAL CONTROL FEATURES

The Group has a structure which outlines accountability, authority and responsibility to the Board, its committees and Management. Key processes have been established in reviewing the adequacy and effectiveness of the risk management and internal control that include the following:

1. AUTHORITY AND RESPONSIBILITY

a. Board of Directors

The Board is the pillar of the Group's risk management and internal control practices. The Board is committed to maintaining a sound system of internal control and the overall responsibility for risk oversight, mirroring its overall responsibility for strategy.

The Board meetings are held on a quarterly basis during the year to review and evaluate the Group's operations and performance and to address key issues. However, additional meetings may be convened as Special Board Meetings when required.

b. Audit and Risk Committee

The Audit and Risk Committee ("ARC") is responsible for ensuring effectiveness of the integrated risk management function within the organisation, reviews the internal audit plan and results of internal audit activity as well as ensuring appropriate action is taken on the recommendation of the internal audit function.

The ARC composition comprises three Independent Non-Executive Directors. The ARC has full access to both Internal Auditors and External Auditors and has the right to convene meetings with auditors without the presence of Executive Directors and Management.

Statement on Risk Management and Internal Control

2. PLANNING, MONITORING, AND REPORTING

For the current year's business plan and budget, the Group has prepared an annual business plan and budget for all business divisions and subsidiaries. The annual business plan and budget were deliberated and approved by their respective Boards. The performance of each business division and subsidiary is assessed against budget by the Chief Financial Officer, with explanations on significant variances presented to the Board on a quarterly basis.

3. POLICIES AND PROCEDURES

Clearly documented policies and procedures of business processes have been set out in a series of Standard Operating Procedures ("SOPs") under the Integrated Management System ("IMS") and implemented throughout the Group. These policies and procedures are periodically reviewed and updated to reflect the changes in business structure, processes as well as changes in the external environment.

4. INTERNAL AUDIT

The internal audit function of the Group, through the Internal Audit Department ("IAD"), serves to offer an independent assurance provided by business operations and oversight functions. Through internal audit reviews, IAD's principal roles are to evaluate and improve the effectiveness of internal control within the Group.

Regular reviews by IAD are carried out based on the annual internal audit plan which encompasses the management of risk and governance, and the effectiveness and adequacy of the internal control procedures across the various business divisions within the Group. The corrective actions taken by Management with regard to the significant weakness in the internal control on audit recommendations are reported on a regular basis to the ARC for their update, consideration and approval.

Further information on the activities of IAD can be found in the ARC Report.

5. RISK MANAGEMENT**a. Risk Management Governance**

Risk management governance consists of a risk oversight structure that portrays the systematic approach that is being used by the Group to escalate risk reporting from the respective business units all the way to the Board level as depicted below:



Statement on Risk Management and Internal Control

As depicted in the Group's risk management procedure, risks are broadly categorised into strategic, operational, financial, compliance and HSE risk. The identified individual risk events under the broad risk categories have undergone comprehensive reviews in line with the Group's risk management methodology.

During the year under review, the significant risks across divisions were presented and deliberated in the meetings of the Divisional Exco, Board of Directors of subsidiaries and ARC. Each Division is responsible for taking ownership and managing its risks. The Risk Management Department ("RMD") helps to facilitate each Division in discharging risk management responsibilities. RMD helps in the risk assessment process on risk identification and risk rating determination by the respective process owners (Head of Department). RMD also provides guidance and support in the development of risk action plans and monitors the risk mitigation action effectiveness and status.

The Head of Business Divisions are responsible for identifying, analysing and evaluating risks, as well as developing, implementing and monitoring risk action plans and reporting all risks to the Divisional Exco, Board of Directors of subsidiaries and ARC. The Divisional Exco, Board of Directors of subsidiaries and ARC have noted the key risks, the potential impact and likelihood of risks occurring, the effectiveness of existing controls and the risk action plans that have been or are being taken to manage the risks to the desired levels.

The significant risks for the Group during the financial year are cash flows and project progress. In order to mitigate the risks, the Group continues its close monitoring of the cash flows via cost optimisation initiatives and balancing the progress claim and receipts for all ongoing construction projects. Additionally, the Group keeps close contact and open communication line with its key business partners to address any situation that arises.

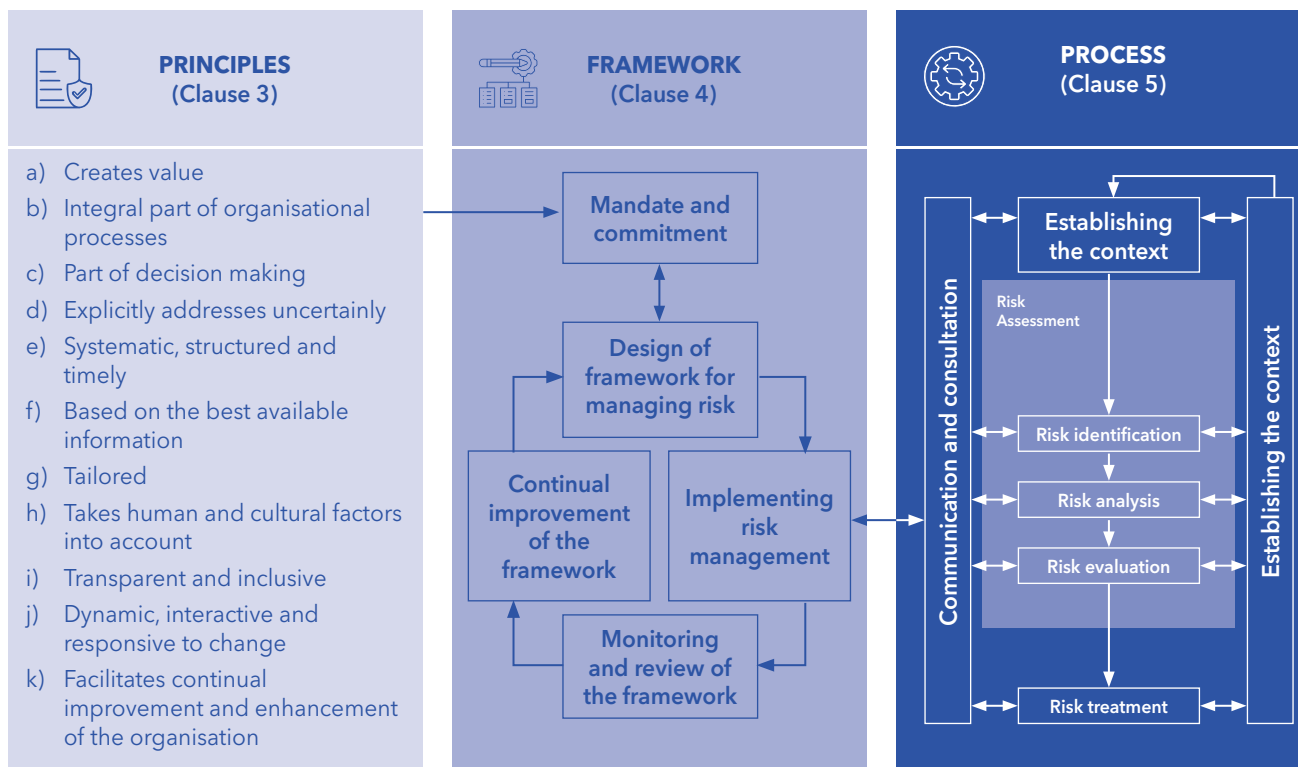
b. Risk Management Policy and Framework

The Board recognises the existence of risks across the Group, presenting both threats and opportunities to its businesses. In order to achieve the Group's business objectives and strategies, the Board and Management would have to make decisions that will involve some degree of risk. The following risk management policy provides guidance as to the management of risks and its application across the Group:

- 01 Integrate risk management into AZRB culture, business activities and business decision making processes
- 02 Inculcate risk management in every business process at every level
- 03 Anticipate and respond to the changing operational, economic, social, environmental and regulatory requirements pro-actively
- 04 Manage risks pragmatically, to an acceptable level given specific circumstances of each situation
- 05 Ensure all approvals to strategy, key projects, major assets, significant initiatives or investment should includes a detailed risk assessment report as and when required
- 06 Implement a robust and sustainable risk management framework that is aligned with AZRB vision, mission and in accordance to best practices

Statement on Risk Management and Internal Control

AZRB has also adopted the risk management principles, framework, and process embedded in the MS ISO 31000:2010 in identifying, evaluating, and managing the significant risks faced by the Group as depicted below:



Sources: MS ISO 31000:2010

c. Corruption Risk Management

In addition to managing enterprise risks, the Group also recognises the importance of adopting Corruption Risk Management ("CRM") into the existing business processes. CRM is a risk-based management tool that guides the development of corruption risk profiles and risk action plans that effectively minimise the exposure of bribery and corruption. Similar to the process adopted for Enterprise Risk Management ("ERM"), respective risk owners, facilitated by RMD, will identify any structural weaknesses in the existing business processes that may give room for bribery and corruption and register the risks in the corruption risk register.

