FAJARBARU
BUILDER GROUP BHD
199301026907 (281645-U)

Soaring TO NEW HEIGHTS OF SUCCESS

ANNUAL REPORT 2024

INSIDE THIS
REPORT

SOARING TO NEW HEIGHTS OF SUCCESS

The eagle, a symbol of strength, power, and wisdom, represents our resilience and leadership within the industry. As the eagle spreads its magnificent wings and soars with confidence and vision, it reflects our significant achievements and robust profit growth.

The tagline, "Soaring to New Heights of Success" reinforces our ambitious growth strategy and unwavering commitment to excellence in all our endeavours. The dynamic visual narrative not only captures our current successes but also signifies our forward-looking vision and relentless pursuit of new opportunities.

Scan this to view our Annual Report online.

Our Annual Report, financial and other information about Fajarbaru Builder Group Bhd. can also be found at www.fajarbaru.com.my

KEY CORPORATE MILESTONES

1976

Syarikat Pembenaan Fajar Baru (Rembau) Sdn. Bhd. was incorporated as a private limited company

1998

Listed on Bursa Malaysia

2005

Involved in LCCT (Phase 1), Sepang (RM108 Million)

2006

- Involved in Batu Gajah Railway staff quarters & training school under Road Builder-Fajarbaru JV (RM75 Million)
- Rehabilitation of airfield pavements at Penang International Airport (RM27 Million)

2008

Awarded for expansion of LCCT at KLIA Phase 2 (RM124 Million)

2013

- Involved in the Electrified Double Tracking Project for the Seremban-Gemas rail road (RM316 Million)
- Designed and constructed the Tampin Hospital for Ministry of Health (RM138 Million)

2014

- First venture into Australia property development (Gardenhill, Melbourne – GDV AUD77 Million); awarded "Game Changer of the Year Award in the REA Excellence Award 2017" – Australia's first dog park in a high-rise apartment
- First venture into the timber logging business by acquiring permit to extract and sell logs on 28,000 acres of concession

2015

- Fajarbaru Logistics Sdn. Bhd. was incorporated to provide logistics support to timber business
- Extension of Awan Besar and Muhibbah station for LRT Ampang Line (RM62 Million)
- Involved in the designing and building expansion of Gleneagles Hospital Kuala Lumpur 10-storey medical block (RM166 Million). Was awarded GBI Gold rating in 2020

KEY CORPORATE MILESTONES (Cont'd)

2024

Accepted an LOO from PDC for the proposed development of Medi-City Bandar Cassia, covering approximately 235.8 acres. The Group is set to purchase parcel 1 of Medi-City Bandar Cassia in Batu Kawan which spans approximately 51.2 acres.

2023

- MOU with Penang Development Corporation on the development of 'Medi-City Bandar Cassia', encompassing a 230-acre land parcel
- Launched Residensi Intan @ Desa Green (Kuala Krai), comprising 227 homes (GDV of RM69.8 Million)
- Awarded contract to redevelop military facilities for the Australian Department of Defence at RMAF base in Butterworth, Penang worth RM7.36 Million

2022

Launched the Group's second development called Vierra Residence @ Kinrara, Kuala Lumpur (GDV of RM482 Million)

2018

Ventured into third Australian project located at Northcote (The Wilds – GDV of AUD35 Million) for development of luxury townhouses

2020

Diversification of the Group into plantation with the incorporation of Fajarbaru Plantation Sdn. Bhd.

2017

- Launched the maiden property development project in Malaysia, Rica Residence @ Sentul, Kuala Lumpur (GDV of RM290 Million)
- Completion of Ampang LRT Depot (RM289 Million)
- Ventured into second Australian property development (Paragon, Melbourne – GDV AUD200 Million) with Australia's first high rise indoor forest residential; awarded "Best High-Rise Residential category" at the Asia Pacific Property Awards 2018-2019 and "Best International Development" at the iProperty Development Excellence Awards 2019

2016

- Ventured into timber logging business expansion by acquiring permit to extract and sell logs on 20,000 acres of concession
- Awarded the rehabilitation of Jerantut-Gua Musang railway track from Ministry of Transport

NOTICE OF ANNUAL GENERAL MEETING

5 December 2024

10.00 a.m.

Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur.

