MGB

VALUE DRIVEN INNOVATION

THRIVING IN EVERY DIMENSION

ANNUAL REPORT 2024

Our Promise for the Future

OUR VISION

To be a recognised design and build expert setting new standards in creating living spaces to enrich life.

OUR MISSION

To constantly push boundaries and surpass expectations through Quality, Reliability and Innovation.

BRAND VALUES

PASSION
We believe that passion in the business causes us to self-innovative. It spurs us to explore and to embrace new ideas of working, new software and new ways of communication to create greater timeliness and efficiency for our clients. Greater efficiency means a better bottomline.

CREATIVITY
We understand that every generation has different needs. Innovation can come through creative thinking that provides apt solutions that cater to the specific needs, so that greater value is felt by the end consumer.

CARE
We believe in a working culture that puts people first – people innovation. Apart from caring for their well-being, we believe in promoting and nurturing talent by providing the right environment and guidance to create a culture of seeking progress.

The Highlights

Chairman's Statement

Continuously seeking better ways forward, MGB's growth momentum was unleashed in FY2024, driven by higher contributions from both the construction and trading segment as well as the property development segment.

For more information, please refer to page 22

Management Discussion and Analysis

At MGB's core, we believe in the relentless pursuit of progress and the acceleration of growth.

For more information, please refer to page 28

for more information, please refer to page 22

for more information, please refer to page 28

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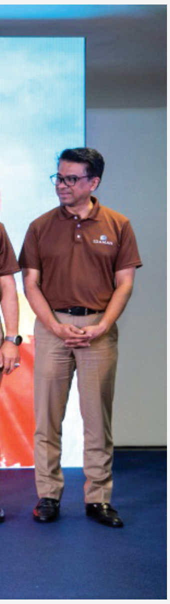
What's Inside



Cover Rationale

The cover design shows our commitment to growth and innovation as a Value Driven Technology Solutions Provider. With the tagline "Thriving in Every Dimension", we emphasise our focus on driving sustainable progress. Graphic elements are used to highlight key growth metrics, strategic market expansions and future projects. Each visual layer symbolises our forward-thinking approach and ensures that every milestone achieved lays the foundation for future opportunities. With a clear direction and destination, the cover epitomises our journey to drive progress in evolving industries and expanding horizons in markets.

Navigation Icons

The following icons are used in this report to indicate where additional information can be found.

Connect to more information online

Page Reference

Scan this to view our Annual Report 2024

Our Annual Report, financial and other information about MGB Berhad can also be found at **www.mgbgroup.com.my**

SEC 1 >

About This Report

Corporate Structure

as at 31 March 2025

VALUE DRIVEN INNOVATION

MGB BERHAD

- 100% MGB CONSTRUCTION & ENGINEERING SDN. BHD.
  - 100% TOP ACE SOLUTIONS SDN. BHD.
  - 81% MGB SANY (M) IBS SDN. BHD.
  - 30% MGB JPC CONSULTANCY SDN. BHD.
- 100% MGB CONSTRUCTION SDN. BHD.
  - 100% MGB INTERNATIONAL FOR INDUSTRY (KSA*)
    - 50% MGB ALAMERIAH CONTRACTING COMPANY (KSA*)
- 100% MGB LAND SDN. BHD.
  - 100% DELTA GALLERY SDN. BHD.
  - 100% IDAMAN AKTIF SDN. BHD.
  - 100% IDAMAN ELEGAN SDN. BHD.
  - 100% IDAMAN KUKUH SDN. BHD.
  - 100% IDAMAN LIVING SDN. BHD.
  - 100% IDAMAN RAWANG SDN. BHD.
  - 100% MGB DEVELOPMENT SDN. BHD.
  - 100% MULTI COURT DEVELOPERS SDN. BHD.
  - 100% PRISMA KASTURI SDN. BHD.
  - 100% RETRO COURT SDN. BHD.
  - 100% SINARAN KENCANA SDN. BHD.
- 100% VINTAGE ROOFING & CONSTRUCTION SDN. BHD.
- 100% VINTAGE TILES HOLDINGS SDN. BHD.
- 80% NEWSTEEL BUILDING SYSTEMS SDN. BHD.
- 70% MGB WATER SOLUTION SDN. BHD.
- 51% ALUNAN WARTA SDN. BHD.

* *KSA: the Kingdom of Saudi Arabia*

Corporate Information

as at 31 March 2025

Board of Directors

Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San
PSM, SSAP, DSSA, JP

Group Executive Chairman

Datuk Wira Lim Hock Guan
DCSM, DMSM, PJK, JP

Group Managing Director

Datuk Lim Lit Chek
DPSM

Executive Director & Chief Executive Officer

Dato' Beh Hang Kong
DSIS

Independent Non-Executive Director

Puan Nadhirah binti Abdul Karim

Independent Non-Executive Director

Puan Noor Fansyurina binti Muhammad

Independent Non-Executive Director

Puan Nor Salinun binti Mohd Ghazali

Independent Non-Executive Director

AUDIT COMMITTEE

Dato' Beh Hang Kong (Chairman)
Puan Nadhirah binti Abdul Karim
Puan Noor Fansyurina binti Muhammad
Puan Nor Salinun binti Mohd Ghazali

NOMINATION AND REMUNERATION COMMITTEE

Puan Nadhirah binti Abdul Karim (Chairman)
Dato' Beh Hang Kong
Puan Noor Fansyurina binti Muhammad
Puan Nor Salinun binti Mohd Ghazali

RISK MANAGEMENT COMMITTEE

Datuk Wira Lim Hock Guan (Chairman)
Datuk Lim Lit Chek
Dato' Beh Hang Kong
Puan Nadhirah binti Abdul Karim
Puan Noor Fansyurina binti Muhammad
Puan Nor Salinun binti Mohd Ghazali

SUSTAINABILITY COMMITTEE

Datuk Lim Lit Chek (Chairman)
Datuk Wira Lim Hock Guan
Dato' Beh Hang Kong
Puan Nadhirah binti Abdul Karim
Puan Noor Fansyurina binti Muhammad
Puan Nor Salinun binti Mohd Ghazali

COMPANY SECRETARIES

Mr Chong Voon Wah
SSM PC No. 202008001343
(MAICSA 7055003)

Ms Khoo Wei Lee
SSM PC No. 201908001577
(MAICSA 7063165)

REGISTERED OFFICE

G-3A, Sunway PJ@51A
Jalan SS9A/19
Seksyen 51A
47300 Petaling Jaya
Selangor Darul Ehsan
Malaysia
T +603-7874 5888
F +603-7874 5889

BUSINESS ADDRESS

Head Office
H-G, Sunway PJ@51A
Jalan SS9A/19
Seksyen 51A
47300 Petaling Jaya
Selangor Darul Ehsan
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T +603-7874 5888
F +603-7874 5889

MGB Sany (M) IBS Sdn. Bhd.
Lot 74, Jalan Emas
Kawasan Perindustrian Nilai 1
71800 Nilai
Negeri Sembilan Darul Khusus
Malaysia
T +606-797 1855
F +606-797 1614

SALES GALLERY & OFFICES

Pangsapuri Saujana Indah, Molek
G-15 & 01-15
Jalan Masai Jaya 1
Plentong
81750 Johor Bahru
Johor Darul Takzim
Malaysia
T +607-355 5511

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.
Registration No. 197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
T +603-2783 9299
F +603-2783 9222

SOLICITORS

Steven Tai, Wong & Partners
Gan Partnership

AUDITOR

UHY Malaysia PLT (AF1411)
Registration No. 202406000040 (LLP0041391-LCA)
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
T +603-2279 3088
F +603-2279 3099

PRINCIPAL BANKERS

Public Bank Berhad
AmBank (M) Berhad
OCBC Bank (M) Berhad
United Overseas Bank (M) Berhad
Hong Leong Bank Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : MGB
Stock Code : 7595
Sector : Construction

WEBSITE

www.mgbgroup.com.my

EMAIL

Customer Service:
custcare@mgbgroup.com.my

SOCIAL MEDIA

Follow us on:

FACEBOOK
https://www.facebook.com/mgbgroupberhad/

INSTAGRAM
https://www.instagram.com/mgbberhad/

LINKEDIN
https://my.linkedin.com/company/mgb-berhad

Directors' Profile

Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San, *JP*

Group Executive Chairman

Male	Aged 67	Malaysian

Date Appointed:
1 August 2014

Board Meeting Attended:
5/5

Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San ("Tan Sri Dato' Sri Lim") was appointed to the Board as Non-Independent Non-Executive Director on 1 August 2014. He was re-designated as the Group Managing Director on 5 July 2016. Subsequently, on 1 August 2021, Tan Sri Dato' Sri Lim was re-designated as Executive Vice Chairman. He is currently the Group Executive Chairman.

Upon graduation in 1982 with First Class Honours in Civil Engineering from the University of Wales, Science & Technology (UWIST), UK. Tan Sri Dato' Sri Lim returned to Malaysia and joined the family business which were then lorry transportation and construction activities. Within two decades, the company had expanded to include investment holdings in the property development, insurance and tourism industries. On 6 December 2001, he was appointed as the Managing Director of LBS Bina Group Berhad ("LBGB"). Tan Sri Dato' Sri Lim was appointed as the Executive Chairman of LBGB on 1 March 2021, following the retirement of Dato' Seri Lim Bock Seng.

With his excellent entrepreneurial skills combined with acquired management and technical experience, Tan Sri Dato' Sri Lim became the Key Leader and spearheaded the LBGB Group to become one of the leading players in the property development industry.

These were the outstanding accolades awarded personally to Tan Sri Dato' Sri Lim:-

i. Second Prize in the British Steel Corporation Competition for Design in Hollow Steel Section, 1982
ii. The inaugural Platinum Entrepreneur Award by SMI Association of Malaysia, 2011
iii. Prestigious Entrepreneur of the Year by Asia Pacific Entrepreneurship Awards (APEA), 2012
iv. Best Company for Leadership of Property Development of the Year by International Alternative Investment Review (IAIR) Awards, 2014
v. World Chinese Economic Summit (WCES) Lifetime Achievement Award for continued efforts in enhancing bilateral relations between Malaysia and China (Guangdong Province), 2015
vi. The BrandLaureate Hall of Fame – Lifetime Achievement Brand Icon Leadership Awards by Asia Pacific Brands Foundations, 2015
vii. Global Best Company for Leadership of Property Development of the Year by International Alternative Investment Review (IAIR) Awards, 2016
viii. Most Affluent Chinese Entrepreneur Awards, 2016
ix. Property Insight Prestigious Developer Awards (PIPDA) - Personality of the Year, 2017
x. Asia Corporate Excellence & Sustainability Awards (ACES) - Outstanding Leader in Asia, 2017
xi. Special Distinguished Award for Promotion of China-ASEAN Relations at the 9th World Chinese Economic Summit (WCES), 2017
xii. Worldwide Excellence Award (WEA) - Person of the Year, 2017
xiii. Queen Victoria Commemorative Medal by The Europe Business Assembly, 2017
xiv. 8th Global Leadership Awards 2018 - Lifetime Achievement Award, 2018
xv. The BrandLaureate Prominent Business Brand Awards: Most Eminent - Prominent Business Brand Leadership Award, 2018
xvi. The BrandLaureate Special Edition World Awards: BrandLaureate World Brandpreneur Hall of Fame - Lifetime Achievement Award, 2018
xvii. FIABCI Malaysia Property Award - Property Man of the Year, 2018
xviii. Des Prix Infinitus Asean Property Award 2019 - Lifetime Achievement, 2019
xix. Property Insight Prestigious Developers Awards (PIPDA) 2019 - Lifetime Achievement Award, 2019
xx. iProperty Development Excellence Awards (iDEA) 2019 - Innovative Leader of the Year, 2019
xxi. KSI Special Business Award (2022) – National Outstanding Entrepreneurs Lifetime Achievement Award, 2022
xxii. Adjunct Professor of Leadership of UNITAR International, 2023
xxiii. Professional Engineer of Board of Engineer Malaysia
xxiv. UNITAR 23rd Convocation Ceremony – Honorary Doctor of Management (Honoris Causa)

Being a humble philanthropist and an active advocate of social and community works, Tan Sri Dato' Sri Lim sits on the board of these organisations:-

1. President, The Federation of Hokkien Associations Malaysia
2. Deputy President, The Federation of Malaysia Lim Associations
3. President, Malaysia-Guangdong Chamber of Investment Promotion
4. Honorary Life Adviser, The Federation of Chinese Associations Malaysia (Huazong)
5. Honorary Life President, Persekutuan Persatuan-Persatuan Ann Koai Malaysia
6. Chairman, Board of Governors of SMJK Katholik, Selangor
7. Chairman, Board of Governors of SJK (C) Tun Tan Siew Sin, Selangor
8. Honorary Life Chairman of Selangor/K.L Lim Clansmen Association
9. Honorary University Fellowship of Genovasi University College
10. Adjunct Professor of Leadership of UNITAR International
11. Honorary President, Malaysia-China Chamber of Commerce
12. Honorary Adviser, The Federation of Malaysia Chinese Surname Association
13. President of the Sungai Way Hokkien Association, Selangor
14. Honorary Adviser, Gabungan Persatuan Keturunan Cina Negeri Sembilan
15. Honorary Life President, Gabungan Persatuan Cina Petaling Jaya, Selangor
16. Honorary President, Malaysia-China Silk Road Entrepreneurs Association
17. Honorary President, The Federation of Malaysian Clans and Guilds Youth Association
18. Honorary President, Catholic High School Alumni Association, Selangor
19. Honorary President, Persatuan Penganut Tho Guan Sen
20. Honorary Life Chairman, Board of Governors of SJK (C) Sungai Way, Selangor
21. Honorary President, Young Malaysians Movement
22. Honorary Life President, Persatuan Anxi Selangor Dan W.P. Kuala Lumpur
23. Honorary Life Chairman, Selangor Petaling Business & Industry Association
24. Honorary Chairman, Rumah Berhala Leng Eng Tian, Selangor
25. Honorary Life Adviser, Ang Men Culture and Arts Association of Malaysia, Selangor
26. Adviser, Persatuan Ko Chow Sungai Way, Selangor
27. Adviser, Kelab Sungai Way, Selangor
28. Adviser, Majlis Pembangunan Sekolah Menengah Jenis Kebangsaan Malaysia
29. Advisory Committee, Malaysia China Mergers & Acquisitions Association
30. National Adviser of the Malaysia Entrepreneurs' Development Association (PUMM)
31. Overseas Representative, the 5th Session of the 12th Chinese People's Political Consultative Conference 2017
32. Committee, China Federation 11th Plenary Session
33. Committee, the 6th China Overseas Exchange Association
34. Overseas Representative, the 3rd Session of the 11th Fujian Chinese People's Political Consultative Conference 2015
35. Honorary Life Chairman, Member of the 6th Committee of Quanzhou Overseas friendship Association
36. Overseas Representative, the 17th People's Congress of Quanzhou, China
37. Vice President, Fujian Overseas Exchanges Association 6th Council
38. Overseas Adviser, Fujian Provincial Federation 11th Plenary Session
39. Vice President, The World Lin's Association
40. Vice President, the 6th China Xiamen Overseas Friendship Association
41. Honorary Life Adviser, Tan Kah Kee Educational Charity Foundation
42. Executive Director of the 6th China Fujian Overseas Friendship Association
43. Honorary Adviser, the 1st China Meizhou Lim Association
44. Inaugural Rotating President, The ASEAN Federation of Hokkien Association
45. Honorary Adviser, the 1st China Meizhou Lim Association

Tan Sri Dato' Sri Lim sits on the Board of several subsidiary companies of LBGB Group. He is also a member of Sustainability Committee in LBGB.

Tan Sri Dato' Sri Lim is the brother of Datuk Wira Lim Hock Guan (Group Managing Director). He is a Substantial Shareholder of the Company.

Save as disclosed herein, he does not have any family relationship with any Director and/or Major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences within the past five (5) years nor any public sanction or penalty imposed by regulatory bodies during the financial year.

Directors' Profile

Datuk Wira Lim Hock Guan , *JP*

Group Managing Director

Male	Aged 63	Malaysian

Board Committee:

RM SC

Date Appointed:
1 August 2014

Board Meeting Attended:
5/5

Datuk Wira Lim Hock Guan ("Datuk Wira Lim") was appointed to the Board as the Non-Independent Non-Executive Director of the Company on 1 August 2014 and he was re-designated as Executive Director of the Company on 5 July 2016. Subsequently, Datuk Wira Lim was re-designated as Group Managing Director on 1 August 2021. He is the Chairman of the Risk Management Committee and Member of Sustainability Committee of the Company.

Datuk Wira Lim holds a degree in Civil Engineering from the Tennessee Technology University, USA. He started his career as a civil engineer before venturing into property development.

He has more than 30 years of extensive experience in the field of property development and construction. He was appointed as Executive Director of LBS Bina Group Berhad ("LBGB") on 6 December 2001. He was re-designated as Managing Director on 1 March 2021. On 14 January 2022, Datuk Wira Lim was re-designated as Group Managing Director/Chief Executive Officer of LBGB. He oversees the LBGB Group's projects as he is one of the major driving forces behind the LBGB Group's successful implementation of the projects in the Klang Valley. Datuk Wira Lim sits on the Board of several subsidiary companies of the LBGB Group. He is a member of Sustainability Committee in LBGB.

Under his leadership, the Group has undertaken various initiatives to digitise its operations and process, from streaming internal workflows to the implementation of cutting-edge technologies to enhance customer experiences. Additionally, he is known for his commitment to sustainability, where under his executive leadership, the Group has taken various initiatives to promote sustainable practices in its operations.

He is also active in community works and has involved in several non-profit-making organisations. He is the Vice President of Malaysia-Guangdong Chamber of Investment Promotion. He is also a qualified sharpshooter from National Riffle Association, Washington D.C.

He is the brother of Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San, *JP* the Group Executive Chairman of the Company and a Substantial Shareholder of the Company.

Save as disclosed herein, he does not have any family relationship with any Director and/or Major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences within the past five (5) years nor any public sanction or penalty imposed by regulatory bodies during the financial year.

Board Committee

AC Audit Committee Chairman	NR Nomination & Remuneration Committee Chairman
AC Audit Committee Member	NR Nomination & Remuneration Committee Member

Datuk Lim Lit Chek

Executive Director & Chief Executive Officer

Male	Aged 48	Malaysian

Board Committee: RM SC

Date Appointed: 1 December 2016

Board Meeting Attended: 5/5

Datuk Lim Lit Chek ("Datuk Lim") appointed to the Board as Executive Director & Chief Executive Officer ("CEO") of the Company on 1 December 2016, boasts an impressive academic background and extensive experience in property development and construction. He also holds key roles as Chairman of the Sustainability Committee and a Member of the Risk Management Committee of the Company.

Datuk Lim holds a Master's Degree in Engineering Management from the Ivy League's Cornell University in New York, USA, a First-Class Honours Bachelor Degree in Civil Engineering and a Bachelor Degree in Business Administration with the highest distinction from the RMIT University in Melbourne, Australia. His academic achievements include prestigious awards such as the VICROADS Education Prize, Best Student Award, Golden Key National Honor Society Award and the Most Innovative Award in Concrete Design Competition (C.I.A.), all of which in Australia. Furthermore, he was honored with the Fellowship Merit Award from Cornell University.

With over 20 years' experience in property development and construction, Datuk Lim founded MITC Engineering Sdn. Bhd. (now known as MGB Construction & Engineering Sdn. Bhd.) in 2007, where he served as Managing Director. Under his leadership, the Company has achieved significant milestone.

Beyond his professional endeavours, Datuk Lim is actively involved in Non-Government Organisation, holding positions as He is President of Petaling Lim Clan Association, Vice President of Malaysia Guangdong Chamber of Investment Promotion (MGCIP), Vice President of Selangor Petaling Business and Industry Association, Vice President of KL-Selangor Anxi Association, Vice President of Selangor Sungai Way Hokkian Association, and a deacon of Mega Chinese Methodist Church. Additionally, he was elected as a Council Member of Federation of Malaysian Manufacturers (FMM) for year 2024 and 2025.

Datuk Lim is a Substantial Shareholder of the Company.

He does not hold any directorship in other public companies. Save as disclosed herein, he does not have any family relationship with any Director and/or Major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences within the past five (5) years nor any public sanction or penalty imposed by regulatory bodies during the financial year.

RM Risk Management Committee Chairman	SC Sustainability Committee Chairman
RM Risk Management Committee Member	SC Sustainability Committee Member

Directors' Profile

Dato' Beh Hang Kong

Independent Non-Executive Director

Male	Aged 67	Malaysian

Board Committee:

AC NR RM SC

Date Appointed:
1 February 2019

Board Meeting Attended:
5/5

Dato' Beh Hang Kong ("Dato' Beh") initially appointed to the Board as the Managing Director of the Company on 16 January 2008, and was re-designated as an Executive Director on 4 July 2016. On 1 February 2019, Dato' Beh was re-designated as Independent Non-Executive Director of the Company, two (2) years after being appointed as Non-Independent Non-Executive Director. He is currently the Chairman of the Audit Committee and a Member of Nomination and Remuneration Committee, Risk Management Committee and Sustainability Committee of the Company.

Dato' Beh has about 30 years of experience in property investment and development industry. He started his career in 1980 as a reporter with China Press Berhad. In 1985, Dato' Beh established a company involved in marketing of office equipment before he extensively invested into property investments and development. From 1986 to 1990, he served as Municipal Councillor for the Majlis Perbandaran Shah Alam.

Presently, Dato' Beh is the Deputy Board Chairman of China-Malaysia Qinzhou Industrial Park (CMQIP) in Qinzhou, Quangxi, People's Republic of China and the Executive Director of Yong Tai Berhad, a company listed on Bursa Malaysia Securities Berhad.

On the Non-Governmental Organisation side, he is a director of Malaysia-China Business Council (MCBC), Chairman of China-Asean Entrepreneur Association (Malaysia) and Deputy Chairman of Malaysia-Guangdong Chamber of Investment and Promotion (MGCIP).

He does not have any family relationship with any Director and/or Major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences within the past five (5) years nor any public sanction or penalty imposed by regulatory bodies during the financial year.

Board Committee

AC Audit Committee Chairman	NR Nomination & Remuneration Committee Chairman
AC Audit Committee Member	NR Nomination & Remuneration Committee Member

Puan Nadhirah binti Abdul Karim

Independent Non-Executive Director

Female	Aged 37	Malaysian

Board Committee:

NR AC RM SC

Date Appointed:
1 February 2019

Board Meeting Attended:
5/5

Puan Nadhirah binti Abdul Karim ("Puan Nadhirah") assumed the esteemed position of Independent Non-Executive Director of the Company on 1 February 2019. Effective from 15 January 2024, she assumed the role of Chairman of Nomination and Remuneration Committee of the Company. Additionally, she serves as a Member of Audit Committee, Risk Management Committee and Sustainability Committee.

Puan Nadhirah holds an Honour Degree in Bachelor of Accountancy from Universiti Teknologi Mara and is a Member of Malaysian Institute of Accountants (MIA). She began her career as an auditor upon her graduation and has 15 years of experiences working in an audit firm. She brings with her a wealth of experience from auditing, financial reporting practices and processes, taxation matters and corporate advisory which involved in the field such as manufacturing, trading, retail and consulting services.

She does not hold any directorship in other public companies. She does not have any family relationship with any Director and/or Major shareholder, nor any conflict of interest with the Company. She has no convictions for any offences within the past five (5) years nor any public sanction or penalty imposed by regulatory bodies during the financial year.

RM Risk Management Committee Chairman	SC Sustainability Committee Chairman
RM Risk Management Committee Member	SC Sustainability Committee Member

Puan Noor Fansyurina binti Muhammad

Independent Non-Executive Director

Female	Aged 44	Malaysian

Board Committee:

AC NC RM SC

Date Appointed:
18 December 2023

Board Meeting Attended:
5/5

Puan Noor Fansyurina binti Muhammad ("Puan Fansyurina"), assumed the role of Independent Non-Executive Director of the Company on 18 December 2023. She brings a wealth of experience to the table, serving as a Member of Audit Committee, Risk Management Committee, Sustainability Committee and the Nomination and Remuneration Committee of the Company.

With a Bachelor of Laws (LLB Hons) from the University of West England, Bristol, United Kingdom, Puan Fansyurina possesses over a decade of professional expertise. Her career trajectory has been diverse, spanning various sectors including global labour dynamics, civil engineering, material supply and agriculture.

Throughout her career, Puan Fansyurina has held positions on the boards of several private companies, showcasing her adept business management skills gained from active involvement in relevant industries. Notably, she played a pivotal role in managing a civil engineering company, overseeing maintenance work for the Town Council, facilitating landscaping maintenance and supplying materials to the Ministry of Health. Her specialisation, backed by licensing, includes the supply of raw materials and agriculture.

She does not hold any directorship in other public companies. She does not have any family relationship with any Director and/or Major shareholder, nor any conflict of interest with the Company. She has no convictions for any offences within the past five (5) years nor any public sanction or penalty imposed by regulatory bodies during the financial year.

Board Committee

AC Audit Committee Chairman	NR Nomination & Remuneration Committee Chairman
AC Audit Committee Member	NR Nomination & Remuneration Committee Member

Directors' Profile

Puan Nor Salinun binti Mohd Ghazali

Independent Non-Executive Director

Female	Aged 49	Malaysian

Board Committee:

AC NC RM SC

Date Appointed:
15 January 2024

Board Meeting Attended:
5/5

Puan Nor Salinun binti Mohd Ghazali ("Puan Salinun"), was appointed as an Independent Non-Executive Director of the Company on 15 January 2024. She brings extensive experience to the Company and serves on various committees, including the Member of Audit Committee, Risk Management Committee, Sustainability Committee and the Nomination and Remuneration Committee of the Company.

Puan Salinun is a seasoned Human Resource professional with over 25 years of extensive experience across diverse sectors, including Digital & Technology, Manufacturing, Construction, Facilities Management and Plantation. Her rich background encompasses the strategic shaping of HR frameworks, operational oversight, organisational development and leading talent management initiatives. Puan Salinun's expertise extends beyond traditional HR functions, demonstrating a deep understanding of organisational dynamics, culture transformation and technology enablement.

Over the past five (5) years, Puan Salinun has been a trusted advisor to industry leaders, offering strategic insights to navigate post-pandemic challenges. Her contributions include refining Business and HR Strategy, Workforce Transformation, Capability Review, Culture Realignment and Change Management.

Puan Salinun started her career at Multimedia Development Corporation (now known as Malaysia Digital Economy Corporation or MDEC), where she focused on human capital operations, leadership engagement and culture development. She has also served in senior positions at iA Consulting (a member of the iA Group), CareerXcell, Leadership Development Forum and UEM Edgenta Berhad. Her international footprint includes delivering projects in the Kingdom of Saudi Arabia and Indonesia, collaborating with experts from Malaysia, Singapore, India and Australia.

Puan Salinun graduated from Syracuse University, New York, USA in Bachelor of Science in Human Resource. She is also a qualified Trainer, Behavioural Based Assessor and Virtual Facilitator.

She does not hold any directorship in other public companies. She does not have any family relationship with any Director and/or Major shareholder, nor any conflict of interest with the Company. She has no convictions for any offences within the past five (5) years nor any public sanction or penalty imposed by regulatory bodies during the financial year.

RM Risk Management Committee Chairman	SC Sustainability Committee Chairman
RM Risk Management Committee Member	SC Sustainability Committee Member

Profiles of Key Management

Datuk Lim Lit Chek

Executive Director & Chief Executive Officer

For details of Datuk Lim Lit Chek's profile, please refer to the page 7 of this Annual Report.

Mr Lim Kim Hoe

Deputy Chief Executive Officer

Male

Aged 40

Malaysian

Mr Lim Kim Hoe ("Mr Lim"), currently serves as the Deputy Chief Executive Officer of the Company. He previously held the position of Executive Director from 1 August 2014 to 1 January 2022. Following his resignation from the role of Executive Director, there were no changes to his directorships within subsidiary companies. He is also a Member of the Board of MGB International For Industry, a wholly-owned subsidiary of MGB Construction Sdn. Bhd., incorporated in the Kingdom of Saudi Arabia.

As Deputy Chief Executive Officer, Mr Lim plays a pivotal role in leading the Construction and Property Development Divisions, the core pillars of the Group's business. He oversees the Group's construction and development projects in Malaysia, ensuring successful delivery at every stage, from tendering, feasibility studies and meticulous planning to execution.

In addition, Mr Lim's strategic oversight extends to other new business ventures, strategic partnerships and collaborations under the Group's portfolio, ensuring excellence and quality throughout their lifecycle.

Previously, Mr Lim served as Chairman of the Sustainability Committee, where he played a key role in integrating environmental, social and governance (ESG) principles into the Group's strategy, reinforcing its commitment to ethical and responsible business practices.

Mr Lim holds an Honours Degree in Civil Engineering from the University of Melbourne, Australia. He began his career at LBS Bina Group Berhad ("LBGB"), gaining extensive experience in property management, business development and construction operations. In 2014, he joined VTI Vintage Berhad (now known as MGB Berhad) as Executive Director, successfully leading the Company out of PN17 status. He also pioneered the Industrialised Building Systems (IBS) precast team, delivering approximately 4,000 property units within the first three years. His visionary leadership in IBS technology has enhanced the Company's ability to provide cost-efficient, high-quality and sustainable housing solutions.

Mr Lim is the son of Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San, the Group Executive Chairman of the Company. He does not hold any directorships in other public companies. Save for the disclosures herein, he has no family relationships with any Director and/or major shareholder, nor does he have any conflicts of interest with the Company. He has not been convicted of any offences within the past five (5) years, nor has he been subject to any public sanctions or penalties imposed by regulatory bodies during the financial year.

Profiles of Key Management

Mr Wong Tack Leong

Deputy Chief Executive Officer

Male

Aged 53

Malaysian

Mr Wong Tack Leong ("Mr Wong") has been a key driving force in the Company's leadership since his appointment as Deputy Chief Executive Officer on 1 December 2016. With over 28 years of experience in the construction industry, he has played a pivotal role in project management, contract and procurement, infrastructure development, treasury and IBS Precast Concrete Manufacturing. His deep expertise in strategic planning, operational efficiency and business expansion has significantly contributed to the Group's growth in both local and international markets.

As the Chief Executive Officer of MGB Sany (M) IBS Sdn. Bhd., he leads the Malaysia Manufacturing Division, ensuring the seamless integration of industrialised building systems (IBS) into the Group's construction and development projects. Concurrently, as a Member of the Board of MGB International For Industry, a wholly-owned subsidiary of MGB Construction Sdn. Bhd., incorporated in the Kingdom of Saudi Arabia, he oversees the Overseas Division, managing the Manufacturing and Construction sectors of its Saudi-based subsidiary under MGB Construction Sdn. Bhd. His leadership also extends to the Kertih Terengganu Industrial Park (KTIP) Project, further reinforcing the Group's industrial and infrastructure development initiatives.

Beyond manufacturing and construction, Mr Wong plays a crucial role in Group Financial and Business Development, driving financial sustainability, investment strategies and long-term growth. He also leads VadTech (Value Driven Technology) Solutions, which specialises in delivering cost-effective, high-quality, end-to-end technology solutions that enhance innovation and operational excellence. Additionally, he oversees Corporate Communication, ensuring strategic branding, stakeholder engagement and corporate positioning align with the Group's vision. His portfolio further extends to Administration, Information Technology (IT) and Investor Relations, reinforcing the Group's commitment to efficiency, transparency and sustainable business expansion.

Prior to joining the Company, Mr Wong built a strong foundation in the industry as an Associate Quantity Surveyor Consultant, specialising in pre- and post-contract implementation, EPCC (Engineering, Procurement, Construction & Commissioning) contracts and feasibility studies. In 2007, he joined MITC Engineering Sdn. Bhd. (now MGB Construction & Engineering Sdn. Bhd.) as General Manager, later rising to Executive Director, where he played a crucial role in the Company's expansion and project execution.

Mr Wong holds a Bachelor of Building (Quantity Surveying) from the University of South Australia and is a Member of the Australia Institute of Quantity Surveyors, an Associate Member of the Malaysian Institute of Arbitrators and is affiliated with the Institute of Value Management Malaysia.

Beyond his corporate contributions, he is actively involved in community service, serving as a Deacon at Mega Subang Chinese Methodist Church and supporting various charitable and non-profit organisations.

He does not hold directorships in other public companies, has no family relationships with any Director or major shareholder, and has no conflicts of interest with the Company. Additionally, he has had no convictions for any offences in the past five years and has not been subject to any regulatory sanctions or penalties during the financial year.

Profiles of Key Management

Mr Chew Wee Seong

Deputy Chief Executive Officer

Male

Aged 54

Malaysian

Mr Chew Wee Seong ("Mr Chew") was appointed Deputy Chief Executive Officer on 3 August 2023, following a successful tenure as Chief Operating Officer (COO). With almost three decades of experience in banking, finance, property development and corporate management, he plays a pivotal role in driving the Group's strategic direction and operational excellence. Additionally, he serves as a Member of the Board of MGB International For Industry, a wholly-owned subsidiary of MGB Construction Sdn. Bhd., incorporated in the Kingdom of Saudi Arabia.

In his current capacity, Mr Chew oversees the Group's corporate functions, including Accounts, Accounts Payable, Legal, Treasury, Secretarial & Corporate Affairs, Corporate Control, Risk & Sustainability Management and Property Management. His expertise in financial governance, risk mitigation and corporate strategy ensures the Group's sustained growth and resilience in an evolving business landscape.

Mr Chew holds a Bachelor of Finance from St. Cloud State University, United States, and a Master of Business Administration (MBA) with Merit from Cardiff Metropolitan University, United Kingdom. He is also a licensed professional property manager registered with the Board of Valuers, Appraisers, Estate Agents and Property Managers (BOVAEP), authorising him to practice under the Valuers, Appraisers, Estate Agents and Property Managers Act 1981 (Act 242).

Before joining the Group, Mr Chew held a key leadership role as Head of the Credit Administration Department at a leading local bank, where he honed his expertise in credit processing, financial management, risk control and consumer banking operations. With over five years of experience in the banking and finance sector, he gained in-depth knowledge of credit assessment, marketing strategies and financial planning, equipping him with a solid foundation in corporate finance and risk management.

In August 2000, Mr Chew transitioned into the property development sector by joining LBS Bina Group Berhad ("LBGB"), where he gained extensive experience across customer service, maintenance, sales & marketing, credit administration and property management. His hands-on involvement in these areas provided him with comprehensive insights into property development operations, reinforcing his ability to drive large-scale projects efficiently.

Between August 2014 and November 2016, Mr Chew served as Chief Executive Officer (CEO) of the Company, where he played a transformative role in reshaping its corporate trajectory. Under his leadership, the Company successfully navigated a financial turnaround, transitioning from a loss-making entity to a profitable organisation. Notably, he was instrumental in steering the Company out of the PN17 classification, a testament to his strategic acumen and leadership capabilities. Following his tenure as CEO, he was re-designated as COO until August 2023, during which he continued to strengthen the Group's operational foundation before assuming his current role as Deputy CEO.

Mr Chew does not hold any directorships in other public companies. He has no family relationships with any Director or major shareholder and has no conflicts of interest with the Company. Additionally, he has had no convictions for any offences in the past five years and has not been subject to any regulatory sanctions or penalties during the financial year.

Profiles of Key Management

Mr Lau Chee Tat

Male

Aged 52

Chief Executive Officer, International Division

Malaysian

Mr Lau Chee Tat ("Mr Lau"), previously held the position of Chief Executive Officer of MGB SANY (M) IBS Sdn. Bhd. effective 1 July 2020. In this capacity, he oversaw the manufacturing operations of Industrialised Building System (IBS) precast products. Subsequently, on 1 September 2023, he assumed leadership of the International Division as its Chief Executive Officer ("CEO"). In this capacity, he oversees the operations of MGB International For Industry, a wholly owned subsidiary of MGB Construction Sdn. Bhd. ("MGBC") located in the Kingdom of Saudi Arabia (KSA). As CEO, Mr Lau is responsible for spearheading strategic initiatives and ensuring operational excellence across the division.

Mr Lau holds a Bachelors of Computer Science (Hons) from the University Science of Malaysia, graduating in 1997. With over 21 years of experience in business development, he has held senior management positions, particularly in the telecommunications and IT industry. His expertise spans both local and international markets, with a focus on business development.

Before assuming his current role, Mr Lau joined MITC Engineering Sdn. Bhd. (now known as MGB Construction & Engineering Sdn. Bhd.), a subsidiary of the Company in 2017 as the General Manager of Business Development. He was then promoted to the position of General Manager of MGB SANY (M) IBS Sdn. Bhd. where he successfully set up two (2) manufacturing plants with total annual production capacity of approximately 6,000 units of properties.

He does not hold any directorship in other public companies. He does not have any family relationship with any Director and/or Major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences within the past five (5) years nor any public sanction or penalty imposed by regulatory bodies during the financial year.

Ir Ong Lek Shoen

Male

Aged 52

Chief Operating Officer, Kertih Terengganu Industrial Park (KTIP) Project

Malaysian

Ir Ong Lek Shoen ("Ir Ong") assumed the role of Chief Operating Officer, Infrastructure on 1 June 2021. In this capacity, he oversees the primary infrastructure and water treatment projects within the Group. Subsequently, on 1 November 2023, he transitioned to the role of Chief Operating Officer, Integrated Engineering Division. In his current capacity, he is in charge solely of Kertih Terengganu Industrial Park Project.

He holds a Bachelor of Engineering (Hons) in Civil Engineering from University of Malaya and is a licenced Professional Engineer with a Practising Certificate from the Board of Engineers Malaysia (BEM). Additionally, he is a Member of APEC, INT. ENG & IEM.

With over twenty-eight (28) years of working experience in project management and property development, Ir Ong has held key positions in various property development companies including prominent public listed companies such as Glomac Berhad and Hua Yang Bhd. Prior to joining MGB Group, he served as the Project Director of Petaling Tin Bhd., where he spearheaded projects development initiatives across Selangor, Negeri Sembilan and Sabah, demonstrating exceptional leadership and strategic acumen.

He does not hold any directorship in other public companies. He does not have any family relationship with any Director and/or Major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences within the past five (5) years nor any public sanction or penalty imposed by regulatory bodies during the financial year.

Profiles of Key Management

Ms Tan Suan Suan

Head of Department of Treasury & Investor Relations

Female

Aged 42

Malaysian

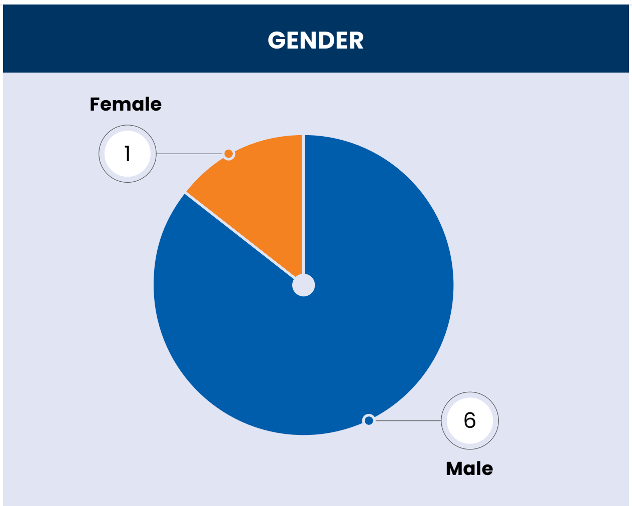
Ms Tan Suan Suan ("Ms Tan"), appointed as Head of Department of Accounts & Finance of the Company on 1 January 2018, has been entrusted with the pivotal role of leading and overseeing the entire accounting and finance functions within the Group. This encompasses statutory reporting, as well as matters pertaining to banking and finance. Her contributions to the Company took a new direction on 1 June 2022, when she transitioned to the role of Head of Department of Treasury & Investor Relations to focus on cash flow management, strategic funding, banking matters and corporate finance exercises and handling communication between Company with its investors and analysts. She is also a member of Risk Management Working Group of the Company.

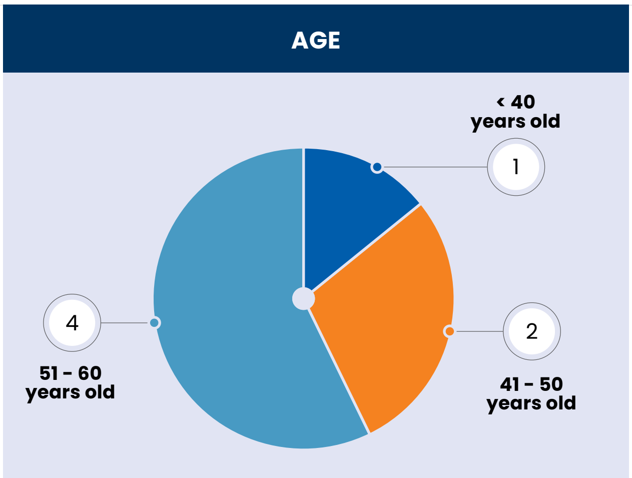
Ms Tan graduated with Bachelor of Commerce majoring in Account & Finance from University of Queensland, Australia. She holds memberships with both the Malaysian Institute of Accountants (MIA) and Certified Practicing Accountants (CPA), Australia. Commencing her career journeys with Messrs. Ernst & Young ("EY") in 2005, Ms Tan has amassed extensive experience in audit advisory services over the years. Her professional expertise extends to auditing listed entities across diverse sectors such as property development, construction, manufacturing, concessionaire and food and beverages.

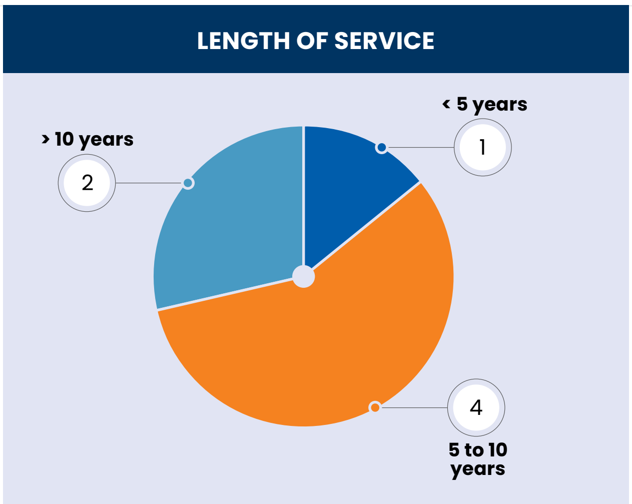
Before joining the Company, Ms Tan served as the Head of Department of Account & Finance at Kerjaya Prospek Group Berhad. In this capacity, she assumed responsibility for the comprehensive management of accounting and finance functions. Notably, she played a pivotal role in driving corporate restructuring exercise and successfully orchestrated a significant merger and acquisition, accompanied private placement of shares. In addition to her financial responsibilities, Ms Tan also actively supported the Group Managing Director in matters concerning investor relations and analyst briefings, showcasing her ability to navigate both financial and strategic aspects of business operations.

She does not hold any directorship in other public companies. She does not have any family relationship with any Director and/or Major shareholder, nor any conflict of interest with the Company. She has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

As at 31 March 2025







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Performance Review

Financial Calendar

Financial Year Ended 31 December 2024

Announcement of Quarterly Results:-

First Quarter ended 31 March 2024
16 May 2024

19 August 2024
Second Quarter ended 30 June 2024

Third Quarter ended 30 September 2024
20 November 2024

18 February 2025
Fourth Quarter ended 31 December 2024

Publishing of Annual Report
30 April 2025

26 June 2025
23rd Annual General Meeting

MGB at a Glance

as at 31 December 2024

Pangsapuri Saujana Indah @ Plentong, Johor Bahru

Revenue

RM1,031,969,943

Built more than

29,000

properties

Construction Project Outstanding Order Book

RM1.10 billion

Property Development Unbilled Sales

RM0.64 billion

Total no. of employees

747

Group's Financial Highlights

Financial Year Ended 31 December	2020[1] (RM'000)	2021 (RM'000)	2022 (RM'000)	2023 (RM'000)	2024 (RM'000)
Revenue	563,274	593,759	612,801	971,828	1,031,970
Profit Before Tax	23,373	39,977	25,612	69,207	88,014
Profit for the Financial Year	14,003	26,578	14,212	50,462	61,912
Share Capital	388,186	388,186	388,186	388,186	388,186
Equity Attributable to Owners of the Parent	470,618	497,702	507,385	552,925	602,347
Net Tangible Assets	215,576	242,341	251,836	296,920	345,373
Basic Earnings per Share (sen)	2.86	5.18	2.55	8.14	10.20
Gross Dividend per Share (sen)	-	0.91*	0.50#	1.63##	3.06###
Net Assets per Share (sen)	93.81	84.12	85.76	93.45	101.81
Net Tangible Assets per Share (sen)	42.97	40.96	42.56	50.18	58.37
Total Assets	963,482	938,064	916,758	1,123,028	1,124,557
Total Borrowings	175,396	86,487	113,933	94,051	86,254
Net Gearing Ratio	0.22	0.09	0.12	0.07	N/A
Market Capitalisation	300,992	428,948	307,659	396,407	431,906

Remarks

1 *The comparative figures have been restated following the adoption of IFRIC Agenda Decision on MFRS 123 Borrowing Costs.*

* *A first interim dividend of RM0.00422 per ordinary share, paid on 30 March 2022.*

* *A final dividend of RM0.00493 per ordinary share, approved by the shareholders at the Annual General Meeting held on 15 June 2022, paid on 20 July 2022.*

A first interim dividend of RM0.00249 per ordinary share, paid on 30 March 2023.

A final dividend of RM0.00250 per ordinary share, approved by the shareholders at the Annual General Meeting held on 20 June 2023, paid on 20 July 2023.

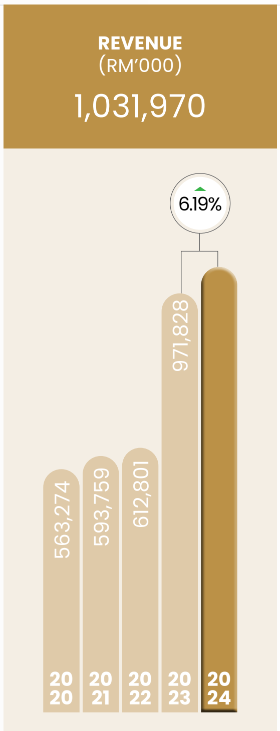
A first interim dividend of RM0.00815 per ordinary share, paid on 29 March 2024.

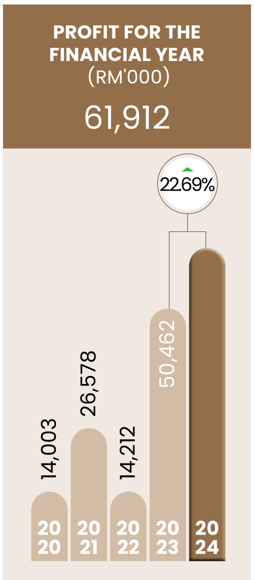
A final dividend of RM0.00818 per ordinary share, approved by the shareholders at the Annual General Meeting held on 13 June 2024, paid on 23 July 2024.

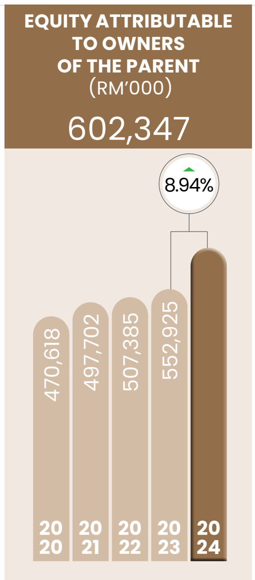
A first interim dividend of RM0.0152 per ordinary share, paid on 28 March 2025.

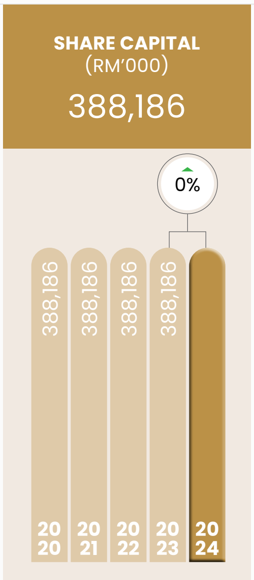
A final dividend of RM0.0154 per ordinary share will be proposed for shareholders' approval at the forthcoming 23rd Annual General Meeting.

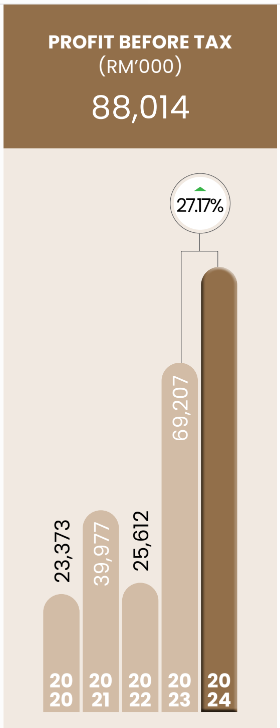
Group's Financial Highlights

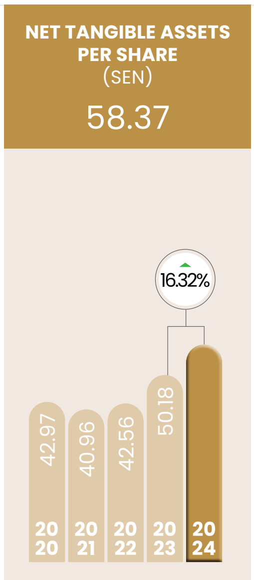












Chairman's Statement

Nurturing Greater Growth

For MGB, the year's favourable conditions marked an opening of growth opportunities and gradual expansion of its project scopes. The Malaysian construction sector experienced a 20.2% growth in 2024, as indicated by Malaysia Industrial Development Finance Berhad ("MIDF") Research. This growth was fuelled by a 38.9% year-on-year surge in residential construction during the final quarter, increased private and public investment and a rise in infrastructure projects.

Dear Shareholders ,

On behalf of the Board of Directors of MGB Berhad ("MGB" or "the Company") and its subsidiaries (collectively known as "the Group"), it is my honour to present the Group's annual report for the financial year ended 31 December 2024 ("FY 2024").

Globally, 2024 was a volatile year affected by geopolitical risks, trade tensions and inflation issues, which resulted in moderated global growth of 3.1%. However, Malaysia demonstrated resilience achieving a 5.1% GDP growth for 2024, in line with the government's projected range of 4.8% to 5.3% prior to the year. This resilience amidst a tough global economic landscape was attributed to robust domestic demand and a recovery in export activity.

For MGB, the year's favourable conditions marked an opening of growth opportunities and gradual expansion of its project scopes. The Malaysian construction sector experienced a 20.2% growth in 2024, as indicated by MIDF Research. This growth was fuelled by a 38.9% year-on-year surge in residential construction during the final quarter, increased private and public investment and a rise in infrastructure projects.

Chairman's Statement

KEY HIGHLIGHTS 2024

Revenue

RM1.03 billion

increased 6.19%

Profit After Tax

RM61.91 million

increased 22.69%

Earnings per Share

10.20 sen

FY2023: 8.14 sen

Tan Sri Dato'Sri Ir. (Dr.) Lim Hock San , *JP*

Group Executive Chairman

A RECORD-BREAKING YEAR

2024 was a year that redefined expectations. Through astute strategic growth and relentless operational optimisation, the Group outperformed previous benchmarks and demonstrating its resilience in a rapidly shifting market.

The property development division spearheaded this ascent, delivering a 318.37% revenue surge. This was fuelled by the phenomenal sales success of Idaman Melur, Idaman Cahaya Phase 1 & 2, Idaman Sari and Pangsapuri Saujana Indah in Johor. Sales from these projects propelled MGB Berhad past the coveted RM1 billion revenue threshold, culminating in a record-breaking RM1.03 billion. The Group's profit after tax (PAT) increased to RM61.91 million, underscored by cost-effective construction, strategic project selection and the transformative power of ongoing digitalisation.

The construction segment strategically transitioned between major project phases, having successfully completed and handed over several significant projects including Idaman BSP, Ritma Perdana@LBS Alam Perdana and Kita Mekar@LBS Cybersouth. Meanwhile, our newly secured projects are progressing through their initial construction stages, positioning us for future revenue recognition. Importantly, in 2024, the construction arm focused on delivering MGB's in-house property development projects, namely Idaman Melur and Idaman Cahaya, with exceptional efficiency. This integrated approach between our construction and development divisions has enabled faster construction timelines that directly contributed to the enhanced profitability of our property development segment. MGB's underlying strength remains robust, with a healthy construction order book of RM1.10 billion and unbilled property development sales of RM0.64 billion providing a solid foundation for future growth.

In recognition of these achievements, the Board demonstrated its confidence in the Group's sustained success by revising the Dividend Policy on 18 February 2025. This decisive action mandated a minimum dividend payout of 30% of profit after taxation and minority interest based on ordinary profits. The Group reported earnings per share of 10.20 sen and a price-to-earnings ratio of 7.16 times.

Beyond financial performance, the Group's dedication to performance, safety and sustainability was recognised by industry experts through numerous prestigious awards and certifications:

- **Occupational Safety and Health Excellence:** Diamond 1 Star in the 20th MOSPHA OSH Excellence Award 2024.
- **Environmental, Social and Governance (ESG) Leadership:** The Edge Malaysia ESG Awards 2024 Silver Prize under the construction sector for the second consecutive year.
- **Financial Growth:** The Edge Malaysia Centurion Club Awards 2024 - Highest Growth in Profit After Tax Over Three Years under the construction sector.
- **Construction Safety and Health:** 5-star ratings for the Safety and Health Assessment System Construction from the Construction Research Institute of Malaysia (CREAM) and Safety and Health Assessment System in Construction (SHASSIC).
- **Quality Management:** MGB Land Sdn. Bhd., a wholly owned subsidiary, received Certification from SIRIM QAS International for implementing Quality Management Systems complying with ISO9001:2015 for property development services.

Award for Highest Growth in Profit After Tax Over Three Years under the construction sector received by the Audit Committee Chairman at The Edge Malaysia Centurion Club Awards 2024 on 22 July 2024

DELIVERING VALUE TO STAKEHOLDERS

For this year, MGB has worked towards improving its performance based on existing key performance indicators ("KPIs"), leveraging the positive momentum from 2023 to catalyse further value on all fronts.

Through the continued utilisation of Industrialised Building Systems ("IBS") and on-time delivery of projects, the Group primarily focused on increasing the affordability and quality of its projects for prospective purchasers across the nation. This was in alignment with the government's goal of constructing 30,000 affordable homes by 2025. To this end, MGB has successfully launched the Idaman projects and Pangsapuri Saujana Indah in Johor Bahru.

Adhering to its Net Zero Carbon Emissions by 2050 Roadmap, MGB continued its push towards a 5% reduction in both energy intensity and carbon intensity by revenue throughout the year, done through operational reduction via the ongoing Green Mission programme, sustainable procurement practices and internal carbon pricing measures.

Employee engagement was prioritised through skills development, talent enhancement and physical town hall meetings. MGB has emphasised on empowering its people internally, offering skills and talent development to drive career growth and self-improvement. To stay in tune with employee needs, town halls were activated to drive open communication and synergise goal setting.

Additionally, the Group has evaluated its ongoing arrangements with its vendors and other stakeholders to ensure full alignment in objectives amongst all parties. All vendors and suppliers were assessed throughout the year in terms of performance and regulatory compliance, while the Group's investors were kept updated and informed through regular investor relations meetings with key analysts and fund managers. A total of 21 meetings were held during FY 2024 to this purpose.

On 18 February 2025, the Board has approved to make an Interim Single Tier Dividend of RM0.0152 per share in respect of the financial year ended 31 December 2024 that has been paid on 28 March 2025. In addition, the Board also decided to declare a final single tier dividend of RM0.0154 per share in respect of the financial year ended 31 December 2024 to be paid on 5 August 2025, subject to shareholders' approval in the forthcoming 23rd Annual General Meeting.

ELEVATING GOVERNANCE STANDARDS

The Board remains mindful that improvements in governance practices in line with today's evolving standards, are essential to ensuring optimal leadership.

In the second half of 2024, MGB updated its enterprise risk management (ERM) framework, engaging Messrs. Deloitte to incorporate ESG risk, including bribery and corruption. This was done in order to update the existing Enterprise Risk Management framework, adjusting it to ensure full compliance with current practices and changes in the company structure. To date, the framework continues to be monitored regularly to account for any new risks.

Several other measures were also taken during the year that strengthened the Group's commitment to championing corporate governance, transparency and integrity on all fronts. This includes revision of the Sustainability Policy on 19 February 2024; enhancement of the Anti-Bribery and Corruption Policy & Whistleblowing Policy on 15 April 2024; and revision made to the External Auditors Policy and adoption of Conflict of Interest Policy on 2 January 2025.

To ensure the effectiveness and uptake of its governance measures, all departments were tracked through KPIs during the year. Notable metrics included the adoption rates as well as the impact of value-driven initiatives in terms of engaging the Group's employees.

Idaman Melur Roof Topping Ceremony at Cybersouth, Selangor on 24 May 2024

Interim Single Tier Dividend:

RM0.0152

Paid on: 28 March 2025

Proposed Final Single Tier Dividend:

RM0.0154

Delegates of the Malaysian Embassy in the Kingdom of Saudi Arabia ("KSA") visiting MGB's precast concrete products facility in Jeddah, KSA on 26 February 2025

KEY HIGHLIGHTS 2024

Moving forward, the resilience of the Group is underpinned by the existing construction segment's order book of approximately RM1.10 billion, and unbilled sales of RM0.64 billion from ongoing development projects.

OUTLOOK & PROSPECTS

Global growth for 2025 is projected at 3.3%, with inflation expected to decline. Malaysia's growth is anticipated to be 4.7%, with the overnight policy rate (OPR) remaining at 3%. Locally, improved economic conditions will provide opportunities for the construction and development industry.

The Group remains committed to the construction of affordable homes and industrial developments and will improve cost optimisation through further implementation of technological advancements as well as the digitalisation of its processes. With IBS at the forefront, MGB is confident in its ability to reduce construction time at worksites, bring down overhead costs and enhance quality using pre-fabricated concrete products made in its controlled factories. Towards improving its construction sector performance, VadTech methodology will be engaged for operational optimisations where possible in order to control construction costs and further boost turnaround effectiveness.

Moving forward, the resilience of the Group is underpinned by the existing construction segment's order book of approximately RM1.10 billion and unbilled sales of RM0.64 billion from ongoing development projects. This is further strengthened by our proactive approach to expanding our pipeline through land acquisitions and joint ventures. We are also strategically leverage our precast expertise, with our Saudi Arabian venture as a key international milestone.

ACKNOWLEDGEMENTS

The collective efforts of our dedicated employees, team members and management teams for have been instrumental in driving the Group's progressive growth and achieving new standards of excellence. I take this opportunity to thank them for their unwavering spirit, steadfast dedication and resilient innovation in the face of evolving industry challenges.

I also express my sincere appreciation to my fellow Board members for their invaluable guidance and strategic oversight, which have been pivotal in realising a fruitful and successful year.

Finally, I would like to convey my heartfelt thanks to all our valued shareholders, esteemed business partners and loyal clients for their unwavering support and continued trust. Your confidence has enabled us to consistently deliver exceptional value and achieve our strategic objectives.

Thank you.

Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San, *JP*
Group Executive Chairman

Awards & Recognitions

MOSHPA

1. **12th MOSHPA OSH Excellence Award 2016 –** Gold

2. **13th MOSHPA OSH Excellence Award 2017 –** Gold Platinum

3. **14th MOSHPA OSH Excellence Award 2018 –** Platinum

4. **15th MOSHPA OSH Excellence Award 2019 –** Platinum Premier

5. **16th MOSHPA OSH Excellence Award 2020 –** Platinum Diamond

6. **17th MOSHPA OSH Excellence Award 2021 –** Diamond

7. **18th MOSHPA OSH Excellence Award 2022**

8. **19th MOSHPA OSH Excellence Award 2023 –** Diamond

9. **20th MOSHPA OSH Excellence Award 2024 –** Diamond

CIDB

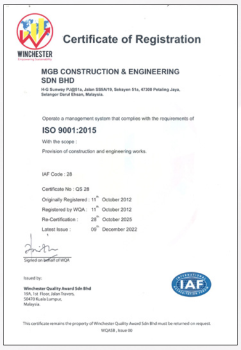
1. **Construction Industry Development Board Malaysia – Certificate of Registration (Grade 7) –** MGB Construction & Engineering Sdn. Bhd.

2. **Construction Industry Development Board Malaysia – Certificate of Registration (Grade 7) –** MGB Sany (M) IBS Sdn. Bhd.

3. **Construction Industry Development Board Malaysia – Certificate of Achievement (5 Star rating) –** MGB Construction & Engineering Sdn. Bhd.

Awards & Recognitions

QMS



Certificate of Registration

WINCHESTER

MGB CONSTRUCTION & ENGINEERING SDN BHD
H-G Sunway PJ@51a, Jalan SS9A/19, Seksyen 51a, 47300 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

Operate a management system that complies with the requirements of

ISO 9001:2015

With the scope :
Provision of construction and engineering works.

IAF Code : 28

Certificate No : QS 28
Originally Registered : 11th October 2012
Registered by WQA : 11th October 2012
Re-Certification : 28th October 2025
Latest Issue : 09th December 2022

Signed on behalf of WQA

Issued by:
Winchester Quality Award Sdn Bhd
19A, 1st Floor, Jalan Travers,
50470 Kuala Lumpur,
Malaysia.

This certificate remains the property of Winchester Quality Award Sdn Bhd must be returned on request.
WQASB , Issue 00

1. **Quality Management System ISO 9001:2015 –** MGB Construction & Engineering Sdn. Bhd.

Business Partner of kiwa

Certificate

Reg. Number	N00003-Q	Valid From	2024-01-04
First issue date	2021-01-04	EA Sector	16
Valid Until	2027-01-03		

Quality Management System Certificate
ISO 9001:2015

We certify that the Quality Management System of the Organization:
MGB SANY (M) IBS SDN BHD

Is in compliance with the standard UNI EN ISO 9001:2015 for the following products/services:

Manufacturing of industrialised building systems for precast concrete components.

Managing Director
Dr. Chan Teik Ken

Kiwa International Certification (M) Sdn Bhd
2A,Jalan Astana 1D,
Bandar Bukit Raja,
41050 Klang Selangor.
Tel: +603-38847813
Hotline: 1700-81-8739
www.kiwacert.com

MGB Sany (M) IBS Sdn Bhd
Registered Headquarters:
Lot 74 (33001), Seksyen 1, Kawasan Perindustrian Nilai, 71800 Nilai, Negeri Sembilan Darul Khusus.

2. **Quality Management System ISO 9001:2015 –** MGB Sany (M) IBS Sdn. Bhd.

SIRIM QAS INTERNATIONAL

CERTIFICATE

MGB LAND SDN. BHD.
H-2, SUNWAY PJ@51A
JALAN SS9A/19 SEKSYEN 51A
47300 PETALING JAYA
SELANGOR DARUL EHSAN
MALAYSIA

ISO 9001 : 2015

PROVISION OF PROPERTY DEVELOPMENT SERVICES FOR RESIDENTIAL, COMMERCIAL, INDUSTRIAL AND INSTITUTIONAL PROPERTIES

IQNET

3. **Quality Management System ISO 9001:2015 –** MGB Land Sdn. Bhd.

EMS

Certificate of Registration

WINCHESTER

MGB CONSTRUCTION & ENGINEERING SDN BHD
H-G, SunwayPJ@51A, Jalan SS9A/19, Seksyen 51A, 47300 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

Operate a management system that complies with the requirements of

ISO 14001:2015

With the scope :
Provision of Construction and Engineering Works.

IAF Code : 28

Certificate No : E02
Originally Registered : 30th March 2017
Registered by WQA : 30th March 2017
Re-Certification : 30th March 2025
Latest Issue : 01st July 2022

Signed on behalf of WQA

Issued by:
Winchester Quality Award Sdn Bhd
19A, 1st Floor, Jalan Travers,
50470 Kuala Lumpur,
Malaysia.

This certificate remains the property of Winchester Quality Award Sdn Bhd must be returned on request.
WQASB , Issue 00

1. **Environmental Management System ISO 14001:2015 –** MGB Construction & Engineering Sdn. Bhd.

OHSAS

Certificate of Registration

WINCHESTER

MGB CONSTRUCTION & ENGINEERING SDN BHD
H-G, SunwayPJ@51A, Jalan SS9A/19, Seksyen 51A, 47300 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

Operate a management system that complies with the requirements of

ISO 45001:2018

With the scope :
Provision of Construction and Engineering Works.

IAF Code : 28

Certificate No : HS05
Originally Registered : 17th September 2015
Registered by WQA : 17th September 2015
Re-Certification : 04th March 2025
Latest Issue : 04th July 2022

Signed on behalf of WQA

Issued by:
Winchester Quality Award Sdn Bhd
19A, 1st Floor, Jalan Travers,
50470 Kuala Lumpur,
Malaysia.

This certificate remains the property of Winchester Quality Award Sdn Bhd must be returned on request.
WQASB , Issue 00

1. **Occupational Health and Safety Management System ISO 45001:2018 –** MGB Construction & Engineering Sdn. Bhd.