6. ANTI-BRIBERY MANAGEMENT SYSTEMS

The Group is committed towards fighting bribery and corruption through the adoption of relevant internal controls as set out in ISO37001 – Anti-Bribery Management Systems ("ABMS"). The Integrity Department ("ID") monitors the process of incorporating integrity's internal control measures into the existing SOPs. The internal control systems that have been established with regard to ABMS include the following:

Statement on Risk Management and Internal Control

a. Anti-Bribery and Corruption Policy

The Group has established an Anti-Bribery and Corruption Policy ("ABC Policy") as a commitment to prevent all forms of bribery and corruption in its daily business activities which are in line with the Group's core values to promote good governance. The ABC Policy applies to all directors and employees of AZRB Group and business associates who are performing works or services for or on behalf of the Group.

b. Whistleblowing Policy

The Group has established a whistleblowing policy to provide a clear direction for whistle-blowers to raise concerns with regard to any suspected wrongdoing and bribery or corruption. The whistleblowing policy provides assurance to the whistle-blowers who are employees of the Group that they will be protected against reprisal and/or retaliation from their immediate superiors or head of departments/divisions, in line with the Whistleblower Protection Act 2010. The whistleblowing channel provided can be used by both the employees of the Group as well as the general public who is also protected by the above mentioned act.

c. Code of Ethics and Conduct

The Group has established a Code of Ethics and Conduct ("the Code") in order to maintain a high standard of integrity and professionalism amongst its employees in all business dealings. The Code aims to ensure that the Group's business interactions are being conducted fairly, impartially and should not in any circumstances, be tainted by malpractices. All employees are required to declare that they have read and understood the content of the Code entirely and agree to abide by it.

d. Gifts and Entertainment Procedure

Gifts and entertainment procedure ("gifts procedure") was established to provide procedures and general guidelines on giving, receiving, returning, recording and monitoring of gifts. The establishment of the gifts procedure demonstrates the Group's commitment towards preventing conflict of interest in the Group's business dealings and decision-making. The procedure applies to all directors and employees of AZRB Group.

e. Donation and Corporate Social Responsibility Procedure

Donation and Corporate Social Responsibility ("CSR") procedures were established to govern the administration of donations and CSR by the Group and its subsidiaries. The procedure outlines the step-by-step process of giving a donation or performing CSR. Supporting documents are needed for all proposals in order to close the door on bribery and corruption.

7. PERFORMANCE MANAGEMENT

Performance appraisals are carried out annually in a Performance Management System ("PMS") to assess the overall performance of each employee. The PMS aims to develop individual employees with the required commitment, skills and competencies for working towards shared meaningful objectives within the organisational framework. In order to nurture talent, training and development plans for employees are established by the Training Department.

Statement on Risk Management and Internal Control

8. ASSURANCE TO THE BOARD

The monitoring, review and reporting arrangements in place are to provide reasonable assurance that the internal control system is appropriate to the Group's operations and that risks are at an acceptable level throughout the Group's businesses. Such arrangements, however, do not eliminate the possibility of human error, deliberate circumvention of control procedures by employees and others, or the occurrence of unforeseeable circumstances.

In line with the Guidelines, the Board has received assurance from the Group Managing Director and the Chief Financial Officer that the risk management and internal control systems of the Group are operating adequately and effectively. The Board is of the view that the risk management and internal control systems in place during the year under review are sound and sufficient to safeguard shareholders' investment, stakeholders' interest and Group's assets.

9. REVIEW OF STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Securities' Listing Requirements, this Statement has been reviewed by the external auditors, Grant Thornton, for inclusion in the Annual Report for the financial year ended 30 June 2023 and reported to the Board that nothing has come to their attention that causes them to believe that the Statement intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required to be set out by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is the SORMIC factually inaccurate.

CONCLUSION

For the financial year under review and up to the date of issuance of the Statement, the Board is pleased to state that the Group's risk management and internal control were rated overall satisfactory, adequate and effective for the Group's purpose and safeguard the shareholders' investment and the interest of customers, employees and other stakeholders. There have been no material breaches, contingencies or uncertainties identified from the reviews.

This Statement was approved by the Board on 30 October 2023.

Statement of Directors'

Responsibilities in Preparing the Financial Statements

The Directors reaffirm that they are collectively responsible for ensuring that the annual financial statements of the Group and the Company are drawn up in accordance with the applicable approved accounting standards in Malaysia, the provisions of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad; and that these financial statements give a true and fair view of the financial position, financial performance and cash flows of the Group and of the Company for the financial year ended 30 June 2023.

To ensure that financial statements are properly drawn up, the Directors have taken the following measures:

- applied the appropriate and relevant accounting policies on a consistent basis;
- made judgements and estimates that are prudent and reasonable; and
- prepared the financial statements on the going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the Companies Act 2016. The Directors have overall responsibility for taking such steps that are reasonably open to them to safeguard the assets of the Group and the Company as well as to prevent and detect fraud and other irregularities.

This statement is made in accordance with a resolution of the Board of Directors dated 30 October 2023.

Additional Compliance Information

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

The Company did not raise funds through any corporate proposal during the financial year ended 30 June 2023.

AUDIT FEES*

A breakdown of fees for audit and non-audit services incurred by the Company and on group basis for the financial year ended 30 June 2023 is set out under Note 8 of the Financial Statements of this Annual Report.

MATERIALS CONTRACTS OR LOANS WITH RELATED PARTIES

Save as those disclosed in the following recurrent related parties transaction of a revenue in nature, there were no other material contracts or loans entered into by the Company and its subsidiaries involving the interest of directors and major shareholders, either still subsisting at the end of financial year ended 30 June 2023 or entered into since the end of the previous financial year.

RECURRENT RELATED PARTY TRANSACTIONS

The value of related party transactions entered into by the Company and its subsidiaries during the financial year which have obtained shareholder's mandate in the previous AGM are qualified as follows:

Nature of the transactions with related party		Entered by AZRB and its subsidiaries	Period covered from 1 July 2022 to 30 June 2023 (RM'000)
(a)	Purchases with subsidiaries of ZHSB:		
	(i) MIM Waste Services Sdn Bhd	AZSB	22
	(ii) Kemaman Quarry Sdn Bhd	AZSB	14
(b)	Sales with subsidiaries of ZHSB:		
	(i) MIM Waste Services Sdn Bhd	AZSB	138
	(ii) Kemaman Quarry Sdn Bhd	ICSB	54
(c)	Insurance premium charged by ZHSB	AZRB	13
		AZSB	360
		ICSB	19
		AMSB	53
		PPSB	13
(d)	Administrative services charged by ZHSB	AZSB	78
		KTIP	2
(e)	Security services charged by the following companies: ZHSB	AZSB	1,408
(f)	Rental of land charged by Tan Sri Dato' Sri Haji Wan Zaki bin Haji Wan Muda	PPSB	580

Additional Compliance Information

Relationship of the related parties:

(i)	Zaki Holdings (M) Sdn Bhd	-	ZHSB, the holding company of Ahmad Zaki Resources Berhad ("AZRB")
(ii)	Ahmad Zaki Sdn Bhd	-	AZSB, a wholly-owned subsidiary of AZRB
(iii)	Inter-Century Sdn Bhd	-	ICSB, a wholly-owned subsidiary of AZRB
(iv)	Temala Development Sdn Bhd	-	TDSB, 70% owned subsidiary of AZRB
(v)	AZSB Machineries Sdn Bhd	-	AMSB, a wholly-owned subsidiary of AZSB
(vi)	Peninsular Precast Sdn Bhd	-	PPSB, a wholly-owned subsidiary of AZSB
(vii)	Kemaman Technology & Industrial Park Sdn Bhd	-	KTIP, 60% owned subsidiary of AZSB
(viii)	MIM Protection Sdn Bhd	-	A company in which Dato' Sri Wan Zakariah bin Haji Wan Muda and Dato' W Zulkifli bin Haji W Muda have substantial equity interests and are also Directors

EMPLOYEES' SHARE SCHEME ("ESS")

The ESS was approved by the Company's shareholders at the Extraordinary General Meeting held on 17 March 2014 and ESS was implemented on 18 August 2014 for a period of 5 years which expired on 17 August 2019. The ESS has been extended for a further period of 5 years expiring on 17 August 2024. The ESS comprises ESS Options and ESS Share Award.

(a) ESS Options and ESS Share Award granted up to the end of the financial year:

	ESS Options		ESS Share Award	
	Total	Directors	Total	Directors
Granted	-	-	-	-
Forfeited	830,175	677,500	-	-
Exercised	-	-	-	-
Outstanding as at 30.06.2023	1,855,365	1,312,500	-	-
Vested during the financial period	-	-	-	-

Additional Compliance Information

- (b) ESS Options and ESS Share Award granted to Directors and Senior Management during the financial year and since commencement of ESS:

	During the financial year		Since commencement of ESS	
	ESS Options	ESS Share Award	ESS Options	ESS Share Award
Maximum allocation (%)	-	-	28.55	-
Actual allocation (%)	-	-	3.26	-

- (c) Non-Executive Directors were granted ESS Options during the financial year:

Name of Director	Amount of ESS Options granted	Amount of ESS Options exercised
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	-	-
Tan Sri Dr Madinah binti Mohamad	-	-
Dato' Ir. Haji Che Noor Azeman bin Yusoff	-	-
Lee Chee Khoo ¹	-	-
Raja Tan Sri Dato' Seri Aman bin Raja Haji Ahmad ²	-	-
Tan Sri Dato' Sri Haji Wan Zaki bin Haji Wan Muda ³	-	-

Notes:

¹ Appointed on 15 March 2023

² Retired on 30 April 2023

³ Retired on 30 April 2023

* The following particulars in relation to the audit and non-audit services rendered to the listed issuer or its subsidiaries for the financial year:

- (a) amount of audit fees paid or payable to the listed issuer's auditors, stating the amount incurred by the listed issuer and the amount incurred on a group basis respectively; and
- (b) amount of non-audit fees paid or payable to the listed issuer's auditors, or a firm or corporation affiliated to the auditors' firm, stating the amount incurred by the listed issuer and the amount incurred on a group basis respectively. If the non audit fees incurred were significant, details on the nature of the services rendered. If no non-audit fees were incurred, a statement to that effect.

Financial Statements

- Directors' Report
- Independent Auditors' Report
- Statements of Profit or Loss and Other Comprehensive Income
- Statements of Financial Position
- Statements of Changes in Equity
- Statements of Cash Flows
- Notes to the Financial Statements
- Statement by Directors
- Declaration by the Officer Primarily Responsible for the Financial Management of the Company

Directors' Interests in Shares and Warrants as at 3 October 2023

Issued and Fully Paid-up Share Capital : 598,097,678 #
 Class of Shares : Ordinary Share
 Voting Rights : One vote per share

inclusive of 1,662,862 ordinary shares held as treasury shares as at 3 October 2023

STATEMENT OF DIRECTOR'S SHAREHOLDINGS AND WARRANTHOLDINGS

The Company	Ordinary Shares			
	Direct Interest	%	Deemed Interest*	%
Ahmad Zaki Resources Berhad				
Dato' Sri Wan Zakariah bin Haji Wan Muda	5,266,220	0.88	27,000	0.01
Dato' Ir. W Zulkifli bin Haji W Muda	10,003,789	1.68	863,125	0.14
Dato' Roslan bin Tan Sri Jaffar	1,061,262	0.18	492,187	0.08
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	2,000,000	0.34	0	0
Tan Sri Dr Madinah binti Mohamad	0	0	0	0
Dato' Ir. Haji Che Noor Azeman bin Yusoff	0	0	0	0
Lee Chee Khoon	0	0	0	0
Ultimate Holding Company				
Dato' Sri Wan Zakariah bin Haji Wan Muda	1,250,000	12.5	0	0
Dato' Ir. W Zulkifli bin Haji W Muda	1,250,000	12.5	0	0

The Company	Warrants 2014/2024			
	Direct Interest	%	Deemed Interest*	%
Ahmad Zaki Resources Berhad				
Dato' Sri Wan Zakariah bin Haji Wan Muda	429,368	0.37	0	0
Dato' Ir. W Zulkifli bin Haji W Muda	225,153	0.19	0	0
Dato' Roslan bin Tan Sri Jaffar	139,218	0.12	105,468	0.09
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	0	0	0	0
Tan Sri Dr Madinah binti Mohamad	0	0	0	0
Dato' Ir. Haji Che Noor Azeman bin Yusoff	0	0	0	0
Lee Chee Khoon	0	0	0	0

* securities held through person(s) connected with the Director

Other than as disclosed above, none of the Directors held any securities or have any interest in the Company and its related companies as at 3 October 2023.

Analysis of Shareholdings as at 3 October 2023

DISTRIBUTION OF SHAREHOLDINGS

Category	No. of Shareholders		No. of Shareholdings		% of Shareholdings	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
Less than 100 shares	756	13	29,313	550	0.00	0.00
100 to 1,000 shares	516	2	216,475	742	0.04	0.00
1,001 to 10,000 shares	2,239	22	12,953,796	148,007	2.17	0.02
10,001 to 100,000 shares	2,450	35	79,911,337	1,522,525	13.40	0.26
100,001 to less than 5% of issued shares	348	14	174,181,786	8,025,449	29.20	1.35
5% and above of issued shares	3	0	319,444,836	0	53.56	0.00
Total	6,398	86	586,737,543	9,697,273	98.37	1.63

LIST OF SUBSTANTIAL SHAREHOLDERS (5% AND ABOVE EXCLUDING BARE TRUSTEES)

No.	Substantial Shareholder	Ordinary Shares			
		Direct Interest	%	Deemed Interest*	%
1.	Zaki Holdings (M) Sdn Bhd	247,982,336	41.58	0	0
2.	AmSec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account - Ambank (M) Berhad for Zaki Holdings (M) Sdn.bhd.	71,462,500	11.98	0	0
3.	Tan Sri Dato' Sri Wan Zaki Bin Haji Wan Muda	4,757,371	0.80	321,982,659	53.98

* ordinary shares held through persons connected with the substantial shareholder.

Analysis of Shareholdings as at 3 October 2023

LIST OF 30 LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS

No.	Shareholder	Ordinary Shares	%
1.	Zaki Holdings (M) Sdn Bhd	205,030,880	34.38
2.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank (M) Berhad for Zaki Holdings (M) Sdn. Bhd.	71,462,500	11.98
3.	Zaki Holdings (M) Sdn Bhd	42,951,456	7.20
4.	Dato' Sri Ng Teck Long	17,769,600	2.98
5.	Multiglow Resources Sdn. Bhd.	7,434,800	1.25
6.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for W Zulkifli Bin W Muda (MF00315)	7,018,750	1.18
7.	Lim Boon Liat	6,900,000	1.16
8.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wan Zakariah Bin Wan Muda (7005790)	4,909,970	0.82
9.	Wan Zaki Bin Wan Muda	4,757,371	0.80
10.	Datin Sri Wong Pui Yoong	4,529,700	0.76
11.	A Rahman @ Omar Bin Abdullah	3,683,049	0.62
12.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for W Zulkifli Bin W Muda	2,868,750	0.48
13.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Khek Keng (E-Tai)	2,750,000	0.46
14.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Su Tiing Uh	2,725,000	0.46
15.	Rosnita Binti Yunus	2,420,050	0.41
16.	Lau Yin Pin @ Lau Yen Beng	2,000,000	0.34
17.	Ioannis Koromilas	2,000,000	0.34
18.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yap Yoon Sun	2,000,000	0.34
19.	Fung Lee Yin	1,818,350	0.30
20.	Maybank Nominees (Tempatan) Sdn Bhd Waiko International Sdn Bhd	1,642,300	0.28
21.	RHB Capital Nominees (Asing) Sdn Bhd Pledged Securities Account for Ioannis Koromilas	1,562,500	0.26
22.	Chang Jin Wan	1,433,750	0.24
23.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Teh Poo Seng (M02)	1,409,300	0.24
24.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Rosmariah Binti Abd Manan	1,400,000	0.23
25.	Lim Gaik Bway @ Lim Chiew Ah	1,389,612	0.23
26.	Gunasekaran A/L Seenivasagam	1,322,500	0.22
27.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chong Kee Soon	1,320,000	0.22
28.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mohammed Amin Bin Mahmud (MM1004)	1,310,600	0.22
29.	HSBC Nominees (Asing) Sdn Bhd J.P. Morgan Securities Plc	1,256,900	0.21
30.	Ng Kai Yau	1,238,000	0.21