NOTICE IS HEREBY GIVEN that the Thirtieth Annual General Meeting of the Company will be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 5 December 2024 at 10.00 a.m.

AGENDA

1. To receive the Audited Financial Statements for the year ended 30 June 2024 together with the Reports of the Directors and Auditors thereon. **(Refer to Explanatory Notes i)**

2. To re-elect Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon who retires in accordance with Clause 83 of the Company's Constitution and who being eligible, offers himself for re-election. **Resolution 1 (Refer to Explanatory Notes ii)**

3. To re-elect Mr. Ooi Leng Chooi who retires in accordance with Clause 83 of the Company's Constitution and who being eligible, offers himself for re-election. **Resolution 2 (Refer to Explanatory Notes ii)**

4. To re-elect Ir. Kong Kam Loong who retires in accordance with Clause 83 of the Company's Constitution and who being eligible, offers himself for re-election. **Resolution 3 (Refer to Explanatory Notes ii)**

5. To approve the payment of Directors' fees amounting to RM525,000 for the period from the Thirtieth Annual General Meeting until the next Annual General Meeting, payable to Non-Executive Directors. **Resolution 4**

6. To approve the payment of Directors' benefits up to an amount of RM78,000 for the period from the Thirtieth Annual General Meeting until the next Annual General Meeting, payable to Non-Executive Directors. **Resolution 5 (Refer to Explanatory Notes iii)**

7. To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company for the financial year ending 30 June 2025 and to authorise the Directors to fix their remuneration. **Resolution 6**

AGENDA (Cont'd)

Special Business

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

8. Authority to Issue Shares

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

Resolution 7
(Refer to Explanatory Notes iv)

AND THAT in connection with the above, pursuant to Section 85(1) of the Companies Act, 2016 read together with Clause 52 of the Company's Constitution, the shareholders of the Company do hereby approve that the pre-emptive rights to new shares that may be issued and allotted as above shall not apply."

9. Proposed Renewal of Share Buy-back Authority

"THAT subject to the Companies Act, 2016, the provisions of the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other prevailing laws, rules, regulations and orders issued and/or amended from time to time by the relevant authorities, the Company be and is hereby authorised to allocate an amount not exceeding the retained profits of the Company for the purpose of and to purchase such amount of ordinary shares ("Proposed Share Buy-back") in the Company as may be determined by the Directors of the Company from time to time on the market of the Bursa Securities upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution does not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company;

Resolution 8
(Refer to Explanatory Notes v)

NOTICE OF ANNUAL GENERAL MEETING
(Cont'd)

AGENDA (Cont'd)

9. Proposed Renewal of Share Buy-back Authority (Cont'd)

THAT upon completion of the purchase by the Company of its own shares, the Directors are authorised to decide at their discretion to cancel all or part the shares so purchased and/or to retain all or part the shares so purchased as treasury shares of which may be distributed as dividends to shareholders and/or to resell on the market of Bursa Securities and/or to retain part thereof as treasury shares and cancel the remainder;

AND THAT the Directors be and are hereby authorised and empowered to do all acts and things to give full effect to the Proposed Share Buy-back AND FURTHER THAT such authority shall commence immediately upon passing of this resolution until:–

i) the conclusion of the next Annual General Meeting of the Company at which time the authority shall lapse unless by ordinary resolution passed at a general meeting, 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 by law to be held; or

iii) revoke or varied by ordinary resolution of the shareholders of the Company at a general meeting;

whichever is the earliest."

10. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

TAN KOK AUN (SSM PC No. 201908003805) (MACS 01564)
LEE WAI NGAN (SSM PC No. 201908003497) (LS0000184)
Company Secretaries

Kuala Lumpur,
28 October 2024

NOTICE OF ANNUAL GENERAL MEETING
(Cont'd)

AGENDA (Cont'd)

Notes:

1. *A Member holding one thousand (1,000) ordinary shares or less may appoint only one (1) proxy to attend and vote instead of him/her at a general meeting who shall represent all the shares held by such member, and where a member holding more than one thousand (1,000) ordinary shares may appoint more than one (1) proxy to attend and vote instead of him/her at the same meeting. Where a member appoints more than (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.*