ESG

1. **The Edge Malaysia ESG Award 2023 –** Construction – Silver – MGB Berhad

2. **The Edge Malaysia ESG Award 2024 –** Construction – Silver – MGB Berhad

Financial Performance

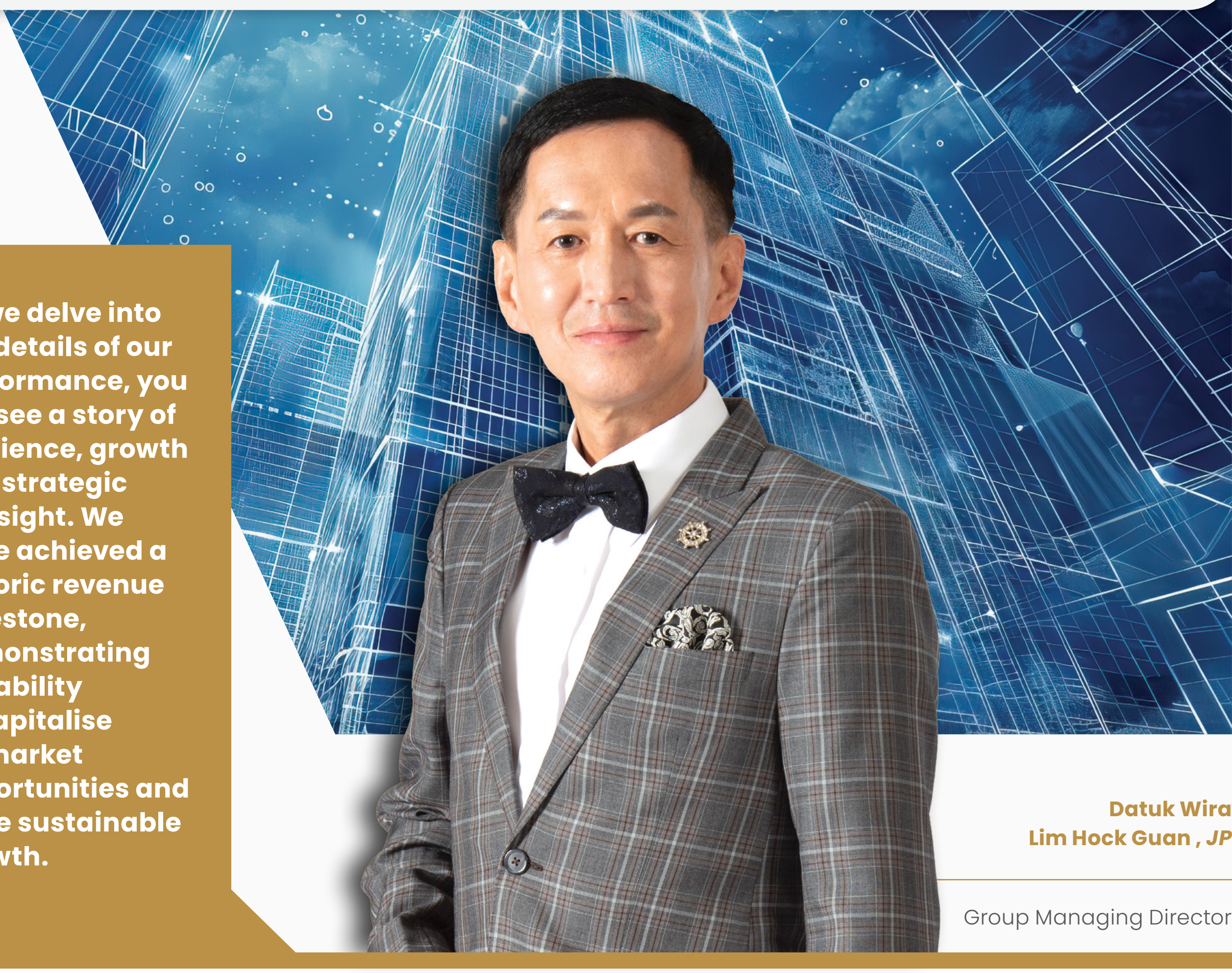
1. **The Edge Centurion Club 2024** Construction – Highest Growth in Profit After Tax Over Three Years - MGB Berhad

Management Discussion and Analysis

The information in this Management Discussion and Analysis should be read in conjunction with the Company's Consolidated Financial Statements and the notes related thereto. The discussion of results, causes and trends should not be construed to imply any conclusions that such results, causes or trends will necessarily continue in the future.

In 2024, we witnessed a resurgence in the Malaysian construction industry, fueled by increased investment and strategic infrastructure initiatives. This positive momentum provided a fertile ground for MGB Berhad ("MGB" or "the Company") to not only solidify our market position but also to achieve record-breaking financial results. Our commitment to innovation, operational excellence and strategic expansion has enabled us to deliver exceptional value to our stakeholders.

As we delve into the details of our performance, you will see a story of resilience, growth and strategic foresight. We have achieved a historic revenue milestone, demonstrating our ability to capitalise on market opportunities and drive sustainable growth.



Datuk Wira Lim Hock Guan , ***JP***

Group Managing Director

We remain steadfast in our commitment to maintaining financial discipline, enhancing our operational efficiencies and delivering projects that exceed expectations.

This report will provide a comprehensive overview of our financial performance, operational achievements and strategic initiatives. We are confident that our strategic direction and unwavering dedication will continue to drive MGB towards sustained success in the years to come.

Management Discussion and Analysis

OVERVIEW OF THE GROUP'S PERFORMANCE & OPERATIONS

2024 was a historic year for MGB Group. With the nation steadily recovering and the construction industry resurging due to increased investment and infrastructure projects, the year provided the ideal environment for MGB to secure future growth in line with its purpose of being Malaysia's premier construction partner and its specialisation in constructing design and innovative Industrialised Building Systems ("IBS")-driven projects.

Under these conditions, the group achieved a historic milestone, recording over RM1 billion in revenue for the very first time since its inception, marking a triumphant achievement for the financial year. This landmark performance reflects the strategic balance of our diversified business model. The property development segment demonstrated remarkable growth for the financial year ended 31 December 2024 ("FY 2024"), advancing by 318% from RM115.59 million in financial year 2023 to an all-time high of RM483.60 million. Complementing this, the Group's construction & trading segment contributed a substantial RM548.37 million, successfully transitioning between major project cycles. This strategic transition phase reflected the planned completion and handover of several significant projects during the year, while our newly secured projects progressed through their initial development stages, positioning the construction division for sustained future revenue recognition. The synergistic relationship between our construction expertise and property development operations continues to be a cornerstone of our business strategy, enabling us to maintain strong fundamentals across both segments.

Construction & Trading Division

Revenue RM**548.37** million
36% *decrease from preceding year*

Profit Before Tax RM**13.72** million
74% *decrease from preceding year*

Property Development Division

Revenue RM**483.60**million
318% *increase from preceding year*

Profit Before Tax RM**76.60** million
312% *increase from preceding year*

In terms of other performance metrics, the Group realised a record Profit After Tax ("PAT") of RM61.91 million. MGB also reduced its total liabilities to 8.70% while increasing its assets by 0.14%, all of which contributed to a net cash position.

In total for FY 2024, the Group was awarded a total of two (2) new projects, with all ongoing project costs progressing within planned preliminary budgets.

Total Revenue by Division	2024 (RM)	2023 (RM)
Construction & Trading	548,367,082	856,236,543
Property Development	483,602,861	115,591,622

Total Profit before Taxation by Divison	2024 (RM)	2023 (RM)
Construction & Trading	13,716,291	52,491,157
Property Development	76,600,914	18,576,117

Projects awarded in 2024:

Skyria

Location of Project
D'Island Residence, Puchong, Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan

Property Type & number of units
Apartment – 999 units

Commencement Date
1 June 2024

Contract Value (RM)
207,029,572.00

Alam Perdana Factory

Location of Project
Daerah Kuala Selangor, Selangor Darul Ehsan

Property Type & number of units
Low cost factory – 102 units
Double Story factory – 96 units
Semi-D factory – 116 units

Commencement Date
27 May 2024

Contract Value (RM)
189,353,296.18

UPHOLDING COMMITMENTS, ADVANCING SUSTAINABILITY

With the longevity and wellbeing of future generations always in mind, MGB actively worked towards embedding an impactful sustainability-driven culture within every aspect of operations. Primarily, the use of sustainable construction practices such as IBS technology and the use of renewable energy continued to be championed across the Group's operations, leading to greater environmental impacts such as minimised construction waste and energy consumption.

Green awareness and social responsibility also continued to be nurtured amongst employees. In the hopes of galvanising proactivity and consciousness towards environmental preservation, the Group encouraged employees to volunteer in a series of impactful Sustainable Development Goals activities, community clean-ups, waste management, recycling and waste reduction programmes.

Datuk Lim Lit Chek

Executive Director &
Chief Executive Officer

High governance standards and practices were maintained, ensuring calculated decision-making aligned with the best interests of the Group's stakeholders and the environment. The Group's recent revisions to its Sustainability Policy, Anti-Bribery and Corruption Policy, Whistleblowing Policy, External Auditors Policy & Dividend Policy and adoption of Conflict of Interest Policy reflected this upkeep of standards.

Additionally, keeping all stakeholders informed and involved remained a core priority. The Group hosted 21 regular investor relation meetings with analysts and fund manager during 2024 to discuss the concerns and address the expectations of the investment community. On top of that, the annual sustainability reporting journey was advanced, with reported disclosures with the Sustainability Report (SR), of the Group's environmental, social, and governance ("ESG") impact, performance, and progress. MGB has achieved a 0.1-point increase in its ESG rating, improving from 3.6 in 2023 to 3.7 of FTSE Russell ESG ratings in 2024. Over the past three years, the overall ESG rating has risen by 0.3 points, bringing the company to the 4-star F4GBM threshold under Bursa Malaysia's FTSE4Good Bursa Malaysia Index.

EMPOWERING PEOPLE. EMBEDDING VALUES

Delivering value to communities was upheld through various corporate social responsibility (CSR) initiatives. MGB donated to various local causes through the LBS Foundation while also supporting crucial initiatives such as education assistance for students facing financial hardship. Further, MGB served as a sponsor for the 17th Be An Angel Training Camp, organised by the Beautiful Gate Foundation, a local non-profit organisation. This initiative provides support and training for individuals with disabilities, promoting inclusivity. The Group also contributed to the 41st Kiwanis Treasure Hunt, organised by Kiwanis Club of Kuala Lumpur to raise funds for the club's Service Projects, particularly The Kiwanis Down Syndrome Centre.

Employee Welfare and Development:

The welfare and professional development of its workforce continued to be prioritised throughout the year. A series of structured training programmes were implemented to enhance employee skills, foster team cohesion and reinforce the corporate core values. These initiatives aimed to cultivate a consistent understanding of corporate principles among both new and existing personnel, thereby contributing to organisational effectiveness.

To ensure the smooth assimilation of all new additions to the MGB family, they are introduced to programmes such as the Buddy System and the Confirmation Appraisal System upon joining, which helped to track their progress and guide their direction as they navigated their way around their new responsibilities.

MGB also prioritises the empowerment of our people, providing them the resources and programmes they need to realise their full potential in the workplace. MGB hosted several upskilling programmes during the year, offering targeted training in areas such as project management, digital tools (e.g., Building Information Modelling, AI-driven construction), and sustainable construction practices. Additionally, the Group subsidised profession-specific membership fees and introduced a policy that provides employees with a four day paid Exam Leave, all of which further encouraged a culture of self-improvement amongst employees.

Meanwhile, the Group strengthened all available internal communication channels to ensure workplace cohesion for all. Namely, these included the Idea Pitch platform, Staff Townhall, Training Feedback and Staff Satisfaction Survey. These connected employees to the management team, letting their voices regarding workplace matters be heard and addressed.

Briefing to Malaysian Ambassador to the Kingdom of Saudi Arabia ("KSA") on MGB precast factory's operation during the visiting on 26 February 2025

"To ensure the smooth assimilation of all new additions to the MGB family, they are introduced to programmes such as the Buddy System and the Confirmation Appraisal System upon joining, which helped to track their progress and guide their direction as they navigated their way around their new responsibilities.

BUSINESS REVIEW

Construction & Trading Division

Despite a slower year performance wise, MGB's construction and trading division remained the Group's primary revenue contributor, recording a steady income of RM548.37 million for FY 2024 owing to favourable economic conditions.

The Group has diversified its objectives during the year to ensure holistic excellence, prioritising financial excellence through key strategies such as effective cost savings, process improvements, timely project delivery via digitalisation and operational improvements. Other improvements in factors such as customer satisfaction, workforce development, health and safety, quality assurance and subcontractor management also played a part towards the sector's success.

Almost all construction products achieved QLASSIC scores above 70%, with Building Information Modelling ("BIM") utilisation of 55%, far surpassing the Group's set 20% target.

The projects completed in 2024 under the construction & trading division are as follows:

Construction Projects completed in 2024:

Ritma Perdana @ LBS Alam Perdana

Location of Project
Bandar Puncak Alam, Selangor

Property Type & number of units
Double Storey Terrace - 901 units
Townhouse – 125 units

Completion Date
March 2024

Contract Value (RM)
215,001,014.02

Kita Mekar @ LBS Cybersouth

Location of Project
Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan

Property Type & number of units
Double Storey Terrace - 388 units
Single Storey Terrace – 342 units
Townhouse – 432 units

Completion Date
March 2024

Contract Value (RM)
193,693,004.56

Melodi Perdana @ LBS Alam Perdana

Location of Project
Bandar Puncak Alam, Selangor

Property Type & number of units
Apartments (Phase 2) - 642 units

Completion Date
June 2024

Contract Value (RM)
86,348,269.70

BSP Flyover

Location of Project
Mukim Tanjung Dua Belas, Selangor Darul Ehsan

Property Type & number of units
Highway

Completion Date
June 2024

Contract Value (RM)
53,009,665.95

Idaman BSP

Location of Project
Mukim Tanjung Dua Belas, Selangor Darul Ehsan

Property Type & number of units
Affordable Apartments – 1,312 units

Completion Date
July 2024

Contract Value (RM)
310,323,155.00

Construction & Trading Division

The projects launched and handed over in 2024 under project management contract in construction & trading division:

Project Launched in 2024:

Idaman Perdana @ LBS Alam Perdana

Location of Project

Alam Perdana, Bandar Puncak Alam, Selangor Darul Ehsan

Property Type & number of units

Affordable Apartment – 1,048 units

Launched Date

August 2024

Idaman Perdana, Bandar Puncak Alam project

Project Handed Over in 2024:

Idaman BSP

Location of Project

Mukim Tanjung Dua Belas, Selangor Darul Ehsan

Property Type & number of units

Affordable Apartments – 1,312 units

Handed Over Date

August 2024

Leveraging on IBS

IBS technology continues to be a key part of the Group's competitive advantage. Through precast concrete components, construction operations benefit from reduced costs, faster turnaround time and the mitigation of negative environmental impacts such as construction waste and air or water pollution.

To date, 12,696 units of housing have been produced utilising IBS.

Property Development Division

The Property development segment delivered a record revenue of RM483.60 million.

These groundbreaking results were attributed to multiple factors, including healthy sales from Idaman Melur, Idaman Cahaya Phase 1 & 2, Idaman Sari and Pangsapuri Saujana Indah project in Johor.

Financial performance, sales and marketing effectiveness, collections, operational efficiency, customer engagement and staff development were prioritised towards enhanced performance during the year.

The projects launched 2024 under the property development division were as follows:

Project Launched in 2024:

Pangsapuri Saujana Indah Phase 2

Location of Project

Plentong, Johor Bahru

Property Type & number of units

Serviced Apartment – 393 units

Launched Date

April 2024

RISKS & MITIGATION

To ensure sustainable business operations, MGB has continued to utilise its established Enterprise Risk Management (ERM) Framework to identify and manage risks that pose a threat to the operations of the Group. This framework aligns with the guidelines set by the Committee of Sponsoring Organisations of the Treadway Commission (COSO) and ISO 31000 – Risk Management Principles and Guidelines.

The table below outlines the current key risks faced by the Group along with its planned mitigation action plans:

Increased costs

Raw materials have steadily increased in cost throughout the year, potentially affecting hard costs and the rise of premiums.

Mitigation Plans

- Maintain its practice of negotiating with suppliers on bulk purchases to secure better pricing and terms for its projects.

Single customer risk

A significant portion of contracts are awarded by immediate holding company (LBS).

Mitigation Plans

- Active participation in external tendering projects to diversify revenue streams.

Competition risk

MGB faces rising competition from existing companies and new entrants in the industry.

Mitigation Plans

- Proactively start new initiatives to drive operational efficiencies.
- Utilise in-house IBS pre-cast products .
- Provide training to workers on the latest technology adopted by the Group.

Currency fluctuations

- Currency depreciation or appreciation can impact the cost of goods, revenues and overall profitability, especially for businesses that deal in multiple currencies.
- When a company consolidates its financial statements, the value of assets and liabilities held in foreign currencies might change depending on exchange rate fluctuations, potentially distorting the financial results.

Mitigation Plans

- Regular monitoring on market trends, economic indicators and geopolitical conditions can help businesses make informed decisions about when to transact.
- Establishing budgets that account for possible currency changes can help minimise the impact on profitability.

Increased regulatory & compliance requirements

- Increased government scrutiny and regulations stemming over labour practices involving foreign workers.
- Increased push by regulatory authorities towards compliance to sustainability and environmental reporting standards.

Mitigation Plans

- Monitoring of staff policy and benefits to ensure compliance to latest regulations.
- Adhering to relevant sustainability standards with disclosures provided in annual sustainability report.
- Publication of standalone sustainability report since 2022.

PROSPECTS MOVING FORWARD

With a 20.2% growth rate in 2024, MGB will continue to leverage the positive momentum of the Malaysian construction and property market. The construction market is projected to maintain steady growth in 2025, attributed to ongoing infrastructure projects, government initiatives and improving economic conditions, particularly in areas like landed housing, with a focus on quality and strategic locations. Meanwhile, the overnight policy rate (OPR) being maintained at 3.0 will continue to bolster the performance and stability of the Group's property development market. Additionally, the existing construction segment orderbook of approximately RM1.10 billion and unbilled sales of RM0.64 billion from ongoing property development projects are key factors that could bring about positive earnings for the following year.

Capitalising on regional demand for affordable housing and industrial projects in the areas of Klang Valley and Johor, MGB will continue its plans to develop affordable housing. This is reflected through new construction and development projects such as Idaman Kita, Idaman Cahaya Phase 3, Alam Perdana Factory and Centrum Iris.

Furthermore, MGB Berhad, through its wholly-owned subsidiary in the Kingdom of Saudi Arabia ("KSA"), MGB International for Industry, has secured significant international contracts for the supply and installation of precast elements for a development in Jeddah, KSA on 7 February 2024 and 10 March 2025. Valued over RM207 million, the projects encompass approximately 726 residential units of precast concrete products.

This expansion into international markets, coupled with steadfast domestic performance, underscores MGB's strategic focus on diversification and growth. By leveraging on precast expertise and established market presence, the Group is well-positioned to capitalise on emerging opportunities and enhance shareholder value. To maintain this momentum and achieve its long-term objectives, MGB has outlined plans for improvement in the following key areas in the upcoming year:

Powering Automation & Digitalisation

2024's economic growth, particularly in critical areas such as the construction sector, had been powered through the rising advancements in digital technology. Thus in line with its new regional developments in Johor and Klang Valley, MGB will continue to pursue the utilisation of digitalisation, automation, data-driven decision making and ESG compliance within the area's projects. Notably, the growing implementation of technology such as IBS precast technology & BIM will allow MGB to circumvent labour shortages, increase output and ultimately reduce construction costs.

Expanded Scope

Besides the Group's continued efforts in the affordable housing space, MGB has ambitions to expand its portfolio into industrial land and infrastructure projects. This ambition is prominent through projects such as the Kertih Terengganu Industrial Park with Gross Development Value of approximately RM795 million.

The Group is also looking to focus on strategic development opportunities. Moving forward, MGB looks to enhance its capabilities in recast concrete manufacturing and installation, done through collaborations with contractors and international expansions through the Saudi Arabian precast venture.

Realising Sustainable Excellence

The Group will continue to drive environmentally conscious, value-driven leadership through the enhancement of its KPI targets. We have prioritised goals and metrics involving digitalisation, sustainability and workforce development remain priorities to drive long-term value and industry leadership.

Idaman BSP Key Handover Ceremony officiated by Chief Minister of Selangor on 27 August 2024

Projects Undertaken

D'Island Astella @ Puchong

Idaman Cahaya 1 & 2 @ Shah Alam

Idaman Melur @ Cybersouth

Kita Bestari 2C @ Cybersouth

Kita Mesra 2B @ Cybersouth

Kita Sejati @ Cybersouth

Prestige @ Seri Kembangan

Projects Track Record

Barrington Square @ Cameron Golden Hills

BSP 21 @ Bandar Saujana Putra

BSP Flyover

BSP SkyPark @ Bandar Saujana Putra

Cameron Centrum @ Brinchang

Idaman BSP @ Bandar Saujana Putra

Irama Perdana @ Alam Perdana

Kita Bayu @ Cybersouth

Projects Track Record


Kita Harmoni @ Cybersouth


Kita Impian @ Cybersouth


Kita Mekar @ Cybersouth


Kita Ria @ Cybersouth


Laman Bayu @ Batu Pahat


M3 Mall @ Taman Melati


Melodi Perdana Phase 1 & 2 @ Puncak Alam


Mercu Jalil @ Bukit Jalil

Projects Track Record


Rentak Perdana @ Alam Perdana


Residensi Bintang @ Bukit Jalil


Ritma Perdana @ LBS Alam Perdana

SCAPES Hotel & Midhill Apartment @ Genting Highlands


SkyLake Residence @ Puchong


Somer Square @ Cameron Golden Hills


Zenopy Residences @ Seri Kembangan

SEC 3 >

Corporate Governance

Sustainability Report

COMPANY OVERVIEW

ABOUT THIS REPORT

Introduction

As MGB Berhad ("MGB" or "the Group") continues with its dedication to advancing its Environmental, Social and Governance ("EESG") performance and disclosures. Realising this commitment, the Group has created the Sustainability Report for the year 2024 ("SR2024"), outlining all of MGB's sustainability strategies and achievements during the period from 1 January and 31 December 2024 ("FY2024").

MGB recognises the significance of EESG and the role of its stakeholders in advancing the Group's sustainable strategies, providing the best possible value throughout its value chain. Through MGB's EESG commitments, the Group shows how it champions environmental stewardship and creates positive socio-economic dynamics.

In this report, MGB highlights its achievements and progress in the Group's sustainability journey, addressing critical material matters and ensuring all stakeholders are entitled to the fullest transparency throughout the Group's operations. From these initiatives, readers will understand how the Group contributes outside of the Group's financial performance and provides values and benefits towards the greater community and environment.

Reporting Framework

The SR2024 utilises the following frameworks to align with industry best practices and other leading benchmarks:

- Bursa Malaysia's Sustainability Reporting Guide Third Edition
- Global Reporting Index ("GRI") Standards: Core Option
- FTSE4Good Bursa Malaysia Index
- Task Force on Climate-Related Financial Disclosures ("TCFD")
- Sustainability Accounting Standards Board ("SASB") Sector-Specific Disclosures
- United Nations Sustainable Development Goals ("UN SDGs")
- Greenhouse Gas ("GHG") Protocol

References

All mentions of "MGB," "the Group," or "its" shall refer to MGB Berhad unless otherwise stated.

Reporting Period and Cycle

This report contains information and disclosures from FY2024, between 1 January to 31 December 2024. Data for three years (FY2022-FY2024) have been provided for disclosures wherever applicable, allowing us to present analyses on trendlines and showing the Group's performance towards advancing sustainability.

Statement of Use

The Board of Directors ("Board") at MGB being the Group's highest decision-making authority, acknowledges accountability for the subsequent statement of use: The information disclosed by MGB for FY2024 has been formulated in adherence to the GRI Standards.

This report is generated in accordance with a resolution adopted by the Board on 10 April 2025.

Membership in Association

MGB is a member of the following professional bodies and industry associations:

- Malaysian Employer Federation ("MEF")
- Construction Industry Development Board ("CIDB")
- Master Builders Association Malaysia ("MBAM")
- Real Estate & Housing Developers' Association ("REHDA")
- Federation of Malaysian Manufacturers ("FMM")

Reporting Scope and Boundary

The SR2024 contains disclosures from MGB as a holding company and all relevant operating companies and subsidiaries. Disclosures pertaining to the Group's value chain have also been incorporated where necessary, including suppliers, business partners, contractors, vendors, service providers, associate companies and entities within the value chain.

MGB would like to emphasise that it practices a "local-where-we-operate" policy.

Limitations

While MGB presents the most recent data collected throughout FY2024 in this report, MGB acknowledges that there may be gaps within certain disclosures. While MGB presents the most recent data collected throughout FY2024 in this report, the Group acknowledges that there may be gaps within certain disclosures. MGB remains dedicated to closing these gaps and developing plans of action towards providing more comprehensive disclosures, include improving data collection methods to ensure the accuracy of all collected data from official channels and records and its entire supply chain in line with the Group's commitment to transparency.

Forward-Looking Statements

The SR2024 contains forward-looking statements related to key performance indicators ("KPIs"), targets, plans, focus areas, strategic priorities, operations and forecasted figures. These statements are created based on reasonable assumptions made from information available during the time of reporting, considering market trends and developments of the time.

Statements that may indicate future increases in economic value creation are not intended to serve as a form of guarantee of future performance. Readers are advised to practice discretion when making decisions based on the contents of this report. MGB does not provide any form of guarantee on the anticipated future outcome disclosed within this SR2024.

Data Verification and Assurance Statement

All disclosures presented in the SR2024 have been verified internally by the respective data owners within the Group. At the same time, all financial data has undergone impartial auditing and validation by an External Auditor. This financial data is reported quarterly and annually through announcements and the Group's published annual report.

Report Availability and Feedback Channel

Interested parties can access a copy of this Sustainability Report on the corporate website of the Group: https://mgbgroup.com.my/sustainability/

As part of MGB's ongoing commitment to refining sustainability practices, MGB encourages constructive input from esteemed stakeholders. For any inquiries, feedback, or suggestions, kindly direct them to the Chairman of the MGB Sustainability Committee, Datuk Lim Lit Chek, at scr@mgbgroup.com.my.

INTRODUCTION TO MGB

MGB is a prominent player in the construction sector, with a strong track record of shaping the nation for over 18 years. The Group offers a wide range of services, including construction management, design-build, engineering and pre-construction planning and other related services.

At the heart of MGB's success is its innovative VaDTech Solutions. This approach uses advanced technology and cutting-edge processes to provide high-quality, cost-effective end-to-end solutions. By integrating VaDTech into every stage of the project, from ideation and design to construction, project management and even financing, MGB ensures that each project is executed with precision, efficiency and sustainability in mind. This technology-driven approach not only optimises productivity but also enhances resource management and reduces waste.

Complementing this technological approach is MGB's adoption of the Industrialised Building System ("IBS"), which uses prefabricated construction components made with the Group's own IBS Precast Concrete technology. Produced in a controlled environment within MGB's first permanent IBS Precast Concrete Plant in Nilai, Negeri Sembilan, this system not only enhances construction efficiency but also optimises labour dependency and minimises environmental harm.

Ultimately, these approaches allow MGB to continue delivering exceptional service more rapidly, contributing to the nation's development and providing significant value to its shareholders.

Awards and Recognition

MGB has won the silver award for the second consecutive year at The Edge Malaysia ESG Awards 2024

Sustainability Milestones

2016
- Developed sustainability strategies

2017
- Published inaugural Sustainability Report based on GRI requirements

2018
- Developed the first mobile IBS plant worth RM20 million at LBS Alam Perdana Township
- Established the Sustainability Policy

2019
- Invested RM40 million to develop the first permanent IBS precast concrete plant at Nilai

2020
- Adopted adequate sustainability procedures and strengthened risk management
- Established the Group Anti-Bribery and Corruption ("ABAC") Policy

2021
- Established a Sustainability Team
- Conducted a detailed Materiality Assessment Exercise ("MAE")

2022
- Established a Board-level Sustainability Committee
- Established EESG KPIs
- Enhancement of MAE by including external stakeholders
- Strengthened ABAC practices through the establishment of a Gift, Entertainment, & Hospitality Policy and Donation & Sponsorship Policy

2023
- Committed to achieving Net Zero Carbon Emissions by 2050 through a Net Zero Roadmap
- Established four sustainability goals
- Established a Group Sustainable Procurement Policy
- Established a Grievance Mechanism

2024
- Updated Group Sustainability Policy
- Signed Memorandum of Understanding between LBS, MGB, Midwest Green Sdn Bhd and Malaysian Green Technology and Climate Change Corporation
- Achieved 4 Star Rating for Bursa Malaysia's FTSE4Good ESG ratings

FY2024 Sustainability Highlights

ECONOMIC PROSPERITY:

UNSDG: 9 Industry, Innovation and Infrastructure

Highlights/Achievements

Product Quality & Operational Efficiency
- Group-wide adoption of ISO 9001:2015 Quality Management System
- Adoption of IBS Precast and Framework System
- Reduced construction time by 33% through IBS
- Adoption of Building Information Modelling ("BIM") in construction
- 31% reduction on manual labour through IBS

Please refer pages 63 - 67

CLIMATE RESILIENCE:

UNSDG: 7 Affordable and Clean Energy; 12 Responsible Consumption and Production; 13 Climate Action; 15 Life on Land

Highlights/Achievements

Environmental Management
- All MGB project sites are certified with ISO 14001:2015 Environmental Management System

Energy Consumption
- Installation of Renewable Energy infrastructure at IBS Precast Factory, Nilai
- Approximately 11.5% of electricity consumption supplied by solar

Climate Change
- Established Net Zero Carbon Emissions by 2050 Roadmap with short, medium and long-term strategies

Waste Management
- Implemented a 6-level waste management hierarchy at all project sites
- Implementation of a Group-wide Zero Single-Use Plastic campaign

Biodiversity
- Average of 20.23% green landscapes allocated for all new developments

Please refer pages 68 - 81

SOCIAL ENRICHMENT:

UNSDG: 3 Good Health and Well-Being; 8 Decent Work and Economic Growth

Highlights/Achievements

Health & Safety
- All MGB project sites are certified with ISO 45001:2018 Occupational Health and Safety Management System

Please refer pages 82 - 94

GOOD GOVERNANCE:

UNSDG: 16 Peace, Justice and Strong Institutions; 17 Partnerships for the Goals

Highlights/Achievements

Ethical Governance
- Zero tolerance approach on regulatory and anti-corruption and bribery non-compliance

Please refer pages 57 - 62

Sustainability Committee Chairman's Statement

Dear readers,

For over 18 years, MGB has been a driving force in Malaysia's construction industry, shaping the nation's skyline with a commitment to innovation, efficiency and sustainability. As we navigate a future defined by rapid technological advancements, we are accelerating our digital transformation and adoption of smart technology to enhance operational efficiency improve productivity and reinforce our dedication to sustainable construction.

On behalf of MGB, I am pleased to present our 2024 Sustainability Report, which highlights our progress and achievements in sustainable value creation. This report reflects our ongoing journey towards building smarter, more resilient communities while providing cleaner, more efficient construction solutions that contribute to Malaysia's socio-economic growth.

Datuk Lim Lit Chek

Executive Director & Chief Executive Officer
Chairman, Sustainability Committee

Our Commitment to a Sustainable Future

At MGB, we recognise the responsibility we bear in addressing global challenges such as carbon emissions, climate change and resource efficiency. The world is moving towards decarbonisation and we are determined to play an active role in this transition.

Leveraging Technology for Greater Efficiency

At the heart of our transformation is VaDTech Solutions, a cutting-edge, technology-driven approach that is redefining how we build. This end-to-end digital framework seamlessly integrates every stage of the construction lifecycle, from design and execution to financing and final delivery, creating a more connected and efficient process. By incorporating digital tools such as automated project management systems, real-time data analytics and AI-driven simulations, VaDTech enhances resource efficiency, minimises waste and improves decision-making accuracy. This transformation not only optimises project execution but also strengthens our ability to adapt to evolving industry demands.

Complementing our digital advancements is our continued investment in the Industrialised Building System ("IBS") precast concrete panel production, a modern construction method that leverages prefabricated components to streamline the building process. Manufactured in a controlled factory environment at our IBS Precast Concrete Plant in Nilai, Negeri Sembilan, these components are produced with higher precision, superior quality and greater durability compared to traditional on-site construction. By shifting more processes off-site, IBS significantly reduces material waste, improves structural consistency and promotes a more sustainable approach to building.

By integrating VaDTech Solutions and IBS precast concrete panel technology, MGB Berhad is driving greater efficiency, cost savings and higher-quality outcomes while reinforcing its competitive edge. The adoption of IBS precast concrete panels has led to a 33% reduction in construction time and a 31% decrease in reliance on manual labour, enabling faster project delivery while mitigating labour shortages. At the same time, VaDTech's advanced digital tools streamline project management, optimise workflows and enhance coordination through Building Information Modelling ("BIM"), ensuring better planning, accuracy and collaboration across all phases of construction. These innovations also reduce material wastage, lower the risk of errors and rework and ultimately improve cost predictability, leading to a 6% revenue increase this year.

Driving Renewable Energy Adoption

Beyond operational efficiency, these advancements strengthen our commitment to sustainability. By incorporating prefabrication and digital construction methods, MGB actively reduces its carbon footprint, minimises water usage and aligns with Malaysia's decarbonisation goals. We are also taking significant steps towards renewable energy integration. At our IBS Precast Factory in Nilai, we have installed solar panels, increasing our reliance on clean energy and reducing our emissions. Expanding on this initiative, we are deploying solar technology across all MGB facilities, aligning with Malaysia's broader sustainability and decarbonisation goals and our own Net Zero Carbon Emissions by 2050 Roadmap.

To accelerate our transition towards a low-carbon future, we have formed strategic partnerships with key organisations to further drive renewable energy initiatives. Additionally, we are in the process of transitioning our corporate fleet to electric vehicles ("EVs"), a move that will significantly reduce emissions and long-term operational costs.

As part of our long-term vision, we have also developed a Net Zero Carbon Emissions by 2050 Roadmap. These strategic initiatives ensure that MGB remains at the forefront of climate action while leveraging the latest advancements in renewable energy and carbon reduction technologies.

Zero Plastic at construction sites initiative

"To accelerate our transition towards a low-carbon future, we have formed strategic partnerships with key organisations to further drive renewable energy initiatives.

Bursa Malaysia CSI Solution official launch event

Strengthening Governance and Risk Management

Sustainability is not just about environmental action—it is also about maintaining strong corporate governance. Our Sustainability Policy provides a framework for integrating EESG principles across our operations. In FY2024, we undertook a comprehensive Enterprise Risk Management ("ERM") review to strengthen our risk management framework, ensuring we remain agile and prepared for evolving EESG-related challenges.

While EESG and climate-related risks were not separately categorised in the past, the enhanced ERM framework now addresses key aspects of these risks, allowing us to identify strategic opportunities, reinforce resilience and drive long-term value.

Affordable Housing for Inclusive Growth

Sustainability is not only about environmental responsibility—it is also about creating lasting social value by ensuring equitable access to quality housing. At MGB, we believe that a sustainable future must be inclusive and this includes addressing Malaysia's growing demand for affordable, high-quality housing. Rising living costs, inflationary pressures and stringent financing requirements have made homeownership increasingly challenging for low- and middle-income families. To bridge this affordability gap, we leverage innovative construction technologies, efficient building methods and sustainable designs to develop cost-effective homes without compromising on safety, comfort, or durability.

One of our key contributions in this space is our participation in the Rumah Selangorku Idaman MBI initiative, which aims to provide affordable housing with integrated commercial and essential infrastructure. This initiative underscores our commitment to supporting the Selangor state government's goal of delivering 30,000 affordable homes by 2025. Guided by the principle of The Best Home Ownership Solution, we remain dedicated to helping more Malaysians realise their dream of owning a home.

Looking Ahead

As we continue our journey, MGB remains committed to leveraging technology, innovation and sustainability as the foundation for long-term success. Our focus will be on expanding smart construction solutions, increasing renewable energy adoption and strengthening our EESG commitments to drive positive industry-wide transformation.

A Word of Thanks

These achievements would not have been possible without the dedication of our employees, partners and stakeholders. Your support and collaboration inspire us to push boundaries and continue building a smarter, greener and more resilient future.

As we move forward, we remain steadfast in delivering impactful solutions that create lasting value—for our people, our communities and the nation. Together, we are shaping a future that is not just sustainable but truly thriving.

Sincerely,

Datuk Lim Lit Chek
Executive Director & Chief Executive Officer
Chairman, Sustainability Committee

MGB'S VALUE CREATION MODEL

MGB is guided by its Sustainability Framework in its EESG journey, integrating key principles such as Economic Advancement, Climate Resilience, Social Development and Good Governance as part of the Group's commitment to sustainability.

To ensure the Group continues to uphold accountability through its sustainable endeavours, regular assessment will be conducted periodically, aligning MGB's operations with the Group's vision and mission. This ensures that MGB's approach remains dynamic and is adaptable towards any changes that are of material importance to the Group and its stakeholders.

The vision and mission that guide MGB's EESG value creation are:

Vision

To be a recognised design and build expert setting new standards in creating living spaces to enrich life.

Mission

To constantly push boundaries and surpass expectations through Quality, Reliability and Innovation.

STAKEHOLDER ENGAGEMENT

MGB recognises the significance of the perspectives provided by both internal and external stakeholders, taking into consideration their concerns and voices in building the Group's sustainability strategy. All stakeholders provide valuable inputs that shape the Group's EESG topics, allowing MGB to focus its efforts on matters that have the most impact.

The Group regularly engages with its stakeholders, ensuring all material topics are relevant. MGB's approach towards stakeholder engagement provides an open and inclusive environment that fosters an environment for effective communication and participation.

Frequency of Engagement

- W – Weekly
- M – Monthly
- Q – Quarterly
- A – Annually
- P – Periodic
- AW – As and when needed

Stakeholder Groups

- Employees
- Shareholders/ Investors
- Customers
- Government/ Regulators
- Suppliers/ Contracts
- Local Communities
- Media

Employees

Employees are the main driving force behind the daily operations contributing to the Group's success. By engaging them and providing a positive work environment with plenty of growth opportunities, MGB can maintain a motivated and productive workforce that enhances operational efficiency.

Engagement Platform & Frequency of Engagement

Frequency	Platform
Q	• Employee Engagement Surveys
A	• Annual Performance Appraisal • Townhall Meetings
P	• Briefings & Trainings • Events, Celebrations, & Sports • Management, Operational, & Committee Meetings
AW	• WhatsApp Broadcast

Issues of Concern

- Training & Education
- Employment
- Occupational Safety & Health
- Local Communities

MGB's Approach

- Promote communication at all levels through employee engagement and internal programmes
- Regularly brief employees on MGB's Code of Conduct
- Conduct online training
- On-site training for job functions
- Mandatory safety training for all construction site staff
- Orientation for new recruits
- Briefing on EMS, QMS and OHSAS Management Systems to the relevant staff

GRI Standards

- GRI 401 Employment
- GRI 402 Labour/Management Relations
- GRI 403 Occupational Health and Safety
- GRI 404 Training and Education
- GRI 405 Diversity and Equal Opportunity
- GRI 405 Non-Discrimination
- GRI 407 Freedom of Association and Collective Bargaining
- GRI 408 Child Labour
- GRI 409 Forced or Compulsory Labour

Shareholders & Investors

Shareholders and investors provide financial support and influence the Group's capital structure and investment decisions. Maintaining a positive relationship is necessary to sustain MGB's overall financial health.

Engagement Platform & Frequency of Engagement

Q	• Quarterly Financial Report • Analysts Briefings
A	• Annual General Meeting • Annual Report
P	• Briefings
AW	• Extraordinary General Meeting • Engagement Sessions through Meetings & Site Visits • Regular Communication on Bursa Securities and Corporate Websites

Issues of Concern

- Economic Performance
- Corporate Governance
- Anti-Corruption

MGB's Approach

- Promote timely and comprehensive reporting
- Demonstrate strong foundations and deliver resilient financial performance
- Enhanced sustainability disclosures in line with global frameworks and standards to elevate transparency
- Declaration and payment of dividends

GRI Standards

- GRI 201 Economic Performance
- GRI 205 Anti-Corruption

Customers

As an innovative solutions provider in the construction industry, MGB's customers are usually other industry players. These stakeholders directly impact the revenue and market standing of the Group. Building a strong relationship with them allows MGB to understand and meet their expectations.

Engagement Platform & Frequency of Engagement

P	• Media Channels • Product Launches • Marketing & Promotion • Programmes & Events
AW	• Feedback Channels • Corporate Website

Issues of Concern

- Economic Performance
- Corporate Governance
- Procurement Practices
- Customer Health & Safety
- Anti-corruption

MGB's Approach

- Develop quick and thorough action plans to address customer feedback
- Maintain open dialogues with customers to develop shared understanding and establish mutually beneficial solutions in addressing challenges
- Implement measures to enhance safety, e.g. increased safety inspections to reinforce safety culture across projects
- Engage with customers on EESG concerns

GRI Standards

- GRI 201 Economic Performance
- GRI 204 Procurement Practices
- GRI 205 Anti-Corruption

Suppliers & Contractors

Suppliers and contractors are an important part of the Group's supply chain. Collaborating effectively with them is essential for successful operations that contribute to MGB's reliability and ability to meet market demands.

Engagement Platform & Frequency of Engagement

P
- Supplier Assessment Training
- Briefings and Trainings

AW
- Meetings & Site Visits

Issues of Concern

- Corporate Governance
- Procurement Practices
- Anti-corruption

MGB's Approach

- Implement the Sustainable Procurement Policy to guide suppliers in EESG practices and good business ethics
- Work closely with suppliers to ensure a clear understanding of the scope of work and timelines
- Request suppliers and contractors to declare Conflicts of Interest before they can participate in the procurement process
- Conduct progress meetings with suppliers

GRI Standards

- GRI 204 Procurement Practices
- GRI 301 Materials
- GRI 308 Supplier Environmental Risk Assessment
- GRI 414 Supplier Social Risk Assessment

Local Communities

Local communities represent the social elements surrounding the Group's operations. Positive engagements with them build trust and enhance MGB's license-to-operate.

Engagement Platform & Frequency of Engagement

P
- Community Outreach & Development Programmes
- Corporate Website & Social Media

AW
- Strategic Partnerships
- Charitable Contributions

Issues of Concern

- Local Communities

MGB's Approach

- Engage local communities on social issues
- Provide employment opportunities for young graduates (e.g. internships)
- Provision of sponsorships and volunteers through the CSR initiatives

GRI Standards

- GRI 413 Local Communities

Government & Regulators

The government and regulators establish the legal frameworks that govern the industry and influence the Group's operating guidelines. Engaging them is essential for maintaining a favourable operating landscape and securing necessary permits and approvals.

Engagement Platform & Frequency of Engagement

Q
- Income Tax Filing

A
- Annual Returns
- Audited Financial Statement

AW
- Official Meetings & Site Visits
- Industry Events & Seminars

Issues of Concern

- Corporate Governance
- Anti-Corruption and Bribery

MGB's Approach

- Maintain a high level of integrity, corporate governance, transparency and best practices
- Support the government's climate ambition to achieve Net Zero Carbon Emissions by 2050
- Implement a Whistleblowing Policy, Anti-Bribery & Corruption Policy, Gift, Entertainment & Hospitality Policy, Donations & Sponsorships Policy and Sustainability Policy
- Risk and crisis management
- Authority Chart and Discretion Power

GRI Standards

- GRI 205 Anti-Corruption
- GRI 206 Anti-Competitive Behaviour

Media

The media often serves as a communication channel, shaping the Group's image among its other stakeholders. Proactive engagements with them can enhance the visibility of MGB's best practices and latest initiatives, elevating its brand reputation and simultaneously providing a marketing platform.

Engagement Platform & Frequency of Engagement

P
- Corporate Website & Social Media

AW
- Community Outreach & Development Programmes
- Strategic Partnerships
- Charitable Contributions

Issues of Concern

- Corporate Governance
- Customer Health & Safety

MGB's Approach

- Ensure continuous clarification, communication and casual meetings with media to maintain a strong relationship
- Timely response to all media enquiries by relevant parties
- Intensify communication and engagement with media in their areas of interest, particularly progress in EESG, sustainability and other company-related information

GRI Standards

ASSESSING MATERIALITY

Identifying Material Topics

MGB had in FY2022 previously conducted a comprehensive Materiality Assessment Exercise ("MAE") to identify and prioritise critical sustainability topics that significantly impact the Group's business operations and long-term value creation. The assessment incorporated a double materiality approach, which evaluates the potential financial impact of sustainability topics on the Group's performance alongside the broader environmental and social impacts of the Group's business activities. This approach ensures that MGB's EESG efforts are strategically aligned with both business imperatives and stakeholder expectations, allowing the Group to direct resources toward areas with the most significant influence on its operations and stakeholder relationships.

This MAE was conducted based on the following steps:

Step 1 Identification

The first step involved identifying relevant EESG topics critical to MGB's operations and business strategy. This was accomplished by examining various regulatory frameworks, industry best practices and emerging global trends. MGB also identified key stakeholders whose input would be essential in shaping the materiality matrix. This process ensured that the Group considered both internal and external perspectives when defining material sustainability topics.

Step 2 Stakeholder Engagement

Once the relevant EESG topics were identified, MGB conducted a comprehensive stakeholder engagement exercise to gather meaningful insights. This involved launching an online materiality survey and holding an MAE workshop. Through these channels, MGB collected valuable feedback from internal and external stakeholders, including concerns about business operations, environmental impact and social responsibility. This two-way dialogue enabled the Group to better align its EESG priorities with the needs and expectations of its stakeholders, reinforcing its commitment to transparent and inclusive governance.

Step 3 Prioritisation

Insights obtained through the survey and workshop were analysed and consolidated to identify the most critical EESG topics. MGB prioritised these topics based on the level of concern expressed by stakeholders, their potential impact on the Group's business performance and alignment with the Group's long-term strategic objectives. This step allowed the Group to focus its resources and efforts on the most strategically and operationally significant areas.

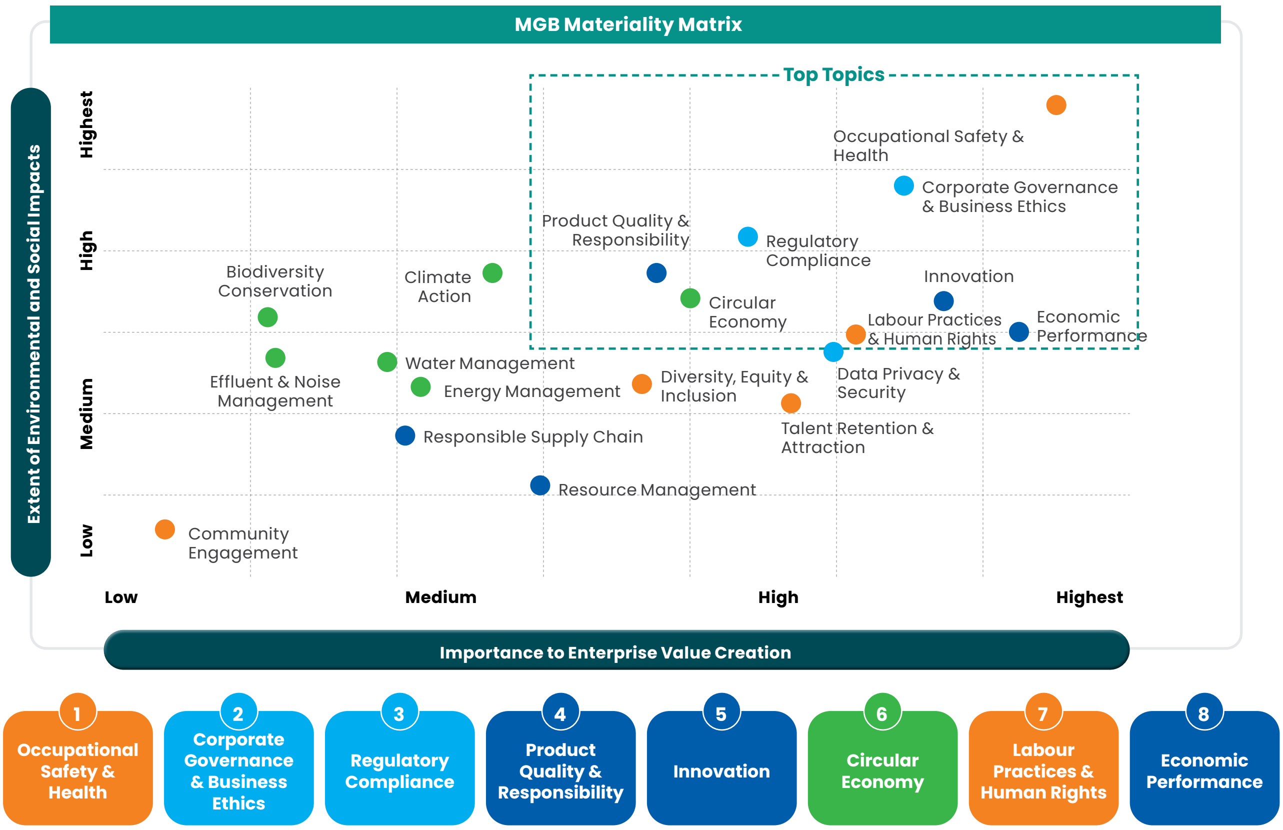
Step 4 **Validation**

The prioritised EESG topics were subsequently validated against the Group's existing business strategy, sustainability framework and industry benchmarks. This ensured that the material topics reflected both the Group's internal priorities and the broader expectations of the market, regulators and key stakeholders. The validation process also ensured that the material topics remained relevant and actionable, supporting MGB's ongoing EESG commitments and business growth objectives.

Step 5 **Endorsement**

The finalised list of material topics was then submitted to the Board of Directors ("Board") for review and approval. The Board's endorsement reinforced the strategic importance of the material topics and underscored the Group's commitment to addressing these areas in its business operations and sustainability initiatives. The Board's involvement ensured that the materiality matrix reflected MGB's long-term vision and aligned with governance standards and stakeholder expectations.

In FY2023, MGB conducted a comprehensive review of its materiality matrix to ensure its continued relevance in the face of evolving business needs and sustainability challenges. This updated materiality matrix remains highly relevant for FY2024, guiding the Group's strategic decision-making and sustainability efforts.



SUSTAINABILITY TARGETS

MGB continues to align its operations with decarbonisation efforts, ensuring that the Group contributes to the country's **2050 Net Zero Carbon Emissions** vision. To this end, MGB has created targets and Key Performance Indicators ("KPIs") that contribute to each of the EESG pillars, using the UN SDGs as the foundation of their formulation. The Group's dedication towards formulating relevant sustainable targets has been enhanced by tying it with the remuneration of senior executives, ensuring their accountability and motivating the Group to take measures to achieve these KPIs.

Legend: Achieved On-track Attention Required

ECONOMIC PROSPERITY:

Pioneering sustainable innovation for cost-effective construction solutions and enhanced resource efficiency

Our KPI	FY2024 Performance
To achieve 70 and above QLASSIC score for all new projects.	The QLASSIC score were assessed for 3 projects in 2024, Ritma Perdana, Idaman BSP and KITA Mekar. The average score for the projects assessed exceed 70.
To achieve 20% Building Information Modelling ("BIM") utilisation in all property development projects	All property development projects achieved 55% BIM utilisation

CLIMATE RESILIENCE:

Building a sustainable future with next-gen climate-adaptive construction practices

Our KPI	FY2024 Performance
To achieve a 5% reduction in energy intensity by revenue (Scope One & Two) (Baseline year: FY2022)	Achieved a 46.98% reduction against FY2022 levels
To achieve a 5% reduction in carbon intensity by revenue (Scope One, Two, & Three) (Baseline year: FY2022)	Achieved a 6.62% reduction against FY2022 levels
To achieve a 5% reduction in water intensity by revenue (Baseline year: FY2022)	Water intensity increased by 26.47% against FY2022 levels
To achieve 10% of waste diversion from landfills (own-managed properties) (Baseline year: FY2023)	Achieved a 28.07% reduction against FY2023 levels
To achieve 10% of waste diversion from landfills (construction sites) (Baseline year: FY2023)	Achieved a 3.36% reduction against FY2023 levels
Zero fines or penalties for non-compliance with environmental laws and project sites	Zero fines or penalties
To provide more than 10% of the minimum regulatory green landscape requirement for all new projects launched from FY2023 onwards	Achieved 20.23% for the new project launched in FY2024 (Idaman Perdana)
To achieve a 40% Industrialised Building System ("IBS") adoption rate	71% Adoption Rate

SOCIAL ENRICHMENT:

Foster inclusive and thriving communities and workforce through technology-enabled skills development, workplace safety initiatives and accessible construction projects

Our KPI	FY2024 Performance
Maintain zero fatalities at all sites	Zero fatalities maintained
To achieve 100% employees trained in Occupational Safety and Health ("OSH")	100% of employees received OSH training
To achieve a Lost Time Injury ("LTI") of less than 0.7	Achieved an LTI of 0.1
Maintain zero incidents of human rights violations	No incidents of human rights violations recorded
Suppliers and vendors are committed to full compliance with statutory employment regulations for worker hiring	Declaration of compliance has been incorporated into Vendor Registration Form and all suppliers/vendors have acknowledged it
To achieve a total of 500 volunteering hours per annum	Achieved 68 volunteering hours in total

GOOD GOVERNANCE:

Establishing robust governance and ethical standards in the integration and deployment of advanced technologies within construction processes, ensuring transparency and accountability

Our KPI	FY2024 Performance
100% of employees are training in the Group's ABAC, Gift, Entertainment, & Hospitality and Donation & Sponsorship Policies	100% of employees have received training
Maintain zero corruption and bribery incidents	Zero incidences recorded
To reach a minimum of 30% female representation on the Board of Directors ("Board") by FY2027	Achieved 42.9% female representation on the Board

GOOD GOVERNANCE

MGB Goal

Establishing robust governance and ethical standards in the integration and deployment of advanced technologies within the construction process, ensuring transparency and accountability.

Focusing on governance ensures that MGB maintains adherence to the highest standards of integrity, accountability and transparency in all its operations.

MGB's governance framework is designed to align its sustainability objectives with the Group's overarching strategic goals, ensuring that sustainability remains a core priority. Robust governance structures and policies allow the Group to monitor sustainability performance consistently, making proactive adjustments to address emerging challenges and opportunities.

The Group's dedication to corporate governance is underpinned by a zero-tolerance approach to unethical behaviour, including corruption and bribery as well as regulatory non-compliance. By embedding a culture of ethical conduct and operational transparency, MGB safeguards stakeholder trust while strengthening its resilience in an evolving business environment.

Material Topics:

- Corporate Governance and Business Ethics
- Regulatory Compliance
- Data Privacy and Security

UNSDGs Alignment:

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

SUSTAINABILITY GOVERNANCE

MGB considers sustainable governance a key aspect of ensuring the longevity of the Group's management and operations. The Board of Directors ("Board") and Management are responsible for the oversight of the Group's sustainability developments, ensuring that all initiatives can be disseminated and implemented in every aspect of the Group's operations. This helps align MGB with existing and future sustainable goals and targets.

To ensure that all sustainability initiatives are relevant, Sustainability Committee meetings are held every quarter to act as a comprehensive platform for discussing significant EESG risks and opportunities. These meetings enable in-depth evaluations that consider both financial and non-financial factors across short-, medium- and long-term perspectives. By implementing this comprehensive governance strategy, MGB protects the interests of its stakeholders and strengthens its reputation as an innovative, sustainability-focused organisation.

Sustainability Governance Structure

MGB takes a top-down approach in its governance structure, granting the Board oversight towards the Group's strategy and direction on EESG topics. This structure aligns with the Malaysian Code on Corporate Governance ("MCCG"), enhancing the credibility and transparency of the Group's governance while allowing MGB to effectively manage stakeholder expectations.

While the Board leads the Group's sustainability approach, the Sustainability Committee ("SC"), a Board-appointed committee, drives and oversees all EESG implementation and progress. The Group Sustainability ("GS") manages EESG matters, identifying and developing action plans and communicating EESG matters through the Group. The Sustainability Team ("ST") serves as the backbone of the GS, incorporating and monitoring the action plans in MGB's day-to-day operations. This linear approach ensures a clear line of communication, streamlining the dissemination of policies and consolidation of EESG performance back to the management and Board level.

The Group's sustainability structure and the roles of each level are as follows:

Board of Directors ("Board")

Highest Governance Body
- Sets the strategic direction and oversees the entire sustainability framework
- Ensures sustainable value delivery to stakeholders

Sustainability Committee ("SC")

Board-Appointed Committee
- Drives the Group's sustainability strategies and affairs
- Oversees the achievement of EESG targets and evaluates progress

Group Sustainability ("GS")

Management-Level Team
- Manages and supervises significant EESG matters
- Develops and implements action plans to achieve sustainability goals
- Identifies and manages sustainability risks and opportunities
- Manages communication and relationships with stakeholders
- Conducts assessments to identify material sustainability issues

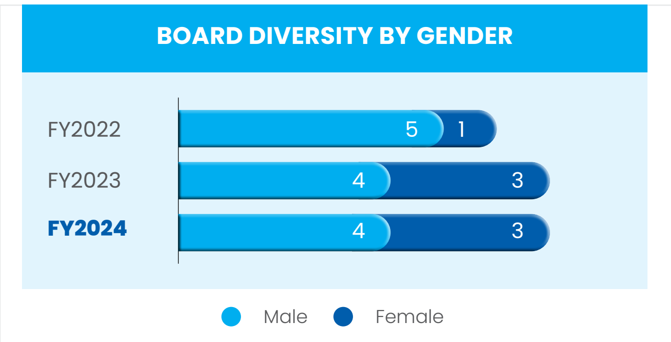
Sustainability Team

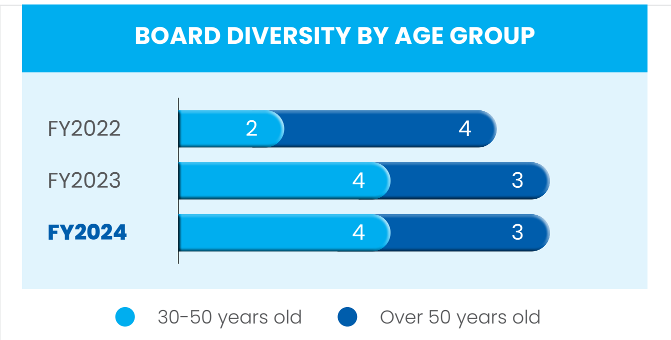
Operational-Level Team
- Assists GS team in implementing sustainability action plans at the operational level
- Monitors and keeps track of sustainability trends
- Manages the reporting on sustainability-related KPIs

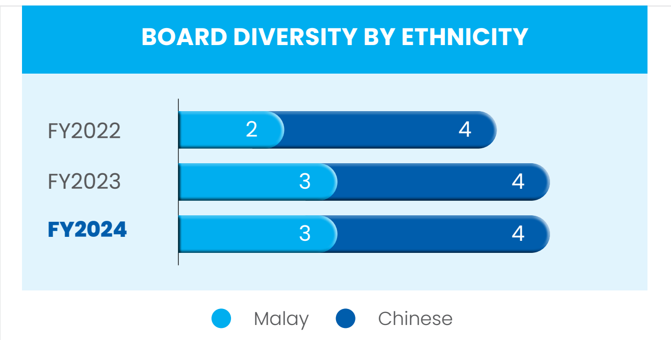
Board Diversity and Independence

MGB recognises the broad range of perspectives a diverse Board can provide in enhancing the Group's governance approach.

*The individual profiles of each Board member can be found in the **Board of Directors Profile** section in the Group's Annual Report FY2024 ("AR2024").*







EESG Risk Management

Given the nature of MGB's industry, sustainability considerations are inherently integrated into the Group's risk management approach. EESG and climate-related risks have a direct impact on the Group's ability to operate sustainably and deliver long-term value, making them a core component of MGB's overall risk strategy.

While EESG and climate-related risks are not explicitly outlined in the Group's formal risk management framework, they are embedded within the broader risk management structure due to their significance to business continuity and strategic resilience. This proactive integration ensures that potential EESG and climate-related risks are anticipated and addressed early, preventing unexpected disruptions that could impact business performance.

In FY2024, MGB conducted a comprehensive Enterprise Risk Management ("ERM") exercise to strengthen its risk management framework and align it with the evolving business landscape. Although EESG and climate-related risks were not separately categorised, the enhanced ERM framework covered key elements of these risks, enabling the Group to respond more effectively to emerging challenges while identifying potential opportunities that support its strategic objectives.

CORPORATE GOVERNANCE AND BUSINESS ETHICS

MGB places a strong emphasis on effective corporate governance as the foundation of its business activities, demonstrating an unwavering commitment to integrity and ethical behaviour. The Group consistently ensures that its practices are in accordance with local regulations, industry standards and the corporate governance guidelines established by Bursa Malaysia and the MCCG. These initiatives highlight a resolute dedication to fostering transparency, accountability and effective decision-making throughout all facets of its operations.

Regulatory Compliance

MGB and its subsidiaries are committed to maintaining compliance with the laws and all relevant regulations. To date, the Group has faced 0 fines and penalties related to cases of non-compliance and is dedicated to maintaining this value throughout all future operations.

Outside of the Group and its subsidiaries, MGB requires all business associates throughout the supply chain to comply with government regulations in Malaysia and the respective regions where they operate. This safeguards the Group's image, ensuring that all operations are free from any breach of integrity involving human rights abuses, corruption and bribery, environmental contamination and other acts of non-compliance.

Throughout FY2024, there were 0 reported cases of regulatory non-compliance from the Group's supply chain.

Group Sustainability Policies

MGB's commitment to ethical and sustainable business conduct is showcased through the Group's Sustainability Policy, providing a framework for integrating EESG considerations throughout the Group's operations, strategic planning and risk management. This policy helps the Group and its subsidiaries provide sustainable value creation for its stakeholders, balancing EESG considerations with stakeholder interests to maximise profitability and sustainability collectively. Through this policy, the Group can better align its operations with sustainability targets, ensuring the continuity of MGB's operations long into the future.

All policies listed by MGB have been approved by MGB's Board and are communicated to its stakeholders through the Group's website. Internally, the policy is communicated to employees through training and is accessible at any point within the Group's server.

In addition to the Group's Sustainability Policy, the following are other policies that guide MGB's sustainability efforts are listed below.

All these policies are readily available on the Group's website and can be referred to at: https://mgbgroup.com.my/sustainability/

- Human Rights Policy
- Whistleblowing Policy
- Anti-Bribery & Corruption Policy
- Gift, Entertainment & Hospitality Policy
- Donations and Sponsorships Policy
- Succession Planning Policy
- Remuneration Policy
- Health, Safety & Environmental Policy
- Workplace Harassment Policy
- Human Resources Learning & Development Policy
- Crisis Management Policy
- Diversity and Inclusion Policy
- Group Sustainable Procurement Policy

Code of Ethics

MGB ensures that all employees and business associates uphold the highest standards of transparency, integrity and accountability. In light of this, the Group has developed the Code of Conduct and Business Ethics ("Code") that serves as an ethical guideline for how every member of the Group and its collaborators are expected to act.

The Code is communicated to new and existing employees as part of their onboarding process and is incorporated during the signing of business contracts with the supply chain. The Group takes issues relating to integrity with the utmost concern and any violations will lead to disciplinary measures, potentially leading to fines or termination of employment.

Whistleblowing Channel

To safeguard the Group's integrity, MGB provides whistleblowing channels for employees to report suspected and actual actions of corruption and bribery, human rights abuses and other wrongdoing. The mechanism for the Group's whistleblowing procedures is outlined in the Whistleblowing Policy, in accordance with the Whistleblower Protection Act 2010, Companies Act 2016 and Capital and Market Services Act 2007. MGB ensures the highest importance in safeguarding the identity and confidentiality of whistleblowers to protect them from any acts of repercussion.

The report can be made by filing the Whistleblowing Form (available in the Group's Whistleblowing Policy) through the Group's dedicated whistleblowing channels as shown below and is applicable to both internal and external stakeholders:

Physical reports

The form can be sent to the following address:

MGB BERHAD
The Whistleblowing Investigating Team
H-G, Sunway PJ@51A, Jalan SS9A/19
Seksyen 51A, 47300 Petaling Jaya
Selangor Darul Ehsan, Malaysia.

Online reports

The form can be sent to the following email:
whistleblowing@mgbgroup.com.my

The Whistleblowing Policy can be found at the following link: https://mgbgroup.com.my/wp-content/uploads/2024/04/Whistle-Blowing-Policy-2024.pdf

The reports cannot be accessed by any entity barring the Investigating Committee, which consists of an Independent Non-Executive Director and the Heads of both Human Resources ("HR") and Group Legal Departments.

Upon receiving a report, the whistleblowing channel administrator will prepare a preliminary assessment based on the outcomes forwarded by the Investigating Committee within seven days, consisting of the Chairman of the Audit Committee and an Independent Non-Executive Director. The Investigating Committee will then conduct an exhaustive investigation, culminating in the Investigation Report that is sanitised to safeguard the identity of the whistleblower and forwarded to the Group Managing Director ("GMD") or the Board. Based on their decision, the matter is either considered resolved or forwarded to the relevant departments for further deliberation.