Analysis of Warrantholdings as at 3 October 2023

DISTRIBUTION OF WARRANTHOLDINGS

Category	No. of Warrantholders		No. of Warrantholdings		% of Warrantholdings	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
Less than 100 warrants	311	4	14,906	152	0.01	0.00
100 to 1,000 warrants	194	1	103,854	956	0.09	0.00
1,001 to 10,000 warrants	573	7	2,477,015	47,149	2.13	0.04
10,001 to 100,000 warrants	430	6	16,231,528	252,206	13.97	0.22
100,001 to less than 5% of issued warrants	108	3	36,289,914	617,856	31.23	0.53
5% and above of issued warrants	1	0	60,166,416	0	51.78	0.00
Total	1,617	21	1,365,496	918,319	99.21	0.79

Analysis of Warrantholdings as at 3 October 2023

LIST OF 30 LARGEST WARRANTHOLDERS AS PER RECORD OF DEPOSITORS

No.	Warrant Holder	Warrants	%
1.	Zaki Holdings (M) Sdn Bhd	60,166,416	51.78
2.	Er Soon Puay	4,556,900	3.92
3.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Vincent Wong Soon Choy	1,712,500	1.47
4.	Tan Thong Hoe	1,545,000	1.33
5.	Ahmad Hakim Bin Ahmad Ali	1,222,100	1.05
6.	Wan Zaki Bin Wan Muda	985,676	0.85
7.	Muhd Abd Muiz Al-Amin Bin Muhammad Firdaus	976,800	0.84
8.	Muhamad Faiz Bin Abdullah	862,200	0.74
9.	Izulman Bin Idris	818,500	0.70
10.	Lam Ah Choi	704,200	0.61
11.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chan Siew Wah (MM1231)	700,000	0.60
12.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yoong Chee Hon (E-SS2)	668,493	0.58
13.	Ng Ko Chee	600,000	0.52
14.	Dato' Sri Ng Teck Long	562,556	0.48
15.	Kenanga Nominees (Tempatan) Sdn Bhd Rakuten Trade Sdn Bhd for Gan Chia Ying	533,800	0.46
16.	Yap Hui Yee	517,500	0.45
17.	Nurazlina Binti Zainal	500,000	0.43
18.	Lee Boon Heng	484,087	0.42
19.	Mior Mohd Mizan Bin Mior Pi	480,000	0.41
20.	Foo See Yoon	473,000	0.41
21.	Mohd Hisham Bin Ramlee	462,525	0.40
22.	Mohammad Faizal Fais Bin Zahri	451,000	0.39
23.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Su Tiing Uh	440,550	0.38
24.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Wan Zakariah Bin Wan Muda (7005790)	429,368	0.37
25.	Mohamad Shahril Bin Mahdzir	402,000	0.35
26.	Nur Amirah Binti Zakaria	350,000	0.30
27.	Yoong Mei Mei	330,000	0.28
28.	Hanif Bin Mat Yussuf	320,000	0.28
29.	Kam Siong Chee	310,991	0.27
30.	Muhamad Mustaqim Bin Mustapha	300,000	0.26

List of Properties

No	Title & Location of Property	Date of Acquisition	Description of Properties (Existing Use)	Tenure (Age of Building)	Total Land Area / (Built-up Area)	NBV / Prepaid Lease Payment (RM'000)
1	EMR 873, Lot 826 Mukim Sungai Karang Kuantan, Pahang Darul Makmur	30.10.1993	Land and Hotel building	Freehold (23 years)	202,815 sq.ft./ 64,670 sq.ft.	14,437
2	GM372 Lot 981 and GRN37357 Lot 985 Mukim Setapak, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	20.01.1994 & 16.02.1994	Menara AZRB	Freehold (5 years)	55,017 sq. ft.	46,116
3	Lot PT2100, HSD 722 Mukim Kuala Telemong, Daerah Hulu Terengganu Terengganu Darul Iman	15.07.2003	Vacant land for quarry operation	Leasehold expiring in year 2025	20 ha.	10
4	HGU No. 5, Desa Amboyo Selatan Kecamatan Ngabang Kabupaten Pontianak Kalimantan Barat Republik Indonesia	31.05.2005	Land for cultivation	Leasehold expiring in year 2033	6,763.89 ha.	13,523
5	GM 1012 Lot 22050 Mukim Setapak, Daerah Kuala Lumpur Wilayah Persekutuan Kuala Lumpur	03.08.2007	Menara AZRB, Car Park	Freehold	12,066.34 sq. ft.	1,448
6	GM 1754 Lot 167 Mukim Sabai, Daerah Bentong Pahang Darul Makmur	08.10.2010	Vacant land	Freehold	4.578 ha.	960
7	HS (D) 29915, Lot PT 91677 Mukim Kuala Kuantan, Daerah Kuantan Pahang Darul Makmur	18.07.2012	Land held for Development	Freehold	12.141 ha.	8,959
8	GRN 11795, Lot 41184 Mukim Kuala Kuantan Daerah Kuantan, Pahang Darul Makmur	20.01.2015	Land held for Development	Freehold	2.529 ha.	4,640
9	GM 2413-GM2451 Lot 60011-Lot 60021, Lot 60023-Lot 60050 Mukim Kemasik, Tempat Kampung Semayor, Daerah Kemaman, Terengganu Darul Iman	08.01.2015	Land held for Development	Freehold	18,152 sq. m.	3,129
10	Lot 8316, PT18854 - PT19458 Mukim Bukit Payung, Daerah Marang Terengganu Darul Iman	10.09.2015	Land held for development	Leasehold expiring in year 2115	58.55 acres	6,418
11	Geran 26152, Lot 4812 Mukim Setapak, Daerah Kuala Lumpur Wilayah Persekutuan Kuala Lumpur	28.07.2016	Land held for development	Freehold land	772.7 sq. m.	2,707
12	NO.H.S.(D): 121118, No.P.T. : PT 50039 Mukim Setapak, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	28.07.2016	Land held for development	Freehold land	2683.417 sq.m	9,401

Notice of the 26th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 26th Annual General Meeting ("26th AGM") of the Company will be conducted on virtual basis through live streaming and online remote voting from the Broadcast Venue at Boardroom, 7th Floor, Menara AZRB, No. 71 Persiaran Gurney, 54000 Kuala Lumpur on Tuesday, 12 December 2023 at 10:30 a.m. for the following purposes:

AGENDA

Ordinary Business

- | | |
|--|-----------------------------------|
| 1. To receive the Audited Financial Statements of the Company for the financial year ended 30 June 2023 together with the Reports of the Directors and Auditors thereon. | Please refer to
Note 3 |
| 2. To approve the payment of Directors' fees and benefits of up to RM1,500,000 (Ringgit Malaysia One Million Five Hundred Thousand only) for the period from the conclusion of the 26 th AGM to the next Annual General Meeting ("AGM") of the Company. | Resolution 1 |
| 3. To re-elect the following Directors who shall retire by rotation in accordance with Clause 95 of the Constitution of the Company: | |
| (i) Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng | Resolution 2 |
| (ii) Tan Sri Dr Madinah binti Mohamad | Resolution 3 |
| 4. To re-elect Mr. Lee Chee Khoo who retire in accordance with Clause 102 of the Constitution of the Company. | Resolution 4 |
| 5. To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company for the financial year ending 30 June 2024 and to authorise the Directors to fix their remuneration. | Resolution 5 |

Special Business

- | | |
|---|---------------------|
| 6. AUTHORITY TO ALLOT AND ISSUE SHARES | Resolution 6 |
|---|---------------------|

"THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 ("CA 2016") and subject to the approvals of the relevant authorities, the Directors be and are hereby empowered to allot and issue new shares in the Company from time to time 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 issued share capital of the Company for the time being AND THAT the Directors be and are hereby also authorised to obtain the approval from Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing and quotation of the additional shares so allotted AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company.

THAT pursuant to Section 85 of the CA 2016, to be read together with Clause 61 and Clause 62 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares pursuant to Sections 75 & 76 of the CA 2016."

Notice of the 26th Annual General Meeting**7. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE****Resolution 7**

"THAT, subject always to the provisions of the CA 2016, the Constitution of the Company and the Main Market Listing Requirements ("Listing Requirements") of Bursa Securities, approval be and is hereby given to the Company, its subsidiaries or any of them to enter into any of the transactions falling within the types of the Recurrent Related Party Transactions, particularly of which are set out in the Circular to Shareholders dated 31 October 2023 with the Related Parties as described in the said Circular, provided that such transactions are of revenue or trading nature, which are necessary for the day-to-day operations of the Company and/or its subsidiaries, in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and not to the detriment of the minority shareholders and that such transactions are made on the arm's length basis and on normal commercial terms.

THAT such approval shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company (being the 27th AGM of the Company), at which time the said authority will lapse, unless by a resolution passed at a general meeting whereby the authority is renewed;
- (ii) the expiration of the period within which the next AGM of the Company (being the 27th AGM of the Company) is required to be held pursuant to Section 340(2) of the CA 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the CA 2016); or
- (iii) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earliest,

AND THAT the Directors of the Company be authorised to complete and do all such acts and things as they may consider expedient or necessary to give fully effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

Notice of the 26th Annual General Meeting8. **PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY ("PROPOSED SHARE BUY-BACK")****Resolution 8**

"THAT subject always to the provisions of the CA 2016, the Constitution of the Company, the Listing Requirements of Bursa Securities and other relevant statutory and/or regulatory requirements, the Company be authorised, to the fullest extent permitted by law, to buy-back such amount of ordinary shares ("Shares") in the Company as may be determined by the Directors of the Company from time to time, through Bursa Securities, upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company, provided that:

- (i) the aggregate number of Shares bought-back does not exceed 10% of the total issued and paid-up ordinary share capital of the Company at any time;
- (ii) the maximum amount of funds to be allocated for the Proposed Shares Buy-Back shall not exceed the Company's audited retained earnings at any point in time;
- (iii) the Shares purchased shall be treated in following manner:
 - (a) the purchased Shares shall be cancelled; or
 - (b) the purchased Shares shall be retained as treasury shares for distribution as dividend to the shareholders and/or resale on Bursa Securities in accordance with the relevant rules of Bursa Securities and/or cancellation subsequently; or
 - (c) part of the purchased Shares shall be retained as treasury shares and the remainder shall be cancelled; or
 - (d) in such other manner as Bursa Securities and other relevant authorities may allow from time to time; or
 - (e) any combination of (a), (b), (c) and (d) above.

AND THAT the authority conferred by this resolution shall commence upon the passing of this resolution until:

- (i) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed, at which time the authority will lapse unless renewed by ordinary resolution, either unconditionally or subject to conditions; or
 - (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
 - (iii) revoked or varied by resolution passed by the Company in general meeting;
- whichever occurs first.

Notice of the 26th Annual General Meeting

AND FURTHER THAT authority be and is hereby given to the Directors of the Company to take all such steps as may be necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities (Central Depository) Industry Act 1991, and the entering into and execution of all agreements, arrangements and guarantees with any party or parties) to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the Shares bought-back) in accordance with the provisions of the CA 2016, the Constitution of the Company, the Listing Requirements of Bursa Securities and all other relevant statutory and/or regulatory requirements.”

BY ORDER OF THE BOARD

DATO’ HAJI BAHARI BIN JOHARI (LS 0008773/SSM PC No. 201908002206)

SUZANA BINTI SANUDIN (LS 0008028/SSM PC No. 201908002689)

Company Secretaries

Kuala Lumpur

31 October 2023

Notice of the 26th Annual General Meeting

NOTES:

1. Mode of Meeting

- (i) The 26th AGM of the Company will be held on virtual basis via live streaming from the Broadcast Venue and through the Remote Participation and Voting ("RPV") facilities.
- (ii) The Broadcast Venue of the 26th AGM is strictly for the purpose of complying with Section 327(2) of the CA 2016 which requires the Chairman of the Meeting to be at the main venue.

NO MEMBERS will be allowed to be physically present at the Broadcast Venue on the day of the 26th AGM.

- (iii) As such, we strongly encourage you to make use of the RPV facilities to attend, speak (in real time submission of typed texts) and vote (collectively, "participate") at the 26th AGM.

Please read the notes provided in the Administrative Guide for further details.

2. Proxy and Entitlement of Participation

- (i) Only a Member whose name appear on the Records of Depositors as at **5 December 2023** shall be entitled to participate at the 26th AGM or appoint proxy(ies) on his /her behalf.
- (ii) A Member entitled to participate at the 26th AGM may appoint not more than 2 proxies to participate on his/her behalf. A proxy may but need not be a member of the Company.
- (iii) Where a Member appoints 2 proxies, the appointment shall not be valid unless he/she specifies his/her shareholdings to be represented by each proxy.

Where a Member of the Company is an Exempt Authorised Nominee 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.

- (iv) The instrument in appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised by the corporation.
- (v) The instrument in appointing a proxy must be deposited at the office of the Share Registrar, Mega Corporate Services Sdn Bhd at Level 12-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50260 Kuala Lumpur of the Company or email : **AGM-support.AZRB@megacorp.com.my** not less than 48 hours before the time set for holding 26th AGM or no later than 10 December 2023 at 10.30 a.m. or any adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid.

EXPLANATORY NOTES TO THE ORDINARY AND SPECIAL BUSINESS:

3. Agenda 1 - Audited Financial Statements of the Company for the financial year ended 30 June 2023

Agenda 1 is meant for discussion only as the provision of Sections 248(2) and 340(1) of the CA 2016 does not require a formal approval of the members and hence, is not put forward for voting.

4. Resolution 1 - Directors' Remuneration

Pursuant to Section 230(1) of the CA 2016, fees and benefits payable to the Directors of the Company shall be approved at a general meeting. The proposed Resolution 1 is to seek members' approval for the payment of Directors' fees and benefits for the period from the conclusion of the 26th AGM to the next AGM of the Company ("Period") up to an aggregate amount of RM1,500,000 (Ringgit Malaysia One Million Five Hundred Thousand only).

Notice of the 26th Annual General Meeting

In determining the estimated total Directors' benefits for the Period, the size of the Board/Board Committees and the number of meetings estimated to be held during the Period were taken into consideration. The payment of Directors' fees will be made on a monthly basis or as and when incurred, after the Directors have discharged their responsibilities and rendered their services to the Company.

At the last AGM held on 12 December 2022, the members had approved the payment of fees and benefits payable to the Non-Executive Directors ("NEDs") up to an amount of RM1,500,000 (Ringgit Malaysia One Million Five Hundred Thousand only) ("Approved Amount") from 13 December 2022 until the conclusion of the next AGM. The total payment of remuneration to the NEDs for the said period did not exceed the Approved Amount. The details of the remuneration of Directors for financial year ended 30 June 2023 are disclosed in the 2023 Annual Report.

5. Resolution 2 to Resolution 4

(i) **Re-election of Director who retires in accordance with Clause 95 of the Constitution of the Company.**

Clause 95 of the Company's Constitution states that at each AGM, 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 a minimum of one (1) shall retire from office. In addition, each Director shall retire at least once in every three (3) years but shall be eligible for re-election. Clause 96 of the Company's Constitution provides that the Directors to retire, shall be the one that has been longest in office since his/her last election or appointment, but as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

The following Directors shall stand for re-election as Directors and being eligible, have offered themselves for re-election at the 26th AGM of the Company:

- (a) Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng; and
- (b) Tan Sri Dr Madinah binti Mohamad

The Board and the Nominating Committee have considered the performance and contribution of each Director and as such, the Board recommended for their re-election on the Board of the Company.

The profiles of the abovenamed Directors are stated in the Director' Profile of the Annual Report 2023.

(ii) **Re-election of Director who retires in accordance with Clause 102 of the Constitution of the Company.**

Clause 102 of the Company's Constitution stipulates that a Director appointed by the Board shall hold office until the conclusion of the next AGM of the Company and shall be eligible for re-election. Mr. Lee Chee Khoo was appointed on 15 March 2023 and he will be retiring pursuant to Clause 102 of the Company's Constitution. He is eligible for re-election, has also given his consent for re-election.

The profiles of the abovenamed Director is stated in the Director' Profile of the Annual Report 2023.

6. Resolution 5 – Re-appointment of Auditors

Grant Thornton Malaysia PLT shall be retiring at the forthcoming 26th AGM of the Company and have expressed their willingness to be re-appointed as auditors of the Company for the financial year ending 30 June 2024. The Audit and Risk Committee has assessed the suitability and independence of Grant Thornton Malaysia PLT as Auditors of the Company. The Board on the recommendation of the Audit and Risk Committee, recommended that Grant Thornton Malaysia PLT be re-appointed as Auditors of the Company.

Notice of the 26th Annual General Meeting

7. Resolution 6 - Authority to Allot and Issue Shares

The proposed Ordinary Resolution 6, if passed, will renew the authority given to the Directors of the Company to issue and allot new shares in the Company pursuant to Sections 75 and 76 of the CA 2016 ("General Mandate"), without first offer to holders of existing issued shares of the Company, provided that the number of shares issued pursuant to this General Mandate, when aggregated with the number of any such shares issued during the preceding twelve (12) months, does not exceed 10% of the total number of issued shares of the Company at the time of issue and waive the statutory pre-emptive rights of shareholders of the Company ("Waiver"). This General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

The purpose to seek the General Mandate is to enable the Company to raise funds expeditiously for the purpose of funding future project(s), working capital, repayment of borrowings and/or acquisition(s) without having to convene a general meeting to seek shareholders' approval when such opportunities or needs arise.

The Waiver 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 the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

The Company had been granted a General Mandate by its shareholders at the 25th AGM held on 12 December 2022 ("Previous Mandate"). As at the date of this Notice, the Company had placed out 59,643,400 new ordinary shares which raised a total gross proceeds of RM12,210,655.40 pursuant to the Previous Mandate through a private placement exercise ("Private Placement"). The proceeds raised have been utilised

8. Resolution 7 - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature

The proposed Resolution 7, if passed will enable the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature pursuant to Paragraph 10.09 of the Listing Requirements of Bursa Securities.

Please refer to Part A of the Circular to Shareholders dated 31 October 2023 for further information.

9. Resolution 8 - Proposed Renewal of Share Buy-Back Authority

The proposed Resolution 8, if passed, will empower the Company to purchase up to ten per centum (10%) of the total issued and paid-up share of the Company. This authority unless revoked or varied by the Company at a General Meeting will expire at the next AGM.

Please refer to Part B of the Circular to Shareholders dated 31 October 2023 for further information.

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.

Administrative Guide

For the Virtual 26th Annual General Meeting ("26th AGM")



Day/Date : Tuesday, 12 December 2023
 Time : 10.30 a.m.
 Broadcast Venue : Boardroom, 7th Floor, Menara AZRB
 No. 71 Persiaran Gurney, 54000 Kuala Lumpur

VOTING VIA DIGITAL BALLOT FORM AT THE VIRTUAL AGM

- Shareholders will not be allowed to attend the AGM in person at the Broadcast Venue on the day of the meeting. Shareholders who wish to participate at the AGM will therefore have to do so remotely. Pre-registration of attendance is required via the link at <https://vps.megacorp.com.my/t3gPR1> (please refer to para 4 for further details). After the registration is validated and accepted, Shareholders will receive an email with a link to grant access to the Digital Ballot Form ("DBF").
- With the DBF and the meeting link, you may exercise your right as a shareholder of the Company to participate and vote during the AGM, at the comfort of your home or from any location
- Shareholders may use the Questions' Pane facility (located at the top right corner of the screen) to submit questions in real time during the meeting via the Live-Streaming solution. Shareholders may also submit questions before the meeting via email to the following e-mail address in relation to the agenda items for the AGM: AGM-support.AZRB@megacorp.com.my

REGISTRATION PROCEDURE

- Kindly follow the steps below to ensure that you are able to obtain your DBF and details to log in to the Live-Streaming session to participate and vote remotely during the AGM online:
 - Open this link <https://vps.megacorp.com.my/t3gPR1> or scan the QR code at the top right corner of this document and submit all requisite details at least forty-eight (48) hours before the date of AGM.
- Only Shareholders are allowed to register their details online. Shareholders can also appoint proxies or Chairman of the meeting as proxy via online, as in step (a) above. Please ensure that your details are accurate as non-compliance would result in you not being able to participate in the Meeting.
- Alternatively, you may deposit your Proxy Form, duly completed with the proxy's email address and mobile phone number, at the office of the Poll Administrator 48 hours before the AGM:



Mega Corporate Services Sdn. Bhd.

Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur,
 Wilayah Persekutuan or;
 Submit via e-mail to: AGM-support.AZRB@megacorp.com.my

Administrative Guide For the Virtual 26th Annual General Meeting (“26th AGM”)

- d. For corporate Shareholders / nominee accounts, please execute Form of Proxy as per step (c) above.
- e. Upon verification on your registration, the Poll Administrator, Mega Corporate Services Sdn. Bhd., will send the following via email:
 - i. Meeting Link – for the Live-Streaming Session
 - ii. DBF – for Voting Purposes

RECORD OF DEPOSITORS (“ROD”) FOR THE AGM

- 5. The date of ROD for the 26th AGM is 5 December 2023. As such, only Shareholders whose name appear in the ROD shall be entitled to participate and vote at the AGM or appoint proxy(ies) /corporate representative(s) to participate and vote on his / her behalf.

POLL VOTING

- 6. The voting of the AGM will be conducted by poll. The Company has appointed Mega Corporate Services Sdn. Bhd. as the Poll Administrator to conduct the polling process by way of e-voting, and Cygnus Technology Solutions Sdn. Bhd. as Scrutineers to verify the poll results.
- 7. Shareholders can proceed to vote on the resolutions and submit your votes during the voting period as stipulated in the DBF. Upon completion of the voting session for the AGM, the Scrutineers will verify the poll results after which the Chairman will announce the poll results of the resolutions

ENQUIRY

If you have any enquiries on the above, please contact the Poll Administrator during office hours (Monday to Friday):

MEGA CORPORATE SERVICES SDN BHD

Email : AGM-support.AZRB@megacorp.com.my
 Tel : +60 (3) 26948984
 Mr Alfred : +60 (12) 912 2734
 En. Hisham : +60 (12) 252 9136

No. of Shares held	Member's Contact No.	Email Address

*I/We, _____ NRIC/Company No. _____
(Full name as per NRIC/Certificate of Incorporation)

of _____
(Full address)

being a member of **AHMAD ZAKI RESOURCES BERHAD**, hereby appoint:

Proxy	Name	NRIC	Contact No.	Email address	% share
1					
2					
Total					

or failing *him/her/both, the Chairman of the Meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the 26th Annual General Meeting ("26th AGM") of the Company to be conducted on virtual basis through live streaming and online remote voting from the Broadcast Venue at Boardroom, 7th Floor, Menara AZRB, No. 71, Persiaran Gurney, 54000 Kuala Lumpur on **Tuesday, 12 December 2023 at 10.30 a.m.** and at every adjournment thereof, on the following resolutions referred to in the Notice of AGM.

The proportion of *my/our holding to be represented by *my/our proxies are as follows:
(The above Table below should be completed only when 2 proxies are appointed)

*My/our proxy is to vote as indicated below:

	RESOLUTIONS	FOR	AGAINST
ORDINARY BUSINESS			
Ordinary Resolution 1	To approve the payment of Directors' fees and benefits		
Ordinary Resolution 2	To re-elect Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng		
Ordinary Resolution 3	To re-elect Tan Sri Dr Madinah binti Mohamad		
Ordinary Resolution 4	To re-elect Mr. Lee Chee Khoon		
Ordinary Resolution 5	To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company		
SPECIAL BUSINESS			
Ordinary Resolution 6	Authority to Allot and Issue Shares pursuant to the Companies Act 2016		
Ordinary Resolution 7	Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
Ordinary Resolution 8	Proposed Renewal of Share Buy-Back Authority		

Please indicate with an "X" in the appropriate spaces provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at *his/her discretion.

Date: _____

Signature(s) / Common Seal of Member (if applicable)

* Delete where inapplicable.

Notes:-

1. The broadcast venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue. No shareholders/proxies from the public will be physically present at the meeting venue. Shareholders who wish to participate in the AGM will therefore have to register via the link <https://vps.megacorp.com.my/t3gPR1>. Kindly refer to the Administrative Guide for further information.
2. For purpose of determining a member who shall be entitled to attend, speak and vote at the AGM, the Company shall be requesting Record of Depositors as at **5 December 2023**. Only a Depositor whose name appears on the Record of Depositors as at 5 December 2023 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.
3. A member may appoint up to two (2) proxies who need not be members of the Company to attend, speak and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
4. Where a member is an authorised nominee as defined under the Central Depositories Act 1991, 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.
5. Where a member of the company is an exempt authorised nominee 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 authorized nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his attorney duly authorised in writing, and in the case of a corporation, shall be executed under its Common Seal or under the hand of an officer or attorney of the corporation duly authorised.
7. The Form of Proxy or the instrument appointing a proxy and the power of attorney (if any) under which it is signed or authorised certified copy thereof must be deposited Share Registrar, Mega Corporate Services Sdn Bhd at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur of the Company or email : AGM-support.AZRB@megacorp.com.my not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof. You also have the option to register directly at <https://vps.megacorp.com.my/t3gPR1> to submit the proxy appointment electronically not later than **Sunday, 10 December 2023 at 10.30 a.m.** For further information on the electronic submission of proxy form, kindly refer to the Administrative Guide.
8. By submitting the duly executed proxy form, a member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for this meeting and any adjournment thereof.

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stamp

MEGA CORPORATE SERVICES SDN BHD
Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

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GRI Contents Index FYE 2023

Page indications in this Index refer to AZRB Annual Report 2023 ("the Report") unless otherwise noted. The Sustainability Statement is contained in the Report on pages 38 to 68.

AZRB's 2023 Annual Report has been prepared with reference to the GRI Universal Standards: 2016, 2018 and 2021, which refer to standards issue date, not the date of the information presented in this Report.

GRI STANDARD/OTHER SOURCE	DISCLOSURE	SDG	PAGE NUMBER	REMARKS	
GENERAL DISCLOSURES					
GRI 2: General Disclosures 2021	2-1	Organisational details	-	1 39	About AZRB Sustainability Statement
	2-2	Entities included in the organisation's sustainability reporting	-	1 3 39	About AZRB Corporate Structure Sustainability Statement
	2-3	Reporting period, frequency and contact point	-	39 40	About the Sustainability Statement Contact Us
	2-4	Restatements of information	-	-	NA
	2-5	External assurance	-	-	No external assurance
	2-6	Activities, value chain and other business relationships	-	1 2 6-12 22-29 50-53	About AZRB Corporate Information Chairman's Statement Management Discussion & Analysis ESG STRATEGY 1: Enhancing Economic Value
	2-7	Employees	8; 10	58-67	ESG STRATEGY 3: WELLBEING: Cultivating a Healthy & Safe Workplace
	2-8	Workers who are not employees	5; 8; 16	-	AZRB has interns.
	2-9	Governance structure and composition	5; 16	45 69-78	Sustainability Governance Structure Corporate Governance Overview Statement
	2-10	Nomination and selection of the highest governance body	5; 6; 16	2 69-78	Corporate Information Corporate Governance Overview Statement
	2-11	Chair of the highest governance body	16	69-78	Corporate Governance Overview Statement
	2-12	Role of the highest governance body in overseeing the management of impacts	16	45	Sustainability Governance Structure
	2-13	Delegation of responsibility for managing impacts	-	45 46-47 83-88	Sustainability Governance Structure Materiality Matters & Sustainability Strategy Statement on Risk Management and Internal Control
	2-14	Role of the highest governance body in sustainability reporting	-	45	Sustainability Governance Structure
	2-15	Conflicts of interest	16	69-78 83-88	Corporate Governance Overview Statement Statement on Risk Management and Internal Control
	2-16	Communication of critical concerns	-	28 46-47 53 69-78 79-82 83-88	Managing Risk Materiality Matters & Sustainability Strategy Balancing Risk and Opportunities Corporate Governance Overview Statement Audit and Risk Committee Report Statement on Risk Management and Internal Control
	2-17	Collective knowledge of the highest governance body	-	13-20	Board of Directors' Profile
	2-18	Evaluation of the performance of the highest governance body	-	- 69-78	Board Charter, Directors' Fit & Proper Policy at www.azrb.com/corporate-governance Corporate Governance Overview Statement
	2-19	Remuneration policies	-	- 69-78 79-82 83-88	Remuneration Policy and Procedure for Directors and Senior Management Corporate Governance Overview Statement Audit and Risk Committee Report Statement on Risk Management and Internal Control

GRI Contents Index FYE 2023 (continued)

GRI STANDARD/OTHER SOURCE	DISCLOSURE		SDG	PAGE NUMBER	REMARKS
GENERAL DISCLOSURES (continued)					
GRI 2: General Disclosures 2021	2-20	Process to determine remuneration	-	69-78	Corporate Governance Overview Statement
				79-82	Audit and Risk Committee Report
				83-88	Statement on Risk Management and Internal Control
	2-22	Statement on sustainable development strategy	-	22-29	Management Discussion & Analysis
				44	Sustainability Roadmap
				69-78	Corporate Governance Overview Statement
	2-23	Policy commitments	16	45	Sustainability Policy
				-	AZRB Code of Ethic and Conduct, Anti-Bribery & Corruption Policy and Whistleblowing Policy at www.azrb.com/
	2-24	Embedding policy commitments	-	45	Sustainability Policy
				-	AZRB Code of Ethic and Conduct, Anti-Bribery & Corruption Policy and Whistleblowing Policy at www.azrb.com/
	2-25	Processes to remediate negative impacts	-	22-29	Management Discussion & Analysis
				28	Managing Risks
				53	Balancing Risk and Opportunities
				54-57	ESG STRATEGY 2: Reducing Environmental Footprint
				83-88	Statement on Risk Management and Internal Control
	2-26	Mechanisms for seeking advice and raising concerns	16	-	Investor Relations at www.azrb.com/
40				Contact Us	
2-27	Compliance with laws and regulations	-	46-47	Materiality Matters & Sustainability Strategy	
			50-53	ESG STRATEGY 1: Enhancing Economic Value	
			54-57	ESG STRATEGY 2: Reducing Environmental Footprint	
			58-67	ESG STRATEGY 3: WELLBEING: Cultivating a Healthy & Safe Workplace	
			69-78	Corporate Governance Overview Statement	
			83-88	Statement on Risk Management and Internal Control	
			xxxxxx	Financial Statements	
2-28	Membership of associations	-	-	AZRB is a member of various industry associations	
2-29	Approach to stakeholder engagement	-	41-43	Stakeholder Engagement	
2-30	Collective bargaining agreements	8	-	AZRB does not subscribe to collective bargaining in employment. Nevertheless, we are open to discussions with employees on various matters such as remuneration, benefits, workplace conditions and pertinent matters.	
MATERIAL TOPICS					
GRI 3: Material Topics 2021	3-1	Process to determine material topics	-	46-47	Materiality Matters & Sustainability Strategy
	3-2	List of material topics	-	46-47	Materiality Matters & Sustainability Strategy
	3-3	Management of material topics	-	All material matters sections	Throughout the Annual Report and Sustainability Report
ECONOMIC PERFORMANCE					
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	8; 9	34	5-Year Financial Highlights
				22-29	Management Discussion & Analysis
				46-47	Materiality Matters & Sustainability Strategy
				50-53	ESG STRATEGY 1: Enhancing Economic Value
				xxxxxx	Financial Statements
	201-2	Financial implications and other risks and opportunities due to climate change	13	22-29	Management Discussion & Analysis
				50-53	ESG STRATEGY 1: Enhancing Economic Value
				54-57	ESG STRATEGY 2: Reducing Environmental Footprint
	201-3	Defined benefit plan obligations and other retirement plans	-	-	AZRB abides by all relevant laws of the countries where we operate.
	201-4	Financial assistance received from government	-	22-29 65	Management Discussion and Analysis Training during FYE 2023

GRI Contents Index FYE 2023 (continued)

GRI STANDARD/OTHER SOURCE	DISCLOSURE		SDG	PAGE NUMBER	REMARKS
GENERAL DISCLOSURES (continued)					
MARKET PRESENCE					
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	1; 5; 8	-	The compensation we offer is based on the minimum wage and internal equity of the respective positions as well as the employee's skill set and/ or experience. As far as possible, we strive to offer all our employees comparable compensation structures and monitor compliance with minimum standards.
	202-2	Proportion of senior management hired from the local community	1; 5; 8	60	Local Employment
INDIRECT ECONOMIC IMPACTS					
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	5; 6; 8; 9; 11	1 6-12 22-29 50	About AZRB Chairman's Statement Management Discussion & Analysis Providing Critical Infrastructure
	203-2	Significant indirect economic impacts	1; 3; 6; 8	1 6-12 22-29 51	About AZRB Chairman's Statement Management Discussion & Analysis Stimulating Economic and Socioeconomic Development
PROCUREMENT PRACTICES					
GRI 204: Procurement Practices 2016	204	Management approach	-	51	Procurement Practices
	204-1	Proportion of spending local suppliers	-	51	Procurement Practices
ANTI-CORRUPTION					
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	16	83-88	Statement on Risk Management and Internal Control
	205-2	Communication and training about anti-corruption policies and procedures	16	53 69-78	Promoting Ethical Business Conduct Corporate Governance Overview Statement
	205-3	Confirmed incidents of corruption and actions taken	16	-	There were no incidences reported during FY2023
ANTI-COMPETITIVE BEHAVIOUR					
GRI 206: Anti-competitive Behaviour 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	16	-	None
TAX					
GRI 207: Tax 2019	207-1	Approach to tax	1; 10; 17	xxxxxx	Financial Statements
	207-2	Tax governance, control, and risk management	1; 10; 17	79-82	Audit and Risk Committee Report
				83-88	Statement on Risk Management and Internal Control
	207-3	Stakeholder engagement and management of concerns related to tax	1; 10; 17	22-29 41-43 xxxxxx	Management Discussion & Analysis Stakeholder Engagement Financial Statements
207-4	Country-by-country reporting	-	-	-	Not Applicable
MATERIALS					
GRI 301: Materials 2016	301-1	Materials used by weight or volume	8; 12	54	Preventing Depletion of Natural Resources
	301-2	Recycled input materials used	-	-	-
	301-3	Reclaimed products and their packaging materials	-	-	-
ENERGY					
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	6; 7; 8; 9; 11; 12; 13; 14; 15; 17	54	Preventing Depletion of Natural Resources
	302-2	Energy consumption outside of the organisation	7; 8; 12; 13	-	-
	302-3	Energy intensity	6; 7; 8; 9; 11; 12; 13; 14; 15; 17	-	-

GRI Contents Index FYE 2023 (continued)

GRI STANDARD/OTHER SOURCE	DISCLOSURE		SDG	PAGE NUMBER	REMARKS
GENERAL DISCLOSURES (continued)					
ENERGY (continued)					
GRI 302: Energy 2016	302-4	Reduction of energy consumption	6; 7; 8; 12; 13	54	Preventing Depletion of Natural Resources
	302-5	Reductions in energy requirements of products and services	7; 8 ;12; 13	-	-
WATER AND EFFLUENTS					
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	3; 6; 12	55	Avoiding and Averting Pollution
	303-2	Management of water discharge-related impacts	3; 6; 12	55	Avoiding and Averting Pollution
	303-3	Water withdrawal	6; 12	-	-
	303-4	Water discharge	3; 6; 12	55	Avoiding and Averting Pollution
	303-5	Water consumption	6	54	Preventing Depletion of Natural Resources
BIODIVERSITY					
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	3; 6; 13; 14; 15	55	Preserving Biodiversity and Natural Environment
	304-2	Significant impacts of activities, products and services on biodiversity	3; 6; 13; 14; 15	55	Preserving Biodiversity and Natural Environment
	304-3	Habitats protected or restored	6; 13; 14; 15	-	-
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	6; 13; 14; 15	-	-
EMISSIONS					
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	3; 12; 13; 14; 15	56	Reducing Emissions to Fight Climate Change
	305-2	Energy indirect (Scope 2) GHG emissions	3; 12; 13; 14; 15	56	Reducing Emissions to Fight Climate Change
	305-3	Other indirect (Scope 3) GHG emissions	3; 12; 13; 14; 15	-	Establishing Groundwork
	305-4	GHG emissions intensity	3; 13; 14; 15	-	-
	305-5	Reduction of GHG emissions	3; 12; 13; 14; 15	-	-
	305-6	Emissions of ozone-depleting substances ("ODS")	3; 12; 13; 14; 15	-	-
	305-7	Nitrogen oxides ("NOx"), sulfur oxides ("SOx"), and other significant air emissions	3; 12; 13; 14; 15	-	-
WASTE					
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	3; 6; 11; 12	55	Avoiding and Averting Pollution
	306-2	Management of significant waste-related impacts	3; 8; 11; 12	55	Avoiding and Averting Pollution
	306-3	Waste generated	3; 6; 11; 12; 15	55	Avoiding and Averting Pollution
	306-5	Waste directed to disposal	3; 6; 11; 12; 15	56	Avoiding and Averting Pollution
SUPPLIER ENVIRONMENTAL ASSESSMENT					
GRI 308: Supplier 2016	308-1	New suppliers that were screened using environmental criteria	-	57	ESG STRATEGY 2: Reducing Environmental Footprint
	308-2	Negative environmental impacts in the supply chain and actions taken	-	57	ESG STRATEGY 2: Reducing Environmental Footprint

GRI Contents Index FYE 2023 (continued)

GRI STANDARD/OTHER SOURCE	DISCLOSURE		SDG	PAGE NUMBER	REMARKS
GENERAL DISCLOSURES (continued)					
EMPLOYMENT					
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	5; 8; 10	59-60	Providing Fair & Equitable Employment
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3; 5; 8	-	AZRB does not have any part time employees
	401-3	Parental leave	3; 5; 8	59	Providing Fair & Equitable Employment
LABOUR/MANAGEMENT RELATIONS					
GRI 402: Labour/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	8	-	As and when required
OCCUPATIONAL HEALTH AND SAFETY					
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	3; 8	64	Cultivating Safety & Health in the Workplace
	403-2	Hazard identification, risk assessment, and incident investigation	3; 8	64	Cultivating Safety & Health in the Workplace
	403-3	Occupational health services	3; 8	64	Cultivating Safety & Health in the Workplace
	403-4	Worker participation, consultation, and communication on occupational health and safety	3; 8; 16	64	Cultivating Safety & Health in the Workplace
	403-5	Worker training on occupational health and safety	3; 8	65	Training between July 2022 to June 2023
	403-6	Promotion of worker health	3; 8	64	Cultivating Safety & Health in the Workplace
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3; 8	65	Training between July 2022 to June 2023
	403-8	Workers covered by an occupational health and safety management system	3; 8	64	Cultivating Safety & Health in the Workplace
	403-9	Work-related injuries	3; 5; 8	64	Cultivating Safety & Health in the Workplace
	403-10	Work-related ill health	3; 8; 16	64	Cultivating Safety & Health in the Workplace
TRAINING AND EDUCATION					
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	4; 5; 8	64-65	Harnessing Potential in Talent
	404-2	Programmes for upgrading employee skills and transition assistance programmes	4; 5; 8	64-65	Harnessing Potential in Talent
	404-3	Percentage of employees receiving regular performance and career development reviews	5; 8; 10	-	Annually
DIVERSITY AND EQUAL OPPORTUNITY					
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	5; 8	13-20 59-60	Board of Directors' Profile Providing Fair & Equitable Employment
	405-2	Ratio of basic salary and remuneration of women to men	5; 8; 10	-	The basic salary and remuneration we offer is based on the market rate and internal equity of the respective positions as well as the employee's skill set and experience. As far as possible, we strive to offer all our employees comparable compensation structures and monitor compliance with minimum standards.
NON-DISCRIMINATION					
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	5; 8	-	No occurrences of discrimination of any type was reported during FY2023.
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING					
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	8	-	AZRB does not use collective bargaining but engages in discussions with employees on various matters, including compensation, benefits, workplace conditions, and relevant issues.

GRI Contents Index FYE 2023 (continued)

GRI STANDARD/OTHER SOURCE	DISCLOSURE	SDG	PAGE NUMBER	REMARKS
GENERAL DISCLOSURES (continued)				
CHILD LABOUR				
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	5; 8; 16	61	AZRB opposes to child labour or other forms of exploitation that also includes our vendors and suppliers.
FORCED OR COMPULSORY LABOUR				
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	5; 8; 16	61	AZRB opposes to forced or compulsory labour or other forms of exploitation that also includes our vendors and suppliers.
SECURITY PRACTICES				
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	16	-	We outsource security to providers under service agreements, ensuring SOP compliance.
RIGHTS OF INDIGENOUS PEOPLES				
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	2; 16	-	No Incidents reported during FY2023
LOCAL COMMUNITIES				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	1; 2; 3, 4, 8, 9, 11, 16, 17	68	ESG STRATEGY 4: SOCIAL: Enhancing Local Community
	413-2 Operations with significant actual and potential negative impacts on local communities	1; 2; 3, 4, 8, 9, 11, 16, 17	-	-
SUPPLIER SOCIAL ASSESSMENT				
GRI 414: Supplier Assessment 2016	414-1 New suppliers that were screened using social criteria	5; 8; 16	-	-
	414-2 Negative social impacts in the supply chain and actions taken	5; 8; 16	-	None
PUBLIC POLICY				
GRI 415: Public Policy 2016	415-1 Political contributions	16	-	-
CUSTOMER HEALTH AND SAFETY				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	3; 16	52	Ensuring Quality Products & Services
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	3; 16	-	No incidents reported during FY2023
MARKETING AND LABELLING				
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labeling	12	-	AZRB abides by policies and guidelines under the Housing Development Act ("HDA") and the Strata Management Act.
	417-2 Incidents of non-compliance concerning product and service information and labeling	16	-	-
	417-3 Incidents of non-compliance concerning marketing communications	16	-	-
CUSTOMER PRIVACY				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	16	-	During 2023, AZRB has not been notified through the available channels of any significant sanction for the breach of the customer's privacy and personal data protection rules.



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