2. *Where a Member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*

3. *A proxy may but need not be a member of the Company.*

4. *If the appointer is a corporation, the proxy form must be executed under its Common Seal or under the hand of its attorney.*

5. *The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or a certified true copy thereof shall be deposited at the Company's Share Registrar Office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time set for the Meeting.*

6. *Depositor whose name appears on the Record of Depositors as at 27 November 2024 shall be regarded as member of the Company and entitled to attend and vote at the meeting or to appoint proxy(ies) to attend and vote at meeting.*

EXPLANATORY NOTES

i. Agenda Item 1 is meant for discussion only as the provision of Section 340 (1) (a) of the Companies Act 2016 does not require a formal approval of the shareholders, and hence is not put forward for voting.

ii. Re-election of Directors who retire in accordance with Clause 83 of the Company's Constitution
The proposed Ordinary Resolution 1 to 3 in items 2 to 4 of the Agenda are to seek shareholders' approval on the re- election of the retiring directors.

Clause 83 of the Company's Constitution provides that one-third of the Directors (including Managing Director) of the Company for the time being shall retire by rotation at an Annual General Meeting of the Company provided always that all Directors, shall retire from office at least once in each three years but shall be eligible for re-election at the Annual General Meeting. A Director retiring at a meeting shall retain office until the close of the meeting. The Board endorsed the Nominating Committee's recommendation that the Directors who retire in accordance with the above-mentioned Clause of the Company's Constitution, namely Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon, Mr. Ooi Leng Chooi and Ir. Kong Kam Loong are eligible to stand for re-election. They, being eligible for re-election have given their consent for re-election.

NOTICE OF ANNUAL GENERAL MEETING
(Cont'd)

EXPLANATORY NOTES (Cont'd)

iii. To approve the payment of Directors' benefits up to an amount of RM78,000 for the period from the Thirtieth Annual General Meeting until the next Annual General Meeting, payable to Non-Executive Directors.

The proposed Resolution 5 in item 6 of the Agenda is to seek shareholders' approval on the payment of Directors' benefits of RM78,000.

The benefits payable to Non-Executive Directors comprise of allowances, benefit-in-kind and other emoluments.

EXPLANATORY NOTES ON SPECIAL BUSINESS

iv. Authority to Issue Shares

The proposed Resolution 7 in item 8 of the Agenda is primarily to give flexibility to the Board of Directors to issue and allot shares at any time in their absolute discretion without convening a general meeting. The authorisation will, unless revoked or varied by the Company at a general meeting, expire at the next annual general meeting. This is a renewal of a general mandate. In order to avoid any delay and cost involved in convening a general meeting, it is thus appropriate to seek members' approval.

The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future projects, working capital and/or acquisitions.

v. Proposed Renewal of Share Buy-back Authority

The proposed Resolution 8 in item 9 of the Agenda is to empower the Directors of the Company to purchase the Company's shares up to ten per centum (10%) of the issued and paid-up share capital of the Company by utilising the funds allocated which shall not exceed the retained profits of the Company.

Please refer to the Share Buy-back Statement dated 28 October 2024, which is released together with the Company's Annual Report 2024.

STATEMENT ACCOMPANYING
NOTICE OF THIRTIETH ANNUAL GENERAL MEETING

DETAILS OF MEETING

Thirtieth Annual General Meeting of the Company will be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 5 December 2024 at 10.00 a.m.

RE-ELECTION OF DIRECTORS

Directors who are standing for re-election in accordance with Clause 83 of the Company's Constitution:
i) Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon
ii) Mr. Ooi Leng Chooi
iii) Ir. Kong Kam Loong

Further details of the Directors standing for re-election are set out in the Directors' Profile appearing on pages 40 to 44 of this Annual Report.

ATTENDANCE OF BOARD MEETING

Details of the attendance of Directors at board meetings are stated on page 45 of this Annual Report.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dato' Sri Chan Kong Choy
(Group Executive Chairman, Executive Director)

Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon
(Deputy Chairman, Non-Independent Non-Executive Director)

Dato' Sri Kuan Khian Leng
(Group Chief Executive Officer, Executive Director)

Tan Sri Datuk Seri Lau Kuan Kam
(Group Executive Director)

Ir. Kong Kam Loong
(Group Executive Director)

Dato' Lim Siew Mei
(Non-Independent Non-Executive Director)

Dato' Norasni Binti Ayob
(Independent Non-Executive Director)

Datuk Yoo Wei How
(Independent Non-Executive Director)

Ooi Leng Chooi
(Independent Non-Executive Director)

AUDIT COMMITTEE
Chairman
Ooi Leng Chooi
Members
Dato' Norasni Binti Ayob
Datuk Yoo Wei How

NOMINATING COMMITTEE
Chairman
Dato' Norasni Binti Ayob
Members
Dato' Lim Siew Mei
Ooi Leng Chooi

REMUNERATION COMMITTEE
Chairman
Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon
Members
Datuk Yoo Wei How
Ooi Leng Chooi

PRINCIPAL BANKERS
Malayan Banking Berhad
United Overseas Bank (Malaysia) Bhd
Bangkok Bank Berhad
RHB Bank Berhad
CIMB Bank Berhad
Alliance Bank Malaysia Berhad

SOLICITORS
Messrs. B B Teh
Messrs. Harold & Lam Partnership
Messrs. Arthur Wang, Lian & Associates

COMPANY SECRETARIES
Tan Kok Aun
(SSM PC No. 201908003805)
(MACS 01564)
Lee Wai Ngan
(SSM PC No. 201908003497)
(LS0000184)

REGISTERED OFFICE
No. 3A, Mezzanine Floor,
Jalan Ipoh Kecil,
50350 Kuala Lumpur.
T: +603 – 4043 5750
F: +603 – 4043 5755
E: cosec@pcasynergy.com

BUSINESS ADDRESS
No. 61 & 63, Jalan SS6/12,
Kelana Jaya,
47301 Petaling Jaya,
Selangor Darul Ehsan.
T: +603 – 7804 9698
F: +603 – 7804 3698 / 4849
E: corporate@fajarbaru.com.my
W: https://www.fajarbaru.com.my/

AUDITORS
Crowe Malaysia PLT,
Chartered Accountants
Kuala Lumpur Office,
Level 16 Tower C, Megan Avenue II,
No.12, Jalan Yap Kwan Seng,
50450 Kuala Lumpur.
T: +603 – 2788 9999
F: +603 – 2166 1000

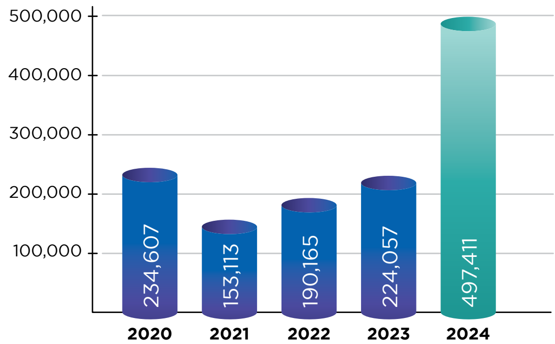
REGISTRAR
Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur.
T: +603 – 2783 9299
F: +603 – 2783 9222
E: is.enquiry@vistra.com

STOCK EXCHANGE LISTING
Main Market of Bursa Malaysia Securities Bhd.
Stock Name: FAJAR
Stock Code: 7047

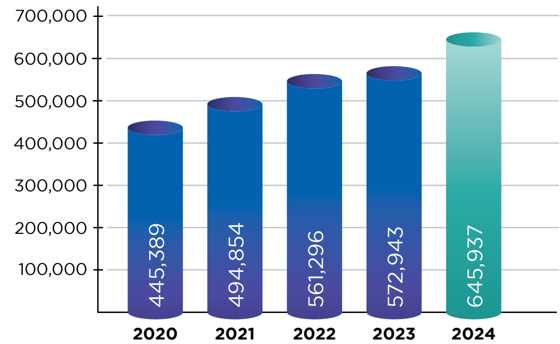
PERFORMANCE ANALYSIS

		2020	2021	2022	2023	2024
Revenue	RM'000	234,607	153,113	190,165	224,057	497,411
Profit / (Loss) Before Tax	RM'000	38,257	36,954	15,291	(10,721)	75,964
Profit / (Loss) After Tax	RM'000	36,161	28,096	10,403	(16,639)	55,473
Issued Share Capital	RM'000	194,303	194,303	221,534	221,534	221,534
Shareholders' Funds	RM'000	309,782	355,786	390,024	367,983	419,649
Total Assets	RM'000	445,389	494,854	561,296	572,943	645,937
Earnings Per Share	Sen	8.75	6.46	1.44	(1.95)	7.28
Net Assets Per Share	RM	0.83	0.96	0.53	0.50	0.57

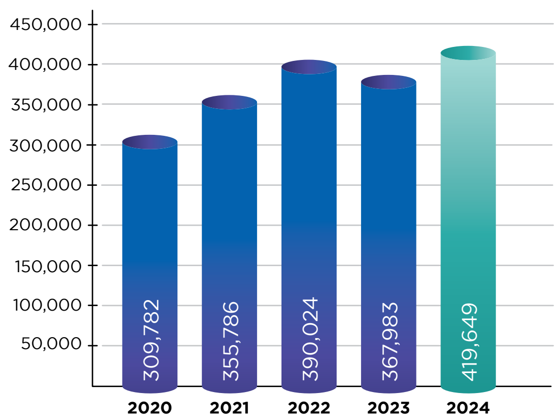
Revenue
RM'000



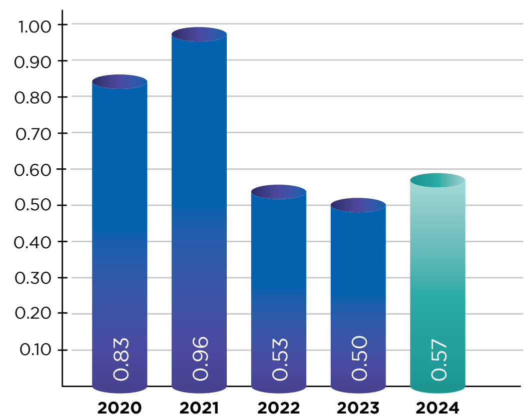
Total Assets
RM'000



Shareholders' Funds
RM'000



Net Assets Per Share
RM



OUR VISION

Our Vision is to be the most valued construction and property company in the markets we serve.

OUR MISSION

With stakeholder satisfaction as our core, we further focus on individual goals to achieve the bigger collective aspiration.

SHAREHOLDERS

To create value for our shareholders by consistently improving our profitability and growth, and ultimately deliver superior returns on their investment.

CUSTOMERS

To achieve highest level of customer satisfaction through reliable and timely delivery, innovative and cost-effective products and solutions, without compromising on quality and safety.

TECHNOLOGY

To constantly update ourselves with the latest technology and embrace it, while utilising relevant skills to improve our efficiency.

ASSOCIATES

To be the preferred business partner, consultant and supplier; to have a relationship based on respect, professionalism and ethics.

EMPLOYEES

To create value for our employees by providing better growth opportunities.

COMMUNITIES

To create a sustainable future for our stakeholders and the society by preserving the environment, be responsible, and be active in the development of a better society and economy.

CORE VALUES

The Fajarbaru Group of Companies leads the way in business by observing the following set of values:

INTEGRITY

Placing utmost importance on corporate integrity and accepting full responsibility on actions taken within business endeavours.

QUALITY

Commitment to provide products and services of the highest quality in a timely manner to achieve consistent customer satisfaction.

SAFETY

Safety must be at the forefront of decision-making and never compromise the safety of employees, customers, business associates and community.

INNOVATION

Continuous improvement of services rendered with a dynamic approach to challenge existing practices without hesitation.

RESPECT

Function collectively as a team to achieve business objectives in an honest and respectful environment by accepting various differences and opinions as being equally valid.

CHAIRMAN'S STATEMENT

"To our Valued Shareholders,

On behalf of the Board of Directors ("Board"), I am pleased to present the Annual Report and Audited Financial Statements of Fajarbaru Builder Group Bhd. ("Fajarbaru" or "the Company") for the financial year ended 30 June 2024."

TAN SRI DATO' SRI CHAN KONG CHOY
Group Executive Chairman

CHAIRMAN'S STATEMENT
(Cont'd)

OPERATING ENVIRONMENT

In the first half of 2024, the Malaysian economy grew by 5.1%, with recent indicators highlighting continued robust economic activity, supported by strong domestic spending and increased export performance according to Bank Negara Malaysia's report. Looking ahead, economic growth in the second half of 2024 is expected to be bolstered by sustained investment activity and resilient household spending, along with a notable boost from the continued recovery in exports. Full-year growth for 2024 is projected to be in the range of 4% to 5%.

However, the growth outlook remains subject to downside risks, including the potential escalation of geopolitical tensions, higher-than-anticipated inflation, and tighter financial market conditions. Despite the ongoing uncertainties in the global business landscape, we remain confident in our ability to navigate challenges and seize opportunities. In response, the Company and its subsidiaries (collectively referred to as "the Group")

CHAIRMAN'S STATEMENT
(Cont'd)

will continue to adopt a prudent approach to capital and operational expenditures, ensuring resilience in the face of these uncertainties. I am proud to report that Fajarbaru has emerged stronger over the past few years, successfully overcoming the economic headwinds brought on by the global pandemic. Our unwavering commitment to strategic initiatives, coupled with our ability to stay focused and adaptable, has been a key factor in our resilience.

As we move forward, we will continue to prioritise innovation, operational excellence, and prudent financial management to drive sustainable growth and create long-term value for our shareholders.

REVIEW OF FINANCIAL PERFORMANCE

I am pleased to report that Fajarbaru has achieved solid financial results for the year with the Group generating a revenue of RM497.4 million and a profit before tax of RM76.0 million in FYE 2024. This represents a substantial improvement from FYE 2023, when the Group posted a revenue of RM224.1 million and a loss before tax of RM10.7 million. Notably, the revenue for FYE 2024 is the highest since the Group's initial public offering in 1998, more than doubling the RM224.1 million recorded in FYE 2023. The increase in revenue was primarily driven by our Property Development and Construction segments, while the profit before tax was mainly attributed to the Property Development segment.

In FYE 2024, the Group made significant strides with our various contracts across a range of sectors, including high-rise residential buildings, apartments, retail complexes, golf clubhouse, and military facility redevelopment. Our priority remains the effective execution of projects from our outstanding order book, which stood at RM1.23 billion.

For a comprehensive analysis of our financial and operational achievements, please refer to the "Management Discussion and Analysis" section of this Annual Report.

Revenue

RM497.4 MILLION

before

Profit Before Tax

RM76.0 MILLION

COMMITMENT TO CORPORATE GOVERNANCE AND SUSTAINABILITY

The Board is committed and places great importance in practising high standards of corporate governance, compliance, ethical business conduct and values within the Group of which are vital to the Group's performance and sustainable value creation. The Board continuously updates the Group's policies in line with regulatory requirements and industry best practices; and assumes responsibility towards shareholders and stakeholders in conducting business with integrity, and creating positive economic, environmental and social impacts. These responsibilities are practiced within the Group in accordance with the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad.

The Group firmly supports the national anti-corruption efforts by strengthening our corporate governance and continuously inculcating good ethical business practices with appropriate policies and procedures to support the Group's business operations and assist employees to understand their obligations in upholding corporate integrity and the Group's reputation. In the spirit of accountability and transparency, we are committed to conduct our business in accordance with all applicable laws, rules and regulations and the highest ethical standards.

As Environmental, Social, and Governance ("ESG") considerations become increasingly crucial in shaping modern business practices, we are committed to expanding our sustainability efforts in the years ahead. We aim to proactively implement more ESG-driven initiatives, ensuring that sustainability is a core component of our operations. By incorporating ESG principles into our decision-making processes, we not only strive to meet regulatory expectations but also to create long-term value for our stakeholders and contribute positively to the environment and society. For a more detailed overview of our sustainability initiatives and progress, please refer to the Sustainability Statement found on pages 50 to 84 of this Annual Report.

CHAIRMAN'S STATEMENT
(Cont'd)

CORPORATE AND BUSINESS DEVELOPMENTS

Throughout the year, the Group undertook a couple of corporate and business developments.

- On 11 January 2024, the Group announced that Fajarbaru Builder Sdn. Bhd. together with Avionics Pty Ltd, has entered into a Deed of Amendment No. 1 with Australian Department of Defence, Commonwealth of Australia, in respect of the award of a Head Contract (International) Two Phase for an additional contract value of RM8.9 million.
- On 5 March 2024, the Group announced that Fajarbaru Builder Sdn. Bhd. accepted a Letter of Award from Tanjung Nakhoda (M) Sdn. Bhd. in respect of the construction and completion of partially completed works of Johore Golf & Country Club ("JGCC"), comprising of a 2-storey club house with parking, a 4-storey driving range facility building with 1-storey multipurpose hall and parking, a guard house and an electricity substation at Johor Bahru, Johor Darul Takzim with a contract value of RM120.8 million.
- On 15 March 2024, the Group announced that Fajarbaru Builder Sdn. Bhd. together with

Medi-City Bandar Cassia

For Illustration Only

CHAIRMAN'S STATEMENT
(Cont'd)

Johore Golf & Country Club

RMAF Base Butterworth, Penang

Avionics Pty Ltd, has been awarded a Minor Works Contract (International) from Australian Department of Defence, Commonwealth of Australia in respect of the early works of the design and construct infrastructure project to redevelop the Australian leased facilities and Malaysian facilities at the Royal Malaysian Air Force ("RMAF") Base Butterworth, Penang with a contract value of RM13.8 million.

- On 19 April 2024, the Group announced that Fajarbaru Builder Sdn. Bhd. accepted a Letter of Award from Malaysia Airports (Sepang) Sdn. Bhd. for a proposed improvement and upgrading works for fire engineering system and other works at the existing satellite building, KLIA Terminal 1, KL International Airport, Sepang, Selangor Darul Ehsan with a contract value of RM13.3 million.
- On 24 April 2024, the Group announced that Fajarbaru Builder Sdn. Bhd. accepted a Letter of Award from WCT Construction Sdn. Bhd. in respect of the Main Building Works for Section 1 : Phase 1 for the Proposed Two-Phase Development of 2 Blocks Serviced Apartment comprising of 8 Towers (2,048 units) and commercial lots (69 units) at Johor Bahru, Johor Darul Takzim with a contract value of RM252.3 million.

CHAIRMAN'S STATEMENT
(Cont'd)

- On 28 May 2024, the Group announced that Fajarbaru Builder Sdn. Bhd. together with Avionics Pty Ltd has entered into a Deed of Amendment No. 2 to amend the Contract on the terms of the Deed including the amendment on the Planning Phase Milestone, to defer the Date for Delivery Phase Approval, to delete references to the Early Works from the Head Contract, and to vary the scope of the Minor Works Contract with an additional contract value of RM19.3 million. This development, which comes following an amendment to the contract, expands the scope of Fajarbaru's involvement in the design and construct infrastructure project to redevelop military facilities at the RMAF Base Butterworth, Penang, Malaysia.
- On 14 October 2024, the Group accepted a Letter of Offer from Penang Development Corporation ("PDC") in respect of the proposed joint development project between PDC and Fajarbaru known as Medi-City Bandar Cassia, Batu Kawan, Seberang Perai Selatan, Pulau Pinang, through a purchase and development arrangement. The Group will undertake Parcel 1 development, covering approximately 51.2 acres, for healthcare-related infrastructure, including a 200-bed specialist hospital and various medical facilities, as well as mixed-use development, comprising both residential and commercial components.
- On 16 October 2024, the Group announced that Fajarbaru Builder Sdn. Bhd. has received a Letter of Award from WCT Construction Sdn. Bhd. in respect of the Main Building Works for Section 2 : Phase 2 for the Proposed Two-Phase Development of 2 Blocks Serviced Apartment and commercial lots at Johor Bahru, Johor Darul Takzim with a contract value of RM246.1 million.

DIVIDENDS

The Board has declared two (2) interim dividends totalling to 1.00 sen per ordinary share for the financial year ended 30 June 2024 wherein a total of RM7.42 million was paid to the shareholders.

RM7.42 MILLION
was paid to the shareholders

MOVING FORWARD

As we anticipate a year of growth, our steadfast dedication to sound business practices remains central to our operations. We meticulously evaluate both risks and opportunities to ensure they align with our corporate strategy and vision. By maintaining a focused approach to improving business and financial performance, we are committed to delivering long-term value for our valued shareholders.

Our Group continues to concentrate on enhancing the performance of our core businesses while cautiously exploring new ventures with sustainable return potential. We adopt a prudent strategy, staying attuