

The Group delivered a strong financial performance in FY2024, with year-on-year (Y-o-Y) growth across most key metrics. Higher revenue, profitability, and cash flows reflect our disciplined execution, operational resilience, and ability to navigate a dynamic business landscape.

AHMAD FAZRIL FAUZI
Chief Financial Officer

CFO's Statement

Earning per Share

6.2 ▲
sen
(2023: 3.7 sen)

Dividend per Share

4.0 ▲
sen
(2023: 2.0 sen)

Total Assets

RM3.01 ▲
billion
(2023: RM2.95 billion)



Despite cost pressures from inflation, wage adjustments in key markets, and supply chain uncertainties amid geopolitical tensions, we remained focused on cost optimisation to maximise operational efficiency. At the same time, we expanded our revenue base by capturing new opportunities in international markets, technology-driven solutions, and sustainability services.

Our balanced approach – combining financial discipline with strategic growth – has strengthened margins and improved our balance sheet. With a net cash position of RM225.9 million and a reduced gearing ratio of 0.27x, we ended FY2024 well-positioned to invest in future growth, advance our strategic priorities, and create long-term value for stakeholders.

GROUP FINANCIAL HIGHLIGHTS

We achieved a strong increase in profitability during the year, reflecting our commitment to value creation. Profit after tax and zakat (PAT) rose to RM51.8 million, up 72.0% year-on-year (Y-o-Y). On a normalised basis, excluding exceptional items, PAT more than doubled to RM66.8 million (113.2% Y-o-Y). This growth was driven by an expanding revenue base, high-margin projects from our international expansion, and improved operational efficiency.

Group revenue reached RM3.0 billion in FY2024 (5.9% Y-o-Y), with international business driving a significant proportion of revenue growth. Our overseas operations delivered 79% of our new contract wins in FY2024, worth RM2.2 billion from a total of RM2.8 billion. These promising results demonstrate the successful execution of our global growth strategy and reflect our growing appeal as a trusted solutions partner in emerging markets. The integration of Kaizen Owner Association Management Services L.L.C. and Kaizen AMS Property Supervision L.L.C., our newly acquired property management subsidiaries in UAE has strengthened our order book by contributing a steady pipeline of projects, further enhancing our market presence and supporting our growth trajectory in the region.

Singapore and Taiwan continued to be fundamental drivers of revenue growth in the healthcare solutions

segment. A notable highlight was securing over RM900 million in healthcare services contract renewals with Singapore's largest public health provider. Crucially, we are expanding the scope of these contracts while entering adjacent markets such as hospitality and commercial spaces in parallel, exploring new opportunities to add value as an integrated solutions provider.

In Malaysia, new work package wins under the Pan Borneo Highway project and the North-South Expressway lane-widening project in Johor ensured steady domestic contributions. These were complemented by new contracts in energy efficiency (EE) projects for Asset Consultancy, driven by increased client uptake of the Zero Capex Programme following its launch in 2023. In the healthcare sector, meanwhile, the Hospital Cyberjaya contract represented a key breakthrough for our business outside our traditional concession territories.

Alongside revenue growth, we achieved meaningful improvement in our margins, through strict cost management initiatives to mitigate the impact of escalating costs. Through stringent, Group-wide budgetary control, procurement efficiencies and workforce rationalisation, we realised RM41.1 million in operational cost savings in FY2024.

FINANCIAL POSITION AND CASH FLOWS

The top-line growth and focus on financial discipline contributed to a strong cash flow position for FY2024. Net operating cash inflows of RM190.8 million were driven by improved customer collections and tighter cost controls, reducing backlog payments compared to FY2023.

Net investing cash outflows of RM66.7 million supported our international expansion, notably the settlement of the Kaizen acquisition. Meanwhile, net financing cash outflows of RM89.9 million included RM50.7 million in net loan repayments and RM16.6 million in shareholder dividends, reflecting our commitment to returning value to stakeholders while maintaining financial agility.

Net Assets per Share

RM1.93 ▼

(2023: RM1.95)

Net Cash Position

RM225.9 ▲
million

(2023: RM152.6 million)

Gross Gearing Ratio

0.27x ▼

(2023: 0.30x)



CFO's Statement

GROUP FINANCIAL PERFORMANCE (RM'million)

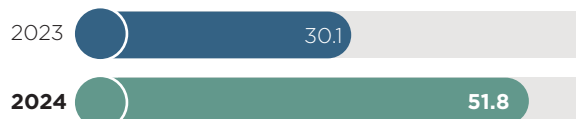
Revenue



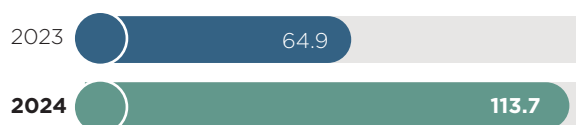
PBT



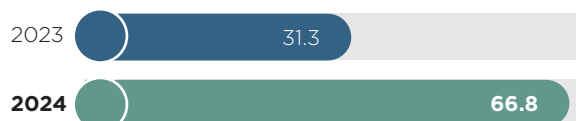
PAT



Normalised PBT*



Normalised PAT*



* Normalised profit excluding:
 2024: Staff rationalisation cost (-RM15.0 million)
 2023: Staff rationalisation cost (-RM1.6 million) and gain on revaluation of investment property (RM0.4 million)

Correspondingly, our balance sheet strengthened during the year. Total assets increased by RM56.0 million to RM3.01 billion, largely due to higher trade receivables and contract related assets. We recorded a RM58.3 million increase in liabilities with higher project-related payables reflecting ongoing cost commitments. However, this was partially offset by a reduction in borrowings due to loan repayments. Equities and reserves decreased marginally, attributed mainly to foreign currency translation adjustments as the Malaysian Ringgit strengthened against operating currencies across our international subsidiaries. This non-operational impact does not affect the Group's core financial performance.

These results demonstrate our balanced approach to revenue generation and cost optimisation, as we fund our strategic growth with discipline and a long-term view on sustainable shareholder value creation. In line with this, a single-tier interim dividend of 4.0 sen per ordinary share was declared for FY2024, reflecting our strong performance and commitment to rewarding our shareholders.

SEGMENTAL HIGHLIGHTS

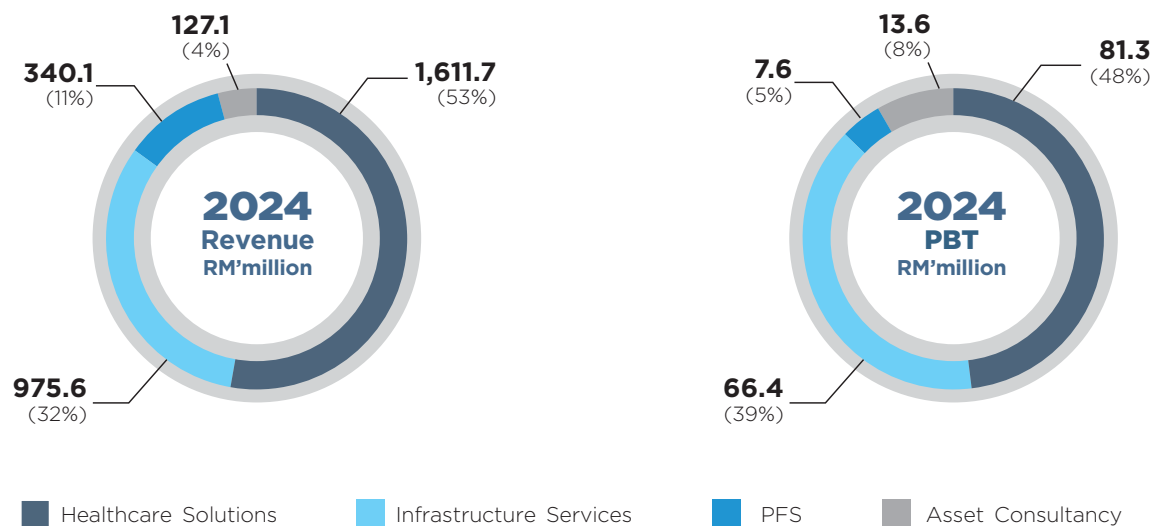
The **Healthcare Solutions** division recorded revenue of RM1,611.7 million in FY2024 (5.4% Y-o-Y). Higher ongoing contracts in Singapore and Taiwan contributed to this exceptional performance, supported by operational efficiencies and strategic cost management. We also successfully negotiated contract sum adjustments with our customers to address rising labour costs as a result of the Progressive Wage Model (PWM) in Singapore and minimum wage rises in Malaysian and Taiwan.

Beyond the healthcare sector, we expanded our reach into adjacent sectors, penetrating the hospitality, retail and transportation industries to deepen our footprint, broaden our order book and unlock new opportunities.

The **Infrastructure Services** division saw a 2.3% Y-o-Y decline in revenue at RM975.6 million in FY2024. However, this was anticipated due to the completion of spillover work orders in early 2023 and the conclusion of major work packages under the Sarawak Coastal Road project. This impact was partially offset by contributions from new contracts secured during the year, including road maintenance projects in Malaysia and orderbook replenishments in Indonesia.

As we continue to diversify beyond our traditional PLUS-linked contracts, these new engagements contribute to a more balanced and resilient portfolio. Additionally, the commercialisation of the Recycled Asphalt Premix (RAP) plant in FY2024 will provide cost and margin benefits in raw materials, establish a product-based revenue stream, and support our circular economy and broader sustainability goals.

In terms of profitability, the division recorded a marginally lower PBT, attributed to lower gross profit margins and an increase in finance costs related to banking guarantees for new projects. Nonetheless, disciplined cost containment contributed to a stable overall performance.



The **Property & Facility Solutions (PFS)** division delivered a promising performance in FY2024, with revenue rising to RM340.1 million (43.3% Y-o-Y). This was driven by newly acquired subsidiaries under Kaizen in UAE and new contract wins in both UAE and the Kingdom of Saudi Arabia (KSA).

Our entry into high-end commercial and residential property management through Kaizen has strengthened our margin profile, supported by cost optimisation initiatives and the discontinuation of loss-making projects. Another key milestone was securing our first hospital facilities management contract in KSA, further expanding our client base.

As PFS transitions from a conventional facilities service provider to an integrated property lifecycle partner, our strong regional presence and growing pipeline position us well for sustained revenue growth and margin expansion.

The **Asset Consultancy** division also recorded strong progress, with RM127.1 million in revenue in FY2024 (42.1% Y-o-Y). This growth was underpinned by an expanding pipeline of infrastructure and sustainability-linked projects.

A key contributor was the continued growth of our Energy Efficiency (EE) business, as OPUS Energy secured multiple EE contracts under the Zero Capex Programme. By year-end, more than 25% of the RM200 million earmarked for this programme had been utilised, a clear signal of the market's confidence in our technology-enabled sustainability solutions and strategic advisory capabilities.

The division achieved higher PBT through gross profit from new projects and internal efficiency initiatives, supported by streamlined cost structures and efficient resource deployment.

CFO's Statement

STRATEGIC COST OPTIMISATION INITIATIVES

In FY2024, our cost optimisation journey reached a significant milestone as we achieved the RM100 million cost savings target under the Edgenta of the Future 2025 (EoTF2025) strategy a year ahead of plan. Acknowledging even greater room for efficiencies, we set a new target of RM150 million in savings by FY2029 – and by end-FY2024, we had achieved RM41.1 million in cost reductions towards this target. These efforts were essential in preserving profitability in a high-cost environment while sustaining value creation across our business.

At the core of our cost management strategy is a Group-wide programme focused on aligning expenditure with value delivery throughout the organisation. In FY2024, this programme established tighter budgetary controls, enhanced oversight by the Budget Spending Committee and more stringent budget transfer protocols across cost centres. At the divisional level, our business units were empowered to analyse cost trends, negotiate vendor terms and manage direct costs – particularly in contractors, materials and outsourced services – to protect their profit margins.

In parallel, we undertook organisational restructuring and right-sizing to ensure our operating model aligns with our current and future business plans. While difficult, these decisions were essential to ensuring our competitive edge as we scale into new markets with leaner, tech-enabled delivery models.

Additionally, we complemented our internal cost saving measures by strengthening our procurement strategy. Efficient

procurement operations were co-created with business units to deliver tangible savings; meanwhile, we enhanced our Vendor Development Programme (VDP) in FY2024 with ESG-focused training, addressing core areas such as financial, risk, and human resource management to equip suppliers to meet evolving customer expectations in a sustainability-focused market. Advanced category management further enhanced our procurement practices through strategic sourcing and supplier relationship management, improving spend consolidation.

During the year, we also advanced our financial optimisation agenda through the implementation of Phase 2 of the Treasury Management Centre (TMC). This marked a key step in centralising liquidity management and reducing reliance on external borrowings. Building on the foundational work of the previous phase, we launched our in-house banking arrangement in July 2024, extending internal loan facilities to our domestic subsidiaries to support their working capital needs. This internal funding mechanism allows us to optimise the use of available cash, reduce external financing costs and improve the efficiency of capital deployment throughout the business. The TMC platform also enhances the management of fixed deposits and short-term placements, maximising income on the interest from available funds.

Collectively, our targeted and vigorous efforts to drive financial and operational efficiencies underline our commitment to scalable, sustainable growth that creates long-term value for our company, our customers and our stakeholders.



**RM150
MILLION**

cost savings target over 5 years
(2024 to 2029)

Realised

**RM41.1
MILLION**

savings in FY2024



OUTLOOK

Heading into FY2025, we are cautiously optimistic while closely monitoring macroeconomic headwinds that may affect our cost structure and margins. Public sector investment in infrastructure development and sustainability-linked initiatives present new growth opportunities; however, we expect external cost pressures to persist, contributing to ongoing margin compression. Global inflationary trends and supply chain tensions continue to influence material costs. Rising wage floors remain an area of concern for our labour-intensive operations.

In this context, sustained vigilance and strict, strategic cost management responses are critical. To this end, we are expanding our ongoing cost transformation programme to extract greater efficiencies from within the company. Alongside a continued enforcement of budgetary discipline and top-down, bottom-up cost control, comprehensive business reviews and financial and staffing analysis will aim to identify areas for improvement, optimise resource deployment and refine service delivery. Additionally, workflow automation and enhancements to policies and procedures will support process optimisation within Finance and Procurement to maximise purchasing benefits and achieve greater cost savings.

From a Group perspective, we anticipate continued improvements in our operating cash flow, driven by stronger customer collections and enhanced working capital efficiency. Cost optimisation will play a key role in sustaining this cash generation as we optimise our asset utilisation and streamline our working capital to reinforce our ability to invest in future growth. Furthermore, our strengthened cash reserve position and low gearing ratio give us ample headroom to support our business expansion while navigating potential volatility.



FY2024 was a transformational year, seeing strengthened financial fundamentals and strategic growth, with the Group entering the years ahead focused on cost agility, operational excellence and sustainable value creation in order to deliver returns.



Overall, FY2024 was a transformational year for the Group, as we strengthened our financial fundamentals while capitalising on growth opportunities in emerging markets and adjacent sectors. Maintaining this momentum will require a deep and continued focus on cost agility, operational excellence and prudent capital deployment as we look to further enhance our profitability against our encouraging top-line growth. With a strong balance sheet, expanding tech-enabled capabilities and a growing international portfolio, we look forward to the year ahead and beyond, as committed as ever to deliver service excellence to our customers and sustainable returns to our shareholders.

AHMAD FAZRIL FAUZI
Chief Financial Officer