In FY2024, no whistleblowing reports were filed throughout the Group.

Anti-Corruption and Bribery

MGB has a zero-tolerance policy on corruption and bribery, taking stringent measures to eliminate any corruption and bribery risks throughout its operations and supply chain. To prevent and manage any acts of corruption or bribery, the Group, aligned with Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 and ISO 37001:2016 Anti-Bribery Management Systems ("ABS"), has created and implemented the Anti-Bribery and Corruption ("ABC") Policy since FY2020 that is enforced to both internal and external entities associated with the Group. The ABC policy is communicated through an anti-corruption and bribery training that is attended by all Board members and employees annually.

The Risk Management Working Group ("RMWG") spearheads the monitoring and review process before being reported to the Board for further deliberation. In FY2024, the Group reported zero cases of corruption or bribery throughout its operations.

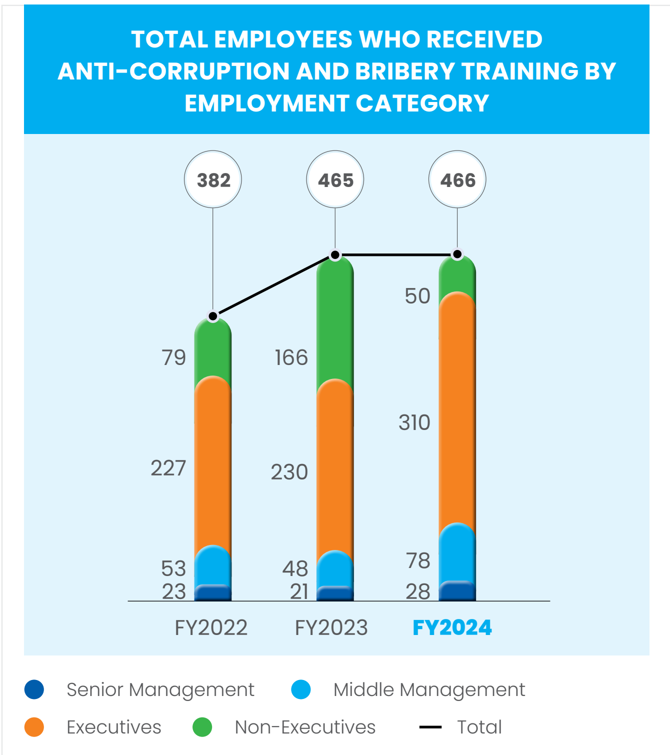
Risk Assessments and Strategies

MGB takes incidents of corruption and bribery seriously and is committed to maintaining high standards of integrity across all operations. To achieve this, the Group conducts regular internal assessments to identify and manage areas of corruption and bribery risk. These assessments focus on parts of the operation where the potential for corruption or bribery risk to occur is higher, for instance, areas with increased interactions with external stakeholders or where money is involved. One area the Group focuses on is in the procurement process. Recognising the potential risks during contracting and subcontracting, MGB ensures that these areas are covered by annual assessments to maintain transparency and prevent corruption or bribery.

In addition to procurement, MGB also closely monitors Human Resources ("HR") processes, especially those related to recruitment and financial transactions, such as payroll and employee insurance. These areas are similarly subject to close scrutiny by the Group to minimise the risk of unethical practices. At the same time, MGB also evaluates its whistleblowing mechanisms as part of these assessments, ensuring the system remains robust and effective in preventing and addressing corruption and bribery cases.

Internal Communication and Training

In FY2024, 100% of MGB's Board has been trained on ABC practices. This training has also been extended to new and selected employees for periodic refreshment on the Group's ABC practices on top of those who have already received some form of training. Through this approach, MGB ensures that 100% of it's employees are constantly well-informed on any matters related to ABC at all times.



Anti-Corruption and Bribery in the Value Chain

In MGB's dedication to the total eradication of corruption and bribery, the Group extends its ABC practices outside to all associated business partners. By doing so, MGB aims to set a precedent that will lead to a cascade of businesses that implement ABC policies, reducing corruption or bribery risks further outside MGB's organisational boundaries. In this effort, The Group has ensured that 100% of the supply chain continued to acknowledge their commitment to MGB's ABC Policy throughout FY2024.

Conflict of Interest Prevention and Resolution

To ensure the proper enforcement of the Group's Code, MGB heavily discourages any actions that result in a Conflict of Interest between employees, partners and other stakeholders in the Group. In cases where a Conflict of Interest occurs, employees must report to management immediately and ensure that the activities they conduct do not result in any personal benefits or advantages. Employees are also prohibited from becoming a direct competitor to MGB or associating with organisations that compete and hinder the Group's development.

Stance on Political Contributions

MGB is committed to maintaining a strict apolitical stance and operates without any political affiliation. The Group does not favour or support any particular political agenda, ensuring that it remains a neutral organisation focused solely on business objectives and stakeholder interests. This commitment to neutrality is a fundamental principle guiding MGB's operations and decision-making processes.

In line with this stance, MGB has not made any political contributions in FY2024. The Group remains dedicated to upholding its apolitical position, ensuring that all actions and decisions are free from political influence. This focus on neutrality allows MGB to concentrate on creating long-term value for its stakeholders.

DATA PRIVACY AND SECURITY

MGB is dedicated to safeguarding the privacy and confidentiality of customers, aligning with the guidelines set by the Personal Data Protection Act ("PDPA") of 2010. All data from individuals is collected with the explicit consent of all individuals and used solely for engagement purposes. MGB forbids the sale or disclosure of collected information to any third party, except when requested by government agencies for law enforcement and other legal purposes.

In MGB's efforts to protect the data integrity of its operations and all associated individuals, the Group deploys advanced security measures by the internal IT department across all systems and platforms. These initiatives include the creation of robust firewall systems that are constantly updated to defend against cyberattacks, implementing credential systems that require passcodes across numerous devices and regular inspection of all activities in the cyberspace to ensure that all potential threats can be managed before any incidents occur. Through all of these measures, MGB successfully maintained its data integrity throughout FY2024 with no instances of data breaches or cyberattacks.

ECONOMIC PROSPERITY

MGB Goal

Pioneering sustainable innovation for cost-effective construction solutions and enhanced resource efficiency.

Economic performance serves as the foundation of MGB's sustainability ambition, providing the resources necessary to drive initiatives, ensure business continuity and uphold the Group's EESG commitments.

By maintaining a profitable business model, MGB generates the capital required to fund its sustainability strategies while delivering value to stakeholders. This approach supports wealth distribution, promotes community development opportunities and enhances community well-being.

Integrating economic and sustainability priorities allows MGB to foster holistic progress and position itself as a responsible corporate entity dedicated to advancing sustainable development while securing long-term economic success.

Material Topics:

- Economic Performance
- Product Quality and Customer Experience
- Innovation
- Responsible Supply Chain
- Resource Management

UNSDGs Alignment:

CULTIVATING ECONOMIC RESILIENCE

Direct Economic Values

MGB considers maintaining a robust economic performance an essential part of its operations in maintaining profitability and supporting the Group's growth initiatives. In addition to fulfilling financial obligations to the Group and its shareholders, the continued growth of MGB's financial capacity remains a priority in order to ensure the advancement and implementation of the Group's EESG initiatives.

Through this dedication, MGB experienced an improvement in economic performance in all indicators throughout FY2024. FY2024 marked a year of notable growth for MGB, driven by the recovery and expansion of the construction sector in Malaysia. Reflecting this upward trend, the Group achieved a substantial revenue increase of approximately 6.19% over the year. This positive performance underscores MGB's resilience and ability to capitalise on industry momentum, reinforcing its commitment to sustainable and impactful growth.

Direct Economic Value	FY2022 (RM'000)	FY2023 (RM'000)	FY2024 (RM'000)
Revenue	612,801	971,828	**1,031,970**
Profit/(Loss) After Tax & Non-controlling Interests	14,212	50,462	**61,912**
Total Assets	916,758	1,123,028	**1,124,557**

Indirect Economic Values

While MGB's primary focus lies on the Group and its direct stakeholders, the Group seeks to provide value beyond the organisational boundary, extending the economic benefits of the Group to the larger community. This emphasis on indirect economic has far-reaching impacts such as creating employment opportunities throughout the Group's supply chain, supporting local businesses, providing support to local communities and many other benefits.

As MGB primarily delves into construction work, the Group contributes significantly to indirect economic generation. The development or improvement of new and existing infrastructure opens opportunities for businesses and residents, providing a positive cascading impact on the economic advancement of the regions where we operate.

Value Creation through Affordable Housing

As a construction company, building homes is not just central to MGB's business model but also an opportunity for the Group to contribute positively to society through affordable housing. By leveraging innovative technology and efficient construction methods, MGB is able to develop cost-effective housing projects that cater to segments of the population in need of affordable housing. This approach not only helps the Group maintain cost efficiency but also indirectly contributes to addressing Malaysia's growing housing demands.

MGB's commitment to affordable housing aligns with its vision of creating sustainable and inclusive communities. Through strategic planning and advanced construction solutions, the Group ensures that projects within this segment are accessible to a wider range of homebuyers, particularly first-time homeowners and lower-income families. By prioritising affordability without compromising on quality, MGB enhances community well-being while supporting national housing policies.

Central to this commitment to affordable housing is MGB's involvement in the Rumah Selangorku Idaman MBI initiative. Established through an association to provide affordable housing that seamlessly integrates residential areas with commercial and essential infrastructure, this initiative underscores the non-financial benefits the Group provides to its stakeholders. This reflects the Group's support for the Selangor state government's target of delivering 30,000 affordable homes by 2025.

RESPONSIBLE SUPPLY CHAIN

MGB is dedicated to ethical procurement practices, ensuring that all products and services obtained comply with all relevant laws and with consideration to both the environment and people. The Group implements a responsible supply chain strategy that requires all suppliers, vendors and third-party contractors to be informed of MGB's diverse policies. To strengthen this commitment, MGB requires written confirmation from these parties to acknowledge their understanding of these guidelines and policies. As of FY2024, all of MGB's supply chain has confirmed and maintained compliance in accordance with the Group's Sustainability Procurement Policy.

The Group performs regular evaluations during the contract period to ensure all associates continue to comply with the relevant laws. In instances of policy breaches, a warning is issued, providing suppliers with a chance to address the identified issues. However, repeated violations may result in the termination of the contract and the supplier's disqualification from future partnerships. Additionally, instances of significant non-compliance may be reported to the appropriate authorities if necessary.

Given the increasing importance of EESG considerations, MGB is currently looking into plans to implement EESG consideration in the supplier assessment process, further solidifying its commitment to sustainability and ethical business practices.

Group Sustainability Procurement Policy

MGB's Group Sustainability Procurement Policy was created in FY2023 to ensure that the Group's procurement division prioritises EESG considerations when sourcing for suppliers. This policy places business partners accountable for their environmental and social impacts, propagating sustainability to not just the Group's projects and nearby communities, but further out to other businesses MGB is associated with. This also helps reduce the risks to MGB's brand image and reputation by focusing on collaborations that are in full compliance with laws.

For more information on this policy, please visit https://mgbgroup.com.my/sustainability/

Local Procurement

As part of MGB's commitment to improve the livelihoods of the communities where the Group operates, MGB takes steps to prioritise local procurement which provides a wide array of benefits to both internal and external stakeholders. For MGB, the prioritisation of local suppliers allows for greater control over its supply chain, reduces transportation costs and diversifies its supplier-base to improve the Group's overall resilience. Externally, sourcing supplies locally helps in creating demand for local businesses which creates job openings, stimulates local economic growth and indirectly contributes to the overall economic development of the country. This also reduces the supply chain's environmental impact by reducing the emissions from longer travel distances.

The Group's commitment to local procurement is highlighted in MGB's continuous sourcing of materials from local sources, covering 100% of the Group's procurement budget. This initiative has been long ongoing, where all subsidiaries explicitly source materials from their operating regions. The only exception is MGB International for Industry ("MGBI"), which is the only subsidiary that operates in multiple countries.

PRODUCT QUALITY AND CUSTOMER EXPERIENCE

MGB values its customers and ensures that all products are provided with the highest quality. Through this, the Group aims to retain the loyalty of its customers and expand its market outreach, solidifying MGB's branding and reputation as the first choice for any construction and infrastructure work.

The Group utilises internal and external audits based on ISO 9001:2015 to ensure the quality of MGB's products. The quality is further enhanced by identifying areas of improvement in MGB's products through the incorporation of feedback or complaints from customers.

In FY2024, MGB launched only one new project, Idaman Perdana. However, the QLASSIC scores for three of MGB's older projects were released during the year. Notably, two of these projects, Ritma Perdana and BSP Idaman, achieved QLASSIC scores exceeding 70%, meeting the Group's internal quality targets.

In FY2024, MGB launched only one new project, Idaman Perdana. However the QLASSIC score for 3 of MGB's earlier projects, Ritma Perdana, Idaman BSP and KITA Mekar. Notably, the average score for the projects assessed exceeded 70%, meeting the Group's internal quality targets.

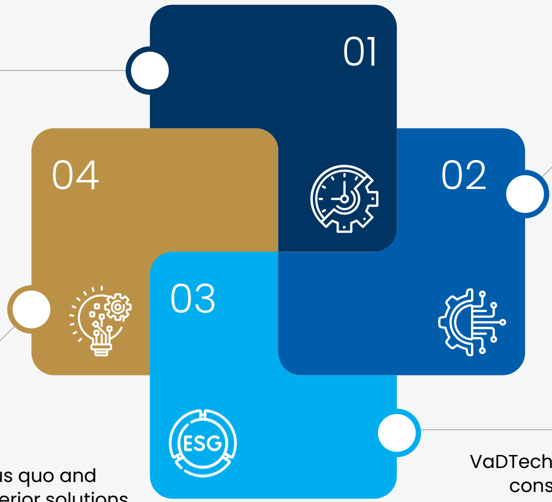
DIGITALISATION AND INNOVATION

As the world continues to evolve and integrate digital technology into its operations, MGB takes measures to ensure that the Group develops alongside current trends and integrates innovative technology that helps streamline and optimise processes. To date, the Group has implemented several technologies through the proprietary VaDTech, which incorporates Building Information Modelling ("BIM") integration and IBS solutions among other innovations. Through these innovations, the Group has achieved significant cost savings and improved operational efficiency that sets a higher bar for construction operations throughout the industry.

VaDTech

The Group's dedication to digitalisation is demonstrated through the integration of VaDTech solutions in the construction process, enhancing productivity and providing the Group with a competitive advantage in the construction industry. VaDTech solutions is a set of innovative tools that allow the Group to enhance time management, value, quality, resources and operational processes throughout all activities, ultimately leading to improved productivity. This methodology has transformed MGB's operations, establishing a new benchmark for efficiency and excellence.

The Group's VaDTech solution is founded upon the following four principles:



Efficiency & Productivity

The Group is aware of the rising cost of home ownership in Malaysia. While it cannot solve this issue, by leveraging VaDTech solutions, MGB can minimise operational costs and improve development efficiency. This allows for affordable housing projects that make home ownership a realistic dream for all Malaysians without compromising on size, quality and comfort.

Practicality

MGB's focus on practicality ensures that every technological adoption enhances productivity and efficiency from conception to completion. Leveraging extensive construction experience and VaDTech solutions, the Group aims to maximise value in the construction sector through advanced technology and innovative methods.

Innovation

MGB is committed to challenging the status quo and seeking innovative methods to deliver superior solutions. Driven by a strong passion and clear vision, the Group looks for opportunities amidst challenges. It is poised to offer optimal solutions that add significant value to the construction sector by optimising production, reducing environmental impacts and cutting costs.

EESG-Consciousness

VaDTech solutions are a powerful catalyst for EESG-consciousness and allows MGB to foster a safer and greener working environment that implements sustainable practices. The focus on affordable housing and construction methods is a strategic move that advances the affordable housing agenda. At the same time, VadTech solutions drive better traceability and visibility throughout the process.

The VaDTech solution provides the following benefits that MGB's customers will benefit from:

IBS Construction Solution

One of VaDTech's primary features is the introduction of IBS construction solutions. This technology transforms the construction sector, shifting it away from traditional construction work that is done on-site to a modular approach where buildings are built piece-by-piece from MGB's dedicated IBS factory in Alam Perdana, Nilai, capable of creating 6,000 new homes annually.

This solution improves the Group's resilience to labour shortages and fluctuations in material prices, as it standardises production in the area and allows for a more stable supply chain to be established while requiring minimal changes to the workforce in the production line. MGB, with its 15 years of experience in handling steel and aluminium frameworks through this technology, is one of the few leading players with the capability to deliver IBS products to the market. While MGB is testing the waters with the implementation of its Enterprise Risk Planning ("ERP") system, the Group's IBS solutions will become fully integrated with EESG considerations throughout and after the construction process.

Project	IBS Score
Idaman Melur	56.7%
Astella	71.3%

Investment Proposition Solution

MGB's proficiency in innovating with VaDTech has established it as a provider of investment solutions. The Group possesses the necessary expertise in design and planning that are essential for the development of a new industrial complex. Instead of merely duplicating conventional designs, MGB collaborates with investors to realise their distinct visions, providing the flexibility of customised industrial hubs that cater to their specific requirements.

Innovative Financing Solution

The construction sector serves as an indicator of a country's development and MGB has been instrumental in addressing the financial requirements essential for various construction initiatives. Utilising MGB's strong credit history, the Group offers customised financing options to clients, facilitating loans that enable them to meet their development goals.

Upcoming Water Technology Solution

An additional opportunity for the innovative application of VaDTech solutions lies in sustainable water management. The Group is prepared to incorporate value-added technology in the development of a new water treatment facility, with the objective of significantly lowering the operational expenses related to delivering clean water to local communities. This project not only highlights MGB's dedication to sustainability but also showcases its capacity to utilise advanced technology to improve community services.

Future Tech Solution Tracks

MGB's implementation of VaDTech provides unlimited possibilities for further technological integrations. The Group is broadening its scope, investigating new technologies that value-add to the model such as renewable energy ("RE") and data management solutions. MGB has already initiated the integration of enhanced RE capacity into its operations by installing solar panels at its IBS Precast Factory located in Nilai.

With a strong commitment to innovation, MGB is dedicated to addressing the increasing demands of the industry, providing comprehensive solutions to emerging sectors in Malaysia and contributing to regional development.

Digitalisation of Processes

MGB has taken a strategic approach to digitalisation by integrating technological innovations to enhance business efficiency and streamline operations. A key initiative under this strategy is the adoption of Epicor, a leading provider of industry-specific enterprise software. MGB Sany has implemented Epicor's system to digitise and simplify the e-invoicing process in anticipation of new regulations established by the Malaysian government that require real-time reporting and greater transparency in invoicing processes.

The adoption of Epicor's system addresses several operational challenges faced by MGB, including manual traceability issues, slow data generation and limited data analytics capabilities. By leveraging Epicor's advanced cloud-based solutions, the Group aims to enhance its compliance with new requirements while improving overall operational efficiency and data accuracy.

This transition marks a significant step in MGB's broader digital transformation journey, reinforcing its position as an industry leader in construction and property development. The increased automation and data-driven insights provided by Epicor will enable MGB to make more informed decisions, optimise resource allocation and strengthen its competitive advantage in the market.

Building Information Modelling

In line with the Group's dedication to digitalising the construction sector, MGB has integrated Building Information Modelling ("BIM") into all construction projects since FY2022 with the formation of a dedicated BIM team to spearhead the transition to digitalisation in the construction sector. Through this technology, building plans are converted to 3D designs and allow the incorporation of air flows, electrical setups and other building-related informatics that provide project stakeholders with all the necessary information used in the long-term planning of a building's life cycle.

Exceeding the original intent of meeting MGB's stringent quality standards, BIM additionally benefits stakeholders by reducing errors and on-site corrections, reducing delays and expenditures.

CLIMATE RESILIENCE

MGB Goal

Building a sustainable future with next-gen climate-adaptive construction practices.

Recognising the significance of the environment in the Group's operations, as MGB's services rely on various natural resources and climate stability to safeguard its projects and activities. Thus, MGB's Board and Management understand the importance of utilising resources efficiently, alongside minimising carbon emissions, waste and pollution, as an increasingly material concern that impacts both the Group and surrounding communities.

In MGB's commitment towards environmental stewardship and continuous innovation, the Group consistently evaluates the potential impact of its daily operations and adapts the environmental management strategy as needed.

These initiatives demonstrate MGB's dedication to surpassing regulatory compliance and spearheading strategic implementations that place the Group at the forefront of sustainable construction.

Material Topics:

- Circular Economy
- Climate Action
- Energy Management
- Water Management
- Biodiversity Conservation
- Effluent and Noise Management

UNSDGs Alignment:

6 CLEAN WATER AND SANITATION | 7 AFFORDABLE AND CLEAN ENERGY | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 11 SUSTAINABLE CITIES AND COMMUNITIES | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION | 15 LIFE ON LAND | 17 PARTNERSHIPS FOR THE GOALS

TASK FORCE ON CLIMATE-RELATED DISCLOSURES

In MGB's commitment to enhancing the climate resilience of all its projects and operations, the Group has integrated the Taskforce for Climate-Related Financial Disclosures ("TCFD") to identify, strategise and mitigate all climate risks faced by the Group. The TCFD disclosures, deliberated during a Climate Risk Assessment ("CRA") workshop in FY2023, allow MGB to foresee potential physical and transition risks caused by climate change, which covers potential damage and disruptions from natural disasters and the growing regulatory compliance and market shift towards EESG-centred products.

While MGB takes measures to enhance its climate resilience, the Group is also dedicated to reducing its carbon footprint in line with the national Net Zero Carbon Emissions target, set to be achieved by 2050. The Group had created a detailed carbon roadmap in FY2023, with the aim of assisting MGB's transition into a Net Zero entity.

Governance

MGB employs a top-down approach in its climate governance strategy to ensure that climate-related implementations remain feasible and are implemented thoroughly throughout the Group's operations. This approach is overseen by the Board through the Sustainability Committee ("SC"), responsible for creating climate-related strategies and integrating them with the Group's operations. Following this, the Group Sustainability ("GS") team oversees the day-to-day implementation and management of these climate plans and policies. The GS team also provides feedback on the progress and feasibility of the planned targets, ensuring that all drafted policies can be achieved throughout the Group's entire operations.

Further under management, the various Heads of Departments ("HODs") employed throughout the Group are responsible for implementing and monitoring the Group's climate strategies and targets in their respective departments. Each HOD will track the targets and report the performance to the GS and Board, providing circular feedback that allows for constant alignment between the operational and managerial levels.

Beach clean up 2024

Strategies

Net Zero Carbon Emissions by 2050 Roadmap

In MGB's dedication towards achieving carbon neutrality, the Group created the Net Zero Carbon Emissions by 2050 Roadmap to ensure operations remain on track to meet MGB's climate commitments and strategising as needed.

Our Approach to Net Zero Carbon Emissions by 2050 Roadmap

In our commitment to achieving carbon neutrality by 2050, we have developed a comprehensive roadmap with measurable short-term, medium-term, and long-term key performance indicators.

2022 | 2023 | 2025 | 2030 | 2050

Short-Term Strategy: Setting Measurable Targets

To align with our commitment, we have established measurable short-term objectives.

- To achieve 5% reduction of energy intensity by revenue
- To achieve 5% reduction of carbon intensity by revenue

Medium Term Strategy: Halving Emissions

Enhancing our commitment to climate transparency and accountability, actively supporting TCFD to foster better climate-related financial disclosures. This initiative is part of our strategic approach to achieving our ambitious 2030 goal for greater climate resilience and sustainability, guided by two core strategies and six decisive climate actions.

Our Strategy	Our Climate Action
Business Strategy Integration	• Land Acquisition Due Diligence • Digitalisation
Operational Reduction	**Internal** • Decarbonisation Strategy
	Internal & External • Green Mission Programme • Sustainable Procurement/ Supply Chain • Tenant Management

Long Term Strategy: Climate Action

Our long-term strategy is firmly rooted in a commitment to environmental stewardship and sustainable development. Central to our approach are two key climate actions designed to advance our sustainability objectives:

- Carbon Storage or Capture
- Investing directly/ indirectly in large-scale solar farms

Achieve Net Zero Carbon Emission

Through the roadmap, the Group was able to identify and prioritise initiatives by short-, medium- and long-term objectives, each backed by KPIs and targets that are constantly monitored to ensure the Group remains on track towards achieving its overarching carbon neutrality goals. As an interim target, the Group is committed to reducing half of its operational emissions by 2030, alongside adopting two strategies and six climate actions to strengthen the Group's climate resilience.

The Group's climate objectives are tied to several EESG targets that contain various milestones. This assists MGB in monitoring its progress, allowing for a more adaptive approach to the Group's climate strategy.

Strategy	Climate Action
Business Strategy Integration	**Land Acquisition Due Diligence** Ensuring that land is acquired in regions with low climate risks, reducing the likelihood of damage and additional costs from external factors such as natural disasters.
	Digitalisation Digitalising processes through VaDTech, creating additional value, improving efficiency and minimising the Group's environmental footprint. This technology is one of MGB's key drivers in maintaining its competitive edge.
Operational Reduction	**Internal:**
	Decarbonisation Strategy Minimising carbon footprint through the adoption of sustainable practices, primarily on energy consumption reduction.
	Internal and External:
	Sustainable Procurement/Supply Chain Integrating carbon reduction initiatives throughout the Group's supply chain, ensuring that all operations are contributing to the Group's overarching net-zero emissions goal.

In the Group's long-term roadmap, spanning between 2030 and 2050, MGB plans to implement Carbon Capture and Storage ("CCS") measures and begin investing in wholly owned or external large-scale solar farms. This initiative aims to fully offset the Group's electricity consumption and significantly reduce Scope 1 emissions while re-absorbing the remaining emissions through the use of CCS technology to achieve carbon neutrality. Positioning these initiatives in the long-term allows MGB to allocate investments at a point in time when CCS and renewable technologies become sufficiently mature for widescale implementation.

Internal Carbon Pricing

MGB is exploring the implementation of an internal carbon pricing mechanism as part of its commitment to reducing carbon emissions and aligning with global sustainability standards. The Group is assessing the feasibility of setting an internal price of RM20 per tonne of CO_2, drawing on established frameworks such as Bursa Malaysia's Voluntary Carbon Market ("VCM") and the European Union's Carbon Border Adjustment Mechanism ("CBAM"). This initiative aims to embed carbon costs into decision-making processes across various levels of the organisation, encouraging more sustainable practices and improving operational efficiency.

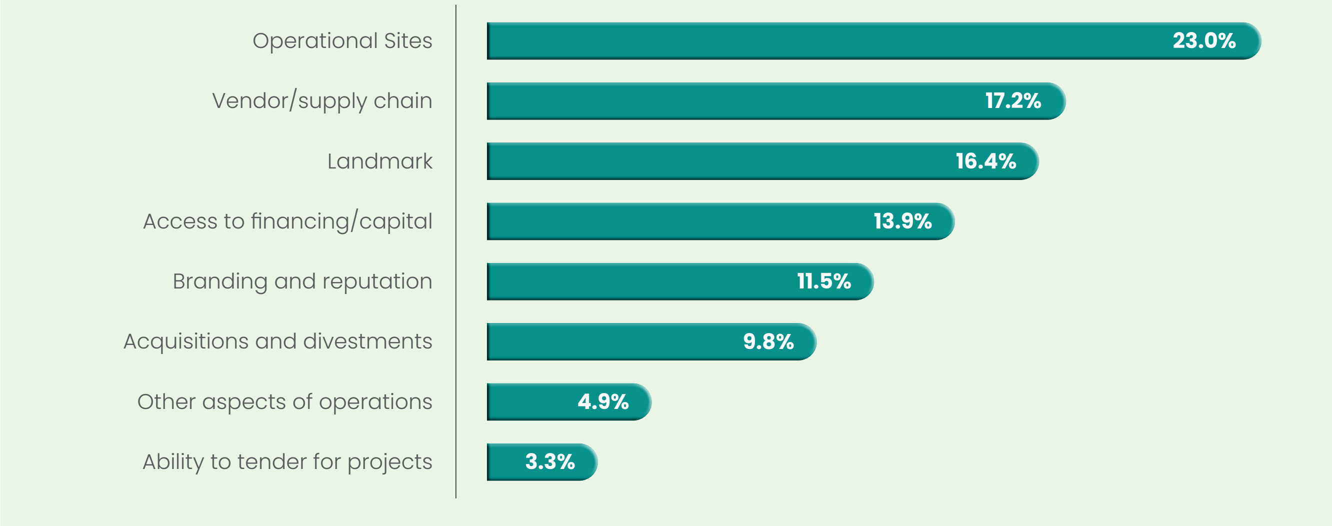
By proactively exploring internal carbon pricing, MGB aligns with national initiatives and strengthens its position as an industry leader in sustainability. The Group's approach supports the development of an Emissions Trading System ("ETS") under Malaysia's environmental sustainability plan for 2020–2030, reinforcing its long-term commitment to reducing environmental impact and integrating climate considerations into its core business strategy.

Risk Management

Climate Scenario Planning

In alignment with the Group's strategy to bolster long-term resilience to climate change risks, MGB continues to implement the identified climate change risk assessment and scenario planning strategies, established in FY2023. This assessment identifies areas of MGB's operations that are vulnerable to physical and transition risks, allowing the Group to prepare mitigation measures and capitalise on the opportunities presented with this transition to a more carbon-resilient future.

BUSINESS/OPERATIONAL EXPOSURE RANKINGS TO CLIMATE CHANGE RISKS AND IMPACTS



During the exercise, MGB performed a risk assessment that focused on various physical and transitional risks. For each identified risk, the Group outlined several possible impacts and estimated the duration before these impacts could influence business operations. The timeframes were categorised as short-term ("S") for impacts anticipated within two years, medium-term ("M") for those expected to occur in three to five years and long-term ("L") for impacts ranging up to 10 years.

Potential Impacts	Timeframe	Mitigation Measures
Physical Risk – Flash Floods		
Increased damages and liabilities on ongoing projects	S to L	• Monitoring of rainfall at all construction sites via rainfall measurement devices • Provisions for the development of large stormwater infrastructure including drains and retention ponds at all relevant sites if required • Increasing training and awareness sessions on flash flooding as part of the overall OSH training for site workers at areas that may be prone to flash flooding
Changes in planning and design, resulting in higher development cost	M to L	
Delay in construction time	S to L	
Supply chain disruptions	S to L	
Insufficient insurance coverage during construction	M to L	
Availability of suitable land bank for development	L	
Rise in vector-borne diseases	S to L	
Increased OSH incidents	S to L	

Potential Impacts	Timeframe	Mitigation Measures
Physical Risk – Rising Temperature		
Changes in planning and design, resulting in higher development cost	M to L	• Continuous improvements in the defect management process, including incorporating the potential usage of automation and technology for swift and full rectification of defects • Changes in design approach to maximise natural crosswind ventilation, more shaded areas and reduced exposure to direct sunlight • Increased use of landscaping (selection of shady trees, inclusion of water features, etc.) to provide a cooling effect
Worker health issues and increased OSH incidents	S to L	
Increased issues of defects and liabilities	S to L	
Physical Risk – Drought		
Water scarcity	M to L	• Identify and tap alternate water sources
Transitional Risk – Increased Green Regulations		
Increased green feature requirements within developments	M to L	• Continuous engagement with local, state and federal authorities, as well as industry bodies and professional associations on the changing requirements. These include CIDB, MBAM and other bodies
Increased recycling of construction and other waste	L	
Increased requirements for water- and energy-saving features in developments	M to L	
CIDB initiatives (Green Building Index)	S to L	
Transitional Risk – Access to Financing		
Likelihood of reduced margin of financing or higher interest rates due to low EESG scores or high environmental footprint	L	• Continued engagements with bankers and financiers to understand their priorities for portfolio decarbonisation
Transitional Risk – Adopting Energy-Efficient Solutions		
Increased costs to transition to RE/electricity use compared to fossil fuels	S to L	• Commence using a higher proportion of electricity at operation sites as opposed to fossil fuels • Consideration for more "green features" in projects, i.e. provision of EV charging stations, increased use of LED lighting for common areas, etc. • Implementation of Battery Energy Storage Systems as a means to reduce reliance on diesel-powered generators

The Group also identified several opportunities that can be capitalised on during the workshop:

Potential Opportunity	Timeframe
Increased Demand for IBS Precast & Formwork Systems	
Growth in business opportunities	S to L
Strengthening of brand reputation as a leading IBS solutions provider	S to L
Reduced manpower costs	S to L
Improvements in addressing physical climate change risks (i.e. faster building times reduce workers' exposure to floods, increased temperatures, etc.)	L
Purchasing Carbon Credits	
Offsetting carbon emissions	L
Opportunities for brand building and strengthening reputation as a responsible company	L
Expansion into New Business Sectors & Industries	
Business diversification into new niche sectors (i.e. green buildings, thermal energy storage, cooling systems, data centres, etc.)	S to L

Through the TCFD adoption, the Group also estimates the likelihood of these climate risks occurring through MGB's operations and its associated financial consequences. This is done through a comprehensive scenario analysis, utilising the Network for Greening the Financial System ("NGFS") Net Zero 2050 scenario and the IPCC Representative Concentration Pathway ("RCP") 3.4. The NGFS Net Zero 2050 scenario is driven by national or regional commitments to achieve net-zero emissions by 2050, while the IPCC RCP 3.4 scenario outlines the potential impacts of climate change, including changes in temperature, precipitation levels and sea level.

These scenarios also helped the Group plan strategic mitigation and management measure to reduce potential climate-related impacts. These mitigation measures are routinely reviewed as and when needed to ensure that they remain effective and relevant to MGB's operations. As of FY2024, these measures were found to be still relevant.

Scenario	Impact	Mitigation Measures
Loss of Operational Days		
+5%	**Minimal** Near-negligible impacts on operations.	• Optimise work schedule, providing additional manpower, work hours, or equipment as necessary.
+10%	**Moderate** Significant project delays and some financial impact.	• Optimise work schedule, providing additional manpower, work hours, or equipment as necessary. • Hold discussions with the supply chain to accelerate or advance the delivery of goods and services. • Review project timelines and obtain extensions from relevant authorities.
+20%	**Significant** Material reduction in profits. EOD requests are potentially necessary.	• Optimise work schedule, providing additional manpower, work hours, or equipment as necessary. Equipment from unaffected areas is to be reallocated to delayed projects. • Hold discussions with the supply chain to accelerate or advance the delivery of goods and services. • Acquire permission to extend working hours from authorities.
Supply Chain Disruptions		
>1 month	**Moderate** Delays will occur within acceptable limits. Minimal financial impact.	• Expand the procurement network with an emphasis on local suppliers.
>3 months	**Significant** Significant delays may begin to cause financial impacts.	• Expand contracts to include provisions that highlight the accountability of subcontractors and compensate MGB in cases of emergency. • Prepare alternative materials in cases where key components cannot be delivered in a timely manner.
>6 months	**Materially Significant** Significant delays that materially impact finances. Extension of Time requests and contract renegotiations with affected parties are potentially necessary.	• Expand contracts to include provisions that highlight the accountability of subcontractors and compensate MGB in cases of emergency. • Prepare alternative materials in cases where key components cannot be delivered in a timely manner. • Expand insurance policies as required. • Reduce supply chain dependency by producing materials independently where possible.

Scenario	Impact	Mitigation Measures
Reduction in Worker Productivity due to Weather, Illness, etc.		
+5%	**Minimal** Minor increase in productivity losses and medical expenses.	• Adjust employee schedules to minimise the likelihood of illness among staff. • Maintain roofing and hydration facilities to shield workers from heat exposure. • Implement shorter work shifts during periods of elevated temperatures.
+10%	**Moderate** Noticeable decrease in productivity and higher medical claims.	• Adjust employee schedules to minimise the likelihood of illness among staff. • Maintain roofing and hydration facilities to shield workers from heat exposure. • Implement shorter work shifts during periods of elevated temperatures. • Optimising work schedule by reallocating workers to cooler periods of the day. • Secure approval from authorities to work beyond the stipulated hours. • Provide more medical coverage for heat-related illnesses.
+20%	**Significant** Significant productivity reduction and higher medical expenses. Likely failure to meet several deadlines, causing further financial loss.	
Increased Requirements for Green Building Features		
+5%	**Negligible** Minor financial impact. Costs can be recuperated.	• Maintain operations. Risks at this stage fall within MGB's expectations.
+10%	**Moderate** Moderately increased prices and increased likelihood of longer construction times.	• Optimise and design innovative solutions to green building engineering methodologies. • Potentially distribute costs further downstream to ensure financial targets can be met.
+20%	**Significant**	• Optimise and design innovative solutions to green building engineering methodologies.

Metrics and Targets

In MGB's commitment to maintaining transparency and accountability in its climate performance, the Group reports its Scope One, Two and Three emissions since FY2021. The disclosed emissions are audited internally to ensure their accuracy.

The sources of MGB's emissions for FY2024 are:

- **Scope One (Direct Emissions):** Fossil fuel (diesel and petrol) consumption by company vehicles
- **Scope Two (Indirect Emissions):** Purchased electricity consumed by operational activities
- **Scope Three (Other Indirect Emissions):** Employee commuting, business travel and waste generated during operations

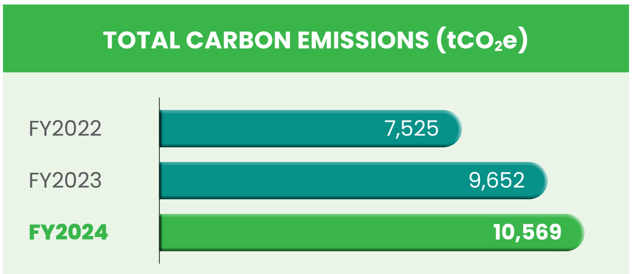
All reported emissions have been assessed following the methodologies set by the World Business Council for Sustainable Development and the World Resource Institute's ("WBCSD/WRI") Greenhouse Gas ("GHG") Protocol. Additionally, emission factors are sourced from the Intergovernmental Panel on Climate Change ("IPCC") Sixth Assessment Report ("AR6"), the Malaysian Green Technology and Climate Change Centre ("MTGC") and the United Kingdom's Department for Environment, Food and Rural Affairs ("DEFRA").

CLIMATE CHANGE AND EMISSIONS MITIGATION

Climate change is an ever-pressing issue experienced worldwide, causing natural disasters to increase in frequency and leading to increased costs and risks by organisations everywhere. While the construction sector is traditionally a significant contributor to climate change, MGB takes every measure to mitigate the impacts of climate change and reduce its carbon footprint, in line with Malaysia's carbon mitigation aspirations. In preparation for the evolving climate developments, MGB has taken several measures to reduce its carbon footprint.

Carbon Emissions

MGB is committed to minimising its environmental impact mainly through proactive GHG emission management. In FY2024, the Group's carbon emissions have been following the upwards trend over the past three years in line with MGB's overall business growth.

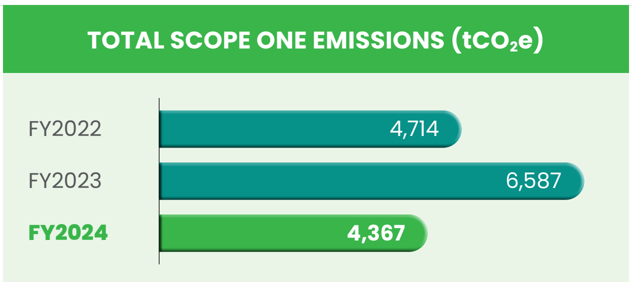


Scope One Emissions

Scope One emissions are direct GHG emissions from sources owned or controlled by MGB, such as fuel combustion in vehicles, machinery and equipment. These emissions primarily result from the daily operations of MGB's extensive fleet of construction vehicles, on-site machinery and other energy-intensive equipment used across its various projects.

Overall, the Group's Scope One emission in FY2024 has seen an improvement as MGB is beginning to reduce its reliance on conventional fossil fuel for energy generations. This has mainly been achieved by utilising Battery Energy Storage System ("BESS") to replace diesel for power generation. This innovative approach allows the Group to power generators used at the project site with energy stored by the BESS instead of relying on diesel.

Battery Energy Storage System

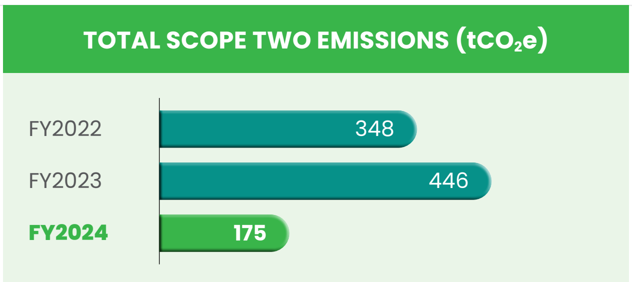


Note: Carbon emissions have been calculated based on conversion factors from IPCC AR6

Scope 2 Emissions

Scope Two emissions are a result of indirect energy consumption, primarily electricity from the national grid, for powering MGB's offices and operational facilities. This includes electricity needed for lighting, air conditioning and powering office equipment.

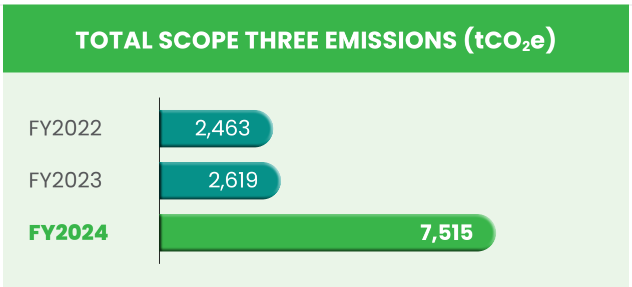
Despite the increase in overall projects, MGB has managed to significantly reduce Scope Two emissions in FY2024. This was achieved as most project sites utilise fossil fuel-powered generators instead of relying on the national grid. Additionally, MGB's headquarters and Precast Factory increased their reliance on solar power, thereby reducing the demand for purchased electricity and lowering overall Scope Two emissions.



Note: Carbon emissions have been calculated based on conversion factors from IPCC AR6

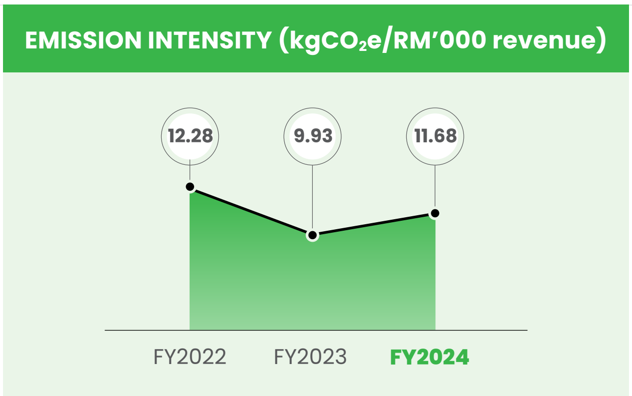
Scope 3 Emissions

Scope 3 emissions are generated indirectly by the Group's activities, which include business travel and employee commuting.



Note: Carbon emissions have been calculated based on conversion factors from IPCC AR6 and the United Kingdom's DEFRA (for waste emissions)

Carbon Intensity



Volatile Organic Compounds

Volatile organic compounds ("VOC's) are compounds contained within paints and emulsions that are released when used and during drying. Given the widespread use in the construction sector, MGB has consistently undertaken efforts to minimise these emissions throughout its operations. Recently, the Group has begun relying more on paints that have received the Singapore Environmental Council ("SEC") Green Label. Paints that have received this label typically have low or near-zero levels of VOC. As of FY2024, a significant portion of the pain the Group uses have received this certification. This will be expanded as MGB prioritises sourcing paints and emulsifiers with this certification in the future.

UNLOCKING ENERGY EFFICIENCY

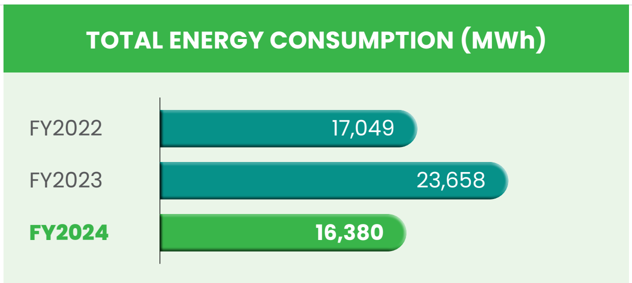
MGB recognises the complex relationship between its energy consumption and wider environmental and societal factors. Apart from the negative impacts associated with excessive energy use, inefficiencies lead to increased costs that can be reduced through the use of more energy-efficient appliances and renewable energy ("RE").

In an effort to mitigate climate issues caused by energy generation, the Group meticulously oversees and regulates its energy usage in accordance with its comprehensive HSE Policy and the EMS 14001:2015 certification. Furthermore, the Group ensures that the most recent energy conservation initiatives are regularly communicated to its employees through internal communications and training programmes.

MGB also employs solar panels throughout all its buildings, capitalising on renewable energy to drive down costs and reduce carbon emissions. In FY2023, the Group generated 19,195 kWh of electricity from its solar panel installations, offsetting 14.55 tonnes of CO_2e. Furthermore, the Group established partnerships with various entities including the MGTC and Midwest Green Sdn Bhd ("MWG") to further propagate its RE development. The same has been maintained for FY2024.

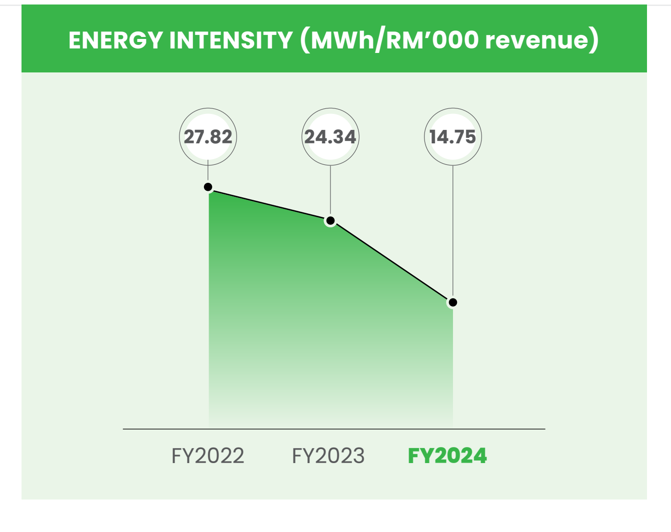
Energy Consumption

MGB utilises a mixture of electricity and fuels to conduct activities throughout the year. Fuel is utilised in every aspect of the Group's operations, including managerial, administrative, construction and manufacturing operations. The use of each fuel also varies in nature, such as utilising diesel to power construction equipment and generators alongside petrol for facilitating employee transportation through the Group's fleet of vehicles. In FY2024, the Group utilised a total of 54,796.52 GJ of energy (or equivalent to 16,380 MWh).



Electricity is used in every facet of the Group's operations, ranging from powering its offices to enabling the Group to produce its IBS precast concrete.

Energy Intensity



Energy Saving Initiatives

MGB adopts a dual approach to improving energy efficiency by combining technological upgrades with employee engagement to reduce overall energy consumption. On the technological front, the Group has implemented various measures to enhance energy efficiency, including replacing all office lighting with LED bulbs. LED lighting not only consumes less energy but also provides improved lighting output, contributing to a more comfortable and productive working environment. This transition reflects MGB's commitment to leveraging modern technology to minimise its environmental footprint and reduce operational costs.

In addition to technological upgrades, MGB actively promotes a culture of energy consciousness among its employees. The Group has introduced initiatives such as installing strategic signage in key areas to remind employees to avoid unnecessary energy consumption. Employees are encouraged to turn off lights, air conditioning and other electrical equipment when leaving the office, particularly at the end of the day and during lunch breaks. These behavioural changes are designed to complement the Group's structural improvements, reinforcing the importance of responsible energy use across all levels of the organisation.

To further enhance energy efficiency and reduce its carbon footprint, MGB is also working to reduce reliance on fossil fuels, particularly in transportation. The Group is in the process of transitioning its fleet to electric vehicles ("EV"), which will significantly lower emissions and operating costs over the long term. This strategic shift supports MGB's broader sustainability goals by aligning its transportation practices with global efforts to reduce greenhouse gas emissions.

WATER MANAGEMENT

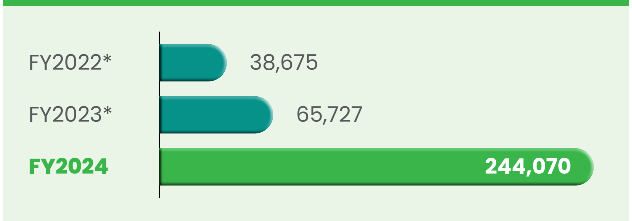
In the construction sector, water is an essential resource that significantly impacts the quality of both products and services. In addition to its use in landscaping, general cleaning and plumbing, water is crucial for cooling machinery and the concrete batching process. Recognising its significance, MGB has established a comprehensive internal HSE Policy to regulate water usage. This initiative is further strengthened by the Group's ISO 45001 certification, implemented since 2018.

Water Consumption

MGB's water consumption has increased in line with the growing number of development projects undertaken by the Group. Over the past three years, most of the Group's water usage has been sourced from municipal supplies. However, beginning in FY2024, MGB introduced groundwater as an alternative water source to diversify its supply and enhance water security. This shift has contributed to a notable increase in reported water consumption, as previous years' data only reflected municipal water usage, whereas groundwater tracking only commenced in FY2024.

Importantly, none of the water consumed by the Group is sourced from water-stressed regions. This ensures that MGB's water consumption practices do not add to local water scarcity issues, aligning with the Group's commitment to responsible resource management.

TOTAL WATER CONSUMPTION (m³)

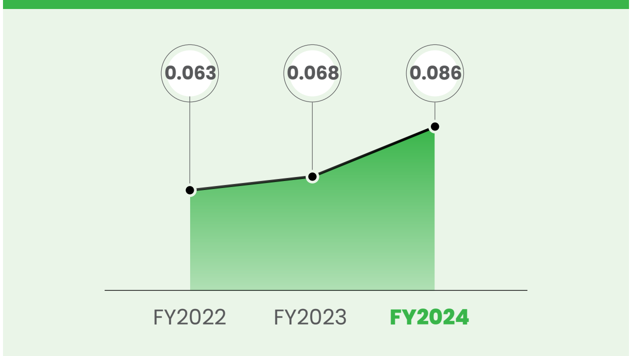


* *FY2022 and FY2023 data only includes municipal water*

Water Performance Data	FY2024
Water Withdrawal by Source (m³):	
Surface water withdrawal (lakes, rivers, natural ponds)	3,147
Groundwater withdrawal (wells, boreholes)	152,098
Used quarry water withdrawal	-
Municipal potable water withdrawal	88,825
External wastewater withdrawal	-
Harvested rainwater withdrawal	-
Ocean/Seawater withdrawal	-
Total Water Withdrawal (m³)	**244,070**

Water Intensity

WATER INTENSITY (m³/RM'000 revenue)



Since groundwater and surface water consumption tracking was only conducted in FY2024, MGB's water intensity measurements will still be based on municipal water consumption. This is also because not all operational sites consume surface or groundwater, so using municipal water provides a consistent, Group-wide standardised metric for comparison.

Water Saving Initiatives

MGB's approach to water management is further enhanced by the Group's approach to water management, which focuses on the monitoring of concrete usage to optimise and reduce excessive water consumption for its various projects. Beyond optimisation, the Group utilises water recycling procedures from nearby operations like silt traps, for non-critical works such as cleaning. This helps reduce the Group's reliance on municipal water sources and allows more water to be allocated to the community, contributing to local climate resilience.

In MGB's continued commitment towards water conservation, the Group has established plans that extend to the next 3 years. By FY2028, the Group intends to implement a thorough management plan that encompasses all project locations. This strategy aims to decrease the Group's reliance on municipal drinking water by identifying and utilising alternative water sources within these areas. Furthermore, MGB is continuing to look into additional sustainable water sources, including the potential use of groundwater at the Cybersouth site for daily non-potable applications.

A water footprint assessment is currently being developed for MGB's manufacturing division, which will enable the Group to monitor water consumption at the MGB SANY manufacturing facility and prepare additional water conservation strategies. The implementations may include upgrading existing water fixtures to more efficient variants and integrating smart technology in frequently visited areas to optimise water consumption and minimise wastage.

Throughout FY2024, the Group did not face any reports of non-compliance, showcasing the Group's commitment to safeguarding the environment and its surrounding water resources.

EFFLUENT MANAGEMENT

The Group's established Health, Safety and Environmental ("HSE") Policy forms the basis of MGB's approach towards effective pollution prevention, including effluent management. This policy is closely aligned with the Environmental Quality Act ("EQA") 1974, ensuring seamless integration with the regulatory framework established by the Department of Environment ("DOE") Malaysia. In line with the HSE Policy, the Group guarantees that all water discharge is monitored and measured regularly to conform to the stringent limits set by the EQA.

This systematic approach, driven by the HSE Policy, has consistently enabled MGB to achieve full compliance with regulatory standards, with no recorded instances of non-compliance in FY2024. This commitment highlights MGB's dedication to upholding the highest environmental standards, safeguarding water quality and demonstrating leadership in environmental stewardship.

RESOURCE CONSUMPTION

MGB aligns its resource consumption and management strategies with its responsible waste management initiatives, in line with the Group's principles of environmental stewardship and efficiency. The Group is dedicated to minimising its dependence on natural resources across its operations, utilising MGB's innovative VaDTech solutions alongside the Group's Sustainable Procurement Policies.

The Group's hierarchical strategy, complemented by the use of advanced construction technologies, enables it to enhance its core business activities through the incorporation of recovered materials for a lower environmental footprint. In FY2024, 4.2% of the Group's materials are derived from recycled materials. Furthermore, MGB's implementation of the IBS Precast Construction System and the Aluminium Formwork System improves the accuracy of the construction process, minimising the use of materials such as timber and concrete and indirectly reducing waste generation. Parallel to this initiative, the Group's British Reinforcement Concrete ("BRC") wire mesh is pre-cut to precise dimensions at a fabrication facility to reduce waste at the construction site.

Material Consumption Data

As MGB's operations are centred around construction projects, most of the material consumed includes concrete and steel components, which are also utilised for the production of MGB's IBS precast concrete.

Material	Unit	Year		
		FY2022	FY2023	FY2024
Cement	MT	7,997	16,585	**15,437**
Concrete	MT	190,808	395,574	**511,646**
Sand	MT	1,524	3,067	**2,787**
Aggregate	MT	128.72	371.85	**23.91**
Reinforced Bar/Steel Bar	MT	3,999	11,127	**10,639**

Material-Related Initiatives

MGB's VaDTech Solutions is an innovative technology that enhances resource efficiency throughout its operations. This, alongside the incorporation of IBS and BIM methodologies, demonstrates the Group's forward-thinking approach to resource management.

The Group has begun adopting the Epicor Enterprise Resource Planning ("ERP") system as a comprehensive digital tool to streamline and optimise business operations. The Epicor ERP system allows MGB to reduce material consumption by accurately monitoring inventory levels in real-time and making accurate demand forecasting that helps prevent overproduction and that leads to waste.

In addition to new systems, the Group is planning a transition to ECO Sand utilisation that is sourced with a significantly lower environmental footprint to further improve the environmental performance of the Group's concrete batching. This assists the Group in moving closer towards its 2050 carbon neutrality goal.

Outside of the Group's operations, MGB continues to prioritise suppliers that have commitments towards reducing their GHG footprint. This initiative aims to set a precedence that encourages producers to incorporate sustainable practices, contributing to a green supply chain and a cleaner environment wherever the Group operates.

WASTE MANAGEMENT

MGB demonstrates its dedication to responsible waste management through a comprehensive six-tier waste management hierarchy. This framework is designed to mitigate pollution and decrease the amount of waste sent to landfills. The implementation of this integrated waste management system has been practised by the Group at all project locations since FY2023. Furthermore, this system is designed to align effectively with MGB's other ongoing initiatives and policies, including its HSE Policy, EMS 14001:2015 certification and shift away from the use of single-use plastics at the Group's construction sites. This not only minimises waste but also promotes the adoption of environmentally friendly practices among employees.

MGB has been actively implementing a Zero Single-Use Plastic campaign throughout FY2024 as part of its commitment to reducing waste and promoting sustainable practices. Under this campaign, the use of single-use plastics is strictly prohibited across all operational sites and Group offices. To reinforce this commitment, MGB has even removed individual dustbins from its office spaces, encouraging employees to be more mindful of their waste disposal habits. This approach ensures that waste generated within specific parts of the Group's operations is sorted and directed toward recycling, supporting the Group's broader waste management strategy.

Through the Zero Single-Use Plastic campaign and other waste reduction initiatives, MGB has significantly minimised non-recyclable waste across its offices. As a result, the primary sources of waste now come from construction activities, where construction debris and scheduled waste that cannot be recycled are produced. Despite this, MGB remains focused on responsible waste management. Scheduled waste is carefully stored in designated zones within each operational site and collected by waste collectors licensed by the DOE for proper disposal. This ensures that hazardous and non-recyclable materials are managed in compliance with regulatory standards.

Total Waste (kg)	FY2023	FY2024
Recycled Waste (Diverted from Disposal)	254.04	**424.83**
Disposed Waste (Directed to Disposal)	4,105.05	**12,203.05**

In FY2024, the Group did not encounter any instances of non-compliance, demonstrating its dedication to proper waste management procedures and mitigating pollution in the environment.

BIODIVERSITY CONSERVATION

MGB recognises the importance of biodiversity in sustaining the balance of the natural environment and its influence on communities that depend on the natural resources provided by ecosystems. Recognising this, the Group takes every possible measure to minimise the impact of its activities on the local flora and fauna.

The Group's objective regarding projects exceeds regulatory compliance with current green landscape regulations. MGB aims to exceed these standards by 10% by the end of FY2025. As of FY2024, MGB has made steady progress, attaining 20.23% green landscape coverage in Idaman Perdana, the Group's new project for the year.

As a responsible project developer, MGB adheres closely to all guidelines and regulations related to biodiversity management, especially when operating near sites with high conservation value ("HCV"). For projects located in ecologically sensitive areas, an Environmental Impact Assessment ("EIA") is typically required by the Department of Environment ("DOE"). These EIAs outline proper management and impact mitigation measures recommended by the relevant authorities and local agencies in charge of biodiversity management.

While MGB does not typically conduct these EIA studies directly, as they fall under the responsibility of the project owner, the Group remains committed to aligning its construction and development activities with the prescribed biodiversity management plans. Once an EIA has been conducted and biodiversity management measures have been outlined, MGB follows them closely to minimise any potential harm to the local ecosystem. This includes adopting site-specific mitigation strategies, such as controlling construction runoff and managing waste disposal to prevent environmental degradation.

As of FY2024, most of MGB's ongoing projects are not located near HCV sites and, therefore, do not require an EIA. However, even in the absence of an EIA, MGB takes proactive steps to minimise environmental and ecological harm. The Group ensures full compliance with all applicable regulatory requirements related to construction activities, including measures to prevent risks such as water and waste pollution. By maintaining strict environmental controls and adopting best practices in biodiversity management, MGB reinforces its commitment to sustainable development and environmental stewardship.

SOCIAL ENRICHMENT

MGB Goal

Foster inclusive and thriving communities and workforce through technology-enabled skills development, workplace safety initiatives and accessible construction projects.

Social performance is an essential aspect of MGB's business activities, as it relates to the management and development of key personnel, which is crucial for the Group's operational continuity. Consequently, the Group places significant emphasis on talent and labour management. MGB aims to establish itself as a leader in employment practices, prioritising the welfare and professional growth of its employees.

Outside the Group, MGB is committed to fostering positive societal contributions within the surrounding communities by getting involved through both financial and non-financial means. This commitment also encompasses individuals who, while not directly employed by the Group, are integral to its broader supply chain.

Material Topics:

- Talent Management
- Occupational Health and Safety
- Community Engagement
- Labour Practices and Human Rights
- Diversity, Equity and Inclusion

UNSDGs Alignment:

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

HUMAN CAPITAL DEVELOPMENT

MGB recognises the significance of a capable and talented workforce in driving the Group's operations by providing employees with the means to advance their careers through targeted and innovative training. This dedication is tied to the Group's commitment to fostering the career progression of its workforce, which in turn, benefits MGB by providing a roster of competent and satisfied employees.

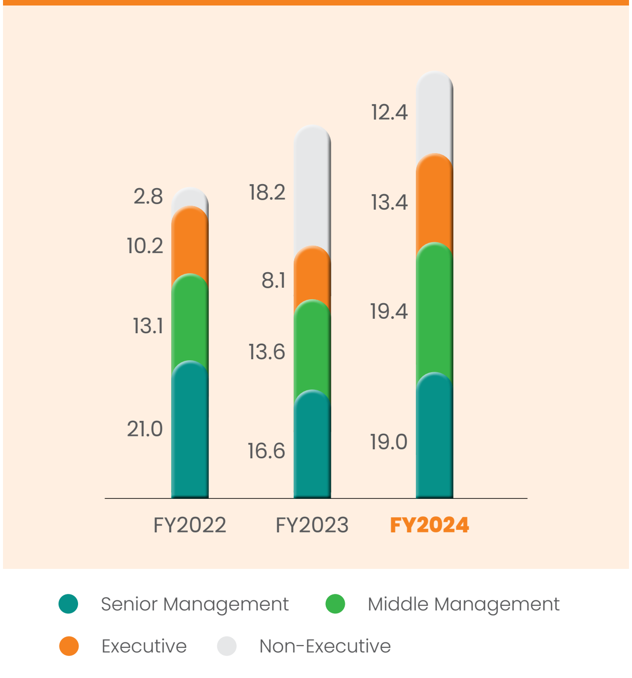
MGB's formalised Human Resource Learning and Development Policy can be viewed at: https://mgbgroup.com.my/sustainability/.

Training Procedures

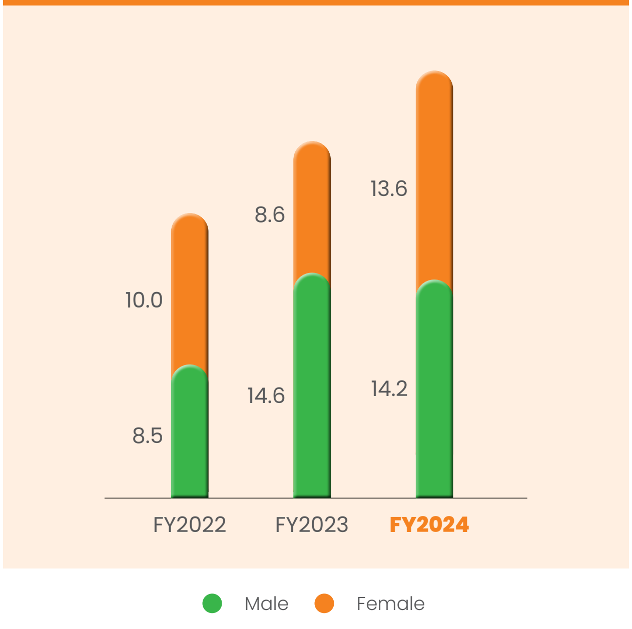
Training efforts conducted by the Group are coordinated by each HODs in conjunction with the HR Department. This approach optimises and streamlines training initiatives, providing employees who are ready to proceed with the next step with the means to advance their careers. MGB's approach to training has been established under the Training and Development Standard Operating Procedure ("SOP") which assists Management in identifying and providing tailored training opportunities according to the identified skill gaps of each employee.

Employees can also request training through a Training Requisition Form, with each training course customised to meet the specific skill gaps of the employee. MGB also consults suitable experts concerning the Group's focus in regard to developing employee competency. This is especially important when developing new skills and capabilities required with the proliferation of digitalisation and technology. Feedback from employees is always collected after any training programme to assess its effectiveness and guide further programmes moving forward. Overall, in FY2024, MGB conducted a total of 10,492 hours of training for its employees across the Group.

AVERAGE TRAINING HOURS PER EMPLOYEE BY EMPLOYMENT CATEGORY



AVERAGE TRAINING HOURS PER EMPLOYEE BY GENDER



Performance Appraisal

MGB conducts annual employee evaluations through the Group's holistic performance appraisal system. Through this process, every employee conducts a self-assessment of their performance and provides feedback to help measure individual performance against the Group's overall targets and performance. The Group's self-assessment procedure provides a collaborative platform between both the employee and their supervisors that provides a tailored analysis of each employee's skills that can be polished further. This feedback can be forwarded to the HR department to provide specific training that benefits every individual in accordance with their needs.

Apart from advancing the skills of MGB's talents, the Group's appraisal process contributes to higher employee satisfaction and retention rates. In FY2024, all Group employees had undergone the appraisal process.

DIVERSITY, EQUITY AND ATTRACTION

Diversity in Employment

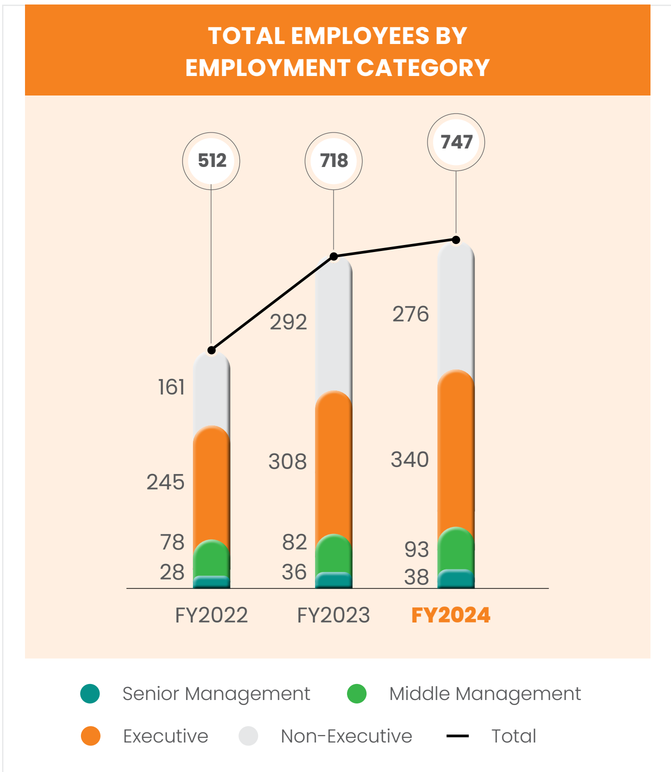
MGB recognises the wide array of perspectives that a diverse workforce can provide. Thus, the Group is committed to upholding non-discriminatory practices in its workforce management, ensuring that employees are evaluated solely on their skills and professional achievements, particularly in the areas of recruitment, promotion and performance evaluation for salary increments. To uphold this commitment, the Group implements a zero-tolerance stance towards any type of discrimination to provide a safe and productive workplace for everyone employed by MGB.

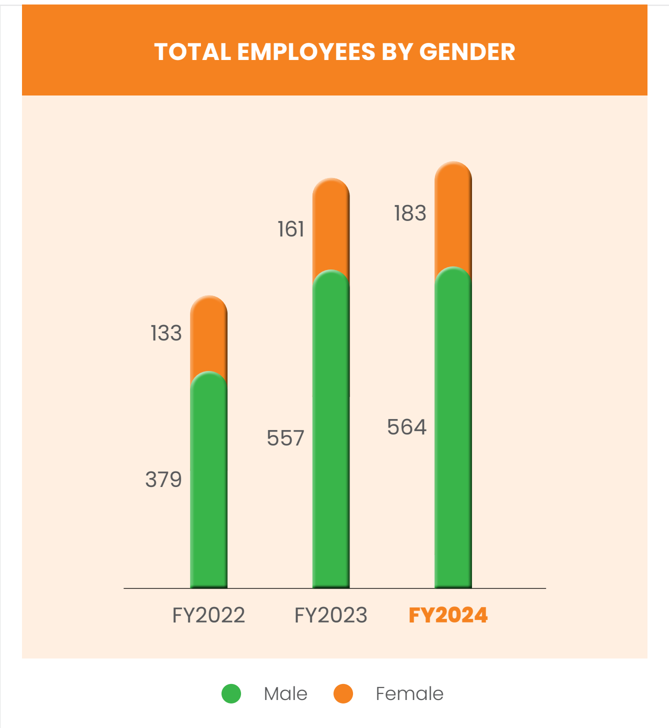
In the event of any incidents, MGB has established a confidential grievance mechanism for employees to submit reports as of October 2023. This mechanism follows the guidelines outlined in the Group's Whistleblowing Policy, ensuring that all reports are thoroughly investigated while protecting the anonymity and privacy of the reporting individual. This mechanism was communicated to all employees through email, orientation sessions and e-training. Throughout FY2024, no reports in regard to discrimination were made by any of its employees or other persons associated with the Group.

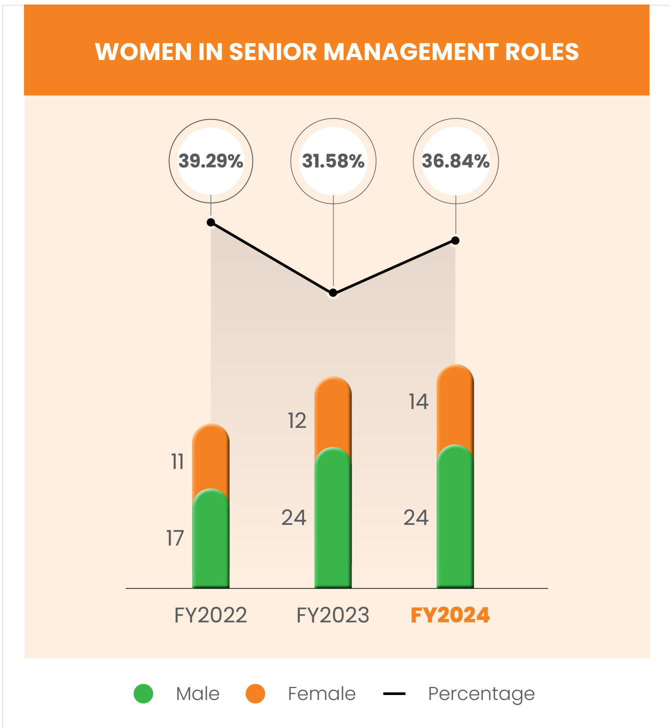
While the Group acknowledges that certain roles within the Group may have skewed gender ratios, such as construction work or other physically demanding tasks being dominated by male employees, MGB makes efforts to balance the overall composition employed in the Group by increasing the share of women in offices and other management-related positions.

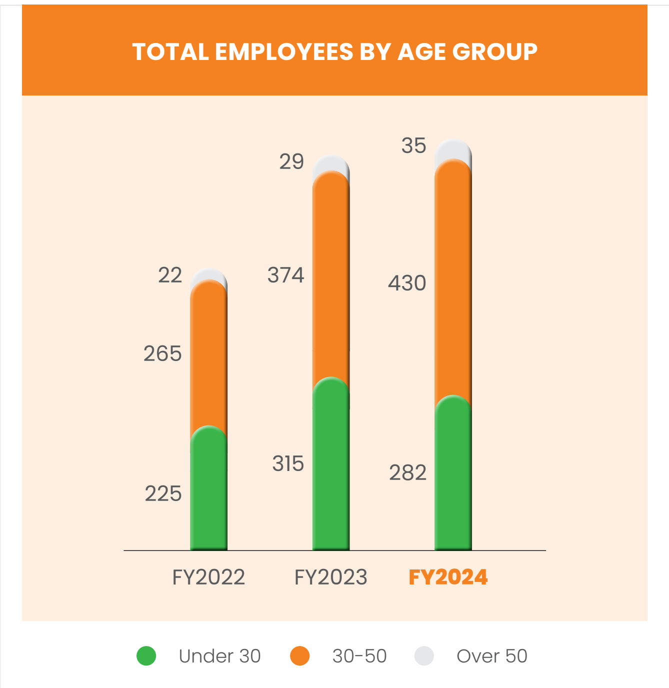
The Group also employs subcontractors, primarily for construction operations, which make up a small percentage of MGB's workforce. In FY2024, only eight contractors, or 1.07% of the Group's total workforce, was employed, all of whom were Malaysians.

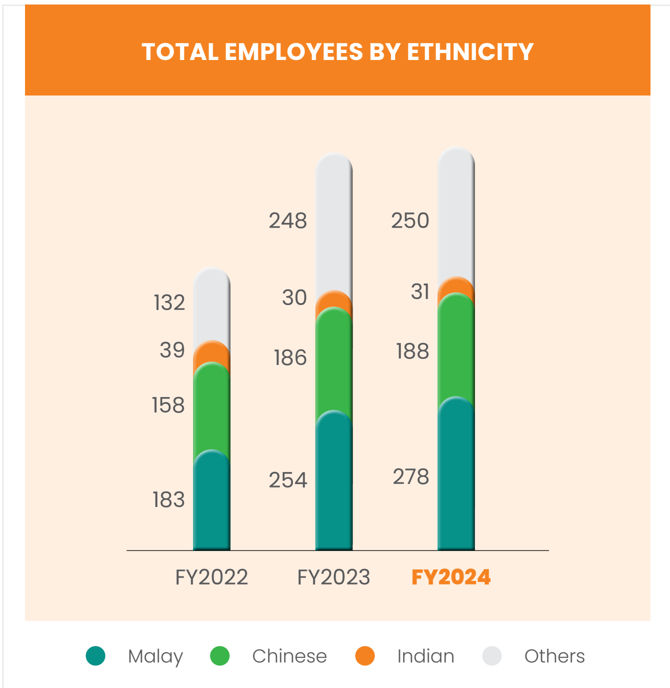
Temporary employees are monitored by the safety personnel on each construction site through an attendance system that all workers must register before and after the workday before being compiled into total and average values at the end of the month.











Recruitment

As organisations continue to evolve, MGB recognises the significance of attracting and retaining skilled professionals that can give the Group the edge to stay at the top of the industry. Here, the Group approaches employment through a meritocracy, prioritising prospective employees with exceptional talent and experience.

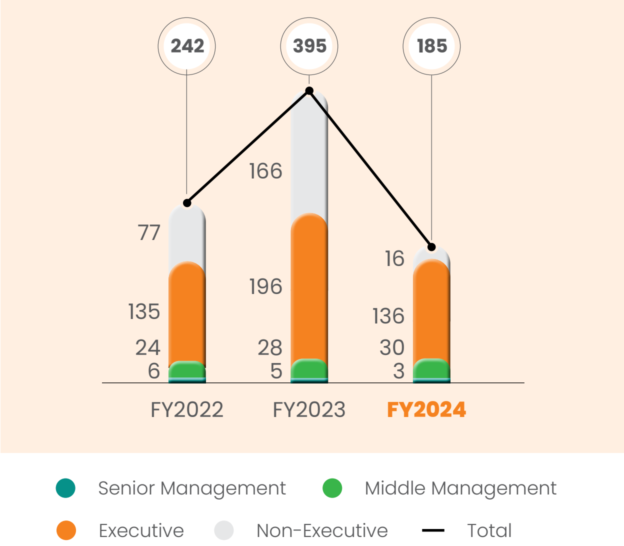
MGB's approach to recruitment is guided by the Recruitment Policy, whereas the employment process is managed by the Group HR department. This ensures that the recruitment process stays free of any form of discrimination, reinforcing the Group's sole focus on the merits of individuals and their professional potential over their backgrounds.

Upon being accepted under the employment of MGB, employees are provided with an orientation process as part of the Group's standard onboarding procedure. This process is undergone by all new recruits and incoming Board members, providing them with the necessary knowledge to ease their transition to MGB's work culture and internal workflows, reducing downtime for training.

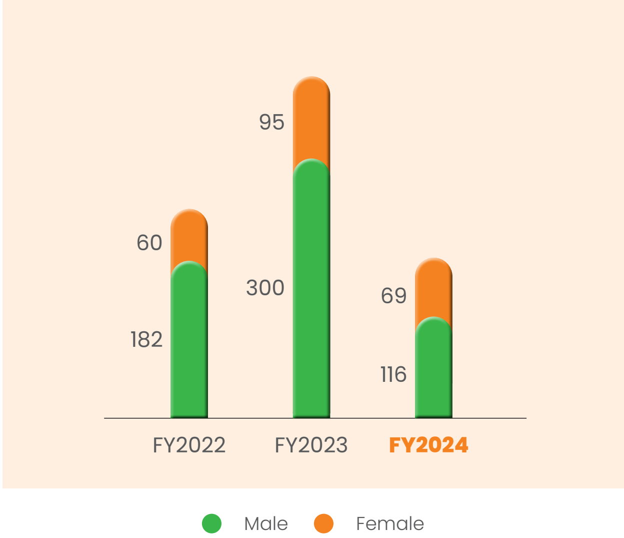
Furthermore, the orientation process also serves as a communication platform that informs all new staff of the Group's commitments, policies and zero-tolerance stance on anti-corruption and bribery, OSH violations and other matters of ethics and regulatory compliance. Through this process, all employees are made aware of the consequences of breaching the Group's Code, policies and regulations by the relevant authorities.

To further emphasise the significance of ethical behaviour during the employee orientation process, the Group's zero tolerance approach towards any form of bullying and harassment is communicated to all new hires.

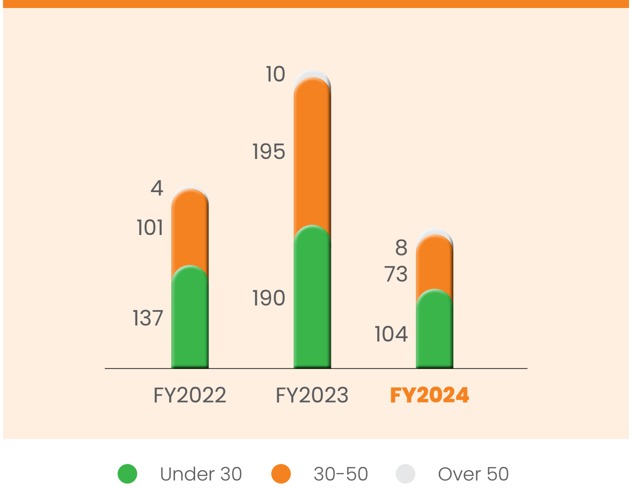
TOTAL NEW HIRES BY EMPLOYMENT CATEGORY



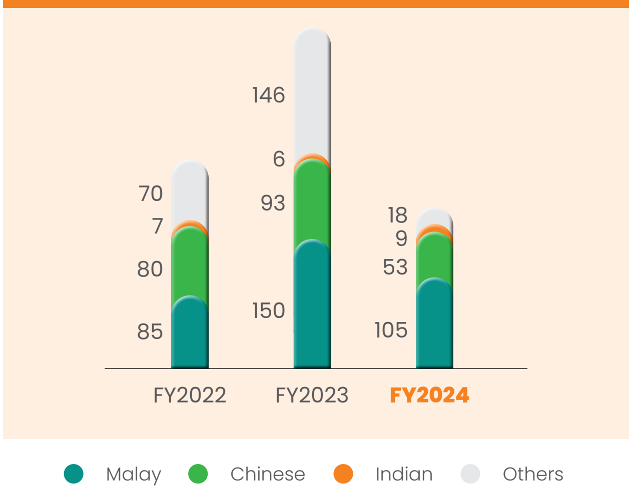
TOTAL NEW HIRES BY GENDER



TOTAL NEW HIRE BY AGE GROUP



TOTAL NEW HIRE BY ETHNICITY

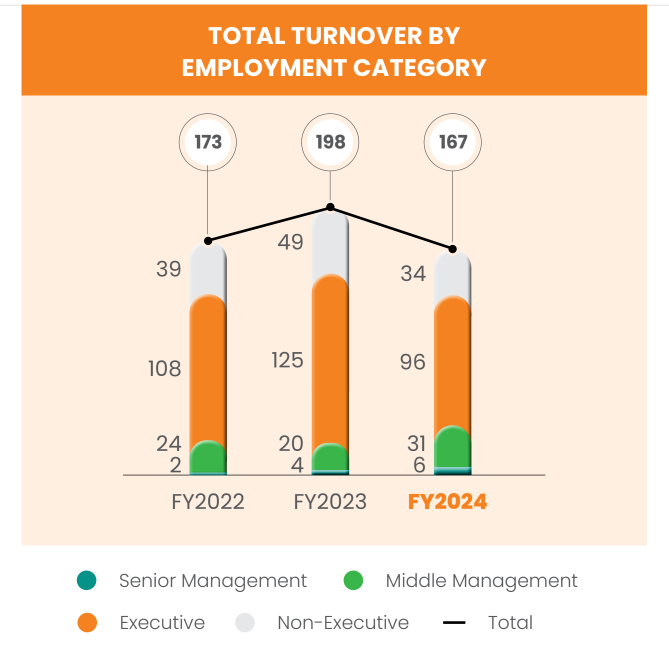


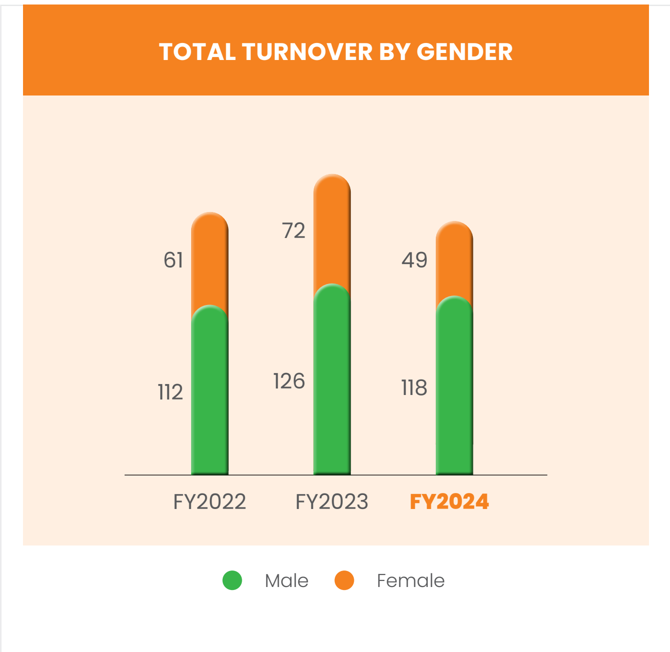
TALENT MANAGEMENT

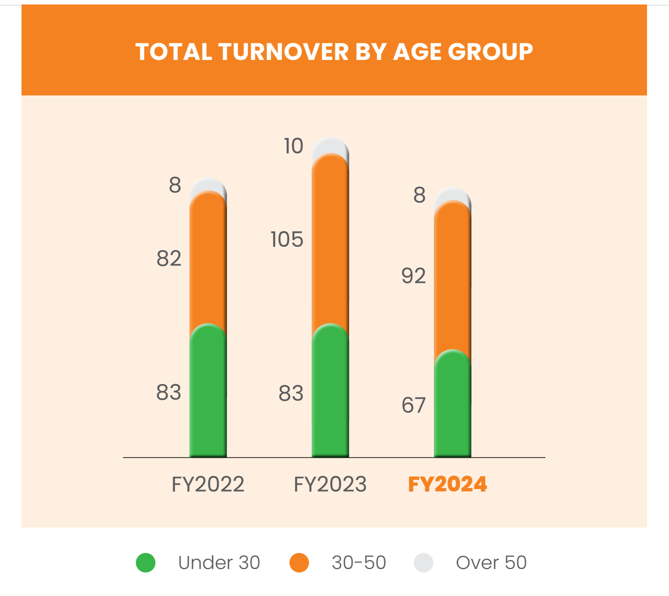
MGB recognises the importance of effective talent management practices in retaining key personnel. In line with the Group's value creation initiatives, MGB utilises a holistic approach that combines strategic recruitment practices while continuously developing the skillsets of its employees. As proper talent management plays a significant role in MGB's operations, the Group's Top Management directly oversees any employee-related initiatives and establishes employee management guidelines for the Group's HR department.

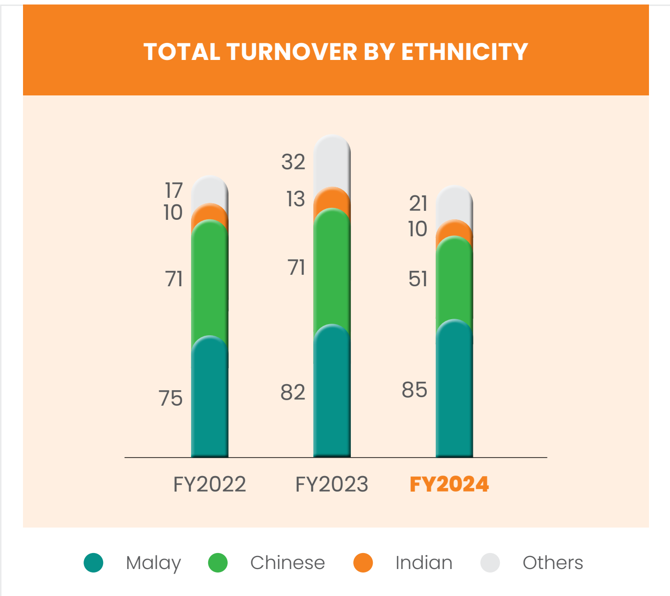
Formal Employee Induction and Exit

While MGB takes every measure to ensure the comfort and satisfaction of its employees, the Group understands that employee attrition is a normal part of business. Thus, MGB provides departing employees with a platform to provide feedback during the exit interview. The interview is conducted transparently by asking several questions that allow MGB to identify causes contributing to worker attrition and employ strategies to improve employee retention.









Succession Planning

MGB has a dedicated Succession Planning Policy that allows its employees to transition to positions of leadership and maintain the continuity of the Group with minimal delays. This policy streamlines handover processes when an employee from a management position steps down, minimising the risks associated with vacancies in key positions. This policy identifies promising employees throughout the Group and provides these individuals with mentoring, coaching and training, creating a pool of highly qualified and motivated employees to transition to roles of higher responsibility and become the next set of leaders in the Group.

The policy places the Board responsible for the succession planning of key management positions, including the GMD, Chief Executive Officer ("CEO") and other Executive Directors. The Executive Directors are also responsible for overseeing the succession planning for other essential roles, such as the Deputy CEO, Chief Operating Officer ("COO") and HODs. This process utilises a methodical approach that includes identifying talent requirements, assessing the skills of the current workforce and creating strategic plans to equip selected employees for their prospective positions.

Succession planning within the Group is also extended to its newcomers. MGB routinely hires interns to supplement its workforce. These are usually fresh graduates or university students who are given the opportunity to gain firsthand industry exposure. Once their internship period is over, promising candidates are absorbed into MGB's workforce on a permanent basis. This not only ensures job security for the candidates but also provides MGB with a steady pool of qualified and highly talented employees. In FY2024, four interns were offered permanent employment with MGB.

Remuneration and Wellbeing

In MGB's commitment to improving employee satisfaction, the Group provides a wide array of benefits and remuneration to show appreciation for the hard work and dedication put forth by employees to MGB. This commitment is solidified by the Group's Remuneration Policy, acting as a framework for providing rewards equal to the work contributed by each employee. The policy is overseen by the Board and reviewed periodically to ensure that rewards and evaluation standards remain relevant to current industry practices.

The remuneration provided to employees varies, providing bonuses, salary increases, allowances and other employee benefits in accordance with the Employment Act. The Group utilises a bell curve to benchmark the performance of employees and provide benefits equal to their contributions, accordingly, providing a more dynamic approach to equitable rewarding.

Employee Benefits	FY2022	FY2023	FY2024
		RM'000	
Total payments made to employees in terms of salaries, bonuses and benefits	34,092.80	45,529.12	**52,090.04**
Total statutory payments made for employees' retirement benefits ("EPF")	3,465.83	4,401.35	**5,075.26**
Total payments in medical insurance (SOCSO) for employees	295.38	416.30	**465.48**

Additional benefits provided to full-time employees are as such:

LEAVE

- Annual Leave
- Sick Leave
- Hospitalisation Leave
- Prolonged Illness
- Marriage Leave
- Parental Leave
- Examination Leave
- Compassionate Leave

MEDICAL

- Group Personal Accident
- Group Term Life Insurance
- Group Hospitalisation & Surgical
- Outpatient Medical Treatment for Staff, Children, & Spouse
- Dental Benefit
- Optical Benefit
- Health Screening

OVERTIME PAYMENT

- Meal Reimbursement
- Staff Property Discount
- Wedding Angpao
- Condolence Money
- Allowance & Reimbursement Claim
- Referral Incentive
- Weekly Fitness Sessions

Paternity Leave

FY2024: 12
FY2023: 13
FY2022: 16

Maternity Leave

FY2024: 7
FY2023: 8
FY2022: 7

Return to Work		FY2022	FY2023	FY2024
Return to Work Rates (return to work after parental leave period)	Male	100%	100%	**100%**
	Female	100%	100%	**100%**
Retention Rates (remain with the organisation for 12 months or more post parental leave)	Male	100%	100%	**83.33%**
	Female	100%	88%	**100%**

Employee Engagement Programmes

MGB is committed to exploring opportunities to improve the morale of its employees. During the FY2024, a variety of employee engagement initiatives were implemented, which included:

FESTIVALS	HEALTH & WELLNESS	LEISURE/SUSTAINABILITY
Townhall Feast Chinese New Year ("CNY") Dancing Video (MGBS Video Recordings)	Futsal Competition	Women's Day (photos sessions)
CNY Celebration (Dragon Dance, Lucky Draws, Games, Lou Sang, Group Photos)	Badminton Competition	Earth's Day (Lights' Off Session)
Hari Raya Aidilfitri Celebration (Celebration video, *Kenduri Hari Raya*)		Distribution of individual MGB Badges to all (Mondays to be worn).
Mothers' Day Celebration		MGB Movie Day (PADU)
Fathers' Day Celebration (every father in MGBS get a thermos cup)		Bowling Competition
Merdeka Celebration		

Deepavali Celebration

Movie Night

Health Talk

MGB Fitness Training Session

Earth Hour

Step-Up Friday

MGB Construction & Engineering Staff Team Building Session

Employee Satisfaction

MGB conducted its first Employee Satisfaction Survey in Jan 2024, with the participation of 354 employees. Based on the survey results, 47% of employees find the company's compensation and benefits satisfactory, while 33% have a neutral opinion. Among the respondents that participated in the survey, 20% of employees desired better Compensation & Benefits, which have been incorporated under the Group's employee engagement initiative.

The second Employee Satisfaction Survey was conducted in July 2024 with a total of 321 participating employees. This survey showed an increase from 8% to 55% of employees who are satisfied with the company's compensation and benefits, while 33% opted for neutrality. And there is a reduction of 8% to 12% of employees suggesting improvements under Compensation & Benefits. This highlights the Group's effective approach to employee satisfaction and improving their retention.

Recognising the voice of the employees, the Group has conducted salary benchmarking and has aligned their existing salaries with current market rates. Furthermore, MGB is reviewing its current benefits and making recommendations to Management for new benefits that will match its operational needs whilst increasing employee satisfaction.

LABOUR PRACTICES AND HUMAN RIGHTS

Compliance with Labour Laws

As an ethical and fair employer, MGB takes every measure to ensure compliance throughout its operations with all relevant employment and human rights laws. In Malaysia, MGB ensures compliance with the Malaysian Employment Act 1955, which forbids the use of child labour and forced labour in every facet of its business activities. To enhance its dedication to human rights, the Group also observes international legislation, including the Children and Young Persons (Employment) Act 1966.

Furthermore, the Group reinforces its dedication by furnishing the Recruitment Procedure with a statement of compliance with the Malaysian Minimum Wage Order, effective December 2023. Although hired staff are entitled to wages beyond the stipulated quantity by the government, this ensures that all onboarded employees are informed of their rights to a guaranteed wage.

Advocating Human Rights

MGB actively promotes human rights within the organisation through its comprehensive Human Rights Policy, which highlights the Group's dedication to fostering a secure and inclusive workplace that encourages growth and cooperation. This policy further emphasises the rights of employees to engage in freedom of association and collective bargaining, guaranteeing equitable representation. Employees are regularly briefed on an on-the-job training basis as well as undergo periodic spontaneous audits to assess compliance.

These principles extend beyond the organisational limits of MGB, encompassing third-party workers as well. These workers receive healthcare, fair compensation and decent accommodation. Furthermore, the Group is strongly against unethical labour practices, including the illegal seizure of passports belonging to foreign workers. This principle aligns with the UN Guiding Principles on Business and Human Rights as well as the UN Concept.

The Group's stance on human rights applies to its subcontractors, who are consistently reminded of MGB's policies against forced and illegal labour. Subcontractors found violating these principles will have any existing contracts nullified and reported to the relevant authorities. Third-party labour contractors are expected to provide a document with evidence of compliance with labour laws.

In FY2024, the Group did not face any instances of human or labour rights abuse, which includes the employment of children or forced labour in the workforce.

Grievance Mechanism

The Group's grievance mechanism follows the procedures outlined under the Whistleblowing Policy. In any case of grievances, all employees are to submit the Whistleblowing form to the dedicated channels as provided under the **Whistleblowing Channel** section.

OCCUPATIONAL SAFETY AND HEALTH

MGB is committed to ensuring the Occupational Safety and Health ("OSH") of its employees and all external entities associated with the Group. The Board and Management take OSH matters to the utmost importance, taking every necessary precaution to safeguard the wellbeing of every staff member and stakeholder involved in the Group's operations. In doing so, MGB seeks to protect all individuals from potential harm and fatalities.

OSH Management

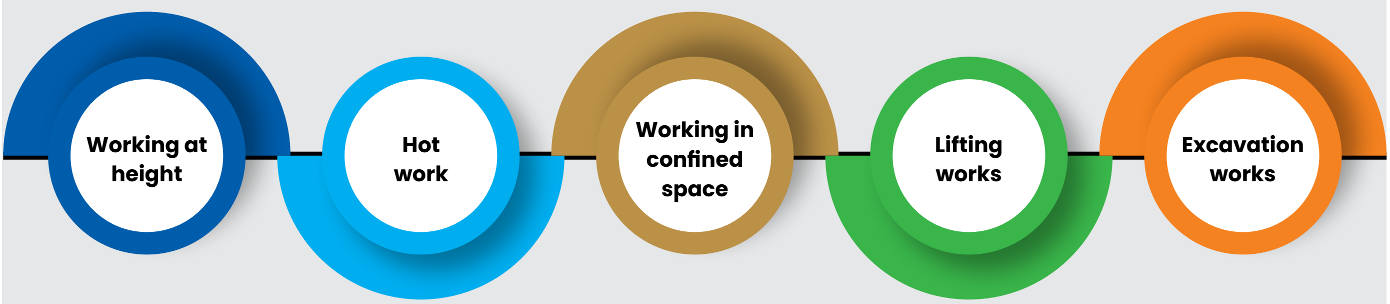
In MGB's efforts to safeguard the health and safety of employees, the Group has developed the Health, Safety and Environment ("HSE") Policy that serves to prioritise the wellbeing of employees while providing the safest working conditions in accordance with regulations. This Policy is aligned with Malaysia's Occupational Safety and Health Act 1994 and other relevant regulations, applicable to both operations within and outside the Group's premises.

To ensure the effectiveness of the OSH Policy, a select OSH Committee is employed to ensure the effective implementation of OSH initiatives. This committee consists of a Safety Officer, Site Safety Supervisor and Project Manager and is responsible for ensuring all operations remain incident-free. Another responsibility of this committee is to conduct regular OSH Committee meetings, weekly toolbox meetings, inspections and investigations, implement Hazard Identification, Risk Assessment and Risk Control ("HIRARC") programmes and facilitate sharing sessions across operational sites. To ensure that the contents of these meetings and communication facilities remain relevant, the Group ensures to employ four in every 100 employees as representatives during discussions.

Each new trade of work would have an OSH protocol developed for its risks and nature of work. This protocol will be shared with employees or responsible personnel through a safety briefing and training, adapted to their scope of work and risk activities.

Continuous monitoring and evaluation is a vital component of MGB's OSH management strategy. This approach allows for the regular assessment of control measures and related risks, supporting the formulation of effective action plans. By following the Plan-Do-Check-Act ("PDCA") system, MGB guarantees that its OSH management practices are both dynamic and adaptable.

The Group recognises that certain tasks are at a higher risk of OSH incidents, including:



To mitigate these risks, MGB utilises a Permit-to-Work system for tasks that have a high likelihood of generating OSH incidents. In this system,

To mitigate the risks associated with these activities, MGB implements a Permit-to-Work system tasks that have a high likelihood of generating OSH incidents. In this system, a site Safety Officer performs a thorough evaluation of the physical environment and work procedures in accordance with established safety standards prior to granting a Permit-to-Work for Hazardous Work to a site employee. This permit is part of the internal controls designed to prevent incidents or accidents at job sites. Additionally, individual workers are responsible for maintaining appropriate workplace health and safety in alignment with the Group's ISO 45001 Occupational Health and Safety Policy and the Occupational Safety and Health Act ("OSHA") 1994.

Integrated Safety and Health Risk Management

The Group's Management reviews OSH matters on a quarterly basis, monitoring OSH performance and updating control measures as necessary. Any updates to MGB's OSH protocol will be made in the Group's HIRARC programme to ensure that all safety measures are in place to prevent potential health and safety risks.

In addition to protecting the wellbeing of individuals, the prevention of OSH incidents also prevents disruptions in project implementations, leading to lower delays and mitigation costs. Robust safety procedures also have a positive impact on the Group's image, as ensuring MGB's ability to guarantee the health and safety of its employees highlights the Group's reliability and dedication to not only profits but also the wellbeing of the people.

As construction projects increased year-on-year, MGB recorded a total of over 9 million manhours worked with in FY2024. All OSH data have been verified by an internal audit committee and external ISO-certified auditors.

Total Manhours Worked

MGB

FY2024: 9,753,910

FY2023: 9,999,857

FY2022: 6,150,549

Incident Management and Control Measures

MGB takes OSH incidents very seriously and takes every measure to ensure these issues are resolved immediately. Upon receiving a report of an OSH incident, the affected area or the entire operating site is closed and an investigation is launched. Additionally, the Department of Occupational Safety and Health ("DOSH") will be notified immediately.

OSH Training

To prevent OSH incidents and provide a safer work environment, MGB provides continuous OSH training. The training also trains staff for emergency responses during an OSH emergency, ensuring that injuries and accidents can be mitigated as much as possible before professional medical assistance can be provided. Employees are sent to routine OSH-related training and refresher sessions, which include weekly housekeeping and toolbox meetings, alongside CIDB Green Card training for MGB's general workers. In FY2024, 100% of the Group's total workforce, underwent at least one OSH training that is relevant to their operations.

MGB has made significant investments in creating formal training rooms that are equipped with projectors, enhancing the learning experience for large groups. Furthermore, specific funds have been designated for both internal and external training programmes aimed at the Group's Safety and Health Officers.

Additionally, the Group consistently provides updates regarding the latest OSH initiatives and reminders through an OSH newsletter, featured on HSE notice boards and various sites. This information is also shared via the company Intranet to ensure that staff are regularly reminded and informed.

All site personnel are inducted on the Group's site procedures before they can start work. If required, additional training is also provided to enhance their understanding of MGB's OSH processes. These include training on working at heights, awareness of scaffold erection, lifting activity and HIRARC briefings.

Fire extinguisher training

Safety briefing

OSH Performance

As most of the Group's activities are centred around construction work, OSH incidents are likely to occur. MGB's OSH performance data, which includes work-related fatalities, injuries and lost days, are as follows:

OSH Data	FY2022	FY2023	FY2024
Fatality	0	0	**0**
Work-related Injuries	1	2	**1**
Lost Time Accidents	0	2	**1**
Total Days Lost/Charged	80	30	**63**
Total Days Worked	243	203	**320**
Average Workers Per Day	26,858	28,706	**37,684**
Accident Frequency Rate	0.16	0.20	**0.10**
Severity Rate	13	3	**6.46**

COMMUNITY ENRICHMENT

Beyond generating profits and maintaining the wellbeing of MGB's workforce, the Group is dedicated to providing additional value to its surrounding communities through Corporate Social Responsibility ("CSR") initiatives. MGB's CSR initiatives vary, providing both financial and non-financial support in order to enrich local communities and advance their development.

As a subsidiary, MGB's approach to CSR is aligned with the principles set by the parent company, LBS Foundation ("LBSF"). Through this, MGB sets out to contribute to a variety of societal causes and provides full support to all community initiatives undertaken by LBSF. The basis of these contributions lies in LBSF's four pillars: Education, Health, Community and the Environment.

Empowering MGB's Volunteers

In addition to MGB's social contributions as a company, individuals employed by MGB are also encouraged to participate in CSR activities created by MGB, LBSF, or any other organisation.

LBSF has provided a platform that assists employees seeking to participate in charity work, through financial support or by contributing directly to events. Individuals may also approach LBSF to suggest charities for the foundation to support. Employees who participate in CSR activities are provided with paid leave to compensate for their contributions to the greater society.

Employee Volunteerism	FY2024
Volunteering (hours)	**68**
Employees (pax)	**17**

Be an Angel volunteer training campaign

APPENDICES

ENVIRONMENTAL PERFORMANCE

GRI Standards	Topic	Unit	Performance Data FY2022	FY2023	FY2024
Scope One Emissions					
GRI 305 (Emissions)	Company Vehicle	tonnes CO_2e	3,755	7,380	**86.70**
		tonnes CO_2	213	7,288	**84.44**
		tonnes CH_4	0.72	3.82	**1.20**
		tonnes N_2O	0.65	87.94	**1.06**
	Company Facilities	tonnes CO_2e	372.27	372.27	**4,280.04**
		tonnes CO_2	370.09	370.09	**4,197.11**
		tonnes CH_4	0.10	0.10	**3.47**
		tonnes N_2O	2.08	2.08	**79.46**
	Total Scope One	tonnes CO_2e	4,127	7,752	**4,366.74**
		tonnes CO_2	584	7,658	**4,281.55**
		tonnes CH_4	1	4	**4.67**
		tonnes N_2O	3	90	**80.53**
Scope Two Emissions					
GRI 305 (Emissions)	Purchased Electricity	tonnes CO_2e	122	147	**174.87**
		tonnes CO_2	121	136	**174.24**
		tonnes CH_4	0.51	0.57	**0.08**
		tonnes N_2O	0.86	0.97	**0.55**
	Total Scope Two	tonnes CO_2e	122	147	**174.87**
		tonnes CO_2	121	136	**174.24**
		tonnes CH_4	0.51	0.57	**0.08**
		tonnes N_2O	0.86	0.97	**0.55**
Scope Three Emissions					
GRI 305 (Emissions)	Business Travel	tonnes CO_2e	170	144	**109.88**
		tonnes CO_2	169	143	**109.19**
		tonnes CH_4	0.21	0.22	**0.05**
		tonnes N_2O	0.57	0.48	**0.63**
	Employee Commuting	tonnes CO_2e	159	17,644	**1,055.22**
		tonnes CO_2	158	28,209	**1,046.74**
		tonnes CH_4	2.07	62.81	**1.78**
		tonnes N_2O	0.71	55.68	**6.70**
	Disposed Waste	tonnes CO_2e	0	11.41	**6,349.62**
	Total Scope Three	tonnes CO_2e	329	17,799	**7,514.71**
		tonnes CO_2	327	28,352	**1,155.92**
		tonnes CH_4	2.28	63.04	**1.84**
		tonnes N_2O	1.28	56.16	**7.33**

GRI Standards	Topic	Unit	Performance Data FY2022	FY2023	FY2024
Total Emissions					
GRI 305 (Emissions)	**Total Scope One and Two**	tonnes CO_2e	4,249	7,899	**4,541.61**
		tonnes CO_2	704	7,794	**4,455.79**
		tonnes CH_4	1.32	4.50	**4.75**
		tonnes N_2O	3.60	91.00	**81.08**
	Total Scope One, Two and Three	tonnes CO_2e	4,578	25,698	**12,056.32**
		tonnes CO_2	1,031	36,146	**5,611.71**
		tonnes CH_4	3.60	67.53	**6.58**
		tonnes N_2O	4.88	147.16	**88.41**
Energy Consumption					
GRI 305 (Emissions)	Petrol	kWh	896,655	3,297,558	**338,469**
	Diesel	kWh	13,810,140	26,007,472	**16,170,539**
	Purchased Electricity	kWh	631,314	710,180	**230,700**
	Total Energy Consumption	kWh	15,338,109	30,015,210	**16,739,708**
Water Consumption					
GRI 303 (Water & Effluents)	Municipal Water Supply	m^3	38,675	53,415	**88,825**
	Rainwater Harvesting	m^3	0	0	**0**
	Groundwater	m^3	0	0	**152,098**
	Surface Water	m^3	0	0	**3,147**
	Total Water Consumption	m^3	38,675	53,415	**244,070**
Waste Management					
GRI 306 (Waste)	Disposed Waste	kg	0	21,923	**12,203**
	Diverted Waste	kg	0	398	**425**
	Total Waste	kg	0	22,321	**12,628**
	Waste Diverted from Landfill	%	-	2%	**3%**

SOCIAL PERFORMANCE

Employment Data

GRI Standards	Topic	Unit	Performance Data FY2022	FY2023	FY2024
Board of Directors Diversity					
GRI 405 (Diversity & Equal Opportunity)	**Total Members**	pax	6	7	**7**
		%	100	100	**100**
	Diversity by Gender:				
	Male	pax	5	4	**4**
		%	83.30	57.14	**57.14**
	Female	pax	1	3	**3**
		%	16.70	42.86	**42.86**
	Diversity by Age Group:				
	Under 30 years old	pax	0	0	**0**
		%	0	0	**0**
	30 – 50 years old	pax	2	3	**4**
		%	33.30	42.86	**57.14**
	Over 50 years old	pax	4	4	**3**
		%	66.70	57.14	**42.86**
	Diversity by Ethnicity:				
	Malay	pax	2	3	**3**
		%	33.30	42.86	**42.86**
	Chinese	pax	4	4	**4**
		%	66.70	57.14	**57.14**
	Indian	pax	0	0	**0**
		%	0	0	**0**
	Others	pax	0	0	**0**
		%	0	0	**0**
	Diversity by Disability:				
	Disabled	pax	0	0	**0**
		%	0	0	**0**
	Non-Disabled	pax	6	7	**7**
		%	100	100	**100**

GRI Standards	Topic	Unit	Performance Data FY2022	FY2023	FY2024
Employee Diversity					
GRI 2-7 (General Disclosures: Employees)	**Total Employees**	pax	512	718	**747**
		%	100	100	**100**
GRI 405 (Diversity & Equal Opportunity)	**Diversity by Employment Category:**				
	Senior Management	pax	28	36	**38**
		%	5.50	5.00	**5.09**
	Middle Management	pax	78	82	**93**
		%	15.20	11.40	**12.45**
	Executives	pax	245	308	**340**
		%	47.90	42.90	**45.52**
	Non-Executives	pax	161	292	**276**
		%	31.40	40.70	**36.95**
	Employee Gender by Employment Category:				
	Senior Management:				
	Male	%	3.32	3.34	**3.21**
		pax	17	24	**24**
	Female	%	2.15	1.67	**1.87**
		pax	11	12	**14**
	Middle Management:				
	Male	%	10.16	7.38	**7.76**
		pax	52	53	**58**
	Female	%	5.08	4.04	**4.69**
		pax	26	29	**35**
	Executive:				
	Male	%	29.88	27.58	**28.92**
		pax	153	198	**216**
	Female	%	17.97	15.32	**16.60**
		pax	92	110	**124**
	Non-Executive:				
	Male	%	30.66	39.28	**35.61**
		pax	157	282	**266**
	Female	%	0.78	1.39	**1.34**
		pax	4	10	**10**

GRI Standards	Topic	Unit	Performance Data FY2022	Performance Data FY2023	Performance Data FY2024
Employee Diversity					
GRI 405 (Diversity & Equal Opportunity)	**Employee Age Group by Employment Category:**				
	Senior Management:				
	Under 30 years old	%	0.00	0.00	**0.00**
		pax	0	0	**0**
	30 – 50 years	%	4.10	3.34	**3.35**
		pax	21	24	**25**
	Over 50 years old	%	1.37	1.67	**1.74**
		pax	7	12	**13**
	Middle Management:				
	Under 30 years old	%	1.37	1.39	**0.94**
		pax	7	10	**7**
	30 – 50 years	%	12.70	9.33	**10.58**
		pax	65	67	**79**
	Over 50 years old	%	1.17	0.70	**0.94**
		pax	6	5	**7**
	Executive:				
	Under 30 years old	%	28.32	25.21	**24.77**
		pax	145	181	**185**
	30 – 50 years	%	18.36	17.00	**19.54**
		pax	94	122	**146**
	Over 50 years old	%	1.17	0.70	**1.20**
		pax	6	5	**9**
	Non-Executive:				
	Under 30 years old	%	14.25	17.27	**12.05**
		pax	73	124	**90**
	30 – 50 years	%	16.60	22.42	**24.10**
		pax	85	161	**180**
	Over 50 years old	%	1.17	0.97	**0.80**
		pax	6	7	**6**

GRI Standards	Topic	Unit	Performance Data FY2022	Performance Data FY2023	Performance Data FY2024
Employee Diversity					
GRI 405 (Diversity & Equal Opportunity)	**Employee Diversity by Ethnicity:**				
	Malay	pax	35.70	35.40	**37.22**
		%	183	254	**278**
	Chinese	pax	30.90	25.90	**25.17**
		%	158	186	**188**
	Indian	pax	7.60	4.20	**4.15**
		%	39	30	**31**
	Others	pax	25.80	34.50	**33.47**
		%	132	248	**250**
	Diversity by Employment Type:				
	Full-time	pax	506	710	**739**
		%	98.80	98.90	**98.93**
	Contract	pax	6	8	**8**
		%	1.20	1.10	**1.07**
	Part-time	pax	0	0	**0**
		%	0	0	**0**
	Diversity by Disability:				
	Disabled	pax	1	1	**1**
		%	0.20	0.10	**0.13**
	Non-Disabled	pax	511	717	**746**
		%	99.80	99.90	**99.87**
Permanent & Temporary Employees					
GRI 2-7 (General Disclosures: Employees)	**Diversity by Gender:**				
	Permanent Male Employee	pax	379	557	**564**
		%	74.00	77.60	**75.50**
	Permanent Female Employee	pax	133	161	**183**
		%	26.00	22.40	**24.50**
	Temporary Male Employee	pax	0	0	**0**
		%	0	0	**0**
	Temporary Female Employee	pax	0	0	**0**
		%	0	0	**0**
	Diversity by Region:				
	Permanent Malaysian Employee	pax	381	472	**499**
		%	74.40	65.70	**66.80**
	Permanent Non-Malaysian Employee	pax	131	246	**248**
		%	25.60	34.40	**33.20**
	Temporary Malaysian Employee	pax	0	0	**0**
		%	0	0	**0**
	Temporary Non-Malaysian Employee	pax	0	0	**0**
		%	0	0	**0**

GRI Standards	Topic	Unit	Performance Data FY2022	FY2023	FY2024
Non-Guaranteed Hours					
GRI 2-7 (General Disclosures: Employees)	**Diversity by Gender:**				
	Male	pax	0	0	**0**
		%	0	0	**0**
	Female	pax	0	0	**0**
		%	0	0	**0**
	Diversity by Region:				
	Malaysian Non-Guaranteed Hours Employee	pax	0	0	**0**
		%	0	0	**0**
	Non-Malaysian Non-Guaranteed Hours Employee	pax	0	0	**0**
		%	0	0	**0**
Full-Time Employees					
GRI 2-7 (General Disclosures: Employees)	**Diversity by Gender:**				
	Male Full-Time Employee	pax	374	551	**558**
		%	73.00	76.70	**74.70**
	Female Full-Time Employee	pax	132	159	**181**
		%	25.80	22.10	**24.23**
	Diversity by Region:				
	Malaysian Full-Time Employee	pax	375	464	**491**
		%	73.24	64.62	**66.44**
	Non-Malaysian Full-Time Employee	pax	131	246	**248**
		%	25.59	34.26	**33.56**
Part-Time Employees					
GRI 2-7 (General Disclosures: Employees)	**Diversity by Gender:**				
	Male	pax	0	0	**0**
		%	0	0	**0**
	Female	pax	0	0	**0**
		%	0	0	**0**
	Diversity by Region:				
	Malaysian Part-Time Employee	pax	0	0	**0**
		%	0	0	**0**
	Non-Malaysian Part-Time Employee	pax	0	0	**0**
		%	0	0	**0**

GRI Standards	Topic	Unit	FY2022	FY2023	FY2024
			Performance Data		
New Hire					
GRI 405 (Diversity & Equal Opportunity)	**Total New Hire**	pax	242	395	**185**
	Diversity by Gender:				
	Male	pax	182	300	**116**
		%	75.20	75.90	**62.70**
	Female	pax	60	95	**69**
		%	24.80	24.10	**37.30**
	Diversity by Age Group:				
	Under 30 years old	pax	137	190	**104**
		%	56.60	48.10	**56.22**
	30 – 50 years old	pax	101	195	**73**
		%	41.70	49.40	**39.46**
	Over 50 years old	pax	4	10	**8**
		%	1.70	2.50	**4.32**
	Diversity by Ethnicity:				
	Malay	pax	85	150	**105**
		%	35.10	38.00	**56.76**
	Chinese	pax	80	93	**53**
		%	33.10	23.50	**28.65**
	Indian	pax	7	6	**9**
		%	2.90	1.50	**4.86**
	Others	pax	70	146	**18**
		%	28.90	37.00	**9.73**
	Diversity by Employment Category:				
	Senior Management	pax	6	5	**3**
		%	2.50	1.30	**1.62**
	Middle Management	pax	24	28	**30**
		%	9.90	7.10	**16.22**
	Executive	pax	135	196	**136**
		%	55.80	49.60	**73.51**
	Non-Executive	pax	77	166	**18**
		%	31.80	42.00	**9.73**
	Diversity by Region:				
	Malaysian	pax	174	250	**168**
		%	100	100	**90.81**
	Non-Malaysian	pax	0	0	**17**
		%	0	0	**9.19**

GRI Standards	Topic	Unit	Performance Data FY2022	FY2023	FY2024
Employee Turnover					
GRI 405 (Diversity & Equal Opportunity)	**Total Turnover**	pax	173	198	**167**
	Diversity by Gender:				
	Male	pax	112	126	**118**
		%	64.70	63.60	**70.66**
	Female	pax	61	72	**49**
		%	35.30	36.40	**29.34**
	Diversity by Age Group:				
	Under 30 years old	pax	83	83	**67**
		%	48.00	41.90	**40.12**
	30 – 50 years old	pax	82	105	**92**
		%	47.40	53.00	**55.09**
	Over 50 years old	pax	8	10	**8**
		%	4.60	5.10	**4.79**
	Diversity by Ethnicity:				
	Malay	pax	75	82	**85**
		%	43.40	41.40	**50.90**
	Chinese	pax	71	71	**51**
		%	41.00	35.90	**30.54**
	Indian	pax	10	13	**10**
		%	5.80	6.60	**5.99**
	Others	pax	17	32	**21**
		%	9.80	16.20	**12.57**
	Diversity by Employment Category:				
	Senior Management	pax	2	4	**6**
		%	1.20	2.00	**3.59**
	Middle Management	pax	24	20	**31**
		%	13.90	10.10	**18.56**
	Executive	pax	108	125	**96**
		%	62.40	63.10	**57.49**
	Non-Executive	pax	39	49	**34**
		%	22.50	24.70	**20.36**

GRI Standards	Topic	Unit	Performance Data FY2022	FY2023	FY2024
Training & Development					
GRI 404 (Training & Education)	**Total Hours**	hours	4,556	9,499	**10,492**
	Total Training Hours per Employee by Employment Category:				
	Senior Management	hours	588.00	597.00	**721.50**
	Middle Management	hours	1,019.50	1,113.50	**1,806.50**
	Executive	hours	2,498.50	2,480.50	**4,550.50**
	Non-Executive	hours	450.00	5,308.00	**3,413.50**
	Average Hours per Employee	hours per employee	8.90	13.20	**14.00**
	Average Training & Development by Gender:				
	Male	hours per employee	8.50	14.60	**14.20**
	Female	hours per employee	10.00	8.60	**13.60**
	Average Training & Development by Employment Group:				
	Senior Management	hours per employee	21.00	16.60	**19.00**
	Middle Management	hours per employee	13.10	13.60	**19.40**
	Executive	hours per employee	10.20	8.10	**13.40**
	Non-Executive	hours per employee	2.80	18.20	**12.40**
Anti-Corruption Training					
GRI 404 (Training & Education)	**Total Employees Trained**	pax	382	465	**466**
	Employees Trained by Employment Category:				
	Senior Management	pax	23	21	**28**
		%	6.00	4.50	**3.75**
	Middle Management	pax	53	48	**78**
		%	13.90	10.30	**10.46**
	Executive	pax	227	230	**310**
		%	59.40	49.50	**41.53**
	Non-Executive	pax	79	166	**50**
		%	20.70	35.70	**6.69**

GRI Standards	Topic	Unit	Performance Data FY2022	Performance Data FY2023	Performance Data FY2024
Regular Performance & Career Development Reviews					
GRI 404 (Training & Education)	**Review Completion by Gender:**				
	Male	%	100	100	**100**
	Female	%	100	100	**100**
	Review Completion by Employment Category:				
	Senior Management	%	100	100	**100**
	Middle Management	%	100	100	**100**
	Executives	%	100	100	**100**
	Non-Executives	%	100	100	**100**
Parental Leave					
GRI 401 (Employment)	**Paternity Leave:**				
	Employees Entitled to Paternity Leave	pax	183	201	**210**
	Employees Who Took Paternity Leave	pax	16	13	**12**
	Employees Who Returned to Work After Paternity Leave	pax	16	13	**12**
	Return to Work Rate	%	100	100	**100**
	Retention Rate	%	100	100	**83.33**
	Maternity Leave:				
	Employees Entitled to Maternity Leave	pax	133	161	**79**
	Employees Who Took Maternity Leave	pax	7	8	**7**
	Employees Who Returned to Work After Maternity Leave	pax	7	8	**7**
	Return to Work Rate	%	100	100	**100**
	Retention Rate	%	100	87.50	**100**
Others					
GRI 401 (Employment)	Senior Management Hired from Local Community	%	5.50	4.50	**5.09**
	Global Staff with Disability	%	0.20	0.10	**0.13**
	Women in Global Workforce	%	26.00	21.30	**24.50**
	Ratio of Foreign to Local Hire of Low-Skilled Workers (only for MGB)	-	0.14	0.43	**0.33**

OSHE Data

GRI Standards	Topic	Unit	Performance Data FY2022	Performance Data FY2023	Performance Data FY2024
Work-Related Injury					
GRI 403 (Occupational Health & Safety)	**Total Hours Worked**	hours	6,150,549	9,999,857	**9,753,910**
	Fatalities	no.	0	0	**0**
	High-Consequence Work-Related Injuries	no.	0.16	0.2	**0.1**
	Lost-Time Injuries	no.	1	2	**1**
	Recordable Work-Related Injuries	no.	1	2	**1**
	Main Types of Work-Related Injury	no.	1	2	**1**
Health and Safety Training					
GRI 403 (Occupational Health & Safety)	Number of employees trained on health and safety standards	pax	333	501	**531**
Work-Related Ill Health					
GRI 403 (Occupational Health & Safety)	Fatalities	no.	0	0	**0**
	Recordable Work-Related Ill Health	no.	0	0	**0**
	Main Type of Work-Related Ill Health	no.	0	0	**0**
Others					
GRI 403 (Occupational Health & Safety)	Work-Related Fatalities (including employees & contractors)	no.	0	0	**0**
	Accident Frequency Rate	no.	0.16	0.2	**0.1**
	Severity Rate	no.	13	3	**7**
	Workers Undergoing Health Surveillance	pax	0	0	**0**
		%	0	0	**0**

BURSA SUSTAINABILITY DISCLOSURE INDEX

Indicator	Measurement Unit	2022	2023	2024
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti- corruption by employee category				
Senior Management	Percentage	4.49	2.92	3.75
Middle Management	Percentage	10.35	6.69	10.46
Executives	Percentage	44.34	32.03	41.53
Non-Executives	Percentage	15.43	23.12	6.69
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00	0.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00	100.00	100.00
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO_2e	Metric tonnes	-	-	4,366.74
Bursa C11(b) Scope 2 emissions in tonnes of CO_2e	Metric tonnes	-	-	174.87
Bursa C11(c) Scope 3 emissions in tonnes of CO_2e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	-	7,514.71
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	17,049.00	23,658.00	16,379.71
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	38.680000	65.730000	244.070000
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	-	-	12.63
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	-	0.43
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	-	12.20
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Senior Management Under 30 years old	Percentage	0.00	0.00	0.00
Senior Management 30 - 50 years old	Percentage	4.10	3.34	3.35
Senior Management Over 50 years old	Percentage	1.37	1.67	1.74
Middle Management Under 30 years old	Percentage	1.37	1.39	0.94
Middle Management 30 - 50 years old	Percentage	12.70	9.33	10.58
Middle Management Over 50 years old	Percentage	1.17	0.70	0.94
Executives Under 30 years old	Percentage	28.32	25.21	24.77
Executives 30 - 50 years old	Percentage	18.36	17.00	19.54
Executives Over 50 years old	Percentage	1.17	0.70	1.20
Non-Executives Under 30 years old	Percentage	14.25	17.27	12.05
Non-Executives 30 - 50 years old	Percentage	16.60	22.42	24.10
Non-Executives Over 50 years old	Percentage	0.59	0.97	0.80
Gender Group by Employee Category				
Senior Management Male	Percentage	3.32	3.34	3.21
Senior Management Female	Percentage	2.15	1.67	1.87
Middle Management Male	Percentage	10.16	7.38	7.78
Middle Management Female	Percentage	5.08	4.04	4.69
Executives Male	Percentage	29.88	27.58	28.92
Executives Female	Percentage	17.97	15.32	16.60
Non-Executives Male	Percentage	30.66	39.28	35.61
Non-Executives Female	Percentage	0.78	1.39	1.34

Internal assurance	External assurance	No assurance	(*)Restated

Indicator	Measurement Unit	2022	2023	2024
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	83.30	57.14	57.14
Female	Percentage	16.70	42.86	42.86
Under 30 years old	Percentage	0.00	0.00	0.00
30 - 50 years old	Percentage	33.30	57.14	57.14
Over 50 years old	Percentage	66.70	42.86	42.86
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	588	597	722
Middle Management	Hours	1,020	1,114	1,807
Executives	Hours	2,499	2,481	4,551
Non-Executives	Hours	450	5,308	3,414
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00	0.00	0.00
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	2	4	6
Middle Management	Number	24	20	31
Executives	Number	108	125	96
Non-Executives	Number	39	49	34
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	1.00	2.00	0.10
Bursa C5(c) Number of employees trained on health and safety standards	Number	333	501	531
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0.00	550,000.00	223,071.20
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0	0	0

Internal assurance	External assurance	No assurance	(*)Restated

SASB CONTENT REFERENCE INDEX

Engineering and Construction

CODE	DESCRIPTION	PERFORMANCE		
		FY2022	FY2023	FY2024
Environmental Impacts of Project Development				
IF-EN-160a.1	Number of incidents of non-compliance with environmental permits, standards, and regulations	0	0	**0**
IF-EN-160a.2	Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction	Refer to Digitalisation and Innovation (pages 65 – 67)		
Workforce Health and Safety				
IF-EN-320a.1	1. Total recordable incident rate ("TRIR") and	1	2	**1**
	2. Fatality rate for (a) direct employees and (b) contract employees	0	0	**0**
Business Ethics				
IF-EN-510a.2	Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anti-competitive practices	0	0	**0**
IF-EN-510a.3	Description of policies and practices for prevention of (1) bribery and corruption and (2) anti-competitive behaviour in the project bidding process	Refer to Corporate Governance and Business Ethics (pages 59 – 60)		

Home Builders

CODE	DESCRIPTION	PERFORMANCE		
		FY2022	FY2023	FY2024
Land Use and Ecological Impacts				
IF-HB-160a.2	Number of (1) lots and (2) homes delivered in regions with High or Extremely High Baseline Water Stress	0	0	**0**
IF-HB-160a.3	Total amount of monetary losses as a result of legal proceedings associated with environmental regulations	0	0	**0**
IF-HB-160a.4	Discussions of processes to integrate environmental considerations into site selection, site design and site development and construction	Refer to Biodiversity Conservation (page 81)		
Climate Change Adaptation				
IF-HB-420a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure and strategies for mitigating risks	Refer to Task Force on Climate-Related Disclosures (pages 71 – 75)		

GRI CONTENT INDEX

GRI STANDARD		DISCLOSURE	PAGE REFERENCE/ REASONS FOR OMISSION
GRI 2: General Disclosures 2021	2-1	Organisational details	41
	2-2	Entities included in the organisation's sustainability reporting	41 – 42
	2-3	Reporting period, frequency and contact point	
	2-4	Restatements of information	No restatement of information was made
	2-5	External assurance	42
	2-6	Activities, value chain and other business relationships	43
	2-7	Employees	84 – 85
	2-8	Workers who are not employees	NA
	2-9	Governance structure and composition	58
	2-10	Nomination and selection of the highest governance body	Refer to the Corporate Governance section of this Annual Report
	2-11	Chair of the highest governance body	
	2-12	Role of the highest governance body in overseeing the management of impacts	
	2-13	Delegation of responsibility for managing impacts	
	2-14	Role of the highest governance body in sustainability reporting	
	2-15	Conflicts of interest	62
	2-16	Communication of critical concerns	21 – 22
	2-17	Collective knowledge of the highest governance body	Refer to the Corporate Governance section of this Annual Report
	2-18	Evaluation of the performance of the highest governance body	
	2-19	Remuneration policies	
	2-20	Process to determine remuneration	
	2-21	Annual total compensation ratio	
	2-22	Statement on sustainable development strategy	49
	2-23	Policy commitments	60
	2-24	Embedding policy commitments	
	2-25	Processes to remediate negative impacts	60 – 61
	2-26	Mechanisms for seeking advice and raising concerns	
	2-27	Compliance with laws and regulations	59
	2-28	Membership associations	42
	2-29	Approach to stakeholder engagement	49 – 52
	2-30	Collective bargaining agreements	NA

GRI STANDARD		DISCLOSURE	PAGE REFERENCE/ REASONS FOR OMISSION
GRI 3: Material Topics 2021	3-1	Process to determine material topics	53 – 54
	3-2	List of material topics	
	3-3	Management of material topics	
ECONOMIC PERFORMANCE			
GRI 3: Material Topics 2021	3-3	Management of material topics	63 – 67
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	64
	201-2	Financial implications and other risks and opportunities due to climate change	72 – 75
	201-3	Defined benefit plan obligations and other retirement plans	88
INDIRECT ECONOMIC IMPACTS			
GRI 3: Material Topics 2021	3-3	Management of material topics	63 – 67
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	64
	203-2	Significant indirect economic impacts	
PROCUREMENT PRACTICES			
GRI 3: Material Topics 2021	3-3	Management of material topics	64 - 65
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	65
ANTI-CORRUPTION			
GRI 3: Material Topics 2021	3-3	Management of material topics	61 – 62
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	61
	205-2	Communication and training about anti-corruption policies and procedures	
	205-3	Confirmed incidents of corruption and actions taken	
CUSTOMER PRIVACY			
GRI 3: Material Topics 2021	3-3	Management of material topics	62
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	
MATERIALS			
GRI 3: Material Topics 2021	3-3	Management of material topics	80
GRI 301: Materials 2016	301-1	Materials used by weight or volume	

GRI STANDARD		DISCLOSURE	PAGE REFERENCE/ REASONS FOR OMISSION
ENERGY			
GRI 3: Material Topics 2021	3-3	Management of material topics	77 – 78
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	
	302-3	Energy intensity	78
	302-4	Reduction of energy consumption	
	302-5	Reductions in energy requirements of products and services	
WATER AND EFFLUENTS			
GRI 3: Material Topics 2021	3-3	Management of material topics	78 – 79
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	
	303-2	Management of water discharge-related impacts	79
	303-3	Water withdrawal	
	303-4	Water discharge	
	303-5	Water consumption	
BIODIVERSITY			
GRI 3: Material Topics 2021	3-3	Management of material topics	81
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	
	304-2	Significant impacts of activities, products and services on biodiversity	
EMISSIONS			
GRI 3: Material Topics 2021	3-3	Management of material topics	69 - 77
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	76
	305-2	Energy indirect (Scope 2) GHG emissions	
	305-3	Other indirect (Scope 3) GHG emissions	77
	305-4	GHG emissions intensity	
	305-5	Reduction of GHG emissions	72 – 75
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	77

GRI STANDARD		DISCLOSURE	PAGE REFERENCE/ REASONS FOR OMISSION
WASTE			
GRI 3: Material Topics 2021	3-3	Management of material topics	80 – 81
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	
	306-2	Management of significant waste-related impacts	
	306-3	Waste generated	81
	306-4	Waste diverted from disposal	
	306-5	Waste directed to disposal	
EMPLOYMENT			
GRI 3: Material Topics 2021	3-3	Management of material topics	84 – 87
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	86 – 87
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	89
	401-3	Parental leave	
OCCUPATIONAL HEALTH AND SAFETY			
GRI 3: Material Topics 2021	3-3	Management of material topics	92 – 94
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	92 – 93
	403-2	Hazard identification, risk assessment and incident investigation	
	403-3	Occupational health services	
	403-4	Worker participation, consultation, and communication on occupational health and safety	
	403-5	Worker training on occupational health and safety	
	403-6	Promotion of worker health	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
	403-8	Workers covered by an occupational health and safety management system	
	403-9	Work-related injuries	94
	403-10	Work-related ill health	
TRAINING AND EDUCATION			
GRI 3: Material Topics 2021	3-3	Management of material topics	83 – 84
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	83
	404-2	Programmes for upgrading employee skills and transition assistance programmes	
	404-3	Percentage of employees receiving regular performance and career development reviews	

GRI STANDARD	DISCLOSURE		PAGE REFERENCE/ REASONS FOR OMISSION
DIVERSITY AND EQUAL OPPORTUNITY			
GRI 3: Material Topics 2021	3-3	Management of material topics	84 – 85
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	
NON-DISCRIMINATION			
GRI 3: Material Topics 2021	3-3	Management of material topics	84 – 85
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	
CHILD LABOUR			
GRI 3: Material Topics 2021	3-3	Management of material topics	91
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	
FORCED OR COMPULSORY LABOUR			
GRI 3: Material Topics 2021	3-3	Management of material topics	91
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	
LOCAL COMMUNITIES			
GRI 3: Material Topics 2021	3-3	Management of material topics	94
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments and development programmes	
	413-2	Operations with significant actual and potential negative impacts on local communities	
SUPPLIER SOCIAL ASSESSMENT			
GRI 3: Material Topics 2021	3-3	Management of material topics	91
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	91
	414-2	Negative social impacts in the supply chain and actions taken	

TCFD STATEMENT

TCFD Disclosures	
Governance	
Describe the Board's oversight of climate-related risks and opportunities.	Refer to Sustainability Governance Structure (page 58) and Task Force on Climate-Related Disclosures (page 69)
Describe the management's role in assessing and managing climate-related risks and opportunities.	
Strategy	
Describe the climate-related risks and opportunities the organisation has identified over the short-, medium-, and long-term.	Refer to Task Force on Climate-Related Disclosures (pages 70 - 71)
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	
Risk Management	
Describe the organisation's processes for identifying and assessing climate-related risks.	Refer to Task Force on Climate-Related Disclosures (pages 72 - 75)
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	
Metrics and Targets	
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Refer to Task Force on Climate-Related Disclosures (page 76)
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions, and the related risks.	

Corporate Governance Overview Statement

The Board of Directors ("Board") is pleased to present the Corporate Governance Overview Statement ("Statement"), which provides an overview of the corporate governance practices adopted by MGB Berhad ("MGB" or "the Company") and its subsidiaries (collectively referred to as the "Group") for the financial year ended 31 December 2024 ("FY 2024"). These practices are in accordance with the principles and guidance delineated in the Malaysian Code on Corporate Governance ("MCCG") as stipulated by the Securities Commission Malaysia and fully compliant with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

This Statement should be read together with the Corporate Governance Report ("CG Report"), which is accessible at MGB's corporate website at www.mgbgroup.com.my, and through an official announcement on Bursa Malaysia. Furthermore, we encourage a thorough review of the Statement alongside other key components in the Annual Report, such as Statement on Risk Management and Internal Control, Audit Committee Report and Sustainability Report. This comprehensive examination provides stakeholders with a nuanced and holistic perspective on the Group's corporate governance practices, aligning seamlessly with the principles outlined in the MCCG.

In the face of persistently challenging global market conditions and economic uncertainties, the imperative for active corporate governance and robust oversight systems becomes paramount. These measures are essential to guarantee the Group's agility and effectiveness during uncertain times, capitalising on our inherent strengths to attain sustainable growth.

The Board recognises the paramount importance of corporate governance in fostering and steering the Group towards long-term sustainable growth, all the while considering the interests of investors and various stakeholders. In pursuit of this objective, the Board consistently invests significant efforts in identifying and formalising best practices, ensuring the perpetuation of elevated standards of corporate governance across the entire Group.

This Statement provides shareholders and investors with an overview of how the Group has applied the 3 key Principles set out in the MCCG during the FY 2024 as well as key focus areas and future priorities in relation to corporate governance:

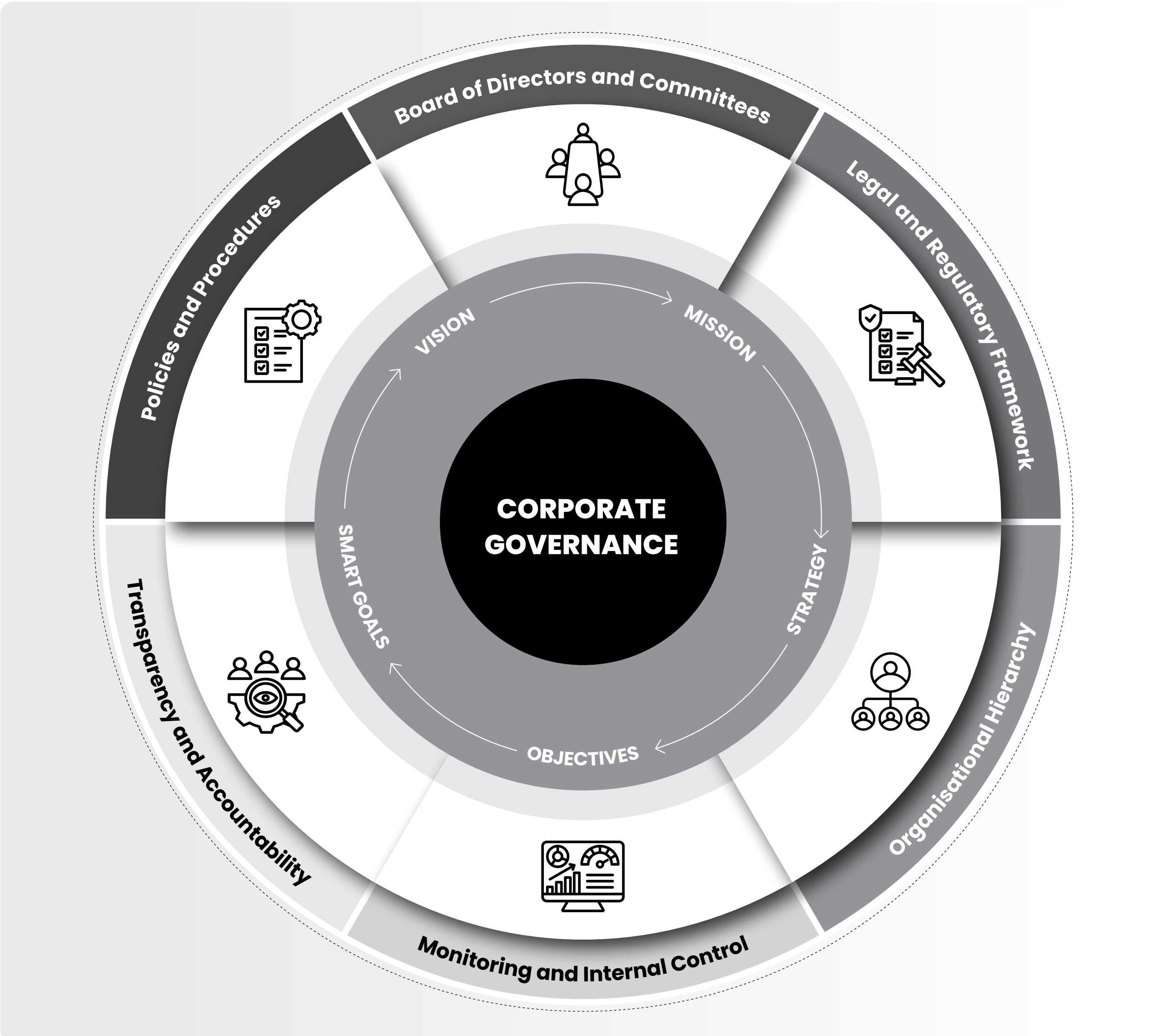
PRINCIPLE A:	PRINCIPLE B:	PRINCIPLE C:
BOARD LEADERSHIP AND EFFECTIVENESS	**EFFECTIVE AUDIT AND RISK MANAGEMENT**	**INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**

Corporate Governance Overview Statement

As at the date of this Statement, the Group has complied with all material aspects of the principles set out in the MCCG throughout FY 2024 to achieve the intended outcome. Details of the application are summarised as below:

	Total	Applied/ Adopted	Departure	Not Applicable	Not Adopted
Recommended Practices	43	39	1	3	-
Step-up Practices	5	5	-	-	-

The CG Report provides the details on how the Group has applied each of the Practices set out in the MCCG during FY 2024 as well as explanations for the departures and alternative measures in place for the abovementioned practices.



PRINCIPLE A:

BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES

1.1 Board of Directors

MGB acknowledges the Board's pivotal role in steering the Group's strategic direction, governance and operations, ultimately enhancing long-term shareholder value. The Board is entrusted with setting the right tone at the top, ensuring that Group operates with integrity, accountability and a strong ethical foundation. While individual directors are legally obligated to act in the Group's best interest, the Board collectively upholds its responsibilities to stakeholders, aligning decisions with global best practices in corporate governance.

In today's rapidly evolving business landscape, effective board oversight is critical to sustaining long-term success. The Board plays a multifaceted role in formulating, implementing and evaluating comprehensive strategic plans that drive operational excellence. A core focus of its oversight is risk management, encompassing financial operational and Environmental, Social and Governance ("ESG") consideration. As ESG factor increasingly influence investors decisions and corporate resilience, the Board remains committed to integrate sustainability principles into the Group's strategic framework, ensuring resilience in an era of heightened regulatory scrutiny and shifting stakeholder expectations.

A key priority for the Board is fostering strong leadership and ensuring the business continuity through effective succession planning. It is also evaluates and approves changes to the corporate structure, ensuring alignment with strategic objective in an increasingly digitalised and interconnected global economy.

Recognising the growing importance of sustainability and ethical practices, the Board formalises policies and strategic that reinforce MGB's commitment to responsible corporate citizenship. These principles are embedded the Company's Code of Conduct & Business Ethics, ensuring adherence to the highest governance standards. Additionally, the Board actively engages in investor relations and shareholder communication, fostering trust, transparency and long-term confidence among stakeholders.

To uphold robust governance, the Board ensures the implementation of stringent internal controls and compliance frameworks, mitigating operational risks through continuous assessments and oversight by specialised board committees. In line with global trends emphasised board diversity and expertise, MGB's Board comprises a highly experienced and multidisciplinary team of Executive and Independent Non-Executive Directors. With expertise spanning economics, engineering, management, human capital, legal, accounting, finance, construction, property development and digital & technology, the Board is well-positioned to guide the Group amidst evolving industry landscapes. Their strategic leadership is detailed in the Annual Report, offering stakeholders valuable insights into their contributions and governance effectiveness.

Corporate Governance Overview Statement

1.2 Leadership Roles and Responsibilities

To facilitate the efficient execution of roles and responsibilities, the Board has established a comprehensive Governance Framework for the Group. Specific authorities have been delegated to the Board Committees, Group Managing Director and Management Committees. The delineation of these responsibilities is outlined below:

Shareholders

Board of Directors
Responsible for the long-term success of the Group. It sets strategy and oversees its implementation, ensuring only acceptable risks are taken. It provides leadership and direction and is also responsible for corporate governance and the overall financial performance of the Group.

BOARD COMMITTEES

Audit Committee

Responsible for oversight of the Group's financial and reporting processes, the integrity of the financial statements, the external and internal audit processes, and the systems of internal control and risk management.

Please refer to the Audit Committee Report which forms part of this Annual Report for further details.

Nomination and Remuneration Committee

Responsible for reviewing and recommending to the Board on board composition, board evaluation, executive remuneration policy and recommend the remuneration packages of the Executive Directors.

Please refer to Section on Nomination and Remuneration Committee of this Statement on Corporate Governance for further details.

Risk Management Committee

Responsible for oversight of the implementation of the risk management system and to ensure that the risk management process is in place and functioning effectively.

Details of the Group's Risk Management are set out in the Statement on Risk Management and Internal Control in this Annual Report.

Sustainability Committee

Responsible to oversee the management processes and strategies designed, as well as to manage the impacts of the Group's operations on economic, environment, governance and social.

Details of the Group's Sustainability update are set out in the Sustainability Report in this Annual Report or standalone Sustainability Report on our Corporate Website.

Group Managing Director
Responsible for implementation of the Board's strategies, day-to-day management of the business and all matters which have not been reserved to the Board or delegated to its Committees.

Senior Management Team
An executive team that operates under the direction and authority of the Chief Executive Officer who reports periodically to Group Managing Director, Board & Board Committee. It assists the Chief Executive Officer in implementing strategies and policies set by the Board and managing the operational and financial performance of the Group. It also addresses other key business and corporate related matters, including succession planning and organisational development.

MANAGEMENT COMMITTEES

Health, Safety & Environment (HSE) Committee

Responsible to establish and implement the Group HSE Management System to achieve the objectives of HSE.

Other Ad-Hoc Committees

Ad-hoc Committee will be formed based on the specific corporate exercise or operation of the Group when the need arises.

Risk Management Working Group

A working group that led by the Executive Director & Chief Executive Officer to support Risk Management Committee on risk management task.

Group Sustainability

To support Sustainability Committee to oversee and report sustainability issues relating to all groups of stakeholders.

The Company remains committed to upholding the highest standards of corporate governance through the Governance Framework, which embeds best practices within the organisation, including where specific authorities of the Board are delegated to the relevant Board Committees. This framework ensures that specific authorities of the Board are effectively delegated to the relevant Board Committees, the Group Managing Director, the Management Team and Management Committees. The Board has established four (4) Board Committees, each aligned with the MCCG, played a critical role in fulfil their respective responsibilities.

The Board Committees provide expert oversight in key areas including financial reporting, procurement and development matters, internal controls and risk management, governance and human capital management. Their strategic contributions enhance accountability and ensure that the Group operates with transparency and efficiency.

To strengthened governance and operational effectiveness, the Board has extended the adoption of Discretionary Authority Limits across its subsidiaries, enabling the Senior Management to oversee daily operational matters within a well-defined governance structure. These authority limits are regularly reviewed to ensure agility and responsiveness to the evolving business landscape.

In 2024, the Company further reinforced its commitment to ethical business practices by enhancing its Anti-Bribery & Corruption Policy and Whistleblowing Policy. These updates strengthen the Group's zero-tolerance stance on unethical conduct while improving mechanisms for confidential reporting and whistleblower protection. In addition, in early 2025, the Board adopted a Conflict of Interest Policy to provide clear guidelines for identifying, disclosing and managing conflicts, ensuring transparency and accountability at all levels. The External Auditors Policy was also revised to enhance the framework for auditor selection, independence and performance evaluation, reinforcing the integrity of the Company's financial reporting process.

The Company continues to advance its Human Rights Policy, refining its Grievance Mechanism to provide a structured and transparent approach to addressing workplace concerns. This mechanism complements the Whistleblowing Policy, ensuring that employee grievances are effectively managed, fostering a fair and inclusive workplace. By integrating strong governance principles, risk management strategies and ethical business practices, the Board remains focused on sustaining long-term value creation and reinforcing stakeholder confidence in the Group's operations.

Role	Key Responsibilities
Chairman	The Chairman is responsible for instilling good corporate governance practices and leading the Board in discharging its duties effectively.
Group Managing Director	The Group Managing Director assumes overall responsibilities for the execution of the strategies of the Group, in line with the Board's direction, and drives the Group's businesses and performance towards achieving the Group's vision and goals.
Executive Directors	The Executive Directors are responsible for the day-to-day management of financial and operational matters in accordance with the strategic direction established by the Board.
Non-Executive Directors	The Non-Executive Directors are responsible for acting as a check and balance on MBG's Board and the Management by providing independent and unbiased views and act as caretakers of minority interest.
Key Management	The Board is assisted by the Key Management Team. The details of the Key Management Team are provided on pages 12 to 16 of the Annual Report. The Key Management is tasked with the responsibility of managing of the Group's business and implementing the Board's strategies, policies and decisions. The relevant members of the Key Management Team will also be invited to attend the Board and/or the Board Committees meetings to advise and provide clarifications as and when required on items in the agenda tabled to the Board and the Board Committees.

1.3 Roles of the Chairman and Group Managing Director

MGB recognises the importance of maintaining a clear separation between the roles of the Chairman and the Group Managing Director, ensuring accountability and effective division of responsibilities. The Board uphold a well-defined governance structure that fosters transparency, balanced decision-making and operational efficiently.

Following resignation of former Independent Non-Executive Chairman on 15 January 2024, Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San, *JP*, has been appointed as the Group Executive Chairman, assume full leadership responsibilities. In this role, he provides strategic guidance, ensures Board effectiveness and a foster a cohesive decision-making environment. His leadership emphasises governance, compliance and the facilitation of open discussions, allows for the robust exchange of perspectives on key Group matters.

At the executive level, Datuk Wira Lim Hock Guan, *JP*, the Group Managing Director, spearheads the Group's overall business operations. His role is instrumental in driving performance, implementing strategic initiatives and aligning daily operations with the Board's policies and long-term objectives. He also plays a key role in determined Group's strategic direction, ensuring sustainable growth and value creation for stakeholders.

By maintaining a strong leadership structure and clear governance framework, the Board remains committed to upholding corporate integrity, fostering business sustainability and delivering long-term stakeholder value.

1.4 Role of Company Secretaries

The Board is assisted by qualified Company Secretaries, as stipulated under Section 235 of the Companies Act 2016. These professionals play a crucial role in offering guidance to the Board and Management on matters pertaining to corporate governance. Their responsibilities include ensuring the Board's adherence to relevant rules, regulatory requirements, and internal policies and procedures.

Directors benefit from unrestricted and prompt access to the counsel and services extended by the Company Secretaries, thereby safeguarding the efficient operation of the Board and its Committees. This accessibility ensures meticulous adherence to established policies, procedures and regulatory compliance standards.

The Company Secretaries actively participate in all Board meetings, Board Committee meetings and shareholders' meetings, contributing to the seamless conduct of proceedings and ensuring the accuracy and adequacy of meeting records and resolutions. As advocates for the adoption of best corporate governance practices, they stay vigilant in monitoring developments in corporate governance and assist the Board in applying these practices to meet both internal needs and stakeholders' expectations.

To stay current, the Company Secretaries engage in continuous training, keeping themselves well-informed about evolving regulatory changes, corporate and securities laws, listing rules, and corporate governance practices, thereby contributing to the Board's commitment to staying abreast of industry developments.

1.5 Board Committees

The Board has established the following four (4) Board Committees to provide specialised oversight and support its governance framework:

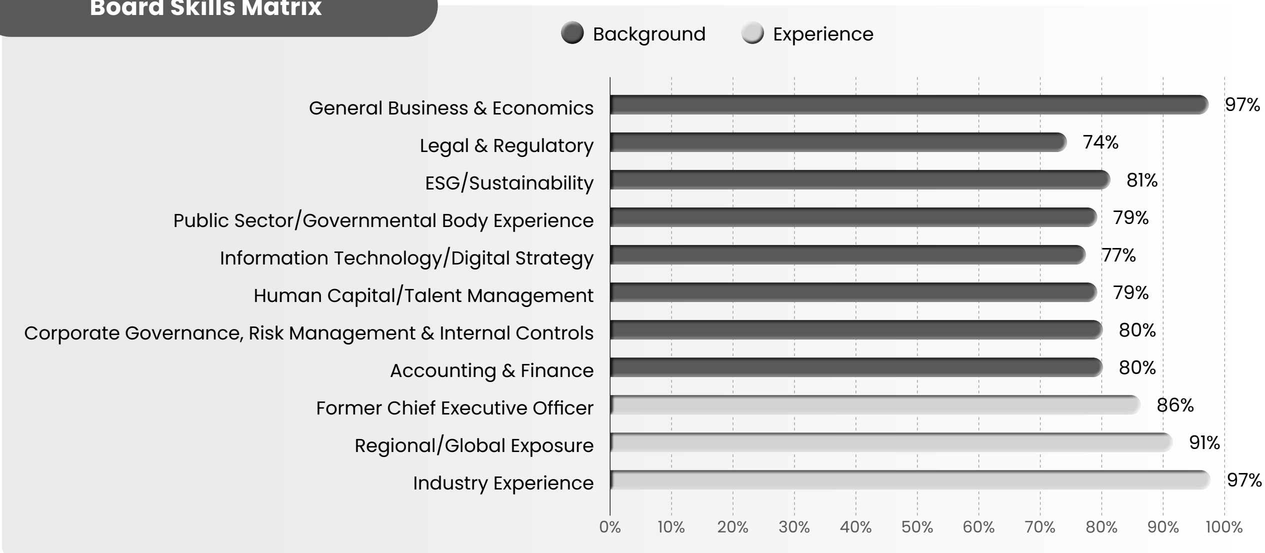
Each Board Committees operates under a clearly defined Terms of Reference ("TOR"), approved and periodically reviewed by the Board. These Committees are entrusted with specific responsibilities to oversee the Group's affairs, ensuring compliance with regulatory requirements and best governance practices. The Board retains authority over the appointment of Committee Chairmen and members, ensuring a balanced and effective governance structure.

The Board continues to uphold a strong governance framework through its Independent Non-Executive Directors, ensuring effective oversight across its Committees. The inclusion of Puan Fansyurina binti Muhammad in end of 2023 and Puan Nor Salinun binti Mohd Ghazali in early of 2024 as Independent Non-Executive Directors enhances the Board's diversity, independence and strategic leadership. Their expertise contributes significantly to the AC, NRC, RMC and SC, reinforcing the Board's commitment to robust corporate governance. Additionally, the Board has undergone structural enhancements to maintain the effectiveness of its Committees, ensuring a balanced composition that aligns with best practices in governance and oversight.

The Board and its Committees convene regularly in accordance with a predetermined schedule, with additional meetings held at the discretion of the respective Committee Chairman when necessary. Each meeting is conducted with a structured agenda, ensuring thorough discussions and informed decision-making. To uphold transparency and accountability, all discussions, recommendations and resolutions are comprehensively documented, with minutes formally reviewed and confirmed at subsequent Committee meetings. The Board is systematically updated on key deliberations and decisions made by its Committees, ensuring a seamless flow of information within the governance framework. This structured approach strengthens oversight, enhances decision-making processes, and aligns governance practices with the Group's strategic objectives.

2. BOARD COMPOSITION AND DIVERSITY

Board Skills Matrix



As part of our ongoing commitment to fortify the Company's competitive advantages, a comprehensive Diversity and Inclusion Policy has been embraced. This policy underscores the recognition of the inherent benefits derived from a diverse Board and workforce. The commitment extends to the dedicated pursuit of enhancing diversity at both the Board and Senior Management levels, deeming it an indispensable and pivotal component.

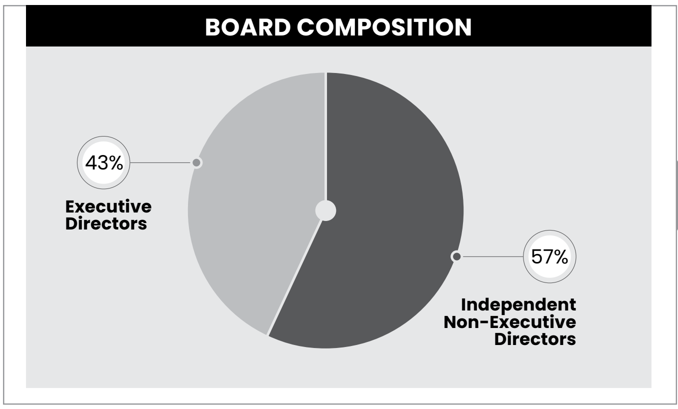
For a detailed exploration of this approach, the complete Diversity and Inclusion Policy is accessible on MGB's corporate website at www.mgbgroup.com.my.

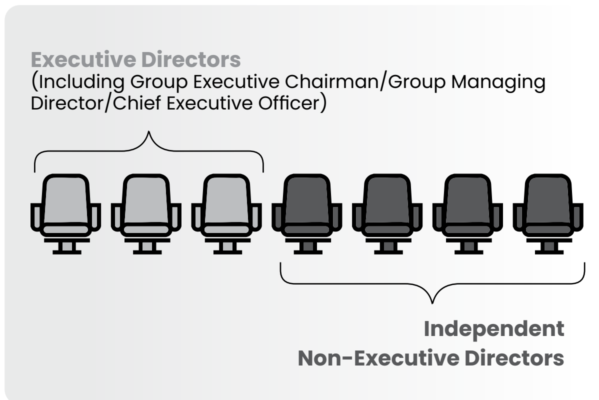
The Board members collectively bring an extensive array of experiences, skills and expertise, spanning accounting, finance, economics, entrepreneurship, engineering, law, governmental affairs, as well as property construction and development. Each member is distinguished by high calibre and unwavering integrity, contributing to the formidable leadership required for the effective stewardship of the Company. Confidence abounds in the presence of experienced and independent-minded Directors within the Board, collectively ensuring a robust system of checks and balances within the governance structure.

In 2024, the Board remains committed to strong governance and strategic oversight, ensuring stability and continuity in its leadership. Under the stewardship of Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San, *JP*, as Group Executive Chairman, the Board continues to uphold effective decision-making and governance practices. The composition of the Board has been further strengthened with the appointment of Puan Fansyurina binti Muhammad on 18 December 2023 and Puan Nor Salinun binti Mohd Ghazali on 15 January 2024 as Independent Non-Executive Directors, reinforcing independent oversight and diversity. The Board maintains a balanced structure of Executive and Independent Non-Executive Directors, ensuring robust leadership across its Committees. Regular evaluations are conducted to assess Board effectiveness, in line with regulatory requirements and evolving market expectations. With a clear focus on sustainability, risk management and corporate governance, the Board remains dedicated to driving the Group's long-term success.

As at the date of this Report, the Board comprises seven (7) members, consisting of three (3) Executive Directors and four (4) Independent Non-Executive Directors ("INED"). This composition reflects a majority of INED in accordance with Paragraph 15.02 of the MMLR of Bursa Malaysia and Practice 5.2 of MCCG, aimed at fostering objective and independent deliberation, review and decision-making.

As at the date of this report, the Board's composition is as follows:-





The Board believed that its current Board composition is well-balanced in terms of size, age diversity, gender representation and a blend of skills, experience and knowledge enabling them to provide effective oversight, strategic guidance and constructive challenge. The Board actively evaluates proposals on strategy and while empower the Group Managing Director and Chief Executive Officer to implement strategies approved by the Board. This structure ensure diversity and inclusiveness of views and effective decision-making fostering meaningful deliberations during its meetings.

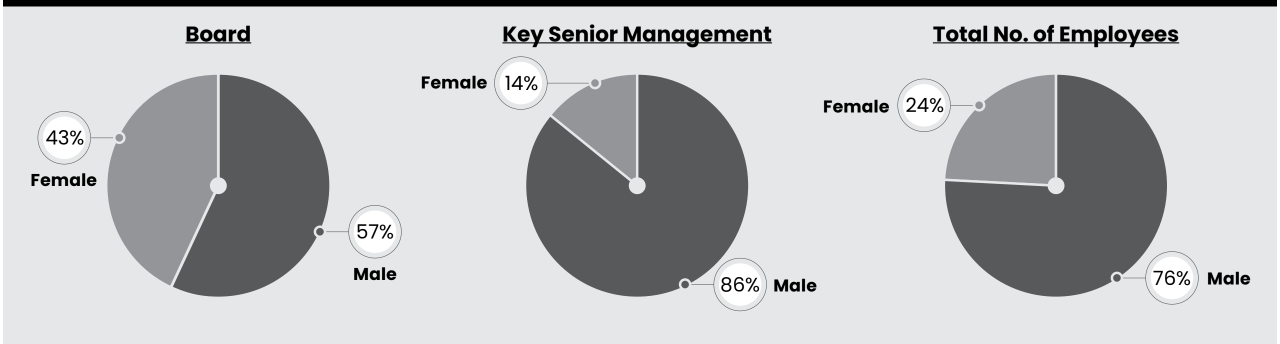
MGB remains steadfast in its commitment to gender diversity within its Board and senior management, in line with the principles set forth in Practice 5.9 of the MCCG, which advocates for a Board composition comprising at least 30% women directors. This commitment is reflected in the presence of Puan Nadhirah binti Abdul Karim, Puan Noor Fansyurina binti Muhammad and Puan Nor Salinun binti Mohd Ghazali, as part of the Board, reinforced MGB's dedication to gender equality and diverse corporate leadership. The Board recognises that a diverse leadership team enhances decision-making by incorporating a broad range of perspectives and experiences, aligning with the diversity of its stakeholders and business landscape. By fostering balanced representation in the boardroom, MGB ensures that its strategic direction is shaped by inclusive viewpoints, ultimately contributing to sustainable growth and long-term success.

MGB's commitment to gender diversity extends beyond Board representation, encompassing all levels of the Company. The Company firmly upholds the principle of equal opportunity, strictly prohibiting discrimination based on age, gender, race, ethnicity, or religion across its operations. Recognising the crucial role of women in decision-making positions, MGB actively promotes gender diversity within its senior management team. Currently, one (1) out of seven (7) senior management personnel is a woman, reflecting the Company's dedication to fostering an inclusive workplace culture that empowers women in leadership roles.

This comprehensive approach to gender diversity not only strengthens MGB's overall performance but also reinforces its commitment to equality and empowerment within the workforce. By fostering an environment that values diverse perspectives and inclusivity, MGB ensures that all employees have the opportunity to thrive and contribute meaningfully to the Company's long-term success. Beyond gender representation, the Board remains committed to identifying and nurturing competent and high-potential candidates who possess the skills, experience, knowledge, expertise, professionalism, integrity and leadership qualities necessary to support the Company's future growth and evolving diversity needs.

In compliance with the Paragraph 15.06 of MMLR of Bursa Malaysia, none of the members of the Board holds more than five (5) directorships in listed companies. Prior to acceptance of other appointment for directorship in other listed companies, the Directors are required to first notify the Chairman of MGB to ensure that such appointment would not unduly affect their time commitment and responsibilities to the Board. In addition, none of the Directors have appointed alternates.

GENDER COMPOSITION AS AT 31 DECEMBER 2024



2.1 Activities of the Nomination and Remuneration Committee ("NRC")

The NRC is responsible to identify and recommend the right candidate with necessary skills, experience and competencies to be filled in the Board and Board Committees. The composition of the NRC is in compliance with the requirements of Paragraph 15.08A(1) of the MMLR of Bursa Malaysia, which provides that the NRC must comprise exclusively of non-executive directors and majority of them are independent directors. The NRC is chaired by an Independent Director which is in line with Practice 5.8 of MCCG 2021.

The NRC currently comprises four (4) Independent Non-Executive Directors:

a) Chairperson – Puan Nadhirah binti Abdul Karim
(Independent Non-Executive Director)

b) Member – Dato' Beh Hang Kong
(Independent Non-Executive Director)

c) Member – Puan Noor Fansyurina binti Muhammad
(Independent Non-Executive Director)

d) Member – Puan Nor Salinun binti Mohd Ghazali
(Independent Non-Executive Director)

A summary of the activities of the NRC in discharging its duties for the FY 2024 is as follows:

1) nominated and recommended Puan Nor Salinun binti Mohd Ghazali to be appointed as Independent Non-Executive Director of the Company;
2) reviewed and recommended the re-designation of Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San, *JP* as the Group Executive Chairman;
3) reviewed and recommended the re-composition of the members of the Board Committees;
4) reviewed the diversity of the Board in respect of its size, composition, skills matrix, competencies and commitment to the Company;
5) reviewed and assessed the level of independence of Independent Directors;
6) conducted an annual assessment on the effectiveness of the Board, Board Committees and the individual directors of the Company;
7) reviewed the term of office and performance of the Audit Committee and each of its members pursuant to Paragraph 15.20 of the MMLR of Bursa Malaysia;
8) reviewed the term of office and performance of the external auditors and internal auditors;
9) reviewed, assessed and made recommendation to the Board for its approval, regarding the directors who are seeking for re-election at the forthcoming Annual General Meeting ("AGM") of the Company; and
10) reviewed the remuneration package and proposed bonus for the Executive Directors and Senior Management personnel (Grade GM1 and above) within the Group.

All proceedings of the NRC meetings were duly recorded in the minutes of each and signed minutes of each NRC meeting were properly kept by the Company Secretaries. Minutes of the NRC meeting were tabled for confirmation at the following NRC meeting, after which that were presented to the Board for notation.

In early 2024, the NRC, with the directors' rotation list presented by the Company Secretaries, identified the directors, subject to retirement in accordance with Clause 90 of the Constitution of the Company. The NRC assessed the respective directors' eligibility of Datuk Wira Lim Hock Guan, *JP* and Puan Nadhirah binti Abdul Karim for re-election by evaluating their competencies, time commitment, contribution and their ability to act in the best interest of the Company. Additionally, under Clause 95 of the Constitution of the Company, the NRC reviewed the retirement and re-election of Puan Noor Fansyurina binti Muhammad and Puan Nor Salinun binti Mohd Ghazali, considering their independent oversight, professional experience and valuable contributions to the Board since their appointments.

Based on the satisfactory diversity and balance of skills and experience of the Board and evaluation of the respective director's performance and their contributions to the Board, the NRC then make recommendation to the Board their re-election at the 22nd AGM held on 13 June 2024. The shareholders have the right to vote on Director(s) re-election or re-appointment as well as dismissal during the AGM.

2.2 Board Appointment Process

The Group has in place a formal and transparent procedure for appointment of new directors to the Board. The Board had entrusted NRC to identify and nominate suitable candidates for appointments to the Board and senior management (Grade GM1 and above) for approval, either to fill vacancies or as addition to meet the changing needs of the Group. The NRC may engage professional recruitment or from recommendations by existing Board members, to search for suitable candidates.

Before recommending an appointment to the Board, the NRC undertakes a comprehensive evaluation of the candidates. The NRC also takes into accounts the Group's business and matches the capabilities and contribution expected for a particular appointment. In selection of Board and senior management candidates, the NRC takes into account the mix of skills, competencies, experience, integrity, personal attributes and time commitment required to effectively discharge his/her role as a director/senior management. The NRC shall ensure that the Board has the right balance of skills, experience, expertise, independence and business knowledge necessary to discharge its responsibilities in keeping with the highest standards of governance.

2.3 Board Independence

The Board has thoroughly reviewed the independence of each Independent Non-Executive Director ("INED") to ensure their ability to provide unbiased judgment and contribute objectively to Board discussions. None of the INEDs serving during the year has any material business or other relationships with the Group, aligning with the guidelines set forth by the MMLR. Additionally, no other matters were identified that could potentially affect their independence of character and judgment as stipulated by the MMLR.

Moreover, the current composition of the Board reflects a commitment to diversity across various dimensions, including demographics, skills, expertise, and experience. With 57% of the current Board comprising INEDs, there is a strong emphasis on promoting independent judgment and fostering diverse viewpoints. These INEDs play a crucial role in providing unbiased advice and judgment, particularly in matters concerning related party transactions, where their independence is vital to safeguarding the interests of minority shareholders. The Board underscores the importance of all directors, including INEDs, exercising independent judgment at all times and acting solely in the best interests of the Group.

The independence of INEDs is rigorously evaluated annually by the NRC based on criteria outlined in the MMLR and the MCCG guidance. This evaluation ensures that INEDs remain capable of providing unbiased and objective contributions to Board discussions, free from any relationships that could compromise their independence. The Board acknowledges that independence should not be determined solely by tenure but also considers factors such as calibre, qualifications, expertise, experience, integrity, and commitment to serve the Company's best interests.

As of the present, the Board is satisfied that all four (4) INEDs maintain their independence of character and judgment. They are free from relationships or circumstances that could impair their objective judgment or compromise their ability to act in the Company's best interest. This assurance underscores the Board's commitment to upholding the highest standards of corporate governance and ensuring effective oversight of the Company's affairs.

2.4 Tenure of Independent Directors

The Board acknowledges the significance of tenure when evaluating INEDs, as outlined in the MCCG. In alignment with these principles, the Board remains committed to adhering to the Step Up 5.4 recommendation, which mandates that Independent Directors retire or be re-designated as Non-Independent Non-Executive Directors upon completing nine (9) years of service, as stipulated in the Board Charter. This structured approach reinforces the Company's dedication to good governance practices, ensuring Board independence, fresh perspectives and continued effectiveness in its oversight responsibilities.

As of the present, none of the INEDs has exceeded the nine (9)-year term limit. This adherence to tenure guidelines ensures that the Board maintains a balance of fresh perspectives while benefiting from the experience and continuity of longer-serving directors. By adhering to these principles, the Board demonstrates its commitment to upholding the highest standards of corporate governance and ensuring effective oversight of the Company's affairs.

2.5 Senior Independent Non-Executive Director

There is no Senior Independent Non-Executive Director appointed during FY 2024. However, the Board is endeavour to identify a suitable replacement for the position of Senior Independent Non-Executive Director soonest available.

3. BOARD EFFECTIVENESS

3.1 Board Evaluation

The Board, through the NRC and facilitated by the Company Secretaries, had carried out the annual assessment to evaluate the performance of the Board, its Board Committees and each individual directors, as well as identifying any gaps or arears of improvement, where required that cover the following:

- The diversity and balance of the Board in respect of its size, composition, skills matrix, competencies and commitment to the Company;
- The Board as a whole and the board committees' performance evaluation;
- The character, experience, integrity, competence and time commitment of the individual directors;
- Level of Independence of Independent Director;
- The term of office and performance of the Audit Committee and each of its members pursuant to Paragraph 15.20 of the MMLR of Bursa Malaysia;
- The term of office and performance of the External Auditors;
- The term of office and performance of the Internal Auditor;
- The performance of the Sustainability Committee;
- The performance of the Executive Directors and Senior Management in relation to performance evaluation, control and compliance, financial reporting & impact of other key disclosures on financial reporting; and
- The competencies and contribution of the director(s) who seek for re-election during the Annual General Meeting.

The assessment for the financial year under review was conducted internally through a structured questionnaire, designed to evaluate and enhance the effectiveness and performance of the Board. To ensure a transparent and meaningful evaluation, the process was overseen by the Company Secretary, who distributed the questionnaire to each Director and subsequently compiled the completed responses. A summary of the results, along with all feedback received, was presented to the NRC for deliberation, after which appropriate action plans were recommended to the Board for further discussion and approval.

The assessment results were thoroughly documented, summarised and presented to the Board. The evaluation for the financial year under review affirmed that the Board and its Committees had effectively discharged their responsibilities, with almost all responses reflecting positive feedback. The Board expressed satisfaction with its overall performance while acknowledging key findings and areas for further enhancement.

3.2 Directors' Re-Election and Re-Appointment

Taking into consideration on the Clause 90 of the Company's Constitution, the Directors' rotation list was presented to the NRC for endorsement prior to recommendation to the Board. In assessing the candidates' eligibility for re-election, the NRC considers their competencies, time commitment, contribution and their ability to act in the best interest of MGB.

Clause 91 of the Company's Constitution provides, among others, that the Directors to retire in every year shall be those who, being subject to retirement by rotation, have been longest in office since their 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. A retiring Director shall be eligible for re-election.

Clause 95 of the Company's Constitution provides, among others, that the Directors shall have power at any time and from time to time to appoint any person to be a Director either to fill a casual vacancy or as an additional Director, but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with this Constitution. Any Director so appointed shall hold office only until the next annual general meeting and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

Tan Sri Dato' Sri Ir (Dr.) Lim Hock San, *JP*, Datuk Lim Lit Chek and Dato' Beh Hang Kong are retiring by rotation in accordance with Clause 90 of the Company's constitution at the forthcoming 23rd AGM and being eligible, have offered themselves for re-election. The Board recognises that the Directors' performance is used as basis in recommending their re-election to the shareholders. This, in turn, is determined through their annual evaluation and independence assessment, which are assessed by the NRC before any recommendation is made to the Board for deliberation and approval.

As part of the annual independence assessment, the NRC and Board reviewed the independence of Dato' Beh Hang Kong, who is retiring at the 23rd AGM. The assessment confirmed that he has met the independence criteria as prescribed under the MMLR and continues to provide objective and independent judgment in Board deliberations.

Having assessed their professionalism, extensive experience, competency, commitment and contributions to the Board, the NRC and the Board are satisfied that all Directors standing for re-election at the 23rd AGM have demonstrated the necessary expertise and diligence in carrying out their responsibilities effectively.

With that, upon the NRC's assessment, the Board resolved to support and recommend the re-election of each Director who is retiring at the upcoming 23rd AGM.

3.3 Supply and Access to Information

The Board has unrestricted access to the advice and services of the Company Secretaries who are suitably qualified and competent to support the Board. The Company Secretaries are responsible for providing support and guidance to the Board on policies and procedures, rules and regulations and relevant laws in regard to the Company as well as the best practices on governance.

In addition, all Directors have full and unrestricted access to all information pertaining to the Group's businesses and affairs in a timely manner to enable them to discharge their duties effectively.

Procedures have been established for timely dissemination of Board and Board Committee papers to all Directors and Board Committees in advance of the scheduled meetings. Notices of meetings are sent to Directors at least seven (7) days before the meetings. Management provides the Board with detailed meeting materials at least seven (7) days or such shorter period as agreed by the Board in advance of the Board or Board Committees' meetings. This enables the Directors to have sufficient time to peruse the Board papers and seek clarifications or further details from the Management or the Company Secretaries before each meeting.

The proceedings of Board Meetings are conducted in accordance with a structured agenda together with comprehensive management reports and supporting information which are furnished to the Directors in advance for the Directors to obtain further explanation or clarification, where necessary, in order to be properly briefed before the meeting. Senior Management and relevant external consultants may be invited to join the meetings to brief the Board and Board Committees on the requisite information on matters being discussed, where necessary.

The Directors, whether collectively as a Board or in their individual capacity, may seek independent professional advise at MGB's expense in furtherance of their duties.

3.4 Board Meetings

The Board schedules meetings on a quarterly basis and additional meetings which require the Board's deliberation and approval will be convened in between the scheduled meetings as and when necessary. A pre-scheduled of the Board, Board Committees and General Meeting of the year under review were circulated to all the Board members at the beginning of each financial year to facilitate the Directors in planning ahead and incorporating the said meetings into their respective schedules. A total of five (5) Board meetings were convened in FY 2024.

Technology is effectively used in the meetings of Board and Board Committees and in communication with the Board, where the Directors may receive agenda and meeting materials online and participate in meetings via audio or video conferencing.

The Chairman of the meeting is responsible to assure that robust and vigorous deliberations at Board and Board Committee meetings and provide opportunities to all Directors to participate and contribute to the decision-making process as well as to ensure that the process of constructive and healthy dialogue is achieved.

Matters deliberated at Board meetings include among others, strategies, business plans and budget, financial and business performance reports, investment decisions, policies, and corporate governance. The Board meetings are convened upon finalisation of the Company's quarterly results and annual results for the Board to review and approve prior to announcement to Bursa Malaysia. The respective Chairman of AC, NRC, RMC and SC also updated the Board on the proceedings of their respective Committee meetings. All proceedings and deliberations including comments made by the Directors at the Board and Board Committee's meetings were duly minuted and signed.

Minutes of each Board and Board Committee's meeting are properly kept by the Company Secretaries at the Registered Office. The minutes of Board and Board Committee's meetings were circulated in a timely manner to all Directors for their perusal prior to the minutes tabled for confirmation at the next Board and Board Committee's meeting. The Directors may request for clarification or raise comments on the minutes prior to their confirmation.

The Board and Board Committees have discharged their roles and responsibilities by attending the Board and Board Committees meetings held in FY 2024. The Board is satisfied with the level of time commitment given by the Directors in carrying out their responsibilities which is evidenced by the attendance record of the Directors set out in table below:-

			Attendance											
No.	**Director**	**Designation**	BOD	%	AC	%	NR	%	RM	%	SC	%	AGM	%
1.	**Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San, *JP***	Group Executive Chairman	5/5	100	-	-	-	-	-	-	-	-	1/1	100
2.	**Datuk Wira Lim Hock Guan, *JP***	Group Managing Director	5/5	100	-	-	-	-	3/3	100	4/4	100	1/1	100
3.	**Datuk Lim Lit Chek**	Executive Director & Chief Executive Officer	5/5	100	-	-	-	-	3/3	100	4/4	100	1/1	100
4.	**Dato' Beh Hang Kong**	Independent Non-Executive Director	5/5	100	5/5	100	3/3	100	3/3	100	4/4	100	1/1	100
5.	**Puan Nadhirah binti Abdul Karim**	Independent Non-Executive Director	5/5	100	5/5	100	3/3	100	3/3	100	4/4	100	1/1	100
6.	**Puan Noor Fansyurina binti Muhammad**	Independent Non-Executive Director	5/5	100	5/5	100	3/3	100	3/3	100	4/4	100	1/1	100
7.	**Puan Nor Salinun binti Mohd Ghazali***	Independent Non-Executive Director	5/5	100	5/5	100	2/2	100	3/3	100	4/4	100	1/1	100
	Total number of meetings for FY2024		**5**		**5**		**3**		**3**		**4**		**1**	

* *Puan Nor Salinun binti Mohd Ghazali appointed as Independent Non-Executive Director with effective from 15 January 2024.*

Legend

BOD Board of Director	AC Audit Committee	NR Nomination & Remuneration Committee
RM Risk Management Committee	SC Sustainability Committee	AGM Annual General Meeting

The Board's 2024 Key Focus Areas & Priorities

The diagram illustrated below shows the key areas of focus for the Board which appear as items on the Board's agenda at the respective meetings throughout the year.

Highlights of Board Activities During FY 2024

January

- Acceptance of resignation of Independent Non-Executive Chairman and re-designation of Executive Vice Chairman to Group Executive Chairman.
- Appointment of new Independent Non-Executive Director and re-composition of the members of the Board Committees.
- Review and approve the remuneration package and proposed bonus for the Executive Directors and Senior Management personnel (Grade GM1 and above) within the Group.

February

- Review the Audit Findings Report Pursuant to the Audit Planning Memorandum for the Financial Year Ended 31 December 2023.
- Table results of Board Effectiveness Evaluation 2023.
- Review and approve the performance rating of directors to be seek for re-election in 22nd AGM in 2024.
- Review and approve 4th Quarterly Results.
- Review Solvency Analysis and approve payment of Interim Dividend.
- Review Conflict of Interest Transaction, Related Party Transaction & Recurrent Related Party Transactions.
- A summary of dealings on securities by Directors from last meeting.
- Review the Sustainability Initiatives and Targets.
- Review and approve the Revised Sustainability Policy.

April

- Approval of Audited Consolidated Financial Statements 31 December 2023.
- Review and propose Director Fees and allowance to be approved by the shareholders at AGM.
- Review and propose payment of Directors' benefits (excluding Directors' fees) to be approved by the shareholders at AGM.
- Review the Solvency Analysis and proposed payment of Final Dividend, to be approved by the shareholders at AGM.
- Approval of Annual Report and Corporate Governance Report for the Financial Year 2023.
- Review the performance of auditors during term of office and recommend to the Shareholders for the re-appointment of External Auditors.
- Review and approve the Circular to shareholders in relation to proposed new shareholders' mandate and renewal of existing shareholders' mandate for recurrent related party transaction ("RRPT") of a revenue or trading nature; and proposed purchase by the Company of up to 10% of its issued and paid-up capital.
- Review and approve the Sustainability Report 2023 Progress Achieved and outlined strategies Plans for the Future.
- Review and approve the Revised Anti-Bribery & Corruption Policy and Whistleblowing Policy.

May

- Review and approve the periodic Departmental Enterprise (ERM) and Corruption Risk Register of the Group and the Proposed Management Action Plan.
- Review and approve 1st Quarterly Results.
- Review and approve the Internal Audit Report.
- Review Conflict of Interest Transaction, Related Party Transaction & Recurrent Related Party Transactions.
- A summary of dealings on securities by Directors from last meeting.

June

- Convening of the Company's 22nd AGM.

August

- Review and approve the periodic Departmental Enterprise (ERM) and Corruption Risk Register of the Group and the Proposed Management Action Plan.
- Review and approve 2nd Quarterly Results.
- Review Conflict of Interest Transaction, Related Party Transaction & Recurrent Related Party Transactions.
- A summary of dealings on securities by Directors from last meeting.
- Update on the Sustainability Initiatives.

November

- Review and approve Audit Planning Memorandum by external auditors.
- Review and approve 3rd Quarterly Results.
- Review and approve the Internal Audit Report.
- Review and approve Internal Audit Planning for 2025.
- Review Conflict of Interest Transaction, Related Party Transaction & Recurrent Related Party Transactions.
- A summary of dealings on securities by Directors from last meeting.
- Approve the Key Performance Indicators (KPIs) for 2025, including updates from 2024.
- To update on Saudi Business Plan.

3.5 Dealing in Securities and Related Party Transaction

Notices on the closed periods for dealings in the securities of the Company are circulated to all Directors and principal officers of the Company every quarter at least one (1) month before the scheduled meeting date to review and approve the quarterly results, in order for them to avoid dealing in securities during closed period, and if they do, to observe the clearance procedures as set out in the MMLR of Bursa Malaysia, to make necessary disclosure to the Company and given notice to Company Secretary, whenever the closed period is applicable.

A Director shall immediately declare to the Company if he/she has any interest in transactions that are to be entered directly or indirectly with the Company. He/She shall disclose the extent and nature of his/her interest at a Board meeting or as soon as practicable after he/she become aware of the conflict of interest. He/She shall abstain from participating in the deliberation and Board decision on the matter as he/she is an interested party.

3.6 Directors' Training

In line with Paragraph 15.08 of MMLR of Bursa Malaysia, the Directors recognise the importance and value of attending conferences, training programmes and seminar in order to gain insights into the latest regulatory and industry developments in relation to the Group's business.

During FY 2024, the Directors participated in conferences, seminars and training programmes that covered areas of corporate governance, finance, global business developments and relevant industry updates in various capacities, as delegates and/or speakers, details of which are set out below:

No.	Director	Development Programmes Attended	Organiser	Date
1.	**Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San, *JP***	Enhanced Conflict of Interest & Disclosure Obligations – Unpacking the Implications To, & Disclosure Obligations of Listed Issuers, Their Directors and Key Officers Programme	Compass Mind Asia Sdn. Bhd.	23 April 2024
		Introduction to Anti-Corruption Law in Malaysia 2024	Malaysian Anti-Corruption Commission	13 November 2024
2.	**Datuk Wira Lim Hock Guan, *JP***	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	Institute of Corporate Directors Malaysia	28 & 29 February 2024
		Enhanced Conflict of Interest & Disclosure Obligations – Unpacking the Implications To, & Disclosure Obligations of Listed Issuers, Their Directors and Key Officers Programme	Compass Mind Asia Sdn. Bhd.	23 April 2024
		Introduction to Anti-Corruption Law in Malaysia 2024	Malaysian Anti-Corruption Commission	13 November 2024
3.	**Datuk Lim Lit Chek**	Enhanced Conflict of Interest & Disclosure Obligations – Unpacking the Implications To, & Disclosure Obligations of Listed Issuers, Their Directors and Key Officers Programme	Compass Mind Asia Sdn. Bhd.	5 September 2024
4.	**Dato' Beh Hang Kong**	Enhanced Conflict of Interest & Disclosure Obligations – Unpacking the Implications To, & Disclosure Obligations of Listed Issuers, Their Directors and Key Officers Programme	Compass Mind Asia Sdn. Bhd.	5 September 2024

No.	Director	Development Programmes Attended	Organiser	Date
5.	**Puan Nadhirah binti Abdul Karim**	Enhanced Conflict of Interest & Disclosure Obligations – Unpacking the Implications To, & Disclosure Obligations of Listed Issuers, Their Directors and Key Officers Programme	Compass Mind Asia Sdn. Bhd.	5 September 2024
		Key Learning Points from Review of MIA's Illustrative MPERS (Application by reference to various related MFRSs)	Malaysian Institute of Accountants (MIA)	21 November 2024
6.	**Puan Noor Fansyurina binti Muhammad**	Mandatory Accreditation Programme	Institute of Corporate Directors Malaysia	25 & 26 March 2024
		Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	Institute of Corporate Directors Malaysia	26 & 27 August 2024
		Enhanced Conflict of Interest & Disclosure Obligations – Unpacking the Implications To, & Disclosure Obligations of Listed Issuers, Their Directors and Key Officers Programme	Compass Mind Asia Sdn. Bhd.	5 September 2024
7.	**Puan Nor Salinun binti Ghazali**	Mandatory Accreditation Programme (MAP)	Institute of Corporate Directors Malaysia	29 & 30 April 2024
		Director's Masterclass Series 2024: Latest Developments in Climate: Aligned Executive Compensation	Climate Governance Malaysia & FIDE Forum	17 July 2024
		Enhanced Conflict of Interest & Disclosure Obligations – Unpacking the Implications To, & Disclosure Obligations of Listed Issuers, Their Directors and Key Officers Programme	Compass Mind Asia Sdn. Bhd.	5 September 2024
		Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	Institute of Corporate Directors Malaysia	25 – 26 September 2024
		Bursa Academy: Conflict of Interest and Governance	Bursa Academy	2 October 2024
		Strategic Data and Framework in Board Governance	Institute of Corporate Directors Malaysia	2 December 2024

3.7 Ethical and Procedural Standards

MGB is dedicated to maintain elevated ethical and procedural standards that resonate with the Company's values and objectives. In pursuit of this commitment, MGB has established internal policies, standards, guidelines, procedures and codes that underpin its corporate governance framework. Below are some of the key internal policies, standards, guidelines, procedures and codes:

3.7.1 Board Charter

The Board remains committed to upholding the highest standards of corporate governance through its Board Charter, which defines the roles, powers and responsibilities of the Board in alignment with best practices, governance principles and applicable laws.

The Board Charter serves as a guiding framework, ensuring clarity in the Board's oversight function and providing a reference for Directors, particularly newly appointed members, to understand their duties and expectations.

Periodic reviews and updates are conducted to maintain its relevance and compliance with evolving regulatory requirements. The latest version is accessible on the Company's corporate website.

3.7.2 Code of Conduct & Business Ethics

The Group's Code of Conduct & Business Ethics for Directors and employees continue to govern the standards of ethics and good conduct expected from the Directors and employees of the Group.

Directors' Code of Conduct

The Board in discharging its function besides observing the Code of Ethics for Company Directors issued by the Companies Commission of Malaysia, the provisions of the Companies Act 2016 and MCCG, has adopted its Directors' Code of Conduct which sets out twelve (12) principles as guidance for proper standards of conduct, sound and prudent business practices as well as standard of ethical behaviour for Directors, based on the principles of integrity, responsibility, sincerity and corporate social responsibility.

Board members are required to observe the Directors' Code of Conduct as follows:

- To observe high standards of Corporate Governance
- To devote sufficient time and effort
- To avoid conflict of interest
- To avoid misuse of position and information
- To ensure integrity of records
- To ensure confidentiality of communication and transactions
- To ensure compliance with applicable laws
- To demonstrate openness and timeliness of communication
- To exercise duties and act honestly in the best interest of the Company
- To uphold accountability
- To maintain positive relationship with shareholders, employees, creditors and customers
- Corporate Social Responsibility

The Board will review the Directors' Code of Conduct as and when necessary to ensure it remains relevant and appropriate.

The Directors' Code of Conduct is available on the Company's corporate website.

Business Ethics

Directors and employees are also expected at all times to maintain the highest standards of professionalism and integrity. The Company has set out various policies and procedures in relation to the code of conduct for the Directors and employees, such as:-

1. Insider Trading
2. Declaration of Interests
3. Group IT Policies
4. Standard Operating Procedures
5. Corporate Disclosure Policy & Procedure
6. Employees Code of Conduct
7. Sexual Harassment Policy
8. Privacy and Personal Data Protection Policy
9. Standard Operating Policies & Procedures for Related Party Transactions ("SOP for RPT")
10. Human Rights Policy
11. Health, Safety & Environmental Policy
12. Human Resources Learning Development Policy
13. Workplace Harassment Policy

3.7.3 Whistleblowing Policy

The Board upholds a strong commitment to integrity, transparency and accountability in all aspects of the Company's operations. The Whistleblowing Policy established a formal framework for employees and members of the public to report any unethical conduct or non-compliance in a responsible and confidential manner. This policy also safeguards whistleblowers from retaliation, ensuring a secure environment for raising concerns in good faith.

All reported incidents are subject to a comprehensive investigation by the designated Investigating Team, in accordance with the procedures outlined in the Whistleblowing Policy. To enhance its effectiveness and alignment with best practices, the Board approved an updated version of the Whistleblowing Policy on 15 April 2024.

The revised policy is accessible on the Company's corporate website.

3.7.4 Anti-Bribery and Corruption Policy ("ABC Policy"), Gift, Entertainment and Hospitality Policy and Donations and Sponsorships Policy

The Board remains steadfast in fostering a strong corporate governance culture that upholds ethical conduct, fairness and professionalism in all business dealings. In line with this commitment, the Board has adopted the ABC Policy, reinforcing a zero-tolerance stance against all forms of bribery and corruption within the Group. The Company remains dedicated to full compliance with all applicable laws and regulations, ensuring that business operations adhere to the highest standards of integrity and ethical conduct.

The ABC Policy provides clear guidance to employees on managing improper solicitation, bribery and other corrupt practices that may arise in the course of business. To further reinforce these principles, the Board has also implemented the Gift, Entertainment and Hospitality Policy, along with the Donations and Sponsorships Policy. These policies apply to all personnel, business associates, third parties and their representatives acting on behalf of MGB Group and undergo regular reviews to ensure their effectiveness and alignment with best practices.

As part of its ongoing efforts to uphold ethical business practices, the Board approved an updated version of the ABC Policy on 15 April 2024. These policies reaffirm the Group's unwavering commitment to preventing bribery and corruption while ensuring transparency and accountability across all business operations.

All policies are available on the Company's corporate website.

3.7.5 Sustainability Policy

MGB Group remains steadfast in its commitment to the highest standards of ethical business conduct, emphasising integrity, transparency and continuous improvement across all operations. Reinforcing this commitment and aligning with the United Nations Sustainable Development Goals (UNSDG), the Board has strengthened its sustainability framework by integrating sustainability principles into its Environmental, Social and Governance (ESG) strategy. This enhancement ensures a more cohesive and structured approach to embedding sustainability within the Group's business practices.

The Sustainability Policy establishes the core principles guiding the Group's sustainability strategy, ensuring that corporate activities drive long-term value creation for shareholders while considering the broader interests of stakeholders, including natural resources, society and surrounding communities. Rooted in sustainability, integration and adaptability, the said policy reflects the Group's dedication to responsible business practices.

The Sustainability Policy is reviewed and revised on 19 February 2024 and it is available on the Company's corporate website, underscoring MGB Group's ongoing commitment to sustainability excellence.

3.7.6 Fit and Proper Policy

MGB Group upholds a structured, rigorous and transparent approach in the appointment and re-election of directors and key senior management. The Fit and Proper Policy defines clear standards and assessment measures to ensure that individuals in these leadership roles possess the required qualifications, integrity and sound judgment.

The Fit and Proper Policy frames fit and proper standards and measures for key senior management and directors and lay down the internal procedures for the implementation of the said standards and measures to ensure that the key senior management and directors of the Group are of high calibre, sound judgment, high integrity and credibility as they are entrusted by the shareholders and other stakeholders to manage and perform effectively.

3.7.7 Diversity and Inclusion Policy

MGB Group recognises the value of diversity in its boardroom, senior management and workforce. A diverse and skilled workforce, built on professionalism, accountability, integrity and competence, is essential for continuous improvement and sustainable growth.

The Board has implemented the Diversity and Inclusion Policy to establish principles and measurable objectives that promote diversity across the Group. Recruitment decisions are made based on merit, ensuring that the best talents are selected regardless of gender, ethnicity or age. The selection process prioritises skills, knowledge, expertise, experience, professionalism and integrity to enhance organisational performance, efficiency and effectiveness.

3.7.8 Crisis Management Policy

MGB recognises the critical importance of crisis management in mitigating disruptions to the organisation's daily operations. Effective crisis management ensures business continuity and safeguards stakeholders' interests during unforeseen events.

The Board has established a Crisis Management Policy to outline clear responsibilities and procedures for handling crises across all entities within MGB Group. This policy serves as a framework to enhance preparedness, facilitate timely responses and support swift recovery in the event of a crisis.

3.8 Directors' Indemnity

MGB continues to provide and maintain indemnification for its Directors throughout the year under review as allowed under Companies Act 2016. To the extent it is insurable under the Directors' and Officers' Liability Insurance (D&O) procured incurred by them in discharging their duties while holding office as Directors and Officer of the Company.

3.9 Succession Planning

The introduction of the Succession Planning Policy in 2021 by the Board reflects MGB Group's commitment to identify and developing future leaders. Through mentoring, coaching and training initiatives, the policy aims to cultivate a pool of capable successors for key management positions. Its objectives include ensuring operational stability, preserving institutional knowledge, fostering diversity and talent development and creating clear career paths for employees. This comprehensive approach strengthens the Group's resilience and ensures continuity of leadership excellence.

In addition to its core objectives, the Succession Planning Policy underscores MGB Group's proactive stance towards leadership development and organisational resilience. By systematically identifying and grooming high-potential employees, the policy not only mitigates the risks associated with key personnel departures but also fosters a culture of continuous growth and innovation. Furthermore, it aligns with the Group's long-term strategic goals, ensuring that leadership transitions are seamlessly managed and the organisation remains well-positioned to navigate evolving market dynamics and challenges.

4. REMUNERATION

The Board has adopted a Remuneration Policy in 2021, to ensure the payment of equitable, competitive remuneration to Key Managerial Personnel, Senior Management and all employees of the Company which is based on individual performance, Company's benchmark, industry practices and performance of the Company as a whole. The Remuneration Policy is reviewed by the NRC and the Board periodically, when necessary.

The Remuneration Policy is available on the Company's corporate website.

The NRC is responsible for the annual review and approval of remuneration packages for Executive Directors and Senior Management (Grade GM1 and above). This includes evaluating and deliberating on proposed revisions to remuneration structures and bonus payouts.

In line with MGB's commitment to sustainable business practices, ESG performance has been incorporated into the Group's Key Performance Indicators for all levels, including Executive Directors and Senior Management. A structured process for determining Executive Directors' remuneration was presented to the NRC, ensuring transparency and alignment with the Group's strategic objectives. Upon thorough assessment, the NRC recommends the approved remuneration packages to the Board for final endorsement.

The remuneration philosophy reflects the Group's commitment to be aligned with the best practices in the areas of remuneration, retention and reward to ensure the Group attracts and retains exceptional talent.

Detailed disclosure of Directors', Chief Executives' and top Five (5) Senior Managements' remuneration, on a named basis, is provided in the CG Report 2024, available on the Company's corporate website. However, the determination of remuneration for INEDs is a collective decision of the Board. INEDs are excluded from deliberations or voting on matters concerning their individual remuneration. The fee structure for Directors is designed to align with market practices, attracting and retaining high-caliber Board members by ensuring fair compensation for their time and contributions. Periodic benchmarking against fees paid by comparable listed companies in Malaysia helps inform these decisions.

MGB also adheres to the practice of seeking shareholders' approval for the payment of Directors' fees and allowances to Non-Executive Directors for FY 2024. Additionally, prior approval is sought, at the AGM, for the payment of Directors' benefits up to a specified amount to Non-Executive Directors from the AGM date, 26 June 2025, until the next annual general meeting.

Throughout FY 2024, the Board acknowledges the NRC's effective and efficient discharge of its roles and responsibilities in accordance with its Terms of Reference, which are publicly accessible on the Company's corporate website.

5. SUSTAINBILITY LEADERSHIP

The Board has taken decisive action to advance sustainability efforts within the Group through the establishment of a dedicated Board Sustainability Committee. This committee, tasked with overseeing sustainability initiatives, including the execution of the Group's sustainability strategy and driving transformative change across operational and functional areas, underscores our commitment to environmental and social responsibility. Recognising the significant resource consumption and diverse impacts associated with the construction and property development sectors, the Board is steadfast in its pursuit of innovative solutions for a more sustainable industry, leveraging technology and embracing progressive practices.

Both the Board and Senior Management bear the responsibility for embedding sustainability principles and targets throughout our business operations, ensuring their effective implementation and oversight. Our robust corporate policies serve as the cornerstone of our governance framework, fostering trust among shareholders and fostering sustainable value creation. Throughout MGB Group, sustainability principles are ingrained in various facets of our operations, encompassing ethical business practices, responsible procurement, stringent quality control measures, sustainable project design and management practices, talent cultivation and active community engagement.

To underscore our unwavering commitment to sustainability excellence, the Sustainability Committee, led by Executive Director & Chief Executive Officer, Datuk Lim Lit Chek, assumes responsibility for driving sustainability initiatives and addressing stakeholder concerns. Datuk Lim Lit Chek ensures that sustainability matters receive the highest level of attention and are integrated into strategic decision-making processes. This steadfast commitment reflects our dedication to realising our sustainable vision and mission while adhering to the best practices outlined by the MCCG.

For comprehensive insights into MGB's sustainability endeavours, please refer to the Sustainability Report, located within pages 41 to 115 of the Annual Report, and the standalone Sustainability Report, available for review on the Company's corporate website. These reports offer detailed accounts of our sustainability commitments, initiatives and achievements, showcasing our ongoing efforts to foster a sustainable future.

PRINCIPLE B:

EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

The Board is assisted by the AC to oversee the Group's financial reporting processes and the quality of its financial reporting and to ensure the financial statements of the Group comply with the applicable financial reporting standards in Malaysia.

In line with the best practices of MCCG and Paragraph 15.09(1)(b) of the MMLR of Bursa Malaysia, the AC comprises exclusively of Independent Non-Executive Directors and the Chairman of the AC is not the Chairman of the Board. The AC is chaired by Dato' Beh Hang Kong, an Independent Non-Executive Director.

All the AC members are financially literate and are able to understand matters under the purview of the AC including the financial reporting policies, carried out their duties in accordance with the TOR of the AC. Therefore, the AC is relied upon by the Board to, amongst others, provide advice in the areas of financial reporting, external audit, internal control environment and internal audit process, review of related party transactions as well as conflict of interest situation.

The AC is responsible for the oversight and monitoring of the following:

a. The Group's financial reporting and accounting policies.
b. Risk Management and Internal control within the Group.
c. Related party transactions and conflict of interest situations that may arise within the Group.
d. The Group's Internal Audit Functions, which may include review of the internal audit plans, appointment and termination of the internal audit function.
e. The appointment/re-appointment, scope of work and evaluation of the external auditor.

The AC reviewed and updated its Terms of Reference to ensure alignment with best practices and regulatory requirements. For the FY 2024, no former key audit partner of the Company's Auditors was appointed as a member of the AC.

A detailed overview of the AC's composition and key activities during the financial year is provided in the Audit Committee Report of this Annual Report.

Annually, the NRC assesses the composition and performance of the AC, with the findings presented to the Board for approval. For the year under review, the Board affirmed its satisfaction with the AC's effectiveness in carrying out its duties and responsibilities in accordance with its TOR.

Relationship with External Auditors

The AC evaluated the performance of the external auditors for the FY 2024 covering areas such as calibre of external audit firm, quality processes/performance, independence and objectivity, audit scope and planning and audit communications with reference to the Paragraph 15.21 of MMLR of Bursa Malaysia as well as Bursa Malaysia's Corporate Governance Guide 4th Edition. After due consideration by the AC of the suitability, objectivity, independence and performance of the external audit firm, Messrs UHY Malaysia PLT ("UHY"), the AC had recommended for the Board to seek shareholders' approval the re-appointment of UHY as external auditors for the financial year ending 31 December 2025 at the forthcoming 23rd AGM.

The AC had also obtained written assurance from the external auditors, UHY that they are independent of the Group, and UHY has fulfilled other ethical responsibilities in accordance with the By-Laws of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants.

During the 22nd AGM of the Company held on 13 June 2024, the shareholders of the Company had approved the re-appointment of UHY as the External Auditors of the Company for FY 2024. Through the AC, the Company maintains a professional and transparent relationship with UHY. The AC met the external auditors once without the presence of the Management during the financial year to review the scope and adequacy of the Group's audit process, financial results, annual financial statements and audit findings. At the meeting, the external auditors highlighted to the AC on matters that warranted their attention.

On 2 January 2025, the AC revised the External Auditors Policy to enhance the guidelines and procedures for assessing the suitability, independence, and performance of the External Auditors. This policy also establishes a framework for ongoing monitoring of the auditors to ensure compliance with professional and regulatory standards. The updated External Auditors Policy is available on the Company's corporate website.

To uphold auditor independence, the AC obtained written assurance from UHY, confirming that they have remained independent throughout the audit engagement in accordance with all relevant professional and regulatory requirements.

For further information, please refer to the Audit Committee Report on pages 143 to 145.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Risk Management Framework

The Board is fully aware of the importance of establishing and maintaining a sound system of risk management framework and internal control in the Company and the Group to safeguard shareholders' interest and Group's assets. The Board continuously reviews and examines the effectiveness and efficiency of the risk management framework and internal control system on areas such as financial, operational and compliance and seek alternative ways for improvement should any weakness be detected and identified.

The RMC has been tasked to conduct assessment of risks for MGB Group. The RMC reports to the AC on the semi-annually or as and when necessary. Further details on risk management are provided under the Statement on Risk Management and Internal Control in this Annual Report.

Having reviewed the adequacy and effectiveness of the Group's risk management and internal control system for the FY 2024, the Board is of the view that the risk management and internal control system is satisfactory and there were no material losses incurred as a result of internal control weakness or adverse compliance events.

Internal Audit

The Group has outsourced its Internal Audit function to external consultants, which reports directly to the AC. The Internal Auditors are able to undertake independent and systematic reviews of the systems of internal controls and procedures of operating units which the Group so as to provide reasonable assurance that such systems continue to continue to operate satisfactorily, effectively and in compliance to the Group's established policies and procedures.

For further information, please refer to the Statement on Risk Management and Internal Control on pages 146 to 152.

PRINCIPLE C:

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication between MGB and Stakeholders

The dissemination of timely and accurate information is important for shareholders and investors to enable them to make informed investment decisions about the Company. The Board recognised the importance of effective communications with the Company's Shareholders and other stakeholders including the general public. The two-way communication with our shareholders, investors and other stakeholders enables us to evaluate views and feedback that are incorporated into our decision-making process. The Board believes its practices in this area are consistent with the MCCG's provisions concerning dialogue with the shareholders, investors and other stakeholders and with good governance. Information on the Group's business activities and financial performance are disseminated timely through AGM, announcements to Bursa Malaysia, publishing at the Company's corporate website, press releases, issuance of the Annual Report as well as online social networking.

MGB actively updates its corporate website https://mgbgroup.com.my/ with the latest information of the Group and this help to promote accessibility of information to MGB's shareholders and other stakeholders.

The Board is committed to maintain open channels of communication by continuous disclosure and dissemination of comprehensive and timely information of the Company in its best effort to strengthen its relationship with shareholders and stakeholders.

01

Revised Sustainability Policy on 19 February 2024

The Sustainability Policy set the general principles and structures the foundations that must govern the sustainability strategy of the Group to ensure that all its corporate activities and businesses are carried out while enhance the sustainable creation of value for shareholders and taking into account the other stakeholders related to its business activities, natural resources, society and neighbouring communities, promoting the values of sustainability, integration and dynamism, favouring the achievement of the Sustainable Development Goals. On 19 February 2024, the Sustainability Policy underwent a revamp to integrate with the existing Environmental, Social, and Governance (ESG) Policy. This consolidation aims to streamline and strengthen the Group's approach to sustainability practices.

02

Revised Anti-Bribery & Corruption Policy on 15 April 2024

MGB's Anti-Bribery and Corruption Policy demonstrates its unwavering commitment to ethical conduct and integrity, adopting a zero-tolerance approach towards bribery, corruption and money laundering across all operations. This policy applies to all directors, employees and third parties associated with the MGB Group, prohibiting the solicitation or acceptance of gifts and bribes while outlining exceptions for nominal corporate gifts under specific circumstances. The Company emphasises ethical recruitment practices, mandates regular training on anti-corruption measures and establishes clear reporting mechanisms to encourage personnel to report violations without fear of retaliation. Non-compliance with the policy may result in severe disciplinary action, including termination and the policy itself will be reviewed biennially to ensure alignment with relevant laws and best practices.

03

Revised Whistleblowing Policy on 15 April 2024

The Whistleblowing Policy of MGB aims to foster ethical conduct and accountability by providing a framework for employees and third parties to report any improper conduct safely and confidentially. It aligns with various Malaysian laws, such as the Whistleblower Protection Act 2010 and ensures that whistleblowers are protected from reprisals for their disclosures. The policy outlines clearly defined procedures for reporting improper conduct, including the submission of a Whistleblowing Form to an Investigating Team. It prohibits the reporting of trivial or malicious complaints and mandates a thorough investigation process, culminating in an Investigation Report that evaluates the findings and recommends actions to prevent future misconduct. The policy is subject to review and updates every two (2) years to maintain its effectiveness.

04

Adopted Conflict of Interest Policy on 2 January 2025

The Conflict of Interest Policy ("COI") of MGB establishes guidelines for Directors and Key Senior Management to identify, manage and disclose any actual, potential or perceived COI that may arise in their roles, aiming to uphold the company's ethical standards and protect its reputation. The policy outlines responsibilities for ongoing COI management, requires prompt declaration of any interests that may influence decision-making and incorporates measures for managing conflicts, including restrictions on participation in related decisions. The AC monitors COI situations, while the Company Secretary maintains records and ensures compliance. This framework is critical in maintaining transparency and integrity within the MGB Group's operations.

05

Revised External Auditors Policy on 2 January 2025

The External Auditors Policy of MGB establishes a framework for the AC to assess and monitor the performance, suitability and independence of external auditors. It mandates the appointment or re-appointment of auditors at each annual general meeting, following specific procedures for selecting new auditors if needed, which include proposing, assessing and recommending qualified audit firms to the Board for shareholder approval. The policy emphasises the importance of auditor independence, highlighting the prohibition of non-audit services that could impair their objectivity, along with criteria for evaluating audit firms such as independence, quality, experience and cost. The audit partner is required to rotate every five (5) years and an annual assessment of the auditors will be conducted based on the quality of service, communication and other relevant factors. The Board reviews this policy every two (2) years to ensure effective implementation and compliance with relevant regulations.

06

Revised Dividend Policy on 18 February 2025

The revised Dividend Policy of MGB reflects an increase in the minimum dividend payout from 20% to 30% of the Company's Profit after Taxation and Minority Interest based on ordinary operational profits for each financial year. This adjustment signifies the Company's commitment to enhancing shareholder returns while still being mindful of various factors that influence its ability to pay dividends, including available cash, gearing, return on equity and future financial performance.

Annual General Meeting

The 22nd AGM of the Company was successfully held as a fully physical meeting on 13 June 2024 at the Function Room, Level 5, Plaza Seri Setia, No. 1, Jalan SS9/2, 47300 Petaling Jaya, Selangor Darul Ehsan. This provided shareholders with the opportunity to actively participate and engage with the Board of Directors and Senior Management. The meeting was conducted in compliance with all regulatory requirements, ensuring transparency and accountability in the Company's governance practices.

The AGM served as a key platform for shareholders to interact directly with the Board, seek clarifications and gain deeper insights into the Company's financial and operational performance, corporate strategies, and future plans. Shareholders were encouraged to ask questions regarding the Annual Report, resolutions tabled and the Group's long-term strategic direction. The Executive Director & Chief Executive Officer, along with key Senior Management members, responded to all inquiries, providing comprehensive explanations to ensure that shareholders were well informed.

To ensure an independent and transparent voting process, Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") was appointed as the poll administrator. Electronic polling was conducted to facilitate an efficient and accurate vote-counting process. Additionally, the Company engaged Scrutineer Solutions Sdn. Bhd. as the independent scrutineer to verify the polling results, reinforcing the integrity and credibility of the voting process.

All resolutions proposed at the AGM were duly tabled and deliberated. Following an orderly discussion, the resolutions were put to vote and the results were announced during the meeting. The resolutions, including the approval of the audited financial statements, re-election of directors, directors' remuneration, appointment and remuneration of external auditors, and other business matters, were approved by the shareholders. In adherence to Bursa Malaysia's disclosure requirements, the Company promptly announced the outcome of the AGM, including detailed voting results, on the same day via Bursa Malaysia's official platform. The results were also published on the Company's corporate website for shareholders' easy access.

The Board remains steadfast in its commitment to upholding the highest standards of corporate governance by fostering transparent communication and meaningful engagement with shareholders. Moving forward, the Company will continue to prioritise shareholder inclusivity and enhance investor relations efforts to ensure that all stakeholders remain well-informed about the Group's progress and strategic direction.

Summary of Communication between MGB and Stakeholders

Summary of Communication between MGB and Stakeholders

1
Physical Town Hall Meeting

1
Physical AGM

21
Meetings with Fund Managers & Analysts

130
Announcements to Bursa Malaysia and on Group Corporate Website

FUTURE PRIORITIES

Moving forward, the Board will continue to enhance the corporate disclosure requirements in the best interest of the Company's shareholders and stakeholders. The areas to be prioritised by the Board will be principles that have yet to be adopted by the Company as disclosed in the CG Report 2024.

This statement together with the CG Report 2024 were approved by the Board on 10 April 2025.

Additional Compliance Information

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

There were no proceeds raised from corporate proposals during the financial year ended 31 December 2024.

AUDIT AND NON-AUDIT FEES

During the financial year ended 31 December 2024, MGB Group paid a total of RM498,770 to the Company's External Auditors, Messrs UHY Malaysia PLT ("UHY") and their affiliates companies for audit and non-audit services. The details of the payments are set out below:

	Company RM	Group RM
Audit Fees	93,000	391,170
Non-Audit Fees		
- UHY	23,000	30,500
- Affiliates of UHY	3,800	77,100
Total	**119,800**	**498,770**

MATERIAL CONTRACTS

There were no material contracts (not being contracts entered into the ordinary course of business) entered into by MGB Group involving the interest of Directors and major shareholders, either still subsisting at the end of the financial year ended 31 December 2024 or entered into since the end of the previous financial year.

Audit Committee Report

The Board of Directors of MGB Berhad ("Board") presents the Audit Committee Report ("AC Report") which provides the insights into the manner in which the Audit Committee discharged its duties and functions for the Group for the financial year 2024 ("FY 2024").

COMPOSITION

The Audit Committee ("AC") comprises four (4) members who are all Independent Non-Executive Directors ("NEDs").

Chairman	:	Dato' Beh Hang Kong (Independent Non-Executive Director)
Member	:	Puan Nadhirah binti Abdul Karim (Independent Non-Executive Director)
Member	:	Puan Noor Fansyurina binti Muhammd (Independent Non-Executive Director)
Member	:	Puan Nor Salinun binti Mohd Ghazali (Independent Non-Executive Director)

Puan Noor Fansyurina binti Muhammad and Puan Nor Salinun binti Mohd Ghazali have assumed the role as members of the AC on 15 January 2024, following the resignation of Dato' Abdul Majit bin Ahmad Khan, who concurrently resigned as Independent Non-Executive Chairman of MGB Berhad due to attained nine (9) years tenure of service with the Company.

All the Independent INEDs meet the criteria for independence under Bursa Malaysia Securities Berhad ("Bursa Malaysia") Main Market Listing Requirements ("MMLR"). The AC fulfills the requirements of paragraph 15.09(1)(a) and (b) of the MMLR and Practice 9.4 under Principal B of the Malaysian Code on Corporate Governance ("MCCG"). In accordance with the AC's Term of Reference ("TOR"), the AC has a policy that requires a former partner of MGB's External Auditors to observe a cooling-off period at least three (3) years before being appointed as a member of the AC.

In addition, Puan Nadhirah binti Abdul Karim, a member of the AC, holds a membership in the Malaysian Institute of Accountants ("MIA"), thereby fulfilling the financial expertise requisite pursuant to Paragraph 15.09(1)(c) of the MMLR of Bursa Malaysia.

MEETINGS AND ATTENDANCE

A total of five (5) meetings were held during FY 2024.

The AC members' attendance records are outlined in the Corporate Governance Overview Statement section on page 128 of this Annual Report.

The Management, Head of Accounts, External Auditors and Internal Auditors, where necessary, were invited to attend AC meetings to provide explanations and answer queries, with the Company Secretary in attendance. Minutes of each AC meeting were recorded and tabled for confirmation at the next AC meeting and subsequently tabled to the Board for notation. The AC Chairman reports to the Board on activities undertaken and key recommendations for the Board's consideration and decision.

TERMS OF REFERENCE OF AC

The Terms of Reference of the AC are reviewed regularly and approved by the Board.

The latest Terms of Reference of AC was reviewed and revised on 22 February 2022 and is available on the Company's website at www.mgbgroup.com.my.

REVIEW OF THE PERFORMANCE OF THE AUDIT COMMITTEE

The Board, via Nomination and Remuneration Committee performs an annual review and assessment of the term of office and performance of the AC to assess the AC's effectiveness in carrying out its duties as set out in the TOR. The Board is satisfied that the AC has effectively performed all their functions, duties and responsibilities in accordance with its TOR and supported the Board in ensuring the Group upholds appropriate standards of corporate governance.

SUMMARY OF ACTIVITIES OF THE AC

The summary of the activities of the AC in discharging its functions and duties during the financial year were as follows:-

1. **Financial Reporting:**

   - Reviewed the quarterly unaudited financial results and audited financial statements prior to submission to the Board for approval and subsequent announcement, focusing on significant changes to accounting policies and practices, going concern assumptions, adjustments arising from the audits, compliance with the relevant accounting standards and other legal and regulatory requirements to ensure compliance with the provisions of the Companies Act 2016 and the MMLR of Bursa Malaysia;
   - Reviewed the Company's status of compliance with the provisions set out under the MCCG for the purpose of preparing the Corporate Governance Report pursuant to the requirement of Paragraph 15.25 of the MMLR of Bursa Malaysia and the prescribed corporate governance principles and practices under the MCCG before recommending them to the Board;
   - Reviewed the AC Report, Corporate Governance Overview Statement and Statement on Risk Management and Internal Control, Related Party Transactions ("RPT") and recommending to the Board for inclusion in the Annual Report;
   - Reviewed related party transactions and conflict of interest situation that may arise within the Group and/or Company, to ensure that transactions entered into were on arm's length basis and on normal commercial term; and
   - Conducted private sessions with the External Auditors in the absence of the Executive Directors and Management in conjunction with the AC Meetings.

2. **External Audit:**

   - Reviewed the External Auditors' scope of work, budget and audit plan outlining their audit team, audit timeline, key areas of audit focus, communication of other significant audit matters and other updates and amendments;
   - Reviewed the results of the audit, the External Auditors' report, the management letter, including Management's response and internal controls recommendations in respect of control weaknesses noted in the course of their audit;
   - Evaluated the performance of the External Auditors for FY 2024 covering areas such as calibre, quality processes, audit team, audit scope, audit communication, audit governance and independence and considered and recommended the re-appointment of the external auditors. A written assurance from the External Auditors was given to the Company on declaration of their independence. The AC was satisfied with the performance of UHY Malaysia PLT ("UHY") and recommended to the Board the re-appointment of UHY as External Auditors of the Company. A resolution for their re-appointment will be tabled for shareholder's approval at the annual general meeting of the Company;
   - Reviewed and approved the non-audit services provided/to be provided by the External Auditors and its affiliates to ensure the provision of the non-audit services does not impair their independence or objectivity as External Auditors of the Group;
   - Met with the External Auditors on matters relating to the audit and financial statements without the presence of Management and Executive Directors; and
   - Reviewed the External Auditors Policy and recommended the same for approval by the Board of Directors.

3. **Internal Audit:**

   - Reviewed and assessed the internal audit function, scope, plans and performance for the financial year under review;
   - Reviewed and approved the internal audit plan and budget for the FY 2024 to ensure adequacy of resources, competencies and coverage of auditable entities with significant and high risks. Any subsequent changes to the internal audit plan are approved by the AC;
   - Reviewed the audit reports presented by Internal Auditors on findings and recommendations with regards to system and control weaknesses noted in the course of their audit and Management's responses thereto and ensuring material findings are adequately addressed by Management; and
   - Monitored the implementation of mitigation actions by Management on outstanding issues to ensure all key risks and control weaknesses are properly addressed.

4. **Risk Management Committee**

- Reviewed and assessed the risk management needs, plans and performance for the financial year under review;
- Reviewed the Implementation Status of Management Action Plans under the Departmental Risk Register and New Risk Identified by the Heads of Department.;
- Reviewed the Principal Corporate Risks of the Company and its Proposed Action Plans;
- Reviewed the Revised Enterprise Risk Management Framework; and
- Reviewed the Departmental Enterprise and Sustainability Risk Register of the Group and the Proposed Management Action Plan.

5. **Related Party Transactions ("RPT"), Recurrent Related Party Transactions ("RRPT") and Conflict of Interest ("COI")**

- Reviewed the Recurrent RPT, RRPT and COI situations that arose within the Group to ensure transactions are fair and reasonable to the Company and Group and are not to the detriment of the minority shareholder;
- Reviewed the circular to shareholders in relation to the proposed renewal of existing shareholders' mandate for Recurrent RPT of a revenue or trading nature before tabling to the Board for recommendation to the shareholders for approval; and
- Reviewed the Conflict of Interest Policy and recommended the same for approval by the Board of Directors.

During the financial year under review, the AC and the Board have not received any reports from the Directors or chief executive of the Company relating to COI or potential COI situations, including interests in any competing business, that they have with the Company or its subsidiaries.

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to GovernanceAdvisory.com Sdn Bhd ("GASB"), an established external professional internal audit firm, which reports to the AC directly. They assist the AC in reviewing the effectiveness of the internal control systems within the Group whilst ensuring that there is an appropriate balance of controls and risks throughout the Group in achieving its business objectives. Through internal audit review, remedial action can be taken against weaknesses identified in the systems and controls of the respective operating units. The outsourced of the internal audit function is geared towards increasing efficiency and better management of resources in all aspects of the Group's operations.

The internal audit function comprises ten (10) audit executives of GASB and led by Mr Wong Tchen Cheg ("Mr Wong"), an experienced internal auditor and has been with GASB for approximately nine (9) years, having joined in year 2015. Mr Wong is a Member of MIA and Certified Public Accountant (CPA) Australia. He has more than eighteen (18) years' professional experience in providing risk management system and internal controls review service.

The internal audit adopts a risk-based approach in developing its audit plan which addresses all the core auditable areas of the Group based on their risk profile. A good practice involves scheduling a routine review of the audit plan with the AC to enable discussions of emerging or changing risks making adjustments to ensure the plan remains relevant. The audit focuses on high-risk area to ensure that an adequate action plan has in place to improve the controls in place.

During the FY 2024, the following activities were carried out by the Internal Auditors in discharge of its responsibilities:

a. Develop the annual Internal Audit Plan and conduct it based on the annual internal audit plan which was tabled before and approved by the AC.
b. A comprehensive review on Purchasing and Human Resource Operation & Administration to ensure that established policies & procedures are approved, effectively communicated and consistently adhered to across the Group.
c. Emphasis on best practices and management assurance that encompass all business risks, particularly on the effectiveness and efficiency of operations, reliability of reporting, compliance with applicable law and regulations and safeguard of assets.
d. Performed follow-up on status of management agreed action plan on recommendation raised in previous cycles of internal audits including specific timelines for those outstanding matters to be resolved.
e. Reports issued by the internal audit function and significant audit findings and areas for improvements were presented to the AC for consideration on the recommended corrective measures together with the management's responses.

On a semi-annual basis, GASB presents reports to the AC in accordance with the approved scope of work and identified areas for improvement. Additionally, follow-up assessments of previous internal audit reviews are conducted to verify the implementation of agreed-upon recommendations within the specified timeline. Feedback and updates on the status of implementation from the Internal Auditors are also provided to the AC.

The total costs incurred for the internal audit function in respect of the financial year was RM32,000.

Statement on Risk Management and Internal Control

The Board of Directors of MGB Berhad ("the Board"), in compliance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), is pleased to present the following Statement on Risk Management and Internal Control for the financial year ended 31 December 2024 ("Statement"). The Statement, which outlines the nature and scope of risk management and internal control of MGB Berhad and its subsidiaries ("the Group") during the year is guided by 'the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers' as required by Bursa Malaysia.

The Board is committed to continuously improving the Group's risk management and internal control. This Statement does not cover associates and joint venture where risk management and internal control are managed by the respective management teams.

The Group has a well-defined organisational structure with clearly delineated lines of accountability, authority and responsibility to the Board, its committees and operating units. Key processes have been established in reviewing the adequacy and effectiveness of the risk management and internal control systems.

BOARD RESPONSIBILITY

The Board recognises the importance of sound risk management practice and internal controls to safeguard the interest of shareholders, customers, employees and the Group's assets. The Board affirms its overall responsibility of the Group's system of risk management and internal control, which include the establishment of an appropriate control environment and framework, as well as a review of its adequacy and integrity. The Board as such is responsible for determining the nature and extent of the strategic risks that the Group is willing to take to achieve its objectives, whilst in parallel maintaining sound risk management and system of internal control.

The Board tasked the management to identify and assess the risks faced by the Group, and thereafter design, implement and monitor appropriate internal controls to mitigate those risks. The Group has in place ongoing process for identifying, evaluating, monitoring and managing principal risks that affect the attainment of the Group's business objectives and goals. This process includes reviewing and updating the system of internal controls to take into consideration changes in the regulatory, business and external environment. This process is reviewed by the Board via the Audit Committee and Risk Management Committee.

In view of the limitations inherent in any system of risk management and internal control, the system is designed to manage and minimise impact rather than totally eliminate the risk of failure to achieve business objectives of the Group. It can only provide reasonable and not absolute assurance against material error, misstatement or losses. The system of internal control covers, inter alia, financial, operational and compliance controls and risk management procedures.

The Code of Conduct & Business Ethics and Directors' Code of Conduct underpin our commitment to good corporate behavior and an integral part of the Group's system of corporate governance. The Code of Conduct & Business Ethics and Directors' Code of Conduct require the directors and employees to act with high standard of business integrity, comply with all applicable laws and regulations and ensure that business standards are not compromised for the sake of results.

Our Code of Conduct & Business Ethics and Directors' Code of Conduct are available on Company's corporate website at www.mgbgroup.com.my.

Based on the assurance provided and routine reviews, the Board is of the opinion that the risk management and internal control system for the year under review up to the date of approval of this Statement for inclusion in the Annual Report, are adequate and effective to safeguard shareholders' investments, stakeholders' interests and the Group's assets.

Audit Committee

As part of the delegated role from the Board, the Audit Committee's ("AC") scope includes overseeing the internal control framework to ensure its operational effectiveness and adequacy. The AC assesses the effectiveness and adequacy of internal controls through the results of internal audit carried out by GovernanceAdvisory.com Sdn. Bhd. ("GASB"), an established external professional internal audit firm and the internal control recommendations prepared by the internal auditors. All significant and material findings highlighted by the internal audit is reviewed by the AC to ascertain that the mitigation plans are implemented by the Management in a timely manner to ensure proper upkeep of governance and to safeguard the interest of the Group. Any significant internal control matters deliberated by the AC are brought to the attention of the Board. A summary of key matters discussed by the AC and minutes of AC meetings are presented to the Board.

Statement on Risk Management and Internal Control

Risk Management Committee

Pursuant to Practice 10.3 of the Malaysian Code on Corporate Governance ("MCCG"), the Company has established a Risk Management Committee ("RMC") which comprises a majority of Independent Non-Executive Directors and headed by the Group Managing Director since 1 January 2022, in overseeing the risk management efforts within the Group. The RMC is supported by the Risk Management Working Group ("RMWG"), which led by the Executive Director & Chief Executive Officer and comprises head of divisions/departments. The overall responsibilities of RMC are overseeing the Group's risk management activities, approving appropriate risk management procedures and measurement methodologies, identification and management of strategic business risks and sustainability risks of the Group.

The RMC reassesses and updates its risk profiles and register on a periodical basis. The RMC meets semi-annually basis and any additional meetings may be called as and when required. The RMC tables its risk management reports and risk assessment reports on major investments and project businesses to the AC for review and deliberation at the meetings. All significant and material findings of the risks are reviewed by the RMC to ascertain that the mitigation plans implemented by Management are adequate to safeguard the Group's interest and assets. As for AC, any significant risk-related matters are brought to the attention of the Board for deliberation and approval. A summary of key matters discussed by the RMC and minutes of RMC meetings are presented to the Board too.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Pursuant to Practice 10.1 and 10.2 read together with Guidance 10.1 and 10.2 as set out in the MCCG, the Board has established a structured risk management framework which clearly defines the authority and accountability in implementing the risk management process and internal control system. The Management assists the Board in implementing the process of identifying, evaluating and managing significant risks applicable to their respective areas of business and in formulating suitable internal controls to mitigate and control these risks. On 22 February 2019, the Board adopted the Enterprise Risk Management ("ERM") Framework ("ERM Framework") that aligned with framework and guidance issued by Committee of Sponsoring Organisation of the Treadway Commission ("COSO") and ISO 31000 – Risk Management Principles and Guidelines.

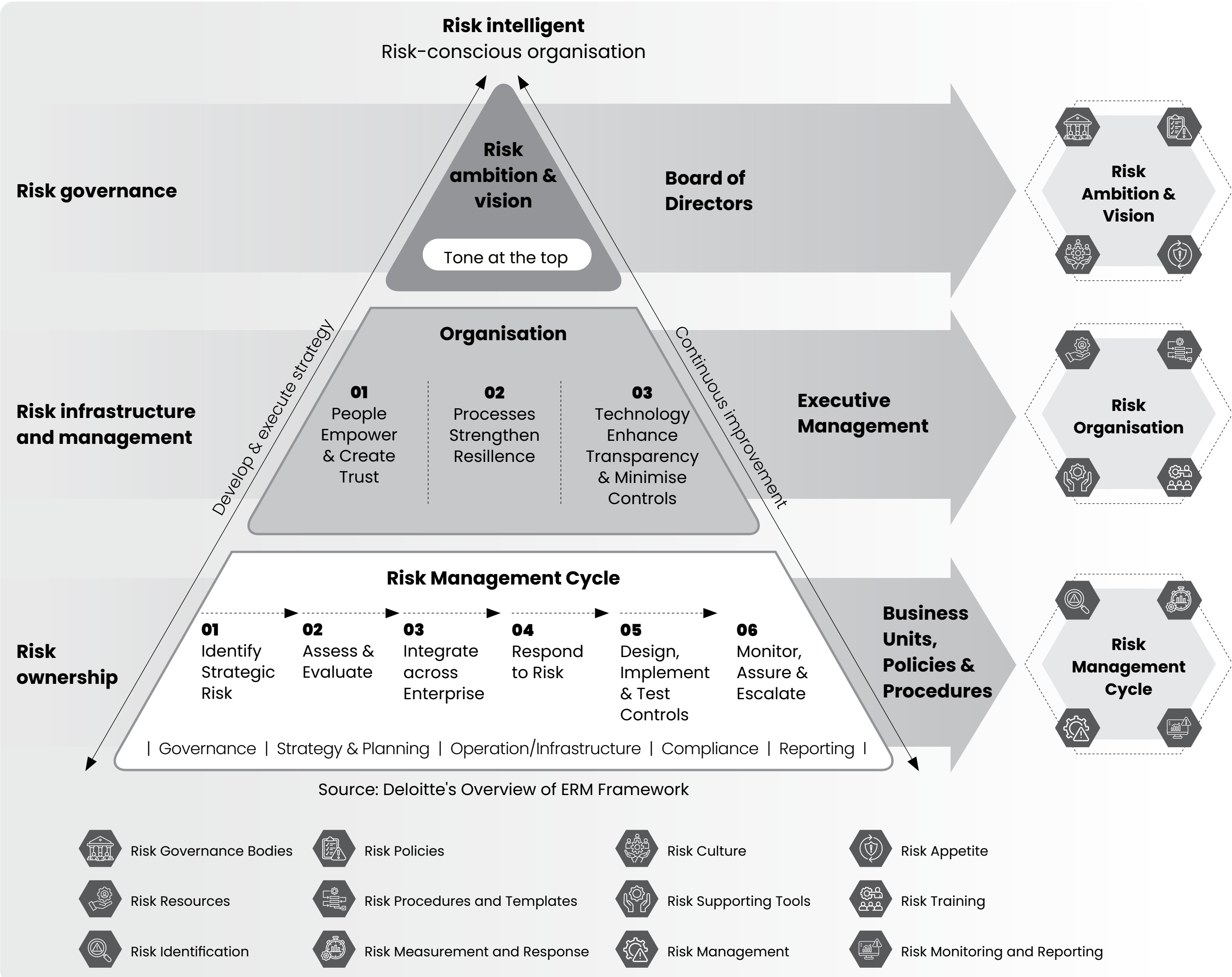
Subsequently, the ERM Framework was reviewed and revised by RMC then tabled to AC and approved by the Board on 18 February 2025. The revised ERM Framework is based on three (3) key components of effective risk management where it splits further into twelve (12) core building blocks of a successful Risk Management Function:

		Building Block
1. **Risk Ambition and Vision** Determine nature and extent of the strategic risks that MGB is willing to take to achieve its objectives, led by the Board	1	**Risk Governance Bodies** Creating the structure and oversight for risk to be effectively managed
	2	**Risk Policies** Setting the tone and level of risk management applied across MGB
	3	**Risk Culture** The values and behaviors that drive risk management in MGB
	4	**Risk Appetite** Setting the level of risk of MGB is willing to accept within tolerances
2. **Risk Organisation** Design, implementation and maintenance of an effective risk management programme, led by the RMWG and RMC.	5	**Risk Resources** The people and time that is applied to risk management, centrally and across Business Units
	6	**Risk Procedures and Templates** Providing guidance and clear direction for all areas of MGB to perform risk management
	7	**Risk Supporting Tools** Manual and automated tools leveraged to provide a better risk management process
	8	**Risk Training** The support provided across the business to embed risk management

Statement on Risk Management and Internal Control

3. Risk Management Cycle
MGB has implemented the risk management processes from identifying, evaluating, monitoring, managing significant risks and reporting on risks, led by the divisions/departments. This process is reviewed by the RMC on a semi-annually basis. All the above-mentioned results are updated in the Risk Register.

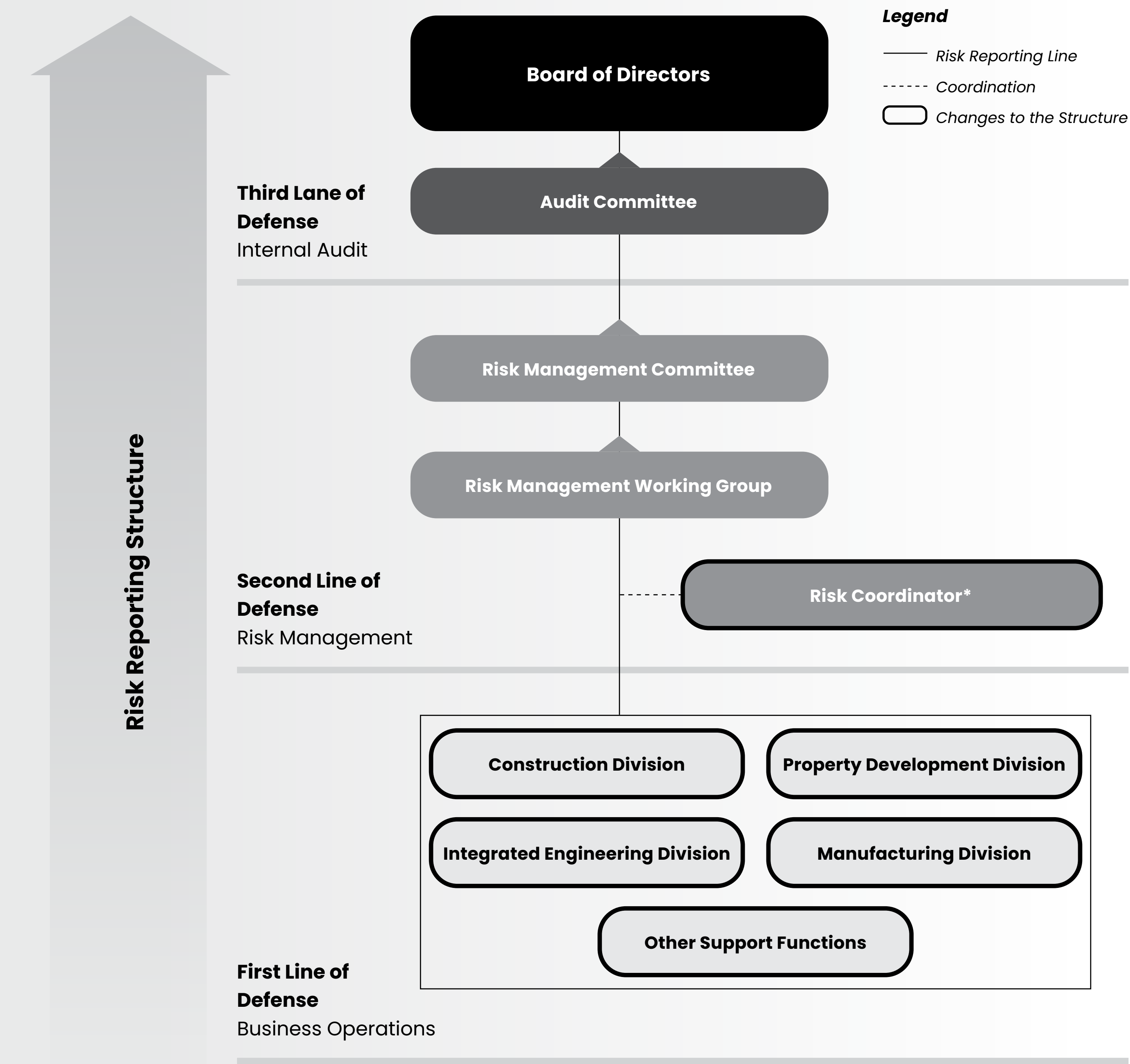
	Building Block
9	**Risk Identification** Process of identifying risks and opportunities to business operations, financials and reputation
10	**Risk Measurement and Response** Evaluation of risk on a common scale, with implementation of appropriate response
11	**Risk Management** Ongoing management and evaluation of risk mitigations, controls and other responses to risk
12	**Risk Monitoring and Reporting** Monitoring of key risks indicators to assess likelihood of crystallisation and reporting of current risk environment



Source: Deloitte's Overview of ERM Framework

As the oversight role of risk management is carried out by the RMC, AC and the Board, the mandate and commitment from RMC, AC and the Board are key success factors in the implementation of ERM Framework. The Risk Governance Structure below illustrates the Board and management level, as outlined in the endorsed ERM Framework. The RMC set the strategic direction on risk policies, roles, responsibilities and risk reporting structure. The periodic reporting to the RMC, the AC and the Board on risk management initiatives is undertaken by the RMWG, which keeps the RMC, the AC and the Board apprised with respect to the Group's key risk areas, implementation of risk action plans and identification of emerging risks and trends.

Risk Governance Structure



* *Risk Coordinator assists to compile the Risk Registers from each Department and coordinates the ERM exercise.*

Statement on Risk Management and Internal Control

The RMC oversees the assessment of processes relating to the Group's risk management and internal control system and ensures the Management has implemented and follows a robust risk management framework. Its principal roles and responsibilities are as follows:-

a) provide semi-annual reporting and update on the operations based on the ERM framework to the AC and the Board;
b) review Enterprise Risk Profile and Sustainability Risk Profile for the effectiveness of risks management;
c) assess and evaluate any new risks including enterprise risks and corruption & bribery risks identified by the RMWG and Head of Divisions/Departments and follow-up on management action plans;
d) review major investment business and assessing the key associated risks, including funding options and costs, and investment returns prior to the Board's approval; and
e) ensure that strategic business risks and sustainability risks including corruption & bribery risks are considered.

The risk management framework outlines the Group's risk management system, defines management's responsibilities via risk accountability structure and reporting structure, and sets the Group's risk appetite and risk tolerance. The Group will continue to observe a medium risk appetite to pursue its objectives and to take adequate measures to strengthen the control environment in which the Group operates.

KEY INTERNAL CONTROL PROCESSES

The Board and Management have taken various steps to establish a controlled environment that covers the integrity and ethical values of the Group, the governance structure at both the Board and Management level that would allow the discharge of their respective duties and assignment of authority and responsibility. Some of the key elements of the Group's system of internal control comprises the following:-

Business Continuity Plan COVID-19

The Group has established the Business Continuity Plan COVID-19 ("BCP") and Management Guidelines COVID-19 to mitigate the spread and impact of the COVID-19 to the operations and business of the Group. The objectives of the BCP include but are not limited to providing strategic and operational guidance for the Group in the continuing, unfolding the pandemic created by the COVID-19 as well as to describe the manner for the Group to continue work during the COVID-19 pandemic.

The Management Guidelines on the standard of procedures ("SOP") in handling the COVID-19 pandemic was formalised in May 2020 to ensure all MGB's employees adhere to the SOP and to prevent the potential risk of spreading the COVID-19. Safety and health measures that were put in place includes daily temperature checks and health declaration via QR code prior to entering the workplace, implementation of Return to Office/Work from Home cycles in order to practice physical distancing in the workplace and encouraging external and business meeting to be held digitally.

Code of Conduct & Business Ethics and Directors' Code of Conduct

The Group has clearly set out expected behaviours of Directors and employees of the Group through Code of Conduct & Business Ethics and Directors' Code of Conduct. The Directors' Code of Conducts are available in twelve (12) principles for the Board to ensure high standards of conduct and ethical values in the performance and exercise their responsibilities as Directors of the Company.

Authority Chart and Discretion Power

The Board has instituted an Authority Chart and Discretion Power ("Authority Chart") to streamline the daily operations of the Group and enhance management processes. On 2 November 2023, the Board approved a revised version of the Authority Chart to ensure its relevance and alignment with the Company's evolving operations. This chart clearly delineates and specifies authority levels for personnel to effectively carry out their assigned responsibilities. Under the leadership of the Group Managing Director and the Executive Director & Chief Executive Officer, the Management team is entrusted with execution of the Group's strategies and overseeing of day-to-day business operations.

Within the Group, a well-defined organisational structure is in place, with each department assigned specific roles, responsibilities, authority levels and lines of accountability. This includes establishing proper approval and authorisation limits for capital expenditures and expenses. Furthermore, robust measures are implemented to ensure an effective segregation of duties through independent checks, reviews and reconciliation activities. These measures serve to mitigate risks associated with human errors, fraud and abuses, thereby safeguarding the integrity of the Group's operations.

Anti-Bribery and Corruption Policy

The Group has adopted a zero-tolerance stance against any form of bribery and corruption in all our dealings and strictly prohibits Directors and employees of the Group from committing any form of bribery and corruption. The Group regards bribery and acts of corruption as serious matters and will impose penalties in the event of non-compliance to the policy. For MGB personnel, non-compliance may lead to disciplinary action up to and including termination of employment. For external parties, non-compliance may lead to penalties including termination of contract. Further legal action may also be taken in the event that MGB Group's interests have been harmed by the results of non-compliance by individuals and organisations. The Anti-Bribery and Corruption Policy was adopted on 1 December 2020 and revised by the Board on 15 April 2024.

Whistleblowing Policy

The Group has established a Whistleblowing Policy that allows internal and external stakeholders to raise concerns without fear of retaliation. The Whistleblowing Policy was revised and approved by the Board on 15 April 2024. The policy outlines the reporting process and available channels, as well as the protection provided to whistleblowers who have raised their concerns in good faith and covers the processes by which cases are investigated and acted upon.

The Whistleblowing Policy provides an avenue for employees and third parties with a genuine concern to report any breach or suspected breach of any law or regulation, including business principles and the Group's policies and guidelines in a safe and confidential manner. The Group is committed to investigate any suspected misconduct or breach reported as well as to protect those who come forward to report such activities.

Gift, Entertainment and Hospitality Policy

The MGB Group implemented its Gift, Entertainment and Hospitality Policy on 11 April 2022, aiming to provide clear directives regarding the exchange of such courtesies with customers, business affiliates, third parties and their representatives. This policy establishes a stringent "No Gift, Entertainment and Hospitality" stance, requiring all MGB Group stakeholders, including Directors and staffs, to abstain from offering or accepting such benefits, except under explicitly customary or essential circumstances. This operational guideline not only ensures the effective functioning of the organisation but also actively manages corruption risks by fostering a culture of transparency and integrity in all business transactions.

In alignment with its commitment to upholding exemplary ethical standards within its operations, the Board conducted a comprehensive review of the Gift, Entertainment and Hospitality Policy on 17 February 2023. This diligent review process underscores the Group's dedication to ongoing scrutiny and refinement of its policies, ensuring they remain robust and adaptive to evolving business landscapes and ethical considerations. By regularly evaluating and updating policies related to gifts, entertainment and hospitality, MGB Group proactively mitigates corruption risks, safeguards its reputation, and fosters trust among stakeholders.

Donations and Sponsorships Policy

The MGB Group has taken a proactive step by implementing a Donations and Sponsorships Policy on 11 April 2022, to govern all contributions made by MGB Berhad, its subsidiaries, and affiliated business entities. This policy underscores the Group's commitment to ethical and legal compliance, ensuring that all donations and sponsorships adhere to applicable laws and regulations. Furthermore, it prohibits any actions intended to influence business decisions or create perceptions of such influence.

As part of its corporate social responsibility initiatives, the Group directs its donations towards the LBS Foundation, a registered non-profit organisation dedicated to community welfare. The foundation focuses on four core pillars: Education, Community, Environment and Health, aligning with the Group's values and mission to contribute positively to society. In line with its commitment to upholding ethical business standards, the Board undertook a review of the Donations and Sponsorships Policy on 17 February 2023. This revision reflects the Group's ongoing efforts to ensure transparency, accountability and integrity in its dealings with external stakeholders.

Human Rights Policy

The Group's commitment to fostering a conducive working environment characterised by mutual respect is exemplified through the establishment of the Human Rights Policy on 11 April 2022. This policy underscores the Group's dedication to upholding internationally recognised human rights standards and fair labour practices, in accordance with local statutory laws across its operations. By prioritising respect for human rights, the Company aims to cultivate a workplace environment where employees feel valued, respected and empowered. Recognising the pivotal role of fair labour practices in nurturing a harmonious employer-employee relationship, both the Board and management acknowledge the significance of mutual respect. They understand that fostering a positive workplace culture grounded in respect and fairness not only enhances employee morale but also strengthens employee engagement, ultimately contributing to the Company's success.

In alignment with its steadfast commitment to ethical business conduct, the Board undertook a revision of the Human Rights Policy on 20 November 2023. This revision underscores the Group's ongoing commitment to continuous improvement and ensuring that its policies remain current, relevant and reflective of evolving societal and industry standards. By regularly reviewing and updating its Human Rights Policy, the Company reaffirms its dedication to promoting and protecting human rights across all aspects of its operations.

Crisis Management Policy

The Group's proactive approach to crisis management is underscored by the establishment of the Crisis Management Policy on 17 February 2023. This policy delineates clear responsibilities and procedures to be followed in managing crises across all entities within the MGB Group. Recognising the critical role of crisis management in mitigating disruptions to daily business operations, MGB prioritises preparedness to effectively address unforeseen challenges as they arise.

In line with this commitment, a Crisis Management Team comprising the Emergency Response Team and the Health, Safety and Environmental Committee is established to oversee crisis management efforts across the MGB Group. This dedicated team is tasked with swiftly responding to crises, implementing appropriate measures, and ensuring the safety and well-being of all stakeholders. By proactively setting up this team, MGB demonstrates its commitment to safeguarding its operations and minimising the impact of crises on its business continuity.

Board Committees

The Board has demonstrated its commitment to effective governance and oversight by establishing several committees to oversee key functions within the Group, including the AC, Nomination and Remuneration Committee ("NRC"), RMC and Sustainability Committee ("SC"). Each of these committees has been entrusted with specific duties and responsibilities outlined in their respective terms of reference. These duties encompass reviewing and deliberating on all matters within their designated scope to ensure thorough consideration and informed decision-making processes.

By delegating responsibilities to these specialised committees, the Board ensures comprehensive oversight of critical areas such as financial reporting, corporate governance, risk management, and sustainability initiatives. This strategic allocation of responsibilities fosters accountability, transparency and efficiency in the Group's operations, while enabling the Board to focus on strategic direction and long-term objectives. Through the collaborative efforts of these committees, the Board enhances its capacity to address complex challenges, identify opportunities for improvement and drive sustainable growth across the organisation.

Corporate Control Department

The Company has established a new corporate control department on 1 February 2024. The department is carrying the internal control function to supervise all operational procedures and safeguard the operation errors and frauds. Corporate control team is carrying the responsibility of detection and prevention of errors and frauds within group operation, advise and recommend management action plan to minimise the errors and frauds, fixation of responsibility on each division and team as well as reliability of records to ensure operations efficiency and customers satisfaction. The corporate control team is tasked to oversee cost efficiency optimisation to accomplish the goals & objectives of the Group, ensure works done in accordance to scope within budget and schedule ensure quality assurance and accurate reporting.

INTERNAL AUDIT FUNCTION

The Group has engaged GASB to manage its internal audit function, demonstrating a commitment to impartial assessment of internal controls' effectiveness. Through this arrangement, Internal Auditors support the AC and, by extension, the Board, by providing unbiased evaluations of the Group's internal control systems. The internal audit plan, meticulously crafted to address identified risks, undergoes thorough review and approval by the AC. Throughout the financial year ended 31 December 2024, internal audit visits, guided by the approved plan, focused on key areas such as Purchasing and Human Resource Operation & Administration.

Reports stemming from internal audit reviews are meticulously presented to the AC, complete with feedback and agreed-upon corrective actions to be undertaken by Management. Subsequently, the Internal Auditors diligently verify the progress of these corrective actions against the agreed timeline and present their findings to the AC. Notably, the internal audit reviews conducted during the financial year did not uncover any weaknesses resulting in material losses, contingencies or uncertainties necessitating separate disclosure in this Annual Report, nor are they expected to materially impact the Group's financial statements.

In executing their internal audit review, GASB adheres to the International Professional Practices Framework (IPPF), International Standards for the Professional Practices of Internal Auditing, and Code of Ethics issued by the Institute of Internal Auditors, Inc.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement of Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3: Guidance for Auditors on Engagements to Report on the Statement of Risk Management and Internal Control included in the annual report, issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the Annual Report for the year ended 31 December 2024 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 this Annual Report, in all material respects:

(a) has not been prepared in accordance with the disclosures required by paragraph 41 & 42 of the Statement of Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
(b) is factually not accurate.

AAPG3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risk and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system, including the assessment and opinion by the Board and Management thereon. The External Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

CONCLUSION

The Board acknowledges the inherent limitations of any risk management and internal control framework, recognising that despite their meticulous design, they can only offer reasonable, not absolute, assurance against material misstatements, losses or fraudulent activities. However, this understanding doesn't diminish the Board's commitment, alongside the AC and RMC, to maintain a robust system aligned with current business needs, supporting the Group's strategic objectives to the fullest extent feasible.

In their role, the Group Managing Director and the Executive Director & Chief Executive Officer have provided the Board with reasonable assurance regarding the effectiveness and adequacy of the existing risk management and internal control system, particularly in addressing material aspects. Furthermore, Management's commitment to ongoing review and enhancement of this system reinforces the Board's confidence in its ability to adapt and respond to evolving risks and challenges.

Drawing on Management's assurances and insights from relevant assurance providers, the Board has concluded that the Group's risk management and internal control framework, implemented throughout the financial year under review, generally meets the standards necessary to safeguard shareholder interests and the Group's assets. This holistic evaluation underscores the Board's dedication to prudent governance practices and its responsibility to protect the welfare of stakeholders.

This statement was approved by the Board on 10 April 2025.

Recurrent Related Party Transactions

The details of Recurrent Related Party Transactions of the Company entered into during the financial year ended 31 December 2024 pursuant to Paragraph 10.09(2)(b) and Paragraph 3.1.5 of Practice Note 12 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad were as follows:-

Related Party	Nature of Recurrent Transactions	Value of Transactions	Nature of relationship between MGB Group and the Related Party
LBS Bina Group Berhad's ("LBGB") group of companies	• Provision and/or receipt of contracts in relation to construction works and property development. • Provision and/or receipt of services in relation to project management, project consultancy and property management. • Supply and/or purchase of construction and building materials.	RM465.49 million	• LBGB is a Major Shareholder of MGB with a shareholding of 57.83% as at 10 April 2025. • Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San, *JP* is the Group Executive Chairman of MGB and a director of various subsidiaries in the MGB Group. He is also the Group Executive Chairman of LBGB and a major shareholder of LBGB. • Datuk Wira Lim Hock Guan, *JP* is the Group Managing Director of MGB and a director of various subsidiaries in the MGB Group. He is also the Group Managing Director of LBGB and a major shareholder of LBGB. • Mr Lim Kim Hoe is a son of Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San, *JP*. He is also the Deputy Chief Executive Officer of MGB and a director of various subsidiaries in the MGB Group.
	• Rental of premises from LBGB Group based on market value and is payable on an equal pro-rated monthly basis [i]	RM0.20 million	
	• Provision and/or receipt of management fee in relation to support services [ii]	RM0.38 million	

Notes:

[i] *Description of Properties*

Postal Address	Rental Value per annum (RM)	Period of Tenancy	Landlord
G-1 to G-4, Sunway MASPJ@51A, Jalan SS 9A/19, Sungai Way, 47300 Petaling Jaya, Selangor Darul Ehsan	RM168,000.00	1 November 2024 to 31 October 2025	LBS Bina Holdings Sdn. Bhd.* Registration No. 198201011456 (91181-K) Plaza Seri Setia, Level 1-4 No. 1, Jalan SS9/2 47300 Petaling Jaya Selangor Darul Ehsan
Unit No. 3 & 29, Jalan Putera Indah 12/1, Bandar Putera Indah, Tongkang Pechah, 83000 Batu Pahat, Johor Darul Takzim	RM24,000	1 May 2024 to 30 April 2025	Pelangi Homes Sdn. Bhd.* Registration No. 199401008134 (293813-U) Plaza Seri Setia, Level 1-4 No. 1, Jalan SS9/2 47300 Petaling Jaya Selangor Darul Ehsan
A-G-01, Skylake Residence, Jalan Putra Perdana 5A, Taman Putra Perdana, 47130 Puchong, Selangor Darul Ehsan	RM5,000	1 June 2023 to 31 May 2024 *(discontinued effective 31 May 2024)*	Astana Modal (M) Sdn. Bhd.* Registration No. 200301001940 (604360-H) Plaza Seri Setia, Level 1-4 No. 1, Jalan SS9/2 47300 Petaling Jaya Selangor Darul Ehsan

* *LBS Bina Holdings Sdn. Bhd., Pelangi Homes Sdn. Bhd. and Astana Modal (M) Sdn. Bhd. are wholly-owned subsidiaries of LBGB.*

[ii] *The provision and/or receipt of management fee in relation to support services covers support services on Tax, Legal, Corporate Communication, Media & Digital and Sales & Marketing from LBGB Group and any other additional support services to be provided to/from LBGB Group during the period. The management fee, if any, shall be payable on quarterly basis.*

Statement of Directors' Responsibility in Respect of the Financial Statements

The Directors of the Company are required by the Companies Act 2016 ("CA 2016") to prepare the financial statements for each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards (MFRSs), the International Financial Reporting Standards (IFRSs) and the requirements of the CA 2016 in Malaysia. Pursuant to Paragraph 15.26 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors is required to issue a statement explaining its responsibility for preparing annual financial statements.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors ensured that the Management has:

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

The Directors have the responsibility to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the CA 2016.

The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities.

This Statement is approved by the Board of Directors on 10 April 2025.

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Financial Statements

Directors' Report

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities and provision of management services. The principal activities of the subsidiaries are mainly civil engineering, design and build, general construction activities, trading of construction materials, manufacturing of Industrialised Building System precast products, property development, investment holding activities, provision of management services, manufacture, supply and installation of steel related building materials, construction of reservoir and water treatment and operation of generation facilities that produce electric energy.

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

FINANCIAL RESULTS

	Group RM	Company RM
Profit for the financial year	61,911,845	28,591,984
Attributable to:		
Owners of the parent	60,340,513	28,591,984
Non-controlling interests	1,571,332	-
	61,911,845	28,591,984

RESERVES AND PROVISIONS

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

DIVIDENDS

Dividends paid or declared by the Company since 31 December 2023 are as follows:

	RM
<u>In respect of the financial year 31 December 2023</u>	
A first interim dividend of RM0.00815 per ordinary share, paid on 29 March 2024	4,821,952
A final dividend of RM0.00818 per ordinary share, approved by the shareholders at the Annual General Meeting held on 13 June 2024, paid on 23 July 2024	4,839,696
	9,661,648

(a) On 18 February 2025, the Company declared an interim dividend of RM0.0152 per ordinary share amounting to RM8,993,109 in respect of the current financial year, paid on 28 March 2025.

(b) A final dividend of RM0.0154 per ordinary share amounting to approximately RM9,111,450 in respect of the current financial year will be proposed for shareholders' approval at the forthcoming 23rd Annual General Meeting.

The financial statements for the current financial year do not reflect the interim and final dividends. Such dividends will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2025.

ISSUE OF SHARES AND DEBENTURES

There was no issuance of shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

The Directors of the Company in office since the beginning of the current financial year until the date of this report are:

Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San, PSM, SSAP, DSSA, JP*	
Datuk Wira Lim Hock Guan, DCSM, DMSM, PJK, JP*	
Datuk Lim Lit Chek, DPSM*	
Dato' Beh Hang Kong, DSIS	
Nadhirah binti Abdul Karim	
Noor Fansyurina binti Muhammad	
Nor Salinun binti Mohd Ghazali	(Appointed on 15 January 2024)
Dato' Abdul Majit bin Ahmad Khan, DIMP	(Resigned on 15 January 2024)

* Director of the Company and its subsidiaries

The Directors who held office in the subsidiaries (excluding Directors who are also Directors of the Company) since the beginning of the current financial year until the date of this report are:

Lim Kim Hoe
Chang Bar Kuei
Dato' Sri Wong Yong Pek
Fu JianGuo
Wong Jy Shyuan
Wong Tack Leong
- Alternate Director of Lim Kim Hoe
- Alternate Director of Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San, JP

Chew Wee Seong
- Alternate Director of Datuk Wira Lim Hock Guan, JP

Lau Chee Tat

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.1.2024	**Bought**	**Sold**	**At 31.12.2024**
The Company				
Direct interests				
Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San, JP	**1,191,700**	737,200	-	**1,928,900**
Datuk Wira Lim Hock Guan, JP	**1,520,000**	-	-	**1,520,000**
Datuk Lim Lit Chek	**84,574,298**	-	(6,000,000)	**78,574,298**
Dato' Beh Hang Kong	**3,750,985**	27,300	(88,900)	**3,689,385**
Indirect interests				
Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San, JP[1]	**347,029,329**	1,546,400	(8,000,000)	**340,575,729**
Datuk Wira Lim Hock Guan, JP[1]	**347,029,329**	1,546,400	(8,000,000)	**340,575,729**
Datuk Lim Lit Chek[2]	**1,650,800**	-	-	**1,650,800**
LBS Bina Group Berhad				
Direct interest				
Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San, JP	**36,246,014**	6,128,000	-	**42,374,014**
Datuk Wira Lim Hock Guan, JP	**18,130,444**	-	-	**18,130,444**
Indirect interest				
Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San, JP[3]	**573,026,085**	-	1,483,000	**571,543,085**
Datuk Wira Lim Hock Guan, JP[3]	**570,900,010**	-	-	**570,900,010**

DIRECTORS' INTERESTS IN SHARES (CONT'D)

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows: (Cont'd)

	Number of Redeemable Convertible Preference Shares			
	At 1.1.2024	Bought	Converted	At 31.12.2024
LBS Bina Group Berhad				
Indirect interest				
Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San, JP[3]	**158,000**	-	-	**158,000**

Notes:

(1) Deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of the shareholdings in LBS Bina Group Berhad through Gaterich Sdn. Bhd.
(2) Deemed interest pursuant to Section 59(11)(c) of the Companies Act 2016 by virtue of his spouse's and/or child's direct interests in MGB Berhad.
(3) Deemed interest pursuant to Section 59(11)(c) of the Companies Act 2016 by virtue of his spouse's and/or child's direct interests in LBS Bina Group Berhad and Section 8 of the Companies Act 2016 by virtue of his interests in Gaterich Sdn. Bhd.

By virtue of their interests in the shares of the Company, Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San, JP and Datuk Wira Lim Hock Guan, JP are also deemed to have interest in the shares of all the subsidiaries to the extent that the Company has an interest under Section 8 of the Companies Act 2016 in Malaysia.

None of the other Directors in office at the end of the financial year had any interest in the ordinary shares of the Company or of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in Note 41(c) to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 41(b) to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than those arising from the warrants.

DIRECTORS' BENEFITS (CONT'D)

The details of the Directors' remuneration paid/payable to the Directors of the Group and of the Company during the financial year are as follows:

	Group RM	Company RM
Executive Directors		
- Salaries and other emoluments	6,067,289	-
- Defined contribution plans	834,120	-
- Social security contributions	6,429	-
- Retirement benefit obligations	2,922,438	-
	9,830,276	-
Non-Executive Directors		
- Fees	182,751	182,751
- Other benefits	12,310	12,310
	195,061	195,061
Total	10,025,337	195,061

INDEMNITY AND INSURANCE COSTS

The Directors and officers of the Group and of the Company are covered by Directors and Officers liability insurance for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The insurance is maintained on a group basis by the holding company, LBS Bina Group Berhad with total coverage of RM70,000,000 and premium of RM85,000 has been paid during the financial year.

No indemnity was given to or insurance effected for auditors of the Company.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and

(ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

OTHER STATUTORY INFORMATION (CONT'D)

(b) At the date of this report, the Directors are not aware of any circumstances:

   (i) which would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

   (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

   (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or

   (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

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

   (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(d) In the opinion of Directors:

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

   (ii) the result of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

   (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

HOLDING COMPANY

The Directors regard LBS Bina Group Berhad, a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad, as the holding company.

AUDITORS' REMUNERATION

The details of the auditors' remuneration for the financial year are as follows:

	Group RM	Company RM
Auditors' remuneration		
- Statutory audit	391,170	93,000
- Non-statutory audit	30,500	23,000
	421,670	116,000

SUBSEQUENT EVENTS

The subsequent events are disclosed in Note 45 to the financial statements.

AUDITORS

The auditors, UHY Malaysia PLT, have expressed their willingness to continue in office.

UHY Malaysia PLT (LLP0041391-LCA & AF 1411) was registered on 19 December 2024 and with effect from that date, UHY Malaysia (Formerly known as UHY) (AF 1411), a conventional partnership was converted to a limited liability partnership.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 10 April 2025.

DATUK WIRA LIM HOCK GUAN, JP

DATUK LIM LIT CHEK

KUALA LUMPUR

Statement by Directors

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

The Directors of MGB Berhad, state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2024 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 10 April 2025.

DATUK WIRA LIM HOCK GUAN, JP

DATUK LIM LIT CHEK

KUALA LUMPUR

Statutory Declaration

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

I, Datuk Lim Lit Chek, being the Director primarily responsible for the financial management of MGB Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 10 April 2025

DATUK LIM LIT CHEK

Before me,

NO. W790
ZAINUL ABIDIN BIN AHMAD
COMMISSIONER FOR OATHS

Independent Auditors' Report

to the Members of MGB Berhad
[Registration No.: 200201021504 (589167-W)]
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of MGB Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 168 to 259.

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

Basis for opinion

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

Independence and other ethical responsibilities

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

Key audit matters

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

Key Audit Matters	How we addressed the key audit matters
1. Revenue and cost recognition for construction and property development activities	
The Group is principally involved in construction and property development activities. For the financial year ended 31 December 2024, the Group has recognised revenue over time using input method to measure the progress towards complete satisfaction of performance obligation with reference to the proportion of construction and property development costs incurred for works performed to-date over the estimated total construction costs for construction and property development activities amounted to RM548.4 million and RM483.6 million respectively, as disclosed in Note 30.	We have obtained an understanding of the relevant controls put in place by the Group in respect of revenue recognition for construction and property development activities. Obtained and reviewed relevant construction contracts to gain an understanding of the specific terms and conditions impacting revenue recognition in evaluating management's identification and assessment of the performance obligations. We have assessed the reasonableness of the estimated total construction costs and property development costs of projects, by agreeing to supporting documentation such as approved budgets, letter of awards, contracts, quotations, correspondences, and variation orders with sub-contractors.

Key audit matters (Cont'd)

Key Audit Matters	How we addressed the key audit matters
1. Revenue and cost recognition for construction and property development activities (Cont'd)	
We determined this to be a key audit matter because significant judgements and estimates are required, in particular with regards to determining the progress towards satisfaction of a performance obligation, the extent of the construction costs incurred and the estimated total revenue and costs for construction contracts and property development activities. The estimated total revenue and costs are affected by a variety of uncertainties which are dependent on the outcome of future events.	We have verified the construction and property development costs incurred to-date, on a sample basis, to supporting documents such as sub-contractors' progress claims and invoices from vendors. We have recalculated the percentage of completion at the reporting date for mathematical accuracy. We have evaluated the project progress to architect certificates on a sample basis, discussed with project team and conducted site visitations to corroborate with the evidence obtained. We have evaluated management's assessment on the adequacy of foreseeable losses and liquidated ascertained damages ("LAD") of projects, if any, as LAD is considered as variable consideration which will affect the transaction price of the projects. We have assessed the adequacy of disclosures in the financial statements.
2. Impairment assessment on goodwill	
As at 31 December 2024, the carrying amount of goodwill recognised by the Group amounted to RM254.7 million, as disclosed in Note 10 to the financial statements. The Group is required to perform annual impairment assessment of the cash-generating units ("CGUs") to which goodwill has been allocated in accordance with MFRS 136 *Impairment of Assets*. The Group estimated the recoverable amounts of the CGUs to which the goodwill is allocated based on value-in-use ("VIU") model. Estimating the VIU involves discounting the estimated future cash inflows and outflows expected to be derived from the CGUs to its present value using an appropriate discount rate. We identified this as a key audit matter as the VIU determined using discounted cash flows is complex and involves significant management's judgement and estimates, specifically the key assumptions on the revenue growth rate and discount rate.	We have obtained an understanding of the methodology adopted by the management in estimating the VIU. We have assessed and evaluated the management's key assumptions used in estimating the VIU and compared the key assumptions against historical trend. We have compared to prior period budgets to actual outcomes to assess reliability of management's forecasting process. We have performed sensitivity analysis on key assumptions that will significantly affect the recoverable amounts of the CGUs.

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Auditors' responsibilities for the audit of the financial statements (Cont'd)

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

OTHER MATTERS

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

UHY Malaysia PLT
202406000040 (LLP0041391-LCA) & AF1411
Chartered Accountants

DATO' KOH CHUN KIAT
Approved Number: 03071/06/2025 J
Chartered Accountant

KUALA LUMPUR
10 April 2025

Statements of Financial Position

as at 31 December 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Assets					
Non-Current Assets					
Property, plant and equipment	4	**85,380,255**	34,059,463	**1,298**	26,030
Right-of-use assets	5	**59,104,690**	93,440,555	**-**	-
Intangible assets	6	**-**	-	**-**	-
Investment properties	7	**36,344,472**	37,226,260	**-**	-
Investment in subsidiaries	8	**-**	-	**319,000,070**	319,000,070
Investment in an associate company	9	**730,101**	485,055	**-**	-
Goodwill on consolidation	10	**254,694,909**	254,694,909	**-**	-
Deferred tax assets	11	**2,278,704**	1,310,603	**-**	-
Trade receivable	14	**1,610,211**	3,010,260	**-**	-
		440,143,342	424,227,105	**319,001,368**	319,026,100
Current Assets					
Inventories and contract costs	12	**75,947,468**	131,066,754	**-**	-
Contract assets	13	**176,911,933**	52,446,486	**-**	-
Trade receivables	14	**48,779,344**	36,952,582	**-**	-
Other receivables	15	**48,281,697**	33,199,724	**90,313**	140,837
Amount due from subsidiaries	16	**-**	-	**89,728,547**	80,384,834
Amount due from related companies	17	**224,145,500**	389,378,708	**-**	-
Amount due from an associate company	18	**11,110**	10,845	**-**	-
Tax recoverable		**5,739,761**	3,101,585	**153,723**	65,694
Fixed deposits with licensed banks	19	**12,979,943**	7,809,230	**34,945**	20,355
Cash held under housing development accounts	20	**9,194,798**	17,036,414	**-**	-
Cash and bank balances	20	**78,004,960**	27,798,366	**348,450**	151,946
		679,996,514	698,800,694	**90,355,978**	80,763,666
Asset held for sale	21	**4,417,211**	-	**-**	-
Total Assets		**1,124,557,067**	1,123,027,799	**409,357,346**	399,789,766

Statements of Financial Position
as at 31 December 2024

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Equity and Liabilities					
Equity					
Share capital	22	**388,185,706**	388,185,706	**388,185,706**	388,185,706
Reserves	23	**1,391,786**	2,649,134	**-**	-
Retained earnings/(Accumulated losses)		**212,769,240**	162,090,375	**13,044,000**	(5,886,336)
Equity attributable to owners of the parent		**602,346,732**	552,925,215	**401,229,706**	382,299,370
Non-controlling interests		**3,160,665**	1,589,333	**-**	-
Total Equity		**605,507,397**	554,514,548	**401,229,706**	382,299,370
Non-Current Liabilities					
Loans and borrowings	24	**43,668,737**	38,546,293	**-**	-
Lease liabilities	25	**10,145,320**	12,921,586	**-**	-
Deferred tax liabilities	11	**3,957,524**	3,124,603	**-**	-
Retirement benefit obligations	29	**4,068,695**	913,158	**-**	-
		61,840,276	55,505,640	**-**	-
Current Liabilities					
Contract liabilities	13	**44,003,986**	87,670,618	**-**	-
Trade payables	26	**294,874,760**	322,059,623	**-**	-
Other payables	27	**77,682,100**	55,862,371	**1,733,555**	1,167,291
Lease liabilities	25	**11,377,205**	12,445,799	**-**	-
Amount due to subsidiaries	16	**-**	-	**6,311,005**	6,323,105
Amount due to holding company	28	**-**	13,226	**-**	-
Amount due to related companies	17	**2,821,676**	1,276,773	**-**	-
Loans and borrowings	24	**21,063,211**	30,137,122	**-**	10,000,000
Tax payable		**5,386,456**	3,542,079	**83,080**	-
		457,209,394	513,007,611	**8,127,640**	17,490,396
Total Liabilities		**519,049,670**	568,513,251	**8,127,640**	17,490,396
Total Equity and Liabilities		**1,124,557,067**	1,123,027,799	**409,357,346**	399,789,766

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

Statements of Profit or Loss and Other Comprehensive Income

for the Financial Year Ended 31 December 2024

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Revenue	30	**1,031,969,943**	971,828,165	**31,130,000**	33,500,000
Cost of sales	31	**(856,628,245)**	(823,268,623)	**-**	-
Gross profit		**175,341,698**	148,559,542	**31,130,000**	33,500,000
Other income		**11,980,714**	2,158,801	**2,218,179**	1,633,855
Administrative expenses		**(85,097,109)**	(69,220,817)	**(3,565,189)**	(2,491,289)
Net (loss)/gain on impairment of financial assets		**(1,491,086)**	(1,021,946)	**(129,836)**	408,909
Other operating expenses		**(6,032,897)**	(5,415,071)	**-**	-
Finance costs	32	**(7,232,177)**	(6,085,579)	**(729,363)**	(848,631)
Share of profit of associates, net of tax		**545,046**	232,005	**-**	-
Profit before tax	33	**88,014,189**	69,206,935	**28,923,791**	32,202,844
Taxation	34	**(26,102,344)**	(18,744,840)	**(331,807)**	(159,022)
Profit for the financial year		**61,911,845**	50,462,095	**28,591,984**	32,043,822
Other comprehensive (loss)/income, net of tax					
Item that may be reclassified subsequently to profit or loss					
Foreign currency translation differences		**(1,257,348)**	(159,838)	**-**	-
Item that will not be reclassified to profit or loss					
Deferred tax on asset revaluation		**-**	478,554	**-**	-
Total other comprehensive (loss)/income		**(1,257,348)**	318,716	**-**	-
Total comprehensive income		**60,654,497**	50,780,811	**28,591,984**	32,043,822
Profit for the financial year attributable to:					
Owners of the parent		**60,340,513**	48,173,974	**28,591,984**	32,043,822
Non-controlling interests		**1,571,332**	2,288,121	**-**	-
		61,911,845	50,462,095	**28,591,984**	32,043,822
Total comprehensive income for the financial year attributable to:					
Owners of the parent		**59,083,165**	48,492,690	**28,591,984**	32,043,822
Non-controlling interests		**1,571,332**	2,288,121	**-**	-
		60,654,497	50,780,811	**28,591,984**	32,043,822
Earnings per share					
Basic and diluted earnings per share (sen)	35	**10.20**	8.14		

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

Statements of Changes in Equity

for the Financial Year Ended 31 December 2024

		Attributable to owners of the parent							
		Non-Distributable							
	Note	Share Capital RM	Asset Revaluation Reserve RM	Foreign Currency Translation Reserve RM	Other Reserve RM	Retained Earnings RM	Total RM	Non-Controlling Interests RM	Total Equity RM
Group									
At 1 January 2024		**388,185,706**	**4,492,781**	**(159,838)**	**(1,683,809)**	**162,090,375**	**552,925,215**	**1,589,333**	**554,514,548**
Profit for the financial year		**-**	**-**	**-**	**-**	**60,340,513**	**60,340,513**	**1,571,332**	**61,911,845**
Other comprehensive loss	23	**-**	**-**	**(1,257,348)**	**-**	**-**	**(1,257,348)**	**-**	**(1,257,348)**
Transactions with owners									
Dividends paid	36	**-**	**-**	**-**	**-**	**(9,661,648)**	**(9,661,648)**	**-**	**(9,661,648)**
At 31 December 2024		**388,185,706**	**4,492,781**	**(1,417,186)**	**(1,683,809)**	**212,769,240**	**602,346,732**	**3,160,665**	**605,507,397**
At 1 January 2023		388,185,706	4,014,227	-	(1,683,809)	116,868,698	507,384,822	(698,788)	506,686,034
Profit for the financial year		-	-	-	-	48,173,974	48,173,974	2,288,121	50,462,095
Other comprehensive income/(loss)	23	-	478,554	(159,838)	-	-	318,716	-	318,716
Transactions with owners									
Dividends paid	36	-	-	-	-	(2,952,297)	(2,952,297)	-	(2,952,297)
At 31 December 2023		388,185,706	4,492,781	(159,838)	(1,683,809)	162,090,375	552,925,215	1,589,333	554,514,548

Statements of Changes in Equity

for the Financial Year Ended 31 December 2024

	Note	Non-Distributable Share Capital RM	(Accumulated Losses)/ Retained Earnings RM	Total Equity RM
Company				
At 1 January 2024		**388,185,706**	**(5,886,336)**	**382,299,370**
Profit for the financial year, representing total comprehensive income for the financial year		**-**	**28,591,984**	**28,591,984**
Transactions with owners				
Dividends paid	36	**-**	**(9,661,648)**	**(9,661,648)**
At 31 December 2024		**388,185,706**	**13,044,000**	**401,229,706**
At 1 January 2023		388,185,706	(34,977,861)	353,207,845
Profit for the financial year, representing total comprehensive income for the financial year		-	32,043,822	32,043,822
Transactions with owners				
Dividends paid	36	-	(2,952,297)	(2,952,297)
At 31 December 2023		388,185,706	(5,886,336)	382,299,370

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

Statements of Cash Flows

for the Financial Year Ended 31 December 2024

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Cash flows from operating activities					
Profit before tax		**88,014,189**	69,206,935	**28,923,791**	32,202,844
Adjustments for:					
Depreciation of:					
- property, plant and equipment	4	**8,777,652**	7,500,331	**24,732**	24,733
- right-of-use assets	5	**12,326,138**	10,075,674	**-**	-
- investment properties	7	**881,788**	881,787	**-**	-
Share of profit of associates	9	**(545,046)**	(232,005)	**-**	-
Impairment losses on:					
- trade receivables	14	**1,586,132**	1,364,154	**-**	-
- other receivables	15	**40,259**	-	**-**	-
- amount due from subsidiaries	16	**-**	-	**129,836**	241,664
- amount due from related companies	17	**-**	80,930	**-**	-
Reversal of impairment losses on:					
- trade receivables	14	**(32,684)**	(420,354)	**-**	-
- amount due from subsidiaries		**-**	-	**-**	(650,573)
- amount due from related companies	17	**(102,621)**	(2,784)	**-**	-
Gain on disposal of:					
- property, plant and equipment	33	**(3,848,591)**	(312,136)	**-**	-
- right-of-use assets	33	**(169,496)**	(164,999)	**-**	-
Provision for retirement benefits obligations	29	**3,155,537**	913,158	**-**	-
Finance costs	32	**7,232,177**	6,085,579	**729,363**	848,631
Interest income	33	**(1,161,960)**	(824,197)	**(1,488,816)**	(785,224)
Unrealised foreign exchange loss	33	**1,429,862**	70,829	**-**	-
Realised foreign exchange gain	33	**(326)**	-	**-**	-
Loss on lease termination	33	**-**	499	**-**	-
Operating profit before working capital changes		**117,583,010**	94,223,401	**28,318,906**	31,882,075

Statements of Cash Flows

for the Financial Year Ended 31 December 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from operating activities (Cont'd)					
Operating profit before working capital changes (Cont'd)		**117,583,010**	94,223,401	**28,318,906**	31,882,075
Change in working capital:					
Inventories and contract costs		**54,982,131**	(49,806,956)	**-**	-
Trade and other receivables		**(27,652,532)**	(10,042,532)	**50,524**	(16,852)
Trade and other payables		**(3,793,594)**	124,237,483	**566,264**	113,030
Contract assets and contract liabilities		**(168,121,016)**	27,718,711	**-**	-
Amounts due to subsidiaries		**-**	-	**(8,003,417)**	(23,200,386)
Amounts due from/(to) related companies		**166,880,732**	(110,166,866)	**-**	-
Amount due to holding company		**(13,226)**	-	**-**	-
Amount due to an associate		**(265)**	(27,397)	**-**	-
		22,282,230	(18,087,557)	**(7,386,629)**	(23,104,208)
Cash generated from operations		**139,856,240**	76,135,844	**20,932,277**	8,777,867
Interest paid		**(7,238,522)**	(6,161,304)	**(729,363)**	(848,631)
Interest received		**1,161,960**	824,197	**6,584**	7,295
Income tax refund		**-**	1,000,792	**-**	-
Income tax paid		**(27,031,321)**	(16,595,234)	**(336,756)**	(109,251)
		(33,107,883)	(20,931,549)	**(1,059,535)**	(950,587)
Net cash from operating activities		**106,757,357**	55,204,295	**19,872,742**	7,827,280
Cash flows used in investing activities					
Purchase of property, plant and equipment	4(a)	**(33,350,964)**	(10,283,823)	**-**	-
Additions in right-of-use assets	5(d)	**(926,700)**	(3,322,733)	**-**	-
Proceeds from disposal of:					
- property, plant and equipment		**4,260,857**	312,216	**-**	-
- right-of-use assets		**169,500**	165,000	**-**	-
Dividends received from an associate	9	**300,000**	180,000	**-**	-
Net cash used in investing activities		**(29,547,307)**	(12,949,340)	**-**	-

Statements of Cash Flows

for the Financial Year Ended 31 December 2024

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash flows used in financing activities				
Net bank balances pledged to licensed banks	**77,214**	(77,214)	**-**	-
Net placements of deposits pledged to licensed banks	**(4,901,428)**	(635,209)	**(14,590)**	(20,355)
Drawdown of bank borrowings	**149,750,703**	85,951,343	**-**	-
Dividends paid	**(9,661,648)**	(2,952,297)	**(9,661,648)**	(2,952,297)
Payments of lease liabilities	**(14,691,921)**	(15,923,631)	**-**	-
Repayment of bank borrowings	**(146,241,435)**	(107,246,552)	**(10,000,000)**	(5,000,000)
Net cash used in financing activities	**(25,668,515)**	(40,883,560)	**(19,676,238)**	(7,972,652)
Net increase/(decrease) in cash and cash equivalents	**51,541,535**	1,371,395	**196,504**	(145,372)
Cash and cash equivalents at the beginning of the financial year	**34,952,848**	33,772,788	**151,946**	297,318
Effect of exchange rate changes on cash and cash equivalents	**(2,054,498)**	(191,335)	**-**	-
Cash and cash equivalents at the end of the financial year	**84,439,885**	34,952,848	**348,450**	151,946
Cash and cash equivalents at the end of the financial year comprises:				
Cash and bank balances	**78,004,960**	27,798,366	**348,450**	151,946
Cash held under housing development accounts	**9,194,798**	17,036,414	**-**	-
Fixed deposits with licensed banks	**12,979,943**	7,809,230	**34,945**	20,355
Bank overdrafts	**(2,941,378)**	(9,982,030)	**-**	-
	97,238,323	42,661,980	**383,395**	172,301
Less: Fixed deposits pledged with licensed banks	**(12,798,438)**	(7,631,918)	**(34,945)**	(20,355)
Cash and bank balances pledged with a licensed bank	**-**	(77,214)	**-**	-
	84,439,885	34,952,848	**348,450**	151,946

Statements of Cash Flows

for the Financial Year Ended 31 December 2024

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Cash flows for leases as a lessee</u>				
Included in operating activities				
Interest paid in relation to lease liabilities	**1,526,679**	1,390,330	**-**	-
Lease expenses relating to short-term lease	**-**	199,000	**-**	-
Included in financing activities				
Payment of lease liabilities	**14,691,921**	15,923,631	**-**	-
Total cash outflows for leases	**16,218,600**	17,512,961	**-**	-

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

Notes to the Financial Statements

31 December 2024

1. CORPORATE INFORMATION

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

The principal place of business of the Company is located at H-G, Sunway PJ@51A, Jalan SS 9A/19, Seksyen 51A, 47300 Petaling Jaya, Selangor Darul Ehsan.

The registered office of the Company is located at G-3A, Sunway PJ@51A, Jalan SS 9A/19, Seksyen 51A, 47300 Petaling Jaya, Selangor Darul Ehsan.

The Company is principally engaged in investment holding activities and provision of management services. The principal activities of the subsidiaries are mainly civil engineering, design and build, general construction activities, trading of construction materials, manufacturing of Industrialised Building System precast products, property development, investment holding activities, provision of management services manufacture, supply and installation of steel related building materials, construction of reservoir and water treatment and operation of generation facilities that produce electric energy.

Further details of the subsidiaries have been disclosed in Note 8.

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

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

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policies below.

Adoption of amended standards

During the financial year, the Group and the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

The adoption of the amendments to MFRSs did not have any significant impact on the financial statements of the Group and the Company.

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective

The Group and the Company have not applied the following new and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107	Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above MFRSs and amendments to MFRSs when they become effective.

The initial application of the above-mentioned MFRSs are not expected to have any significant impacts on the financial statements of the Group and the Company.

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of assets or liabilities affected in the future.

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Judgements

The following are the judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

<u>Satisfaction of performance obligations in relation to contracts with customers</u>

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Group recognises revenue over time in the following circumstances:

(i) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

(ii) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(iii) the Group do not create an asset with an alternative use to the Group and the Company and have an enforceable right to payment for performance completed to-date.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group and the Company might be required to reduce the value of its inventories.

Details of inventories are disclosed in Note 12.

Impairment of goodwill on consolidation

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The key assumptions used to determine the value-in-use is disclosed in Note 10.

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Details of deferred tax assets are disclosed in Note 11.

Revenue from construction contracts and property development activities

Revenue and costs for construction contracts and property development activities are recognised over the period of the contract in the profit or loss, using the input method in measuring progress towards complete satisfaction of the performance obligation.

The progress towards complete satisfaction of performance obligation is determined by the proportion that the contract costs incurred to-date over the estimated total costs of the contract.

Significant judgement is required in determining the progress towards complete satisfaction of performance based on the level of completion of the construction corroborated by the certified work-to-date, the extent of the contract costs incurred and the estimated total contract costs. The total estimated costs are based on approved budgets, which require assessments and judgements to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, the Group evaluates based on past experience, the work of specialists and a continuous monitoring mechanism.

Revenue of the Group arising from construction contracts and property development activities are disclosed in Note 30.

Provision for expected credit loss of financial assets at amortised cost and contract assets

The Group reviews the recoverability of its trade and other receivables, amounts due from subsidiaries, an associate and related companies, and contract assets at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions at the end of each reporting period.

The carrying amounts at the reporting date for the financial assets at amortised cost and contract assets are disclosed in Note 13, 14, 15, 16, 17 and 18 respectively.

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Defined benefit plan

The cost of the defined benefit plan and the present value of the defined benefit obligation is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of salary increases and mortality rates. There is an assumption that there will be no resignation. All assumptions are reviewed at each financial year end.

In determining the appropriate discount rate, the valuation is based on market yield of Malaysian Government Securities, Private Debt Securities with AA ratings above with terms similar to the terms of the liabilities.

3. MATERIAL ACCOUNTING POLICIES

The Group and the Company apply the material accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of subsidiaries is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

(i) Subsidiaries (Cont'd)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Intercompany transactions, balances and unrealised gains or losses on transactions between subsidiaries are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amount is recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(m)(i) to the financial statements on impairment of non-financial assets.

(ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiaries is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiaries

If the Group loses control of a subsidiary, the assets and liabilities of the subsidiary, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (i.e. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(m)(i) to the financial statements on impairment of non-financial assets.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(b) Foreign currency transactions and balances

Transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective subsidiaries using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into RM at the rate of exchange prevailing at the reporting date and their income statements are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates at the dates of the transactions). The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to income statement. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(m)(i) on impairment of non-financial assets.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(c) Property, plant and equipment (Cont'd)

(i) Recognition and measurement (Cont'd)

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight-line basis to write off the cost of each asset to its residual value over its estimated useful life. Property, plant and equipment under construction are not depreciated until the assets are ready for its intended use.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Plant, machinery and equipment	5% - 33.33%
Furniture, fittings and office equipment	10% - 50%
Electrical installation and renovation	10% - 20%
Motor vehicles	20%

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

(d) Leases

(i) As lessee

The Group recognises ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

ROU assets other than leasehold land and buildings are subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(m)(i) on impairment of non-financial assets.

3. **MATERIAL ACCOUNTING POLICIES (CONT'D)**

(d) **Leases (Cont'd)**

(i) **As lessee (Cont'd)**

Leasehold land and buildings are subsequently measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity, usually every five years, to ensure that the carrying amount does not differ materially from the fair value of the land and buildings at the end of the reporting period.

As at the date of revaluation, accumulated depreciation, if any, is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Any revaluation surplus arising upon appraisal of land and buildings are recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decreases or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land and buildings are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to other comprehensive income.

ROU assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term, to allocate the cost or the revalued amounts, to their residual values over their estimated useful lives, summarised as follows:

Leasehold buildings	2%
Leasehold land and factory	Over remaining lease period
Hostel	Over remaining lease period
Sales gallery	Over remaining lease period
Computer	20%
Plant, machinery and equipment	3.33% - 33.33%
Renovation	10%
Motor vehicles	20%

ROU asset under construction are not depreciated until the assets are ready for its intended use.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective Group entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group are reasonably certain to exercise.

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group changes its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(d) Leases (Cont'd)

(ii) As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group applies MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

The Group recognises assets held under a finance lease in its statements of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group uses the interest rate implicit in the lease to measure the net investment in the lease.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(e) Investment properties

Investment properties, including right-of-use assets held by lessee, are properties held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost, including transaction costs, less any accumulated depreciation and impairment losses.

The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day to-day servicing of an investment property.

Investment properties are depreciated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives. The principal annual depreciation rates of leasehold land and buildings are 2% (2023: 2%).

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(m)(i) on impairment of non-financial assets.

Investment properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. Upon disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(f) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include trade and other receivables, amounts due from subsidiaries, related companies and an associate, fixed deposits with licensed banks, cash held under Housing Development Accounts and cash and bank balances.

(i) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(ii) Financial assets at fair value through other comprehensive income ("FVTOCI")

Debt instruments

A debt security is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income on an investment-by-investment basis.

Financial assets categorised as FVTOCI are subsequently measured at fair value, with unrealised gains and losses recognised directly in other comprehensive income and accumulated under fair value reserve in equity. For debt instruments, when the investment is derecognised or determined to be impaired, the cumulative gain or loss previously recorded in equity is reclassified to the profit or loss. For equity instruments, the gains or losses are never reclassified to profit or loss.

The Group and the Company have not designated any financial assets as FVTOCI.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(f) Financial assets (Cont'd)

(iii) Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost or FVTOCI, as described above, are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

All financial assets, except for those measured at FVTPL and equity instruments measured at FVTOCI, are subject to impairment.

The Group and the Company have not designated any financial assets at FVTPL.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases or sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expire. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received for financial instrument is recognised in profit or loss.

(g) Financial liabilities

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(h) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent, the liability is measured at the higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers*.

(i) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value.

(i) Development lands

Development lands consist of purchase price of land, professional fees, stamp duties, commissions, conversion fees, other relevant levies and direct development cost incurred in preparing the land for development.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated cost necessary to make the sale. If net realisable value cannot be determined reliably, these inventories will be stated at the lower of cost or fair value less costs to sell. Fair value is the amount the inventory can be sold in an arm's length transaction.

Development lands for which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle, is classified as non-current asset.

Development lands are transferred to property development costs under current assets when development activities have commenced and are expected to be completed within the normal operating cycle.

(ii) Property development costs and completed properties

Property under development consists of the costs of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities, including common costs such as the cost of constructing mandatory infrastructure, amenities and affordable houses (net of estimated approve selling prices) and other related costs. The asset is subsequently recognised as an expense in profit or loss when and as the control of the asset is transferred to the customer.

Property development costs attributable to unsold properties, upon completion, are transferred to completed properties held for sale.

The cost of completed properties includes costs of land and related development cost or its purchase costs are incident cost of acquisition. Cost is determined on a specific identification basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable selling expenses.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(j) Inventories (Cont'd)

(iii) Other inventories

Cost of raw material comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on a first-in-first-out basis. Cost of finished goods consists of direct material, direct labour and an appropriate proportion of production overheads (based on normal operating capacity) are stated on a first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(k) Construction contracts

Construction contracts are contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

Cost incurred to fulfil the contracts, comprising cost of direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors are recognised as an asset and amortised over to profit or loss systematically to reflect the transfer of the contracted service to the customer.

The Group uses the efforts or inputs to the satisfaction of the performance obligations to determine the appropriate amount to recognise in a given period. This is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the financial year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature. When the carrying amount of the asset exceeds the remaining amount of consideration that the Group expects to receive in exchange of the contracted asset, an impairment loss is recognised in profit or loss.

The Group presents as an asset the gross amount due from customers for contract work-in-progress for which costs incurred plus recognised profits (less recognised losses) exceed contract liabilities. Contract liabilities not yet paid by customers and retention monies are included within receivables and contract assets. The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which contract liabilities exceed costs incurred plus recognised profits (less recognised losses).

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(m) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(ii) Financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECL") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(m) Impairment of assets (Cont'd)

(ii) Financial assets (Cont'd)

For trade receivables and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience and the economic environment.

Impairment for other receivables and intercompanies balances of the Group and of the Company are recognised based on the general approach using the forward-looking ECL model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. At the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month ECL along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime ECL along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime ECL along with interest income on a net basis are recognised. The Group and the Company define significant increase in credit risk based on past due information, i.e. 365 days after credit term.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

(n) Share capital

Ordinary shares

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(o) Employee benefits

(i) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(o) Employee benefits (Cont'd)

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

The Group operates a wholly unfunded non-contributory defined benefit retirement scheme (the "Scheme") for its eligible employees. The Group's obligation under the Scheme, calculated using the Projected Unit Credit Method, is determined based on actuarial computations by an independent actuary.

The amount recognised in the statements of financial position represents the present value of the defined benefit obligation at each financial year end less the fair value of plan assets. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that have terms to maturity approximating to the terms of the pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Net interest is recognised in profit or loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

(p) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(q) Contract assets and contract liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. The Group's contract asset is the excess of revenue recognised over the billings to-date and deposits or advances received from customers.

Where there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

Contract liability is the obligation to transfer goods or services to customer for which the Group has received the consideration or has billed the customer. The Group's contract liability is the excess of the billings to-date over the revenue recognised. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(r) Revenue recognition

(i) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group recognises revenue from the following major sources:

Revenue from construction contracts

The Group recognises revenue from construction contracts over time when control over the asset has been transferred to the customers. The assets have no alternative use to the Group due to contractual restriction and the Group has an enforceable right to payment for performance completed to-date. Revenue from construction contracts is measured at the transaction price agreed under the construction contracts.

Revenue is recognised over the period of the contract using the input method to measure the progress towards complete satisfaction of the performance obligations under the construction contract by reference to the actual cost incurred for work performed to-date, i.e. based on the level of completion of the physical proportion of contract work to-date certified by professional accountants over the estimated total costs for each contract.

The Group becomes entitled to invoice customers for construction of promised asset based on achieving a series of performance-related milestones (i.e. progress billing). The Group previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the progress billing exceeds the revenue recognised to-date, the Group recognises a contract liability for the difference. There is not considered to be a significant financing component in contracts with customers as the period between the recognition of revenue and the progress billing is always less than one year.

The Group provides warranties for general repairs of defects existed at the time of sale. These assurance-type warranties are accounted for under *MFRS 137 Provision, Contingent Liabilities and Contingent Assets*.

Revenue from property development

The Group recognises revenue from property development over time when control over the property has been transferred to the customers. The properties have no alternative use to the Group due to contractual restriction and the Group has an enforceable right to payment for performance completed to-date. Revenue from property development is measured at the fixed transaction price agreed under the sales and purchase agreement.

Revenue is recognised over the period of the contract using input method to measure the progress towards complete satisfaction of the performance obligations under the sale and purchase agreement, i.e. based on the proportion of property development costs incurred for work performed up to the end of the reporting period as a percentage of the estimated total costs of development of the contract.

The Group becomes entitled to invoice customers for construction of promised properties based on achieving a series of performance-related milestones (i.e. progress billing). The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the progress billing exceeds the revenue recognised to-date, the Group recognises a contract liability for the difference. There is not considered to be a significant financing component in contracts with customers as the period between the recognition of revenue and the progress billing is always less than one year.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(r) Revenue recognition (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

Revenue from property development (Cont'd)

Revenue from sale of completed properties is recognised at a point in time, being when the control of the properties has been passed to the purchasers. And, it is probable that the Group will collect the considerations to which it will be entitled to in exchange for the properties sold.

The Group provides warranties for general repairs of defects as required by law. These assurance-type warranties are accounted for under *MFRS 137 Provision, Contingent Liabilities and Contingent Assets*.

Sales of goods/Rendering of services

Revenue from sale of goods and rendering of services is recognised at a point in time when the products and services have been transferred and rendered to the customers and coincide with the delivery of products and services and acceptance by customers.

Revenue is recognised based on the price specified in the contract, net of the rebates, discounts and taxes.

(ii) Other revenue

Lease income

Lease income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

Interest income

Interest income is recognised on accruals basis using the effective interest method.

Dividend income

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

(s) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination, that affects neither accounting nor taxable profit or loss and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(s) Income taxes (Cont'd)

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised simultaneously.

(t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(u) Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

4. PROPERTY, PLANT AND EQUIPMENT

	Plant, machinery and equipment RM	Furniture, fittings and office equipment RM	Electrical installation and renovation RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
Group						
2024						
Cost						
At 1 January	56,922,354	8,759,330	16,125,052	2,327,442	354,623	84,488,801
Additions	6,508,067	1,218,309	104,030	619,677	26,817,287	35,267,370
Disposals	(4,475,443)	-	-	(801,358)	-	(5,276,801)
Transfer from capital work-in-progress	27,170,751	-	-	-	(27,170,751)	-
Transfer from right-of-use assets	42,131,111	1,298,076	5,940	807,086	-	44,242,213
Transfer to right-of-use assets	(4,596,292)	-	-	-	-	(4,596,292)
Exchange differences	(711,262)	(3,511)	-	(17,974)	(1,159)	(733,906)
At 31 December	122,949,286	11,272,204	16,235,022	2,934,873	-	153,391,385
Accumulated depreciation						
At 1 January	32,451,634	5,949,554	9,924,407	2,103,743	-	50,429,338
Charge for the financial year	5,352,601	1,056,075	2,221,559	147,417	-	8,777,652
Disposals	(4,063,185)	-	-	(801,350)	-	(4,864,535)
Transfer from right-of-use assets	12,033,101	1,060,097	4,629	807,078	-	13,904,905
Transfer to right-of-use assets	(224,173)	-	-	-	-	(224,173)
Exchange differences	(9,224)	(2,833)	-	-	-	(12,057)
At 31 December	45,540,754	8,062,893	12,150,595	2,256,888	-	68,011,130
Carrying amount						
At 31 December	77,408,532	3,209,311	4,084,427	677,985	-	85,380,255

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

	Plant, machinery and equipment RM	Furniture, fittings and office equipment RM	Electrical installation and renovation RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
Group						
2023						
Cost						
At 1 January	39,272,346	7,635,964	13,326,244	2,394,194	-	62,628,748
Additions	12,712,472	1,123,190	2,798,808	181,004	351,813	17,167,287
Disposals	(60,563)	-	-	(677,417)	-	(737,980)
Transfer from right-of-use assets	5,929,275	-	-	428,302	-	6,357,577
Transfer to right-of-use assets	(931,767)	-	-	-	-	(931,767)
Exchange differences	591	176	-	1,359	2,810	4,936
At 31 December	56,922,354	8,759,330	16,125,052	2,327,442	354,623	84,488,801
Accumulated depreciation						
At 1 January	26,185,440	5,265,569	7,361,015	2,295,789	-	41,107,813
Charge for the financial year	4,195,930	683,981	2,563,392	57,028	-	7,500,331
Disposals	(60,483)	-	-	(677,417)	-	(737,900)
Transfer from right-of-use assets	2,213,691	-	-	428,298	-	2,641,989
Transfer to right-of-use assets	(82,966)	-	-	-	-	(82,966)
Exchange differences	22	4	-	45	-	71
At 31 December	32,451,634	5,949,554	9,924,407	2,103,743	-	50,429,338
Carrying amount						
At 31 December	24,470,720	2,809,776	6,200,645	223,699	354,623	34,059,463

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

	Furniture, fittings and office equipment RM	Electrical installation and renovation RM	Total RM
Company			
2024			
Cost			
At 1 January/31 December	**683,336**	**247,328**	**930,664**
Accumulated depreciation			
At 1 January	**683,332**	**221,302**	**904,634**
Charge for the financial year	**-**	**24,732**	**24,732**
At 31 December	**683,332**	**246,034**	**929,366**
Carrying amount			
At 31 December	**4**	**1,294**	**1,298**
2023			
Cost			
At 1 January/31 December	683,336	247,328	930,664
Accumulated depreciation			
At 1 January	683,332	196,569	879,901
Charge for the financial year	-	24,733	24,733
At 31 December	683,332	221,302	904,634
Carrying amount			
At 31 December	4	26,026	26,030

(a) The aggregate additional costs for the property, plant and equipment of the Group under other payables and cash payments are as follows:

	Group	
	2024 RM	2023 RM
Aggregate costs	**35,267,370**	17,167,287
Less: Other payables	**(1,916,406)**	(6,883,464)
Cash payments	**33,350,964**	10,283,823

5. RIGHT-OF-USE ASSETS

	At Valuation	At Cost						
	Leasehold land and buildings RM	Renovation RM	Hostel RM	Sales gallery RM	Computer RM	Plant, machinery and equipment RM	Motor vehicles RM	Total RM
Group								
2024								
Cost/Valuation								
At 1 January	41,662,005	5,940	300,953	237,983	1,298,076	83,600,935	5,437,375	132,543,267
Additions	-	-	75,180	181,499	260,333	5,746,925	1,712,860	7,976,797
Disposal	-	-	-	-	-	-	(745,103)	(745,103)
Transfer from property, plant and equipment	-	-	-	-	-	4,596,292	-	4,596,292
Transfer to property, plant and equipment	-	(5,940)	-	-	(1,298,076)	(42,131,111)	(807,086)	(44,242,213)
Transfer to land held for sale	(9,100,635)	-	-	-	-	-	-	(9,100,635)
At 31 December	32,561,370	-	376,133	419,482	260,333	51,813,041	5,598,046	91,028,405
Accumulated depreciation								
At 1 January	9,907,291	4,010	217,968	178,488	1,038,460	23,025,514	3,341,149	37,712,880
Charge for the financial year	1,090,307	619	95,513	82,183	34,651	10,101,460	921,405	12,326,138
Disposal	-	-	-	-	-	-	(745,099)	(745,099)
Transfer from property, plant and equipment	-	-	-	-	-	224,173	-	224,173
Transfer to property, plant and equipment	-	(4,629)	-	-	(1,060,097)	(12,033,101)	(807,078)	(13,904,905)
Transfer to land held for sale	(3,689,472)	-	-	-	-	-	-	(3,689,472)
At 31 December	7,308,126	-	313,481	260,671	13,014	21,318,046	2,710,377	31,923,715
Accumulated impairment losses								
At 1 January	1,389,832	-	-	-	-	-	-	1,389,832
Transfer to land held for sale	(1,389,832)	-	-	-	-	-	-	(1,389,832)
At 31 December	-	-	-	-	-	-	-	-
Carrying amount								
At 31 December	25,253,244	-	62,652	158,811	247,319	30,494,995	2,887,669	59,104,690

5. RIGHT-OF-USE ASSETS (CONT'D)

	At Valuation	At Cost						
	Leasehold land and buildings RM	Renovation RM	Hostel RM	Sales gallery RM	Computer RM	Plant, machinery and equipment RM	Motor vehicles RM	Total RM
Group								
2023								
Cost/Valuation								
At 1 January	41,662,005	5,940	218,137	237,983	1,298,076	66,253,970	5,362,776	115,038,887
Additions	-	-	116,144	-	-	22,344,473	912,276	23,372,893
Disposal	-	-	-	-	-	-	(409,375)	(409,375)
Transfer from property, plant and equipment	-	-	-	-	-	931,767	-	931,767
Transfer to property, plant and equipment	-	-	-	-	-	(5,929,275)	(428,302)	(6,357,577)
Lease termination	-	-	(33,328)	-	-	-	-	(33,328)
At 31 December	41,662,005	5,940	300,953	237,983	1,298,076	83,600,935	5,437,375	132,543,267
Accumulated depreciation								
At 1 January	8,793,872	3,268	130,862	99,160	778,845	17,359,029	3,451,676	30,616,712
Charge for the financial year	1,113,419	742	98,215	79,328	259,615	7,797,210	727,145	10,075,674
Disposal	-	-	-	-	-	-	(409,374)	(409,374)
Transfer from property, plant and equipment	-	-	-	-	-	82,966	-	82,966
Transfer to property, plant and equipment	-	-	-	-	-	(2,213,691)	(428,298)	(2,641,989)
Lease termination	-	-	(11,109)	-	-	-	-	(11,109)
At 31 December	9,907,291	4,010	217,968	178,488	1,038,460	23,025,514	3,341,149	37,712,880
Accumulated impairment losses								
At 1 January/31 December	1,389,832	-	-	-	-	-	-	1,389,832
Carrying amount								
At 31 December	30,364,882	1,930	82,985	59,495	259,616	60,575,421	2,096,226	93,440,555

5. RIGHT-OF-USE ASSETS (CONT'D)

(a) The Group had entered into 5 (2023: 5) non-cancellable operating lease agreement for the use of sales gallery and residential hostel (2023: sales gallery and residential hostel). The lease is for a period of one year plus one year and three years plus two years extension with renewal option included in the agreements. The lease does not allow the Group to assign, transfer or sublease or create any charge, lien or trust in respect of or dispose of the whole or any part of building.

(b) As at 31 December 2024, leasehold land and buildings with net carrying amount of RM23,316,734 (2023: RM28,385,162) have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 24.

(c) The net carrying amount of right-of-use assets of the Group acquired under lease arrangement are as follows:

	Group	
	2024 RM	**2023 RM**
Motor vehicles	**2,887,669**	2,096,226
Plant and machinery	**30,494,995**	60,575,421
Computer	**247,319**	259,616
	33,629,983	62,931,263

Leased assets are pledged as security for the related lease liabilities.

(d) The aggregate additional costs for the right-of-use assets of the Group under lease financing, other payables and cash payments are as follows:

	Group	
	2024 RM	**2023 RM**
Aggregate costs	**7,976,797**	23,372,893
Less: Lease financing	**(7,050,097)**	(20,050,160)
Cash payments	**926,700**	3,322,733

(e) As at 31 December 2024, the remaining period of leasehold land and buildings are 21 to 90 (2023: 22 to 91) years.

5. RIGHT-OF-USE ASSETS (CONT'D)

(f) During the financial year, the leasehold land and building of the Group were revalued by Raine & Home International Zaki + Partners Sdn. Bhd., an independent professional qualified valuer.

The fair value of the leasehold land and buildings of approximately RM27,605,000 at level 3 was recommended by the Directors as at the end of the reporting period based on comparison method that makes reference to recent market value of a similar property in the vicinity on a price per square foot basis. Any changes in the price per square foot will result in a reasonable change in the fair value of the right-of-use asset.

(g) The following table shows the valuation technique and significant unobservable inputs used in determining the fair value measurement of right-of-use assets as well as the inter-relationship between key unobservable inputs and fair value:

Property category	Valuation techniques used	Significant unobservable inputs
Leasehold land and buildings	Market approach (comparison method)	Location, plot size, improvements made (if any), surrounding developments, facilities and amenities available.

(h) As at 31 December 2024, had the leasehold land and buildings been carried at historical cost less accumulated depreciation and impairment losses, the carrying amount would have been RM20,859,483 (2023: RM27,648,399).

6. INTANGIBLE ASSETS

	Group	
	2024 RM	**2023 RM**
Cost		
At 1 January/31 December	**10,732,993**	10,732,993
Accumulated amortisation		
At 1 January/31 December	**10,732,993**	10,732,993
Carrying amount		
At 31 December	**-**	-

7. INVESTMENT PROPERTIES

	Group	
	2024 RM	2023 RM
Leasehold land and buildings		
Cost		
At 1 January/31 December	**44,089,373**	44,089,373
Accumulated depreciation		
At 1 January	**6,863,113**	5,981,326
Charge for the financial year	**881,788**	881,787
At 31 December	**7,744,901**	6,863,113
Carrying amount		
At 31 December	**36,344,472**	37,226,260
Fair value		
At 31 December	**37,327,000**	38,821,000

(a) Investment properties of the Group with net carrying amount of RM29,480,990 (2023: RM30,211,628) have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 24.

(b) Investment properties of the Group are leasehold properties with remaining lease periods range from 65 to 93 (2023: 66 to 94) years.

(c) During the financial year, fair value of investment properties was arrived at by reference to market evidence of transaction prices for similar properties and are performed by registered valuers. The fair value are within level of the fair value hierarchy.

In previous financial year, the fair values of the investment properties was assessed by the management at the end of the reporting date using the sales comparison approach based on recent transaction of comparable properties and comparable properties that were listed for sale. The most significant input into this valuation approach is price per square feet of comparable properties.

There were no transfers between levels during current and previous financial year.

7. INVESTMENT PROPERTIES (CONT'D)

(d) Income and expenses recognised in profit or loss

The following are recognised in profit or loss in respect of investment properties:

	Group	
	2024 RM	2023 RM
Rental income	**231,859**	180,664
Direct operating expenses:		
- Income generating investment properties	**56,273**	19,123
- Non-income generating investment properties	**108,678**	162,946

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2024 RM	2023 RM
Unquoted shares in Malaysia		
Cost	**380,977,123**	380,977,123
Less: Accumulated impairment losses	**(61,977,053)**	(61,977,053)
	319,000,070	319,000,070

Movements in the allowance for impairment losses of investment in subsidiaries are as follows:

	Company	
	2024 RM	2023 RM
At 1 January/31 December	**61,977,053**	61,977,053

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest 2024 %	Effective interest 2023 %	Principal activities
Direct Holding:				
MGB Construction Sdn. Bhd. ("MGBC")	Malaysia	**100**	100	Civil engineering, design and build and general construction activities, provision of management services and investment holding and operation of generation facilities that produce electric energy
MGB Land Sdn. Bhd. ("MGBL")	Malaysia	**100**	100	Investment holding
Vintage Roofing & Construction Sdn. Bhd. ("VRC")*	Malaysia	**100**	100	Construction activities
Newsteel Building Systems Sdn. Bhd. ("NBS")*	Malaysia	**80**	80	Manufacture, supply and installation of steel related building materials
Vintage Tiles Holdings Sdn. Bhd. ("VTH")*	Malaysia	**100**	100	Investment holding and trading of roof tiles and related roof products
MGB Construction & Engineering Sdn. Bhd. ("MGBCE")	Malaysia	**100**	100	Civil engineering, design and build, general construction activities, trading of construction materials, investment holding, management of property, building, land and estates, architectural, technical and engineering consultancy, sales and marketing and credit administration activities
Alunan Warta Sdn. Bhd. ("AW")*	Malaysia	**51**	51	Other service activities
MGB Water Solution Sdn. Bhd. ("MGBWS")*	Malaysia	**70**	70	Construction of reservoir and water treatment
Held by MGBCE				
Prisma Kasturi Sdn. Bhd. ("PKSB")*	Malaysia	**-**	100	Property development
Top Ace Solutions Sdn. Bhd. ("TA")*	Malaysia	**100**	100	Trading of building materials and general construction activities
MGB SANY (M) IBS Sdn. Bhd. ("SANY")	Malaysia	**81**	81	Manufacturing of Industrialised Building System precast products
Held by MGBL				
Delta Gallery Sdn. Bhd. ("DGSB")	Malaysia	**100**	100	Property development and operation of generation facilities that produce electric energy
Multi Court Developers Sdn. Bhd. ("MCD")	Malaysia	**100**	100	Property development

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (Cont'd)

Name of company	Place of business/ Country of incorporation	Effective interest 2024 %	Effective interest 2023 %	Principal activities
Held by MGBL (Cont'd)				
Sinaran Kencana Sdn. Bhd. ("SKSB")*	Malaysia	**100**	100	Property development
Idaman Kukuh Sdn. Bhd. ("IKSB")	Malaysia	**100**	100	Property development
Idaman Aktif Sdn. Bhd. ("IASB")	Malaysia	**100**	100	Property development
Idaman Elegan Sdn. Bhd. ("IESB")*	Malaysia	**100**	100	Property development and operation of generation facilities that produce electric energy
Idaman Living Sdn. Bhd. ("ILSB")	Malaysia	**100**	100	Property development
Idaman Rawang Sdn. Bhd. ("IRSB")*	Malaysia	**100**	100	Property development
Retro Court Sdn. Bhd. ("RCSB")*	Malaysia	**100**	100	Property development
MGB Development Sdn. Bhd. ("MGBD")	Malaysia	**100**	100	Property development and operation of generation facilities that produce electric energy
Prisma Kasturi Sdn. Bhd. ("PKSB")*	Malaysia	**100**	-	Property development
Held by MGBC				
MGB International For Industry ("MII")^	Kingdom of Saudi Arabia	**100**	100	Manufacturing of Industrialised Building System precast concrete products and construction of residential buildings

* *Subsidiaries are inactive and remain dormant during the financial year.*
^ *Subsidiary not audited by UHY Malaysia PLT.*

(a) Additional investments

2024

On 17 December 2024, PKSB, a wholly-owned subsidiary of MGBL, an indirect wholly-owned subsidiary of the Company, had increased its issued and paid-up share capitals from 25,000 to 1,000,000 ordinary shares. MGBL has subscribed for an additional 975,000 ordinary shares in PKSB at an issue price of RM1.00 each for a total cash consideration of RM975,000 only.

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) Internal reorganisation

2024

On 10 May 2024, MGBCE, a wholly-owned subsidiary of the Company, had transferred all the equity interest in PKSB to MGBL, a wholly-owned subsidiary of the Company for a total cash consideration of RM2 only. Following the internal reorganisation, PKSB became a wholly-owned subsidiary of MGBL.

2023

On 30 March 2023, MGBCE, a wholly-owned subsidiary of the Company, had transferred all the equity interest in MGBD (formerly known as MGB Kampar Development Sdn. Bhd.) to MGBL, a wholly-owned subsidiary of the Company for a total cash consideration of RM750,000 only. Following the internal reorganisation, MGBD became a wholly-owned subsidiary of MGBL.

(c) The Group's subsidiaries which have non-controlling interests are not material individually or in aggregate to the financial position, financial performance and cash flows of the Group.

(d) There are no significant restrictions on the ability of the subsidiaries to transfer funds to the Group in the form of cash dividends or repayment of loans and advances. Generally, for all subsidiaries which are not wholly-owned by the Company, non-controlling shareholders hold protective rights restricting the Company's ability to use the assets of the subsidiaries and settle the liabilities of the Group, unless approval is obtained from non-controlling shareholders.

9. INVESTMENT IN AN ASSOCIATE

	Group	
	2024 RM	**2023 RM**
Unquoted shares in Malaysia		
Cost		
- unquoted shares in Malaysia	**15,000**	15,000
- share of post acquisition reserve	**470,055**	418,050
	485,055	433,050
Share of current year's profit	**545,046**	232,005
Less: Dividend received	**(300,000)**	(180,000)
	730,101	485,055

9. INVESTMENT IN AN ASSOCIATE (CONT'D)

Details of the associate is as follows:

Name of company	Place of business/ Country of incorporation	Effective interest 2024 %	Effective interest 2023 %	Principal activity
Associates of MGBCE				
MGB JPC Consultancy Sdn. Bhd. ("JPC")	Malaysia	**30**	30	Engineering consultancy services

(a) The summarised financial information of the associates, not adjusted for the percentage held by the Group is as follows:

(i) Summarised statement of financial position

	JPC 2024 RM	JPC 2023 RM
Assets and liabilities		
Non-current assets	**302,785**	135,837
Current assets	**2,839,255**	1,864,664
Total assets	**3,142,040**	2,000,501
Non-current liabilities	**(30,693)**	(10,292)
Current liabilities	**(677,678)**	(373,360)
Total net assets	**2,433,669**	1,616,849

(ii) Summarised statement of profit or loss and other comprehensive income

	JPC 2024 RM	JPC 2023 RM
Revenue	**4,429,246**	2,855,678
Profit before tax	**2,343,886**	964,094
Taxation	**(527,066)**	(190,745)
Profit for the financial year	**1,816,820**	773,349

10. GOODWILL ON CONSOLIDATION

	Group	
	2024 RM	**2023 RM**
Cost	**254,739,362**	254,739,362
Less: Accumulated impairment losses	**(44,453)**	(44,453)
Carrying amount	**254,694,909**	254,694,909

Goodwill on consolidation arose upon the acquisition of subsidiaries principally engaged in construction and property development activities amounting to RM253,690,384 and RM1,004,525 respectively.

(a) Recoverable amount on value in use

For the purpose of impairment testing, the recoverable amount of goodwill as at the end of the reporting period was determined based on a value in use calculation by discounting the future cash flows generated from the continuing use of the cash-generating unit ("CGU") and was based on the following assumptions:

(i) Pre-tax cash flow projections based on the most recent approved financial budgets covering a 3 -5 years period;

(ii) Growth rate based on the expected projections of sales generated from construction and development projects; and

(iii) Pre-tax discount rate of 11.0% (2023: 11.5%) per annum has been applied in determining the recoverable amount of the CGU. The discount rate was estimated based on the Group's weighted average cost of capital.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources.

(b) Sensitivity to changes in assumptions

The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU.

(c) Impairment assessment

In the current and previous financial year, the Group did not recognised impairment loss as the recoverable amounts were higher than carrying amount of the goodwill.

11. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2024 RM	2023 RM
At 1 January	**(1,814,000)**	(2,378,896)
Recognised in profit or loss:		
Provision in current year	**(117,958)**	(540,642)
Over provision in prior years	**253,138**	626,984
Recognised in other comprehensive income:		
Over provision in prior years	**-**	478,554
At 31 December	**(1,678,820)**	(1,814,000)

The net deferred tax liabilities and assets shown on the statements of financial position after appropriate offsetting are as follows:

	Group	
	2024 RM	2023 RM
Deferred tax assets	**2,278,704**	1,310,603
Deferred tax liabilities	**(3,957,524)**	(3,124,603)
	(1,678,820)	(1,814,000)

11. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The components and movements of deferred tax liabilities and assets are as follows:

	Unutilised capital allowances RM	Unutilised tax losses RM	Retirement benefit obligations RM	Others RM	Total RM
Group					
2024					
Deferred tax assets					
At 1 January	**990,678**	**1,269,163**	**219,159**	**1,406,562**	**3,885,562**
Recognised in profit or loss	**(3,229,776)**	**(30,002)**	**718,851**	**1,777,313**	**(763,614)**
Under/(Over) provision in prior years	**3,037,488**	**(9,892)**	**-**	**391,806**	**3,419,402**
At 31 December (before offsetting)	**798,390**	**1,229,269**	**938,010**	**3,575,681**	**6,541,350**
Offsetting					**(4,262,646)**
At 31 December (after offsetting)					**2,278,704**
2023					
At 1 January	5,784,720	733,337	-	561,008	7,079,065
Recognised in profit or loss	(2,391,534)	508,888	219,159	831,903	(831,584)
(Over)/Under provision in prior years	(2,402,508)	26,938	-	13,651	(2,361,919)
At 31 December (before offsetting)	990,678	1,269,163	219,159	1,406,562	3,885,562
Offsetting					(2,574,959)
At 31 December (after offsetting)					1,310,603

11. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The components and movements of deferred tax liabilities and assets are as follows: (Cont'd)

	Accelerated capital allowances RM	Revaluation of assets RM	Total RM
Group			
2024			
Deferred tax liabilities			
At 1 January	**(5,098,731)**	**(600,831)**	**(5,699,562)**
Recognised in profit or loss	**649,865**	**(4,209)**	**645,656**
Under provision in prior years	**(3,166,264)**	**-**	**(3,166,264)**
At 31 December (before offsetting)	**(7,615,130)**	**(605,040)**	**(8,220,170)**
Offsetting			**4,262,646**
At 31 December (after offsetting)			**(3,957,524)**
2023			
At 1 January	(8,212,919)	(1,245,042)	(9,457,961)
Recognised in profit or loss	290,942	-	290,942
Over provision in prior years	2,823,246	644,211	3,467,457
At 31 December (before offsetting)	(5,098,731)	(600,831)	(5,699,562)
Offsetting			2,574,959
At 31 December (after offsetting)			(3,124,603)

	Unutilised capital allowances RM
Company	
2023	
Deferred tax assets	
At 1 January	357
Recognised in profit or loss	(357)
At 31 December	-

11. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The components and movements of deferred tax liabilities and assets are as follows: (Cont'd)

	Accelerated capital allowances RM
Deferred tax liabilities	
At 1 January	(357)
Recognised in profit or loss	357
At 31 December	-

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unutilised capital allowances	**11,379,978**	11,310,136	**200,974**	200,974
Unutilised tax losses	**27,398,879**	25,657,513	**2,665,557**	2,665,557
Others	**4,579,408**	2,025,173	**306**	616
	43,358,265	38,992,822	**2,866,837**	2,867,147

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiaries that have a recent history of losses.

The Group and the Company have the following unutilised capital allowances and unutilised tax losses carry forward, available to offset against future taxable profits. The said amounts are subject to approval by the tax authorities.

Pursuant to an amendment to Section 44(5F) of the Income Tax Act 1967, effective from year of assessment 2019 onwards, the unutilised tax losses can be carried forward for a maximum period of 10 consecutive years of assessment. The unutilised tax losses accumulated up to year of assessment 2018 can be carried forward for another 10 consecutive years of assessment until year of assessment 2028.

11. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Pursuant to Section 44(5F) of the Income Tax Act 1967, the unutilised tax losses can only be carried forward until the following years of assessment.

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unutilised tax losses to be carried forward until:				
- Year of assessment 2028	**8,330,264**	8,330,264	**2,665,557**	2,665,557
- Year of assessment 2029	**4,250,707**	4,250,707	**-**	-
- Year of assessment 2030	**4,865,103**	4,826,758	**-**	-
- Year of assessment 2031	**2,699,911**	2,699,911	**-**	-
- Year of assessment 2032	**3,089,345**	3,098,944	**-**	-
- Year of assessment 2033	**2,267,019**	2,450,929	**-**	-
- Year of assessment 2034	**1,896,530**	-	**-**	-
	27,398,879	25,657,513	**2,665,557**	2,665,557

12. INVENTORIES AND CONTRACT COSTS

		Group	
	Note	2024 RM	2023 RM
Property development costs	(a)	**68,634,767**	125,619,341
Completed properties	(b)	**729,461**	1,210,499
Other inventories	(c)	**6,583,240**	4,236,914
		75,947,468	131,066,754

12. INVENTORIES AND CONTRACT COSTS (CONT'D)

(a) Property development costs

	Group	
	2024 RM	**2023 RM**
Development lands, at cost		
At 1 January	**47,849,362**	49,398,692
Additions	**201,650**	593,979
Completed development unit	**-**	(2,080,269)
Transfer to inventories	**-**	(63,040)
At 31 December	**48,051,012**	47,849,362
Cumulative property development costs		
At 1 January	**179,334,257**	47,588,376
Additions	**343,942,307**	142,098,918
Completed development unit	**-**	(10,046,878)
Transfer to inventories	**-**	(306,159)
At 31 December	**523,276,564**	179,334,257
Cumulative cost recognised in profit or loss		
At 1 January	**101,564,278**	20,110,352
Additions	**401,128,531**	93,581,073
Completed development units	**-**	(12,127,147)
At 31 December	**502,692,809**	101,564,278
Carrying amount		
At 31 December	**68,634,767**	125,619,341

12. INVENTORIES AND CONTRACT COSTS (CONT'D)

(a) Property development costs (Cont'd)

Included in property development costs incurred during the financial year are as follows:

	Group	
	2024 RM	2023 RM
Sale commissions	**22,644,711**	23,441,169
Finance costs	**-**	225,426

The development lands have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 24.

The Group capitalised sales commissions in relation to the property development contracts entered into as incremental costs of obtaining contracts with customers in property development costs. These costs are expected to be recoverable and are amortised to profit or loss as cost of sales when the related revenue are recognised.

During the financial year, the sales commissions recognised in profit or loss were amounted to RM16,053,626 (2023: RM3,599,298).

(b) Completed properties

	Group	
	2024 RM	2023 RM
At cost		
At 1 January	**1,210,499**	1,991,994
Recognised during the year	**(481,038)**	(1,150,694)
Transfer from property development cost	**-**	369,199
At 31 December	**729,461**	1,210,499

12. INVENTORIES AND CONTRACT COSTS (CONT'D)

(c) Other inventories

	Group	
	2024 RM	**2023 RM**
At cost		
Raw materials	**1,802,494**	3,435,704
Spare parts and consumables	**576,175**	801,210
Finished goods	**4,204,571**	-
	6,583,240	4,236,914
Recognised in profit or loss		
Inventories recognised as cost of sales	**33,993,701**	31,586,873

13. CONTRACT ASSETS/(LIABILITIES)

The Group's contract assets and contract liabilities relating to construction activities and property development activities at the end of the reporting period are as follows:

		Group	
	Note	**2024 RM**	**2023 RM**
Contract assets			
Construction activities	(a)	**30,493,311**	28,986,670
Property development activities	(b)	**146,418,622**	23,459,816
		176,911,933	52,446,486
Contract liabilities			
Construction activities	(a)	**(44,003,986)**	(87,402,052)
Property development activities	(b)	**-**	(268,566)
		(44,003,986)	(87,670,618)

13. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(a) Construction activities

	Group	
	2024 RM	2023 RM
Contract costs incurred to-date	**4,769,158,831**	4,331,984,098
Attributable profits	**642,540,000**	569,441,311
	5,411,698,831	4,901,425,409
Less: Progress billings	**(5,425,052,342)**	(4,959,683,627)
Less: Accumulated impairment losses	**(157,164)**	(157,164)
	(13,510,675)	(58,415,382)
Presented as:		
Contract assets	**30,493,311**	28,986,670
Contract liabilities	**(44,003,986)**	(87,402,052)
	(13,510,675)	(58,415,382)

Movements in the allowance for impairment losses of contract assets are as follows:

	Group	
	2024 RM	2023 RM
At 1 January/31 December	**157,164**	157,164

The contract assets represent the unbilled amount for work completed as at the reporting date. This amount will be transferred to trade receivables when the right to bill becomes unconditional.

The contract liabilities consist of advance billings in excess of revenue recognised over time during the construction period.

13. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(b) Property development activities

	Group	
	2024 RM	**2023 RM**
At 1 January	**23,191,250**	5,879,839
Property development revenue recognised during the financial year	**483,602,861**	115,591,622
Less: Progress billings	**(360,375,489)**	(98,280,211)
At 31 December	**146,418,622**	23,191,250
Presented as:		
Contract assets	**146,418,622**	23,459,816
Contract liabilities	**-**	(268,566)
	146,418,622	23,191,250

Contract assets in relation to property development activities represent the excess of revenue recognised in profit or loss over billings to purchasers as at the reporting date. This unbilled amount for work completed will be transferred to trade receivables when the right to bill becomes unconditional.

(c) Contract value yet to be recognised as revenue

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	Group	
	2024 RM	**2023 RM**
Within 1 year	**912,358,048**	806,831,313
More than 1 year	**892,904,492**	723,178,016
	1,805,262,540	1,530,009,329

(d) Set out below is the amount of revenue recognised from:

	Group	
	2024 RM	**2023 RM**
Amounts included in contract liabilities at the beginning of the year	**86,523,166**	36,833,487

14. TRADE RECEIVABLES

	Group 2024 RM	Group 2023 RM
Current		
Trade receivables	**51,795,429**	38,100,313
Retention sum receivables	**90,895**	97,730
	51,886,324	38,198,043
Less: Accumulated impairment losses	**(3,106,980)**	(1,245,461)
	48,779,344	36,952,582
Non-Current		
Trade receivables	**1,843,531**	3,551,651
Less: Accumulated impairment losses	**(233,320)**	(541,391)
	1,610,211	3,010,260
	50,389,555	39,962,842

The Group's normal trade credit terms are generally from 30 to 180 days (2023: 30 to 180 days) term. Other credit terms are assessed and approved on a case to case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

14. TRADE RECEIVABLES (CONT'D)

Movements in the allowance for impairment losses of trade receivables are as follows:

	Lifetime allowance RM	Credit impaired RM	Total allowance RM
Group			
2024			
At 1 January	**498,628**	**1,288,224**	**1,786,852**
Charge for the financial year	**8,501**	**1,577,631**	**1,586,132**
Reversal of impairment losses	**(1,933)**	**(30,751)**	**(32,684)**
At 31 December	**505,196**	**2,835,104**	**3,340,300**
2023			
At 1 January	99,169	778,624	877,793
Charge for the financial year	399,459	964,695	1,364,154
Reversal of impairment losses	-	(420,354)	(420,354)
Written off	-	(34,741)	(34,741)
At 31 December	498,628	1,288,224	1,786,852

Impairment losses reversed during the financial year amounting to RM32,684 (2023: RM420,354) pertains to previously impaired receivables no longer required during the financial year.

Analysis of the trade receivables ageing as at the end of the reporting period are as follows:

	Gross amount RM	Loss allowance RM	Net amount RM
Group			
2024			
Not past due	**2,547,288**	**-**	**2,547,288**
Past due			
Less than 30 days	**25,459,606**	**-**	**25,459,606**
31 to 60 days	**710,226**	**-**	**710,226**
61 to 90 days	**602,762**	**-**	**602,762**
More than 90 days	**21,574,869**	**(505,196)**	**21,069,673**
	48,347,463	**(505,196)**	**47,842,267**
Credit impaired			
Individually impaired	**2,835,104**	**(2,835,104)**	**-**
	53,729,855	**(3,340,300)**	**50,389,555**

14. TRADE RECEIVABLES (CONT'D)

	Gross amount RM	Loss allowance RM	Net amount RM
Group			
2023			
Not past due	3,494,244	-	3,494,244
Past due			
Less than 30 days	27,562,630	-	27,562,630
31 to 60 days	1,371,710	-	1,371,710
61 to 90 days	2,307,495	-	2,307,495
More than 90 days	5,725,391	(498,628)	5,226,763
	36,967,226	(498,628)	36,468,598
Credit impaired			
Individually impaired	1,288,224	(1,288,224)	-
	41,749,694	(1,786,852)	39,962,842

Trade receivables that are not past due are creditworthy receivables with good payment records with the Group.

At 31 December 2024, trade receivables of RM47,842,267 (2023: RM36,468,598) were past due. These mainly arose from active corporate clients with healthy business relationship but slower repayment records, in which the management is of the view that the amount are recoverable based on past payment history. The trade receivables that are past due are unsecured in nature.

Trade receivables of the Group that are individually assessed to be impaired amounting to RM2,835,104 (2023: RM1,288,224), relate to customers that are in financial difficulties. These balances are expected to be recovered through the debts recovery process.

15. OTHER RECEIVABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other receivables	**14,239,517**	11,931,118	**49,998**	100,522
Less: Accumulated impairment losses	**(340,937)**	(300,678)	**-**	-
Deposits	**13,898,580**	11,630,440	**49,998**	100,522
- Third parties	**25,725,488**	13,576,472	**40,000**	40,000
- Related party	**35,200**	35,200	**-**	-
Prepayments	**6,140,056**	7,816,507	**315**	315
VAT receivables	**2,482,373**	141,105	**-**	-
	48,281,697	33,199,724	**90,313**	140,837

15. OTHER RECEIVABLES (CONT'D)

Movements in the allowance for impairment losses of other receivables are as follows:

	Group	
	2024 RM	2023 RM
At 1 January	**300,678**	1,146,357
Charge for the financial year	**40,259**	-
Written off	**-**	(845,679)
At 31 December	**340,937**	300,678

Other receivables that are individually determined to be impaired at the reporting date relate to receivables that are in significant financial difficulties and have defaulted on payments.

Included in deposits of the Group is an amount of RM5,500,000 (2023: RM5,500,000) represents deposits paid for joint development of lands.

16. AMOUNT DUE FROM/(TO) SUBSIDIARIES

	Company	
	2024 RM	2023 RM
Amount due from subsidiaries		
<u>Non-trade related</u>		
Non-interest bearing	**38,669,671**	12,796,253
Interest bearing	**62,624,428**	79,024,297
	101,294,099	91,820,550
Less: Accumulated impairment losses	**(11,565,552)**	(11,435,716)
	89,728,547	80,384,834
Amount due to subsidiaries		
<u>Non-trade related</u>		
Non-interest bearing	**(6,311,005)**	(6,323,105)

16. AMOUNT DUE FROM/(TO) SUBSIDIARIES (CONT'D)

Movements in the allowance for impairment losses of amount due from subsidiaries are as follows:

	Company	
	2024 RM	2023 RM
At 1 January	**11,435,716**	11,844,625
Charge for the financial year	**129,836**	241,664
Reversal of impairment losses	**-**	(650,573)
At 31 December	**11,565,552**	11,435,716

Amount due from subsidiaries are unsecured, non-interest bearing advances and repayable on demand except for an amount of RM62,624,428 (2023: RM79,024,297) which bears interest at a rate at 2.10% to 2.45% (2023: 2.40% to 2.50%) per annum.

Amount due to subsidiaries are unsecured, non-interest bearing advances and repayable on demand.

17. AMOUNT DUE FROM/(TO) RELATED COMPANIES

	Group	
	2024 RM	2023 RM
Amount due from related companies		
Trade related		
Non-interest bearing	**175,043,798**	321,734,175
Retention sum receivables	**49,274,622**	67,920,074
	224,318,420	389,654,249
Less: Accumulated impairment losses	**(172,920)**	(275,541)
	224,145,500	389,378,708
Amount due to related companies		
Trade related		
Non-interest bearing	**(426,697)**	(342,213)
Non-trade related		
Non-interest bearing	**(2,394,979)**	(934,560)
	(2,821,676)	(1,276,773)

17. AMOUNT DUE FROM/(TO) RELATED COMPANIES (CONT'D)

Movements in the allowance for impairment losses of amount due from related companies are as follows:

	Group	
	2024 RM	**2023 RM**
At 1 January	**275,541**	197,395
Charge for the financial year	**-**	80,930
Reversal of impairment losses	**(102,621)**	(2,784)
At 31 December	**172,920**	275,541

Trade balances due from/(to) related companies are unsecured and non-interest bearing. The normal trade credit terms granted to the Group is 30 days (2023: 30 days) depending on the terms of the contracts.

Non-trade balances due to related companies are unsecured, non-interest bearing and repayable on demand.

During the financial year, impairment losses reversed amounting to RM102,621 (2023:RM2,784) pertains to impaired receivables no longer required during the financial year.

18. AMOUNTS DUE FROM/(TO) AN ASSOCIATE

Amounts due from/(to) an associate represents unsecured and non-interest bearing trade balances. The normal trade credit terms granted to the Group is 30 days (2023: 30 days) depending on the terms of the contract.

19. FIXED DEPOSITS WITH LICENSED BANKS

The interest rates of fixed deposits of the Group and of the Company are ranging from 2.00% to 3.10% (2023: 1.85% to 3.10%) and 2.45% to 2.50% (2023: 2.30% to 2.50%) per annum respectively and the maturity of deposits is 30 days to 366 days (2023: 30 days to 365 days).

The fixed deposits of the Group and of the Company amounting to RM12,798,438 and RM34,945 (2023: RM7,631,918 and RM20,355) have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 24.

20. CASH HELD UNDER HOUSING DEVELOPMENT ACCOUNTS AND CASH AND BANK BALANCES

Cash held under the Housing Development Accounts which are not freely available for use represents monies received from purchasers of residential properties less payments or withdrawals in accordance with the Housing Development (Controls and Licensing) Act, 1966.

The interest rates of cash held under Housing Development Accounts at the reporting date bearing interest ranging from 1.00% to 1.40% (2023: 0.85% to 1.55%) per annum.

Included in cash and bank balances of the Group are nil (2023: RM77,214) pledged to licensed banks for banking facilities granted to the Group which were unutilised as at the reporting period.

21. ASSET HELD FOR SALE

	Note	Group 2024 RM	Group 2023 RM
Leasehold land and building:			
- Transfer from right-of-use assets	5	**4,021,331**	-
- Transaction costs		**395,880**	-
		4,417,211	-

On 23 November 2024, MGB Construction Sdn. Bhd., a wholly-owned subsidiary of MGB Berhad, entered into a Sale and Purchase Agreement to dispose of a leasehold building for a total cash consideration of RM5,700,000. The disposal is pending completion as at the date of this report.

22. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	2024 Units	2023 Units	2024 RM	2023 RM
Issued and fully paid				
Ordinary shares				
At 1 January/31 December	**591,652,605**	591,652,605	**388,185,706**	388,185,706

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to 1 vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

23. RESERVES

	Note	Group 2024 RM	Group 2023 RM
Non-distributable			
Other reserve	(a)	**(1,683,809)**	(1,683,809)
Foreign currency translation reserve	(b)	**(1,417,186)**	(159,838)
Asset revaluation reserve	(c)	**4,492,781**	4,492,781
		1,391,786	2,649,134

23. RESERVES (CONT'D)

(a) Other reserve

Other reserve represents the difference between the Group's share of net assets before and after the acquisition of its non-controlling interests.

(b) Foreign currency translation reserves

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

(c) Asset revaluation reserves

The revaluation reserves represent increases in the fair value of land and buildings and decrease to the extent that such decreases relate to an increase on the same asset previously recognised in other comprehensive income.

	Group	
	2024 RM	2023 RM
At 1 January	**4,492,781**	4,014,227
Other comprehensive income	**-**	478,554
At 31 December	**4,492,781**	4,492,781

24. LOANS AND BORROWINGS

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Secured					
Floating rate					
Bank overdrafts	(a)	**2,941,378**	9,982,030	**-**	-
Term loans	(b)	**62,648,396**	44,523,441	**-**	-
Trade services	(c)	**-**	4,177,944	**-**	-
Revolving credits	(d)	**-**	10,000,000	**-**	10,000,000
Less: Unamortised borrowing cost		**(857,826)**	-	**-**	-
		64,731,948	68,683,415	**-**	10,000,000

24. LOANS AND BORROWINGS (CONT'D)

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Current					
Bank overdrafts	(a)	**2,941,378**	9,982,030	**-**	-
Term loans	(b)	**18,517,753**	5,977,148	**-**	-
Trade services	(c)	**-**	4,177,944	**-**	-
Revolving credits	(d)	**-**	10,000,000	**-**	10,000,000
Less: Unamortised borrowing cost		**(395,920)**	-	**-**	-
		21,063,211	30,137,122	**-**	10,000,000
Non-current					
Term loans	(b)	**44,130,643**	38,546,293	**-**	-
Less: Unamortised borrowing cost		**(461,906)**	-	**-**	-
		43,668,737	38,546,293	**-**	-
		64,731,948	68,683,415	**-**	10,000,000

(a) Bank overdrafts

The bank overdrafts are secured by the following:

(i) fixed charges over the ROU assets as disclosed in Note 5(b);
(ii) fixed charge on certain investment properties as disclosed Note 7(a);
(iii) corporate guaranteed by the Company;
(iv) corporate guaranteed by holding company, LBS Bina Group Berhad; and
(v) a fixed charge over all payments or deposit from time to time paid or deposited into the designated collections account, sinking fund account and other account.

24. LOANS AND BORROWINGS (CONT'D)

(b) Term loans

The term loans are secured by the following:

(i) fixed charges over the ROU assets as disclosed in Note 5(b);
(ii) fixed charge on certain investment properties as disclosed Note 7(a);
(iii) fixed charge on the freehold and leasehold development lands as disclosed in Note 12(a);
(iv) all monies specific debenture and power of attorney over fixed and floating charge over the project developed by subsidiaries;
(v) legal assignment of cash flows or insurance proceeds in relation to project developed by subsidiaries;
(vi) corporate guaranteed by the Company;
(vii) corporate guaranteed by holding company, LBS Bina Group Berhad;
(viii) pledge of fixed deposit together with interest accrued thereon vide Memorandum of Charge of Money Deposits; and
(ix) deed of assignment of the contract proceeds.

(c) Trade services

The trade services are secured by the following:

(i) legal assignment of contract proceeds in relation to projects constructed by a subsidiary;
(ii) certain fixed deposits as disclosed in Note 19;
(iii) corporate guaranteed by holding company, LBS Bina Group Berhad;
(iv) corporate guaranteed by the Company and subsidiary;
(v) deed of assignment of rental income proceeds (if any); and
(vi) a fixed charge over all payments or deposit from time to time paid or deposited into the designated collections account, sinking fund account and other account.

(d) Revolving credits

The revolving credits are secured by the following:

(i) fixed charge on certain investment properties as disclosed in Note 7(a);
(ii) corporate guaranteed by the Company and subsidiary company;
(iii) corporate guaranteed by holding company, LBS Bina Group Bhd; and
(iv) deed of assignment of rental income proceeds (if any).

24. LOANS AND BORROWINGS (CONT'D)

The interest rates per annum at the end of the reporting period are as follows:

	Group		Company	
	2024 %	2023 %	**2024 %**	2023 %
Bank overdrafts	**5.40 - 6.76**	6.72	**-**	-
Term loans	**4.42 - 5.73**	4.55 - 7.07	**-**	-
Trade services	**4.60 - 7.39**	3.59 - 6.79	**-**	-
Revolving credits	**5.66 - 5.73**	5.77	**-**	5.77

25. LEASE LIABILITIES

	Group	
	2024 RM	2023 RM
At 1 January	**25,367,385**	21,262,576
Additions	**10,847,061**	20,050,160
Interest expense	**1,526,679**	1,390,330
Lease payments	**(16,218,600)**	(17,313,961)
Lease termination	**-**	(21,720)
At 31 December	**21,522,525**	25,367,385
Analysed as:		
Repayable within 12 months	**11,377,205**	12,445,799
Repayable after 12 months	**10,145,320**	12,921,586
	21,522,525	25,367,385

25. LEASE LIABILITIES (CONT'D)

The maturity analysis of lease liabilities of the Group at the end of the reporting period:

	Group	
	2024 RM	2023 RM
Minimum lease payments		
Within 1 year	**12,344,350**	13,599,040
Later than 1 year and not later than 2 years	**7,944,241**	8,615,573
Later than 2 years and not later than 5 years	**2,635,448**	4,905,820
Later than 5 years	**-**	96,889
	22,924,039	27,217,322
Less: Future finance charges	**(1,401,514)**	(1,849,937)
Present value of minimum lease payments	**21,522,525**	25,367,385
Present value of minimum lease payments		
Within 1 year	**11,377,205**	12,445,799
Later than 1 year and not later than 2 years	**7,598,486**	8,070,458
Later than 2 years and not later than 5 years	**2,546,834**	4,756,234
Later than 5 years	**-**	94,894
	21,522,525	25,367,385

The Group leases various land, buildings, plant and machineries and motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The interest rates per annum at the end of the reporting period for lease liabilities ranging from 2.07% - 6.77% (2023: 2.07% - 6.77%).

26. TRADE PAYABLES

	Group	
	2024 RM	2023 RM
Trade payables	**214,349,108**	240,785,547
Retention sum		
- third parties	**80,525,652**	81,274,076
	294,874,760	322,059,623

26. TRADE PAYABLES (CONT'D)

The normal trade credit term granted to the Group ranged from 30 to 60 (2023: 30 to 60) days depending on the terms of the contracts. Included in the trade payables is an amount of RM10,854,022 (2023: RM10,854,022) payable for the acquisition and joint venture of project development land.

27. OTHER PAYABLES

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Other payables		**4,328,904**	2,067,438	**1,391,235**	702,866
Accruals	(a)	**60,868,299**	44,150,146	**342,320**	464,425
Amount due to a shareholder	(b)	**3,334,609**	3,528,309	**-**	-
Deposits received		**9,150,288**	6,116,478	**-**	-
		77,682,100	55,862,371	**1,733,555**	1,167,291

(a) Included in accruals consist of accrued project cost of RM36,497,793 (2023: RM20,816,183).

(b) The amount due to a shareholder is unsecured, non-interest bearing advances and repayable on demand.

28. AMOUNT DUE TO HOLDING COMPANY

Amount due to holding company are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

29. RETIREMENT BENEFIT OBLIGATIONS

The unfunded non-contributory scheme is administered by Human Resource Department ("HRD"), with contributions made out of the Company's general revenues as and when eligible employees are entitled. Under the Scheme, eligible employees are entitled to a lump sum, upon normal retirement age, calculated based on variable multiplications of the final salary scheme based on service years.

The amount recognised in the statements of financial position were determined as follows:

	Group	
	2024 RM	2023 RM
Present value of unfunded defined benefit obligations	**4,068,695**	913,158

29. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(i) The movements in the retirement benefit obligations were as follows:

	Group	
	2024 RM	2023 RM
Present value of unfunded defined benefit obligations		
At 1 January	**913,158**	-
Current service cost	**1,014,642**	913,158
Past service cost	**2,140,895**	-
At 31 December	**4,068,695**	913,158

(ii) Actuarial assumptions used for determination of the defined benefits obligation are as follows:

	Group	
	2024 %	2023 %
Discount rate	**4.22**	4.60
Salary increase rate	**5.0**	5.0
Mortality rate	**Malaysian Assured Lives 2011-2015 (M1115)**	Malaysian Assured Lives 2011-2015 (M1115)
Retirement age	**60 years old**	60 years old

The discount rate is determined based on the values of AA rated corporate bond yields with 3 to 15 years of maturity and convert these bond yields rate to estimated spot rates.

29. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(iii) The sensitivity analysis below has been derived based on changes to individual assumptions, with all other assumptions held constant:

	Increase by 1%	Decrease by 1%
At 31 December 2024		
Discount rate		
(Decrease)/Increase in defined benefit obligations	**(347,805)**	**389,732**
Salary increases		
Increase/(Decrease) in defined benefit obligations	**382,811**	**(348,502)**
At 31 December 2023		
Discount rate		
(Decrease)/Increase in defined benefit obligations	(66,706)	75,684
Salary increases		
Increase/(Decrease) in defined benefit obligations	70,548	(63,618)

The sensitivity analysis presented above may not be representative of the actual changes in defined benefit obligation as is unlikely that the change in assumption would occur in isolation to one another as some assumptions may be correlated.

No changes were made to the methods and types of assumptions used in preparing the sensitivity analysis for the current financial year.

30. REVENUE

	Construction and trading RM	Property development RM	Total RM
Group			
2024			
Revenue from contracts with customers			
Sales of goods/Rendering of services	**37,968,660**	**-**	**37,968,660**
Construction contracts	**510,398,422**	**-**	**510,398,422**
Property development	**-**	**483,602,861**	**483,602,861**
Total revenue	**548,367,082**	**483,602,861**	**1,031,969,943**
Geographical market:			
Malaysia	**534,891,922**	**483,602,861**	**1,018,494,783**
Saudi	**13,475,160**	**-**	**13,475,160**
	548,367,082	**483,602,861**	**1,031,969,943**
Timing of revenue recognition			
At a point in time	**37,968,660**	**954,540**	**38,923,200**
Over time	**510,398,422**	**482,648,321**	**993,046,743**
	548,367,082	**483,602,861**	**1,031,969,943**
2023			
Revenue from contracts with customers			
Sales of goods	30,117,864	-	30,117,864
Construction contracts	826,118,679	-	826,118,679
Property development	-	115,591,622	115,591,622
Total revenue	856,236,543	115,591,622	971,828,165
Geographical market:			
Malaysia	856,236,543	115,591,622	971,828,165
Timing of revenue recognition			
At a point in time	30,117,864	2,712,500	32,830,364
Over time	826,118,679	112,879,122	938,997,801
	856,236,543	115,591,622	971,828,165

30. REVENUE (CONT'D)

	Company	
	2024 RM	2023 RM
Other revenue		
Dividend income	**31,130,000**	33,500,000

31. COST OF SALES

	Group	
	2024 RM	2023 RM
Sales of goods/Rendering of services	**18,038,009**	29,758,544
Construction contracts	**437,174,733**	699,506,834
Property development	**401,415,503**	94,003,245
	856,628,245	823,268,623

32. FINANCE COSTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest expenses on:				
Bank overdrafts	**383,241**	331,566	**-**	-
Lease liabilities	**1,526,679**	1,390,330	**-**	-
Revolving credits	**1,189,304**	1,594,331	**729,363**	848,631
Term loans	**3,283,477**	2,479,437	**-**	-
Trade services	**849,476**	289,909	**-**	-
Others	**-**	6	**-**	-
	7,232,177	6,085,579	**729,363**	848,631

33. PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, profit before tax is derived after charging/(crediting):

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Auditors' remuneration				
- statutory audit				
- current year	**391,170**	298,500	**93,000**	86,000
- non-statutory audit	**30,500**	30,500	**23,000**	23,000
Depreciation of:				
- property, plant and equipment	**8,777,652**	7,500,331	**24,732**	24,733
- investment properties	**881,788**	881,787	**-**	-
- right-of-use assets	**12,326,138**	10,075,674	**-**	-
Impairment losses on:				
- trade receivables	**1,586,132**	1,364,154	**-**	-
- other receivables	**40,259**	-	**-**	-
- amount due from subsidiaries	**-**	-	**129,836**	241,664
- amount due from related companies	**-**	80,930	**-**	-
Lease expense relating to low-value asset:				
- building	**-**	199,000	**-**	-
Gain on disposal of:				
- property, plant and equipment	**(3,848,591)**	(312,136)	**-**	-
- right-of-use assets	**(169,496)**	(164,999)	**-**	-
Loss on lease termination	**-**	499	**-**	-
Provision for retirement benefit obligations	**3,155,537**	913,158	**-**	-
Unrealised foreign exchange loss	**1,429,862**	70,829	**-**	-
Realised foreign exchange gain	**(326)**	-	**-**	-
Interest income	**(1,161,960)**	(824,197)	**(6,584)**	(7,295)
Intercompanies interest income	**-**	-	**(1,482,232)**	(777,929)
Lease income	**(402,509)**	(321,164)	**-**	-
Reversal of impairment losses on:				
- trade receivables	**(32,684)**	(420,354)	**-**	-
- amount due from subsidiaries	**-**	-	**-**	(650,573)
- amount due from related companies	**(102,621)**	(2,784)	**-**	-

34. TAXATION

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Tax expenses recognised in profit or loss				
Malaysian income tax:				
Current tax provision	**27,278,256**	19,208,899	**329,692**	176,440
(Over)/Under provision in prior years	**(1,040,732)**	(377,717)	**2,115**	(17,418)
	26,237,524	18,831,182	**331,807**	159,022
Deferred tax:				
Relating to origination and reversal of temporary differences	**117,958**	540,642	**-**	-
Over provision in prior years	**(253,138)**	(626,984)	**-**	-
	(135,180)	(86,342)	**-**	-
Tax expense for the financial year	**26,102,344**	18,744,840	**331,807**	159,022

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

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before tax	**88,014,189**	69,206,935	**28,923,791**	32,202,844
At Malaysian statutory tax rate of 24% (2023: 24%)	**21,123,405**	16,609,665	**6,941,710**	7,728,683
Expenses not deductible for tax purposes	**6,726,523**	6,455,143	**859,304**	487,757
Income not subject to tax	**(1,501,420)**	(1,248,007)	**(7,471,248)**	(8,040,000)
Deferred tax assets not recognised	**1,274,375**	-	**-**	-
Utilisation of previously unrecognised deferred tax assets	**(226,669)**	(2,067,260)	**(74)**	-
(Over)/Under provision in prior years				
- income tax	**(1,040,732)**	(377,717)	**2,115**	(17,418)
- deferred tax	**(253,138)**	(626,984)	**-**	-
Tax expense for the financial year	**26,102,344**	18,744,840	**331,807**	159,022

35. EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share are calculated based on the consolidated profit for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2024 RM	**2023 RM**
Profit attributable to owners of the parent	**60,340,513**	48,173,974
	Units	**Units**
Weighted average number of ordinary shares in issue:		
At 1 January/31 December	**591,652,605**	591,652,605
Basic earnings per ordinary share (in sen)	**10.20**	8.14

(b) Diluted earnings per share

The Group has no dilution in its earning per ordinary share as there are no dilutive potential ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares since the end of financial year and before the authorisation of the financial statements.

36. DIVIDENDS

	Group and Company	
	2024 RM	**2023 RM**
Dividends recognised as distribution to ordinary shareholders of the Company:		
Interim dividend paid in respect of the financial year ended:		
- 31 December 2023 (single tier dividend of RM0.00815 per ordinary share)	**4,821,952**	-
Final dividend paid in respect of the financial year ended:		
- 31 December 2023 (single tier dividend of RM0.00818 per ordinary share)	**4,839,696**	-
Interim dividend paid in respect of the financial year ended:		
- 31 December 2022 (single tier dividend of RM0.00249 per ordinary share)	**-**	1,473,177
Final dividend paid in respect of the financial year ended:		
- 31 December 2022 (single tier dividend of RM0.00250 per ordinary share)	**-**	1,479,120
	9,661,648	2,952,297

36. DIVIDENDS (CONT'D)

The financial statements for the current financial year do not reflect the interim and final dividends. Such dividends will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2025.

Subsequent to the financial year

(a) On 18 February 2025, the Company declared an interim dividend of RM0.0152 per ordinary share amounting to RM8,993,109 in respect of the current financial year, paid on 28 March 2025.

(b) A final dividend of RM0.0154 per ordinary share amounting to RM9,111,450 in respect of the current financial year will be proposed for shareholders' approval at the forthcoming 23rd Annual General Meeting.

37. STAFF COSTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Salaries, wages and other emoluments	**41,582,469**	37,792,446	**182,751**	143,750
Defined contribution plans	**5,075,264**	4,401,350	**-**	-
Social security contributions	**465,477**	416,298	**-**	-
Retirement benefit obligations	**2,995,221**	913,158	**-**	-
Other benefits	**1,971,606**	2,005,868	**12,310**	9,633
	52,090,037	45,529,120	**195,061**	153,383

The Group's staff costs do not include the estimated non-monetary value of benefits-in-kind amounting to RM487,793 (2023: RM640,446).

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Group during the financial year as below:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Executive Directors				
Salaries and other emoluments	**6,067,289**	4,135,525	**-**	-
Defined contribution plans	**834,120**	581,040	**-**	-
Social security contributions	**6,429**	3,803	**-**	-
Retirement benefit obligations	**2,922,438**	658,260	**-**	-
Other benefits	**-**	3,000	**-**	3,000
	9,830,276	5,381,628	**-**	3,000

37. STAFF COSTS (CONT'D)

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Group during the financial year as below: (Cont'd)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-Executive Directors				
Fees	**182,751**	121,200	**182,751**	121,200
Other emoluments	**-**	22,550	**-**	22,550
Other benefits	**12,310**	6,633	**12,310**	6,633
	195,061	150,383	**195,061**	150,383
Total	**10,025,337**	5,532,011	**195,061**	153,383

The Group's and the Company's aggregate amount of remuneration received and receivable by the Executive Directors do not include the estimated non-monetary value of benefits-in-kind amounting to RM176,813 and RMNil(2023: RM123,364 and RMNil).

38. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below show the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	Note	At 1 January RM	Financing cash flow RM	New lease [Notes 25] RM	Foreign exchange differences RM	Other changes RM	At 31 December RM
Group							
2024							
Term loans	24	**44,523,441**	**17,687,212**	**-**	**(420,083)**	**-**	**61,790,570**
Lease liabilities	25	**25,367,385**	**(14,691,921)**	**10,847,061**	**-**	**-**	**21,522,525**
Other bank borrowings		**14,177,944**	**(14,177,944)**	**-**	**-**	**-**	**-**
		84,068,770	**(11,182,653)**	**10,847,061**	**(420,083)**	**-**	**83,313,095**
2023							
Term loans	24	51,077,207	(6,553,766)	-	-	-	44,523,441
Lease liabilities	25	21,262,576	(15,923,631)	20,050,160	-	(21,720)	25,367,385
Other bank borrowings		28,919,387	(14,741,443)	-	-	-	14,177,944
		101,259,170	(37,218,840)	20,050,160	-	(21,720)	84,068,770

38. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONT'D)

The table below show the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes: (Cont'd)

	Note	At 1 January RM	Financing cash flow RM	New lease [Notes 25] RM	Foreign exchange differences RM	Other changes RM	At 31 December RM
Company							
2024							
Other bank borrowings		**10,000,000**	**(10,000,000)**	**-**	**-**	**-**	**-**
2023							
Other bank borrowings		15,000,000	(5,000,000)	-	-	-	10,000,000

Other changes include unpaid interests and changes due to lease termination.

39. FINANCIAL GUARANTEES

	Group 2024 RM	Group 2023 RM
Secured		
Bank guarantee issued in favour of the local authorities and developers for the performance of the construction works	**13,158,577**	13,358,395

	Company 2024 RM	Company 2023 RM
Unsecured		
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	**58,686,976**	78,578,891
Corporate guarantees issued to third parties in respect of trade facilities of subsidiaries	**27,000,000**	27,000,000
	85,686,976	105,578,891

40. COMMITMENT

Capital commitments not provided for in the financial statements are as follows:

	Group	
	2024 RM	2023 RM
Capital expenditure		
Property, plant and equipment	**624,359**	11,695,719

41. RELATED PARTY DISCLOSURES

(a) Identifying related parties

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

The Company has controlling related party relationship with its direct and indirect subsidiaries.

Related party of the Group include:

(i) Direct and indirect subsidiaries as disclosed in Note 8 to the financial statements;

(ii) Associate as disclosed in Note 9 to the financial statements;

(iii) Companies in which certain Directors have financial interests; and

(iv) Key management personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Company, and certain members of the senior management of the Group.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Transaction with holding company				
Dividend paid	**(5,634,269)**	(1,731,676)	**(5,634,269)**	(1,731,676)

41. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant related party transactions (Cont'd)

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows: (Cont'd)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Transactions with related companies				
Progress billing issued	**465,493,714**	868,509,850	**-**	-
Management fee paid/payable	**(380,748)**	(380,748)	**-**	-
Rental expenses paid/payable	**(197,000)**	(199,000)	**-**	-
Transactions with subsidiaries				
Income				
Interest income received/receivable	**-**	-	**1,482,232**	777,930
Dividend income received	**-**	-	**31,130,000**	33,500,000
Expenses				
Management fee paid/payable	**-**	-	**(2,055,699)**	(1,515,867)
Transactions with an associate				
Dividend income received	**300,000**	180,000	**-**	-
Transaction with other related parties				
Dividend paid	**(1,498,542)**	(461,394)	**(1,498,542)**	(461,394)

41. RELATED PARTY DISCLOSURES (CONT'D)

(c) Compensation of key management personnel

Remuneration of Directors and key management are as follows:

	Group		Company	
	2024 RM	**2023 RM**	**2024 RM**	**2023 RM**
Salaries, fees and other emoluments	**6,263,567**	9,036,516	**182,751**	143,750
Defined contribution plans	**834,120**	1,169,101	**-**	-
Social security contributions	**6,429**	23,092	**-**	-
Retirement benefit obligations	**2,922,438**	913,158	**-**	-
Other benefits	**12,310**	31,481	**12,310**	9,633
	10,038,864	11,173,348	**195,061**	153,383

42. SEGMENT INFORMATION

The Group has three major reporting segments, as described below, which are the Group's strategic business units. Segment information is primarily presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure. For each of the strategic business units, the Group's Chief Executive Officer reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

Construction and trading	Design and build, civil engineering, general construction, piling activities, trading of construction materials and manufacturing of Industrialised Building System ("IBS") precast products.
Property development	Development of residential and commercial properties
Others	Investment holding and dormant

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

The total segment assets are measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer. Segment total assets are used to measure the return of assets of each segment.

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Group's Chief Executive Officer. Hence no disclosure is made on segment liabilities.

42. SEGMENT INFORMATION (CONT'D)

	Construction and trading RM	Property development RM	Others RM	Total segments RM
Group				
2024				
Revenue				
Total revenue	957,184,416	483,602,861	-	1,440,787,277
Less: Inter-segment revenue	(408,817,334)	-	-	(408,817,334)
Revenue from external customers	548,367,082	483,602,861	-	1,031,969,943
Results				
Interest income	986,824	168,552	6,584	1,161,960
Finance costs	(5,315,460)	(1,187,354)	(729,363)	(7,232,177)
Depreciation	(21,336,906)	(623,941)	(24,731)	(21,985,578)
Share of profit of associates	545,046	-	-	545,046
Segment profit/(loss) before tax	13,716,291	76,600,914	(2,303,016)	88,014,189
Taxation				(26,102,344)
Profit after tax				61,911,845
Other non-cash items				
Impairment losses on:				
- trade receivables	1,586,132	-	-	1,586,132
- other receivables	-	40,259	-	40,259
Gain on disposal of:				
- property, plant and equipment	(3,848,591)	-	-	(3,848,591)
- right-of-use assets	(169,496)	-	-	(169,496)
Reversal of impairment losses on:				
- trade receivables	(32,684)	-	-	(32,684)
- amount due from related companies	(102,621)	-	-	(102,621)
Unrealised foreign exchange loss	1,429,862	-	-	1,429,862
Provision for retirement benefit obligations	3,155,537	-	-	3,155,537
Segment assets				
Additions to non-current assets	43,214,791	29,376	-	43,244,167
Segment assets	577,933,288	290,611,415	256,012,364	1,124,557,067

42. SEGMENT INFORMATION (CONT'D)

	Construction and trading RM	Property development RM	Others RM	Total segments RM
Group				
2023				
Revenue				
Total revenue	1,051,577,449	115,591,622	51,549,773	1,218,718,844
Less: Inter-segment revenue	(195,340,906)	-	(51,549,773)	(246,890,679)
Revenue from external customers	856,236,543	115,591,622	-	971,828,165
Results				
Interest income	501,710	315,192	7,295	824,197
Finance costs	(4,490,555)	(746,394)	(848,630)	(6,085,579)
Depreciation	(17,664,774)	(768,285)	(24,733)	(18,457,792)
Share of profit of associates	232,005	-	-	232,005
Segment profit/(loss) before tax	52,491,157	18,576,117	(1,860,339)	69,206,935
Taxation				(18,744,840)
Profit after tax				50,462,095
Other non-cash items				
Impairment losses on:				
- trade receivables	1,364,154	-	-	1,364,154
- amount due from related companies	80,930	-	-	80,930
Gain on disposal of:				
- property, plant and equipment	(312,136)	-	-	(312,136)
- right-of-use assets	(164,999)	-	-	(164,999)
Loss on lease termination	499	-	-	499
Reversal of impairment losses on:				
- trade receivables	(420,354)	-	-	(420,354)
- amount due from related companies	(2,784)	-	-	(2,784)
Unrealised foreign exchange loss	70,829	-	-	70,829
Provision for retirement benefit obligations	913,158	-	-	913,158
Segment assets				
Additions to non-current assets	38,969,136	1,571,044	-	40,540,180
Segment assets	648,455,430	219,361,139	255,211,230	1,123,027,799

42. SEGMENT INFORMATION (CONT'D)

Additions to non-current assets refer to capital expenditure of property, plant and equipment, and right-of-use assets.

Inter-segment revenues are eliminated on consolidation.

No disclosure on geographical information for revenue and non-current assets as the Group operates predominantly in Malaysia.

Major customers

3 major customers (2023: 4) which are also related companies of the Group contributed more than 10% of the total Group's revenue amounting to RM311,005,211 (2023: RM592,554,450). Revenue from major customers arose from construction segment.

43. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of the financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	At amortised cost	
	2024 RM	**2023 RM**
Group		
Financial assets		
Trade receivables	**50,389,555**	39,962,842
Other receivables	**39,659,268**	25,242,112
Amount due from related companies	**224,145,500**	389,378,708
Amount due from an associate company	**11,110**	10,845
Fixed deposits with licensed banks	**12,979,943**	7,809,230
Cash held under housing development accounts	**9,194,798**	17,036,414
Cash and bank balances	**78,004,960**	27,798,366
	414,385,134	507,238,517

43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

	At amortised cost	
	2024	**2023**
	RM	**RM**
Group		
Financial liabilities		
Trade payables	**294,874,760**	322,059,623
Other payables	**77,682,100**	55,862,371
Amount due to related companies	**2,821,676**	1,276,773
Amount due to holding company	**-**	13,226
Lease liabilities	**21,522,525**	25,367,385
Loans and borrowings	**64,731,948**	68,683,415
	461,633,009	473,262,793
Company		
Financial assets		
Other receivables	**89,998**	140,522
Amount due from subsidiaries	**89,728,547**	80,384,834
Fixed deposits with licensed banks	**34,945**	20,355
Cash and bank balances	**348,450**	151,946
	90,201,940	80,697,657
Financial liabilities		
Other payables	**1,733,555**	1,167,291
Amount due to subsidiaries	**6,311,005**	6,323,105
Loans and borrowings	**-**	10,000,000
	8,044,560	17,490,396

43. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers, amount due from related companies and deposits with banks. The Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantees given to licensed banks for credit facilities granted to subsidiaries. There are no significant changes as compared to previous financial year.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposits with banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

At each reporting date, the Group and the Company assess whether any of the trade receivables, trade nature of amount due from related companies and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables, trade nature of amount due from related companies and contract assets are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represents the Group's and the Company's maximum exposure to credit risk.

The Group has no significant concentration to credit risk as its exposure spread over a large number of customers. The Company has no significant concentration of credits risks except for advances to its subsidiaries where risks of default have been assessed to be low.

The Company provides unsecured advances to subsidiaries. It also provides unsecured financial guarantees to banks for banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

43. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following tables analyse the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group						
2024						
Non-derivative financial liabilities						
Trade payables	**294,874,760**	**-**	**-**	**-**	**294,874,760**	**294,874,760**
Other payables	**77,682,100**	**-**	**-**	**-**	**77,682,100**	**77,682,100**
Amount due to related companies	**2,821,676**	**-**	**-**	**-**	**2,821,676**	**2,821,676**
Bank overdrafts	**2,941,378**	**-**	**-**	**-**	**2,941,378**	**2,941,378**
Lease liabilities	**12,344,350**	**7,944,241**	**2,635,448**	**-**	**22,924,039**	**21,522,525**
Term loans and trade services and revolving credits	**25,735,107**	**23,040,886**	**14,782,199**	**7,023,340**	**70,581,532**	**61,790,570**
	416,399,371	**30,985,127**	**17,417,647**	**7,023,340**	**471,825,485**	**461,633,009**
2023						
Non-derivative financial liabilities						
Trade payables	322,059,623	-	-	-	322,059,623	322,059,623
Other payables	55,862,371	-	-	-	55,862,371	55,862,371
Amount due to related companies	1,276,773	-	-	-	1,276,773	1,276,773
Amount due to immediate holding company	13,226	-	-	-	13,226	13,226
Bank overdrafts	9,982,030	-	-	-	9,982,030	9,982,030
Lease liabilities	13,599,040	8,615,573	4,905,820	96,889	27,217,322	25,367,385
Term loans and trade services and revolving credits	33,206,453	13,310,656	20,851,129	8,693,104	76,061,342	58,701,385
	435,999,516	21,926,229	25,756,949	8,789,993	492,472,687	473,262,793

43. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following tables analyse the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

	On demand or within 1 year RM	Total contractual cash flows RM	Total carrying amount RM
Company			
2024			
Non-derivative financial liabilities			
Other payables	**1,733,555**	**1,733,555**	**1,733,555**
Amount due to subsidiaries	**6,311,005**	**6,311,005**	**6,311,005**
Financial guarantees*	**85,686,976**	**85,686,976**	**-**
	93,731,536	**93,731,536**	**8,044,560**
2023			
Non-derivative financial liabilities			
Other payables	1,167,291	1,167,291	1,167,291
Amount due to subsidiaries	6,323,105	6,323,105	6,323,105
Revolving credit	10,000,000	10,000,000	10,000,000
Financial guarantees*	105,578,891	105,578,891	-
	123,069,287	123,069,287	17,490,396

* *Based on the maximum amount that can be called for under the financial guarantee contract.*

The Company provides unsecured financial guarantee to licensed banks in respect of credit facilities granted to certain subsidiaries and monitors on an ongoing basis the performance of the subsidiaries . At the end of the financial year, there was no indication that the subsidiaries would default on repayment.

Financial guarantees have not been recognised since the fair value on initial recognition was deemed not material and the probability of the subsidiaries defaulting on their credit facilities is remote.

43. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk

(a) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily United States Dollar ("USD") and Euro ("EUR").

The Group has not entered into any derivative instruments for hedging or trading purposes as the net exposure to foreign currency risk is not significant. Where possible, the Group will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities which have SAR functional currency at the end of the reporting period are as follows:

	Denominated in	
	USD RM	**EUR RM**
Group		
2024		
Cash and bank balances	**559,275**	**1,008**
Loans and borrowings	**(20,236,729)**	**-**
	(19,677,454)	**1,008**

43. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(a) Foreign currency risk (Cont'd)

Foreign currency risk sensitivity

Foreign currency risk arises from Group entities mainly have SAR functional currency. The exposure to currency risk of Group entities which do not have a SAR functional currency is not material and hence, sensitivity analysis is not presented.

The following demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD and EUR exchange rates against SAR, with all other variables held constant:

	Change in currency rate	Effect on profit before tax RM
Group		
2024		
USD	Strengthened 10%	**(1,967,745)**
	Weakened 10%	**1,967,745**
EUR	Strengthened 10%	**101**
	Weakened 10%	**(101)**

(b) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

43. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(b) Interest rate risk (Cont'd)

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2024 RM	2023 RM
Group		
Fixed rate instruments		
Financial assets		
- Fixed deposit with licensed banks	**12,979,943**	7,809,230
Financial liabilities		
- Lease liabilities	**(21,522,525)**	(25,367,385)
	(8,542,582)	(17,558,155)
Floating rate instruments		
Financial liabilities		
- Loans and borrowings	**(64,731,948)**	(68,683,415)
Company		
Fixed rate instruments		
Financial assets		
- Fixed deposit with licensed banks	**34,945**	20,355
Floating rate instruments		
Financial assets		
- Amounts due from subsidiaries (interest bearing)	**62,624,428**	79,024,297
Financial liabilities		
- Loans and borrowings	**-**	(10,000,000)
	62,624,428	69,024,297

43. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(b) Interest rate risk (Cont'd)

Sensitivity analysis for fixed deposits at the end of the reporting period is not presented as fixed rate instruments is not affected by changes in interest rates.

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

At the reporting date, assuming the interest rate increases/decreases by 1% with other variables including tax rate being held constant, the Group's and the Company's profit before tax for the financial year would have been lower/higher by RM647,320 and RM626,244 (2023: RM686,834 and RM690,243) arising as a result of higher/lower interest expense on the floating rate instruments.

(c) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

The carrying amount of long-term receivables and borrowings approximate their fair value as the loans will be re-priced to market interest rate on or near reporting date.

44. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements.

44. CAPITAL MANAGEMENT (CONT'D)

The gearing ratios at end of the reporting period are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Bank overdrafts	**2,941,378**	9,982,030	**-**	-
Lease liabilities	**21,522,525**	25,367,385	**-**	-
Term loans	**62,648,396**	44,523,441	**-**	-
Trade services	**-**	4,177,944	**-**	-
Revolving credits	**-**	10,000,000	**-**	10,000,000
	87,112,299	94,050,800	**-**	10,000,000
Less:				
Fixed deposits with licensed banks	**(12,979,943)**	(7,809,230)	**(34,945)**	(20,355)
Cash held under Housing Development Accounts	**(9,194,798)**	(17,036,414)	**-**	-
Cash and bank balances	**(78,004,960)**	(27,798,366)	**(348,450)**	(151,946)
Net debt	**(13,067,402)**	41,406,790	**(383,395)**	9,827,699
Total equity	**605,507,397**	554,514,548	**401,229,706**	382,299,370
Net gearing ratio	**N/A**	0.07	**N/A**	0.03

N/A - Gearing ratio not applicable as the cash and cash equivalent of the Group and of the Company is sufficient to settle the outstanding debt.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

45. SUBSEQUENT EVENTS

On 23 January 2025, MGB International for Industry ("MII"), a wholly-owned subsidiary of MGB Construction Sdn. Bhd., an indirect wholly-owned subsidiary of the Company, had subscribed 50,000 ordinary shares of SAR10 for each share, representing 50% equity interest in MGB Alameriah Contracting Company ("MALCC"), a Limited Liability Company incorporated in the Kingdom of Saudi Arabia, for a total cash consideration of SAR500,000 (approximately RM595,000.00) only. MALCC is a Joint Venture Company with Alameriah Real Estate Development, which holds 50,000 ordinary shares representing 50% equity interest in MALCC. Following this transaction, MALCC became a joint venture of the Company.

On 16 February 2025, MGB International for Industry ("MII"), a wholly-owned subsidiary of MGB Construction Sdn. Bhd. ("MCSB"), an indirect wholly-owned subsidiary of the Company, had increased its paid-up share capital from 412,500 to 1,362,500 ordinary shares of SAR10 each share. MCSB has subscribed for an additional 950,000 ordinary shares of SAR 10 each share in MII for a total value consideration of SAR9,500,000 (approximately RM11,305,000.00) only by way of capitalisation of amount due from MII.

46. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 10 April 2025.

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Other Information

List of Major Properties

Held as at 31 December 2024

Location	Description	Tenure	Net Book Value RM'000	Approximately Land Area/ Built Up Area	Date of Acquisition	Approximately Age of Building (Years)
HS(D) 43658, PT 633/LOT 12021, Kawasan Perindustrian Nilai FASA 1, 71800 Nilai, Negeri Sembilan, Malaysia.	Industrial land with a single storey detached factory building and ancillary buildings	Leasehold 60 years expiring on 27 September 2045	15,047	348,741 sq ft/ 124,399 sq ft	8 March 2002	22
HS(D) LP6762-6771 No. PT 2539-2548, Langkap Light Industrial Park, Jalan Chui Chak, 36700 Langkap, Perak, Malaysia.	Industrial land with a single storey detached factory, single storey office block and ancillary buildings	Leasehold 60 years expiring on 29 November 2053	4,021	236,739 sq ft/ 97,721 sq ft	4 June 2002	28
H-G, Block H, Sunway PJ@51A, Jalan SS9A/19, Seksyen 51A, 47300 Petaling Jaya, Selangor, Malaysia.	Office suite	Leasehold 99 years expiring on 1 July 2109	1,677	221 Sq metre	18 June 2015	14
H-7, Block H, Sunway PJ@51A, Jalan SS9A/19, Seksyen 51A, 47300 Petaling Jaya, Selangor, Malaysia.	Office suite	Leasehold 99 years expiring on 1 July 2109	1,140	280 Sq metre	18 April 2011	14
H-3A, Block H, Sunway PJ@51A, Jalan SS9A/19, Seksyen 51A, 47300 Petaling Jaya, Selangor, Malaysia.	Office suite	Leasehold 99 years expiring on 1 July 2109	1,125	271 Sq metre	24 June 2015	14
H-2, Block H, Sunway PJ@51A, Jalan SS9A/19, Seksyen 51A, 47300 Petaling Jaya, Selangor, Malaysia.	Office suite	Leasehold 99 years expiring on 1 July 2109	1,101	271 Sq metre	19 October 2015	14
H-6, Block H, Sunway PJ@51A, Jalan SS9A/19, Seksyen 51A, 47300 Petaling Jaya, Selangor, Malaysia.	Office suite	Leasehold 99 years expiring on 1 July 2109	1,098	271 Sq metre	2 August 2012	14
Unit No. 102 (No. 42, Jalan SP 5/4, Pusat Perdagangan BSP, Bandar Saujana Putra, 42610 Jenjarom, Kuala Langat, Selangor)	Two storey shop office	Leasehold 99 years expiring on 24 November 2114	927	143.08 Sq metre	27 February 2020	7
Unit No. 101 (No. 46, Jalan SP 5/4, Pusat Perdagangan BSP, Bandar Saujana Putra, 42610 Jenjarom, Kuala Langat, Selangor)	Two storey shop office	Leasehold 99 years expiring on 24/11/2114	927	143.08 Sq metre	27 February 2020	7
I-7, Block I, Sunway PJ@51A, Jalan SS9A/19, Seksyen 51A, 47300 Petaling Jaya, Selangor, Malaysia.	Office suite	Leasehold 99 years expiring on 1 July 2109	729	180 Sq metre	20 April 2011	14

Analysis of Shareholdings

as at 31 March 2025

A. SHARE CAPITAL

Number of Issued Shares	:	591,652,605
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote for each ordinary share held

B. DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Holders	%	No. of Shares	%
1 – 99	4,224	63.08	49,616	0.01
100 - 1,000	912	13.62	425,961	0.07
1,001 - 10,000	958	14.31	4,748,536	0.80
10,001 - 100,000	468	6.99	15,922,345	2.69
100,001 – 29,582,629 (*)	131	1.96	159,755,020	27.00
29,582,630 AND ABOVE (**)	3	0.04	410,751,127	69.43
TOTAL	**6,696**	**100.00**	**591,652,605**	**100.00**

Remark: * - less than 5% of issued shares
** - 5% and above of issued shares

C. SUBSTANTIAL SHAREHOLDERS AND DIRECTORS' SHAREHOLDINGS

Substantial Shareholders based on the Register of Substantial Shareholders

		Direct		Indirect	
	Name	No. of Shares Held	Percentage (%) Held	No. of Shares Held	Percentage (%) Held
1	LBS Bina Group Berhad	342,176,829	57.83	-	-
2	Gaterich Sdn. Bhd.	-	-	342,176,829[a]	57.83
3	Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San, *JP*	2,269,900	0.38	342,176,829[b]	57.83
4	Datuk Wira Lim Hock Guan, *JP*	1,520,000	0.26	342,176,829[b]	57.83
5	Datuk Lim Lit Chek	78,574,298	13.28	1,650,800[c]	0.28

Directors' Shareholdings based on Register of Directors' Shareholdings

		Direct		Indirect	
	Name	No. of Shares Held	Percentage (%) Held	No. of Shares Held	Percentage (%) Held
1	Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San, *JP*	2,269,900	0.38	342,176,829[b]	57.83
2	Datuk Wira Lim Hock Guan, *JP*	1,520,000	0.26	342,176,829[b]	57.83
3	Datuk Lim Lit Chek	78,574,298	13.28	1,650,800[c]	0.28
4	Dato' Beh Hang Kong	3,706,385	0.63	-	-
5	Puan Nadhirah binti Abdul Karim	-	-	-	-
6	Puan Noor Fansyurina binti Muhammad	-	-	-	-
7	Puan Nor Salinun binti Mohd Ghazali	-	-	-	-

[a] *Deemed interested pursuant to Section 8 of the Companies Act 2016 by virtue of shareholdings in LBS Bina Group Berhad.*
[b] *Deemed interested pursuant to Section 8 of the Companies Act 2016 by virtue of shareholdings in LBS Bina Group Berhad through Gaterich Sdn. Bhd.*
[c] *Deemed interested by virtue of Section 59(11)(c) of the Companies Act 2016.*

Analysis of Shareholdings
as at 31 March 2025

D. LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS

No.	Name	Shares Held	Percentage (%)
1.	LBS BINA GROUP BERHAD	268,416,829	45.37
2.	LIM LIT CHEK	78,574,298	13.28
3.	RHB NOMINEES (TEMPATAN) SDN. BHD. INDUSTRIAL AND COMMERCIAL BANK OF CHINA (MALAYSIA) BERHAD PLEDGED SECURITIES ACCOUNT FOR LBS BINA GROUP BERHAD	63,760,000	10.78
4.	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND	11,911,400	2.01
5.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (KENANGA)	11,340,900	1.92
6.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR LBS BINA GROUP BERHAD	10,000,000	1.69
7.	HSBC NOMINEES (TEMPATAN) SDN. BHD. HSBC (M) TRUSTEE BHD FOR PRINCIPAL DALI EQUITY GROWTH FUND	8,599,600	1.45
8.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. NATIONAL TRUST FUND (IFM KENANGA) (410196)	6,746,500	1.14
9.	CITIGROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)	6,474,600	1.10
10.	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN. BHD. CIMB ISLAMIC TRUSTEE BERHAD - KENANGA SYARIAH GROWTH FUND	5,519,300	0.93
11.	YAYASAN GURU TUN HUSSEIN ONN	5,100,000	0.86
12.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. ETIQA LIFE INSURANCE BERHAD (GROWTH)	5,059,800	0.86
13.	PHILLIP NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN. BHD. (EPF)	4,999,000	0.84
14.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. ETIQA LIFE INSURANCE BERHAD (PREM EQUITY)	4,915,000	0.83
15.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. ETIQA FAMILY TAKAFUL BERHAD (DANA EKUITI)	3,745,300	0.63
16.	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. AIIMAN ASSET MANAGEMENT SDN. BHD. FOR TABUNG WARISAN NEGERI SELANGOR	3,684,400	0.62
17.	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. AIIMAN ASSET MANAGEMENT SDN. BHD. FOR UNIVERSITY OF MALAYA	3,333,400	0.56
18.	SANJUNGAN CEKAP SDN. BHD.	2,460,000	0.42
19.	HSBC NOMINEES (TEMPATAN) SDN. BHD. HSBC (M) TRUSTEE BHD FOR PRINCIPAL SMALL CAP OPPORTUNITIES FUND	2,340,300	0.40
20.	LIM KIM ENG	2,219,800	0.38
21.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR HO BING NI	2,164,600	0.37
22.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR BEH HANG KONG	2,145,204	0.36

D. **LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS (CONT'D)**

No.	Name	Shares Held	Percentage (%)
23.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. RAKUTEN TRADE SDN. BHD. FOR HOR KOK CHOONG	2,140,000	0.36
24.	UOBM NOMINEES (ASING) SDN. BHD. UOB ASSET MANAGEMENT (MALAYSIA) BERHAD FOR FWD AGGRESSIVE FUND	2,091,500	0.35
25.	UOBM NOMINEES (ASING) SDN. BHD. UOB ASSET MANAGEMENT (MALAYSIA) BERHAD FOR FWD STRATEGIC FUND	2,008,400	0.34
26.	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN. BHD. AIIMAN ASSET MANAGEMENT SDN. BHD. FOR SUN LIFE MALAYSIA TAKAFUL BERHAD	1,902,100	0.32
27.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. ETIQA LIFE INSURANCE BERHAD (DANA EKT PRIMA)	1,862,200	0.31
28.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. ETIQA LIFE INSURANCE BERHAD (BALANCE)	1,840,800	0.31
29.	NG SAN SAN	1,650,800	0.28
30.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. ETIQA LIFE INSURANCE BERHAD (LIFE PAR)	1,610,700	0.27
	Total	**528,616,831**	**89.35**

Notice of Twenty-Third Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-Third Annual General Meeting ("23rd AGM") of the Company will be held at Function Room, Level 5, Plaza Seri Setia, No. 1, Jalan SS9/2, 47300 Petaling Jaya, Selangor Darul Ehsan on Thursday, 26 June 2025 at 10.00 a.m. or at any adjournment thereof for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon. **Please refer to the Explanatory Note 1**

2. To approve the payment of Directors' Fees to the Independent Non-Executive Directors who were in office for the period from 26 June 2025 until the next annual general meeting of the Company to be held in year 2026 as below: **Ordinary Resolution 1 (Please refer to the Explanatory Note 2)**

	Annual Director's Fee (RM)	
Description	**Chairman**	**Member**
Board of Directors	55,500	43,000
Audit Committee	5,000	2,000
Nomination & Remuneration Committee	3,000	2,000
Sustainability Committee	-	2,000
Risk Management Committee	-	2,000

3. To declare a final single tier dividend of RM0.0154 per share in respect of the financial year ended 31 December 2024. **Ordinary Resolution 2 (Please refer to the Explanatory Note 3)**

4. To re-elect the following Directors who are retiring in accordance with Clause 90 of the Company's Constitution:-

   i) Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San, *JP* **Ordinary Resolution 3 (Please refer to the Explanatory Note 4)**

   ii) Datuk Lim Lit Chek **Ordinary Resolution 4 (Please refer to the Explanatory Note 4)**

   iii) Dato' Beh Hang Kong **Ordinary Resolution 5 (Please refer to the Explanatory Note 4)**

5. To re-appoint Messrs UHY Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 6 (Please refer to the Explanatory Note 5)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any modifications, the following resolutions:-

6. **AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** **Ordinary Resolution 7 (Please refer to the Explanatory Note 6)**

   "THAT subject always to the Companies Act 2016 ("Act"), the Constitution of the Company and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to allot and issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or person whomsoever as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being;

THAT pursuant to Section 85 of the Act to be read together with Clause 13(c) of the Constitution of the Company, approval be and is hereby given for the Company to waive the statutory pre-emptive rights of the shareholders and empower the Directors of the Company to issue and allot new ordinary shares pursuant to Sections 75 and 76 of the Act without offering them to the existing members to maintain their relative voting and distribution right and such new shares shall rank pari passu in all respects with the existing class of ordinary shares.

THAT the Directors be also empowered to obtain the approval for the listing and quotation of the additional shares so issued on the Bursa Malaysia Securities Berhad ("Bursa Malaysia");

AND THAT such authority shall be continue in force until the conclusion of the next Annual General Meeting of the Company."

7. **PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE")**

Ordinary Resolution 8 (Please refer to the Explanatory Note 7)

"THAT approval be and is hereby given pursuant to Chapter 10.09 of the Main Market Listing Requirements of Bursa Malaysia for the Company and its subsidiaries ("the Group") to enter into the specified recurrent transactions of a revenue or trading nature with the related parties as stated in Section 2.4 of the Circular to Shareholders dated 30 April 2025 ("the Circular") which is necessary for its day-to-day operations, in its ordinary course of business, made on an arm's length basis and on normal commercial terms of the Group and on such terms which are no more favourable to the related party than those generally available to the public and which are not detrimental to the minority shareholders of the Company;

THAT the approval given in the aforesaid paragraph, unless revoked or varied by the shareholders of the Company in its general meeting, shall continue to be in force until the conclusion of the next Annual General Meeting of the Company, following this general meeting at which this mandate is passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed or the expiration of the period within which the next Annual General Meeting after the date it is required to be held pursuant to Section 340(2) of the Act, (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act), whichever is earlier;

THAT the aggregate value of the transactions conducted pursuant to the Proposed Renewal of Existing Shareholders' Mandate during the financial year of the Company be disclosed in the annual report by providing a breakdown of the aggregate value of the transaction, amongst others, based on the following information:-

(i) the type of transactions made; and
(ii) the names of the related parties involved in each type of transactions made and their relationship with the Group.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required or approved or permitted by the relevant authorities) as they may consider expedient or necessary or in the interests of the Company to give effect to the Proposed Renewal of Existing Shareholders' Mandate."

8. **PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

Ordinary Resolution 9 (Please refer to the Explanatory Note 8)

"THAT, subject to the provisions under the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia ("Listing Requirements") and the approval of such relevant government and/or regulatory authorities where necessary, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company ("MGB Shares") as may be determined by the Directors of the Company from time to time through Bursa Malaysia upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution shall not exceed ten per centum (10%) of the total issued and paid up share capital of the Company as at the point of purchased ("Proposed Renewal of Share Buy-Back Authority").

THAT the maximum amount of funds to be utilised for the purpose of the Proposed Renewal of Share Buy-Back Authority shall not exceed the retained profits of the Company.

THAT authority be and is hereby given to the Directors of the Company to decide at their discretion as may be permitted and prescribed by the Act and/or any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities for the time being in force to deal with any MGB Shares so purchases ("Purchased Shares") by the Company in the following manners:-

(i) to cancel the Purchased Shares;
(ii) to retain the Purchased Shares as treasury shares held by the Company;
(iii) to distribute the treasury shares as dividend to shareholders;
(iv) to resell the treasury shares on Bursa Malaysia in accordance with the relevant rules of Bursa Malaysia;
(v) to transfer the treasury shares for the purposes of or under an employees' share scheme and/or as purchase consideration; and/or
(vi) in such manner as may be permitted pursuant to Section 127 of the Act, the provision of the Main Market Listing Requirements and any other relevant authorities for the time being in force.

THAT the authority conferred by this resolution will be effective immediately from the passing of this ordinary resolution until:-

(i) the conclusion of the next Annual General Meeting of the Company, at which time the said authority will lapse unless by an ordinary resolution passes at the general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions; or
(ii) the expiration of the period within which the next Annual General Meeting after that date is required to be held; or
(iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting.

whichever occurs first.

AND THAT the Directors of the Company be and are hereby authorised to take such steps to give full effect to the Proposed Renewal of Share Buy-Back Authority with full power to assent to any conditions, modifications, variations and/or to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company."

9. To transact any other business of which due notice shall have been given in accordance with the Act.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN that subject to the approval of the shareholders at the 23rd Annual General Meeting to be held on 26 June 2025, a final single tier dividend of RM0.0154 per share in respect of the financial year ended 31 December 2024 will be paid on 5 August 2025 to Shareholders whose name appear in the Company's Record of Depositors on 15 July 2025.

A Depositor shall qualify for entitlement only in respect of:

(a) Securities transferred into the Depositor's Securities Account before 4:30 p.m. on 15 July 2025 in respect of transfers; and
(b) Securities bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board,

CHONG VOON WAH (SSM PC NO. 202008001343) (MAICSA 7055003)
KHOO WEI LEE (SSM PC NO. 201908001577) (MAICSA 7063165)
Company Secretaries

Petaling Jaya, Selangor
Date: 30 April 2025

Notice of Twenty-Third Annual General Meeting

Notes:

(a) In respect of deposited securities, only members whose names appear in the Record of Depositors as at 19 June 2025 shall be eligible to attend, speak and vote at the Meeting or appoint proxy(ies) to attend, participate, speak and vote in his stead.

(b) A member entitled to attend and vote at the Meeting, may appoint more than one (1) proxy to attend and vote at the Meeting. A proxy may but need not a member of the Company.

(c) Where a member appoints two (2) or more proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.

(d) Where a member is an exempt authorised nominee defined under the Securities Industry (Central Depositories) Act, 1991 which is exempted from compliance with provision of subsection 25A(1) of the Securities Industry (Central Depositories) Act, 1991 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.

(e) The instrument appointing proxy must be signed by the appointor or his attorney duly authorised in writing or in the case of a corporation, be executed under its common seal or under the hand of its attorney duly authorised in writing.

(f) The appointment of a proxy may be made in hard copy form or by electronic form in the following manner not later than Wednesday, 25 June 2025 at 10.00 a.m.:
  - *(i) In hard copy form:-*
    - *(a) By hand or post to the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, via the drop-in box provided at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur; or*
    - *(b) By fax at 03-2783 9222 or e-mail to is.enquiry@vistra.com*
  - *(ii) By electronic form:-*
    - *(a) To submit Proxy Form electronically via TIIH Online at https://tiih.online*

(g) Only members whose name appears on the Record of Depositors as at 19 June 2025 shall be entitled to participate and vote at the said meeting or appoint proxies to attend and/or vote on his/her behalf.

(h) Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of 23rd AGM will be put to vote by way of poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

Explanatory Notes to the Agenda:

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

Item 1 of the Agenda is meant for discussion only, as the provision of Section 340(1) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. ***Ordinary Resolution 1 - Payment of Directors' Fees to Independent Non-Executive Directors ("INED") for the period from 26 June 2025 until the date of next annual general meeting of the Company***

Pursuant to Section 230(1) of the Companies Act 2016 stipulates that the fees of Directors and any benefits payable to Directors shall be subject to annual shareholders' approval at a general meeting.

Based on the annual review, the Board had proposed fees payable to INEDs under Resolution 1 for the period from 26 June 2025 until the date of next annual general meeting to be held in 2026. This resolution, if passed, will give approval to the Company to continue paying the INEDs' fees in arrears on a monthly basis after their services on Board and Board Committees. The Board opined that it is just and equitable for the INEDs to be paid such payment on such basis upon them discharging their responsibilities and rendering their services to the Company.

INEDs who are members of the Company will abstain from voting on this Resolution concerning their own remuneration at the 23rd AGM.

3. ***Ordinary Resolution 2 – Final single tier dividend of RM0.0154 per share in respect of the financial year ended 31 December 2024***

Ordinary Resolution 2, if passed, will allow the Company to pay the final single tier dividend of RM0.0154 per share in respect of the financial year ended 31 December 2024 on 5 August 2025 to Shareholders whose names appear in the Company's Record of Depositors on 15 July 2025.

4. ***Ordinary Resolution 3, 4 & 5 – Re-election of Directors who are retiring in accordance with Clause 90 of the Company's Constitution***

The profiles of the Directors who are standing for re-election at the 23rd AGM are set out in the Board of Directors' Profile on pages 5, 7 and 8 of the Annual Report. Their shareholdings in the Company are set out in the section entitled "Analysis of Shareholdings" on page 262 of the Annual Report. A statement of the Board supporting the re-election of the Directors and reason of supporting is disclosed on page 127 in the Corporate Governance Overview Statement of the Annual Report.

5. ***Ordinary Resolution 6 - Re-appointment of Auditors***

The Board, through the Audit Committee, had conducted an assessment on the suitability, objectivity and independence of Messrs UHY Malaysia PLT in respect of the financial year ended 31 December 2024. The Board was satisfied with the performance of Messrs UHY Malaysia PLT and recommended the re-appointment of Messrs UHY Malaysia PLT as Auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company in accordance with Section 271 of the Companies Act 2016.

6. ***Ordinary Resolution 7 – Authority to Allot and Issue Shares***

The Ordinary Resolution proposed under Resolution 7 above for the renewal of general mandate in relation to the authorisation for allotment and issuance of shares by the Directors, if passed, will enable the Directors to issue up to 10% of the total number of issued shares of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority unless revoked or varied at a general meeting will expire at the next annual general meeting.

The renewed mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment, working capital and/or acquisition.

Pursuant to Section 85(1) of the Companies Act 2016 read together with Clause 13(c) of the Constitution of the Company, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company.

***Section 85(1) of the Companies Act 2016 states**:*

Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders.

Clause 13(c) of the Company's Constitution provides as follows:

Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Clause;

In order for the Board to issue any new shares free of pre-emptive rights, such pre-emptive rights must be waived. The proposed Ordinary Resolution 7, if passed, will exclude your pre-emptive rights over all new shares in the Company to be issued under the general mandate.

As at the date of this Notice, no new share of the Company was issued pursuant to the mandate granted to the Directors at the Twenty-Second Annual General Meeting held on 13 June 2024.

7. ***Ordinary Resolution 8 – Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of Existing Shareholders' Mandate")***

Ordinary Resolution 8, if passed, will allow the Company and/or its subsidiaries to enter into the Recurrent Related Party Transactions in its ordinary course of business and the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such Recurrent Related Party Transactions occur would not arise. This will reduce substantial administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group. The shareholders' mandate is subject to renewal on an annual basis.

Further information on the Proposed Renewal of Existing Shareholders' Mandate is set out in the Circular to Shareholders dated 30 April 2025.

8. ***Ordinary Resolution 9 – Proposed Renewal of Share Buy-Back Authority ("Proposed Renewal Share Buy-Back Authority")***

The Ordinary Resolution 9, if passed, will provide mandate for the Company to buy-back its own shares up to a limit of 10% of the existing total number of issued shares of the Company. Further information on the Proposed Renewal of Share Buy-Back Authority is set out in the Statement to Shareholders dated 30 April 2025.

Statement Accompanying the Notice of the Twenty-Third Annual General Meeting

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

Details of individuals who are standing for election as Directors

No individual is seeking election as Director (excluding the Directors who are standing for re-election under Ordinary Resolutions 3, 4 & 5) at the 23rd Annual General Meeting of the Company.

The Company will seek shareholders' approval on the general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Please refer to the proposed Ordinary Resolution 7 as stated in the Notice of the 23rd Annual General Meeting of the Company for the details.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the 23rd 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 23rd AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 23rd 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.

Proxy Form

MGB
VALUE DRIVEN INNOVATION

Registration No. 200201021504 (589167-W)
(Incorporated in Malaysia)

NUMBER OF SHARES HELD	CDS ACCOUNT NO.

I/We ____

(Full Name in Block Letters)

NRIC No./Passport No./Company No. ________________________________

of ____

____________________ Contact No./Email address ________________________

being a member/members of MGB BERHAD hereby appoint:

Full Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or

Full Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing *him/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote and act on my/our behalf at the Twenty-Third Annual General Meeting ("23rd AGM") of the Company to be held at Function Room, Level 5, Plaza Seri Setia, No. 1, Jalan SS9/2, 47300 Petaling Jaya, Selangor Darul Ehsan on Thursday, 26 June 2025 at 10.00 a.m. and at any adjournment thereof.

RESOLUTIONS	FOR	AGAINST
Ordinary Resolution 1		
Ordinary Resolution 2		
Ordinary Resolution 3		
Ordinary Resolution 4		
Ordinary Resolution 5		
Ordinary Resolution 6		
Ordinary Resolution 7		
Ordinary Resolution 8		
Ordinary Resolution 9		

Please indicate with 'X' how you wish to cast your vote. In the absence of specific directions, the proxy may vote or abstain from voting on any resolutions as he/she/they may think fit.

Signed this ____________ day of ________________, 2025.

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

NOTES:

(a) In respect of deposited securities, only members whose names appear in the Record of Depositors as at 19 June 2025 shall be eligible to attend, speak and vote at the Meeting or appoint proxy(ies) to attend, participate, speak and vote in his stead.

(b) A member entitled to attend and vote at the Meeting, may appoint more than one (1) proxy to attend and vote at the Meeting. A proxy may but need not a member of the Company.

(c) Where a member appoints two (2) or more proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.

(d) Where a member is an exempt authorised nominee defined under the Securities Industry (Central Depositories) Act, 1991 which is exempted from compliance with provision of subsection 25A(1) of the Securities Industry (Central Depositories) Act, 1991 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.

(e) The instrument appointing proxy must be signed by the appointor or his attorney duly authorised in writing or in the case of a corporation, be executed under its common seal or under the hand of its attorney duly authorised in writing.

(f) The appointment of a proxy may be made in hard copy form or by electronic form in the following manner not later than Wednesday, 25 June 2025 at 10.00 a.m.:

(i) In hard copy form:-

(a) By hand or post to the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, via the drop-in box provided at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur; or

(b) By fax at 03-2783 9222 or e-mail to is.enquiry@vistra.com.

(ii) By electronic form:-

(a) To submit the Proxy Form electronically via TIIH Online at https://tiih.online

(g) Only members whose name appears on the Record of Depositors as at 19 June 2025 shall be entitled to participate and vote at the said meeting or appoint proxies to attend and/or vote on his/her behalf.

(h) Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of 23rd AGM will be put to vote by way of poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

* *By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of 23rd AGM dated 30 April 2025.*

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STAMP

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN. BHD.
Registration No. 197101000970 (11324-H)

Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

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Fold this flap for sealing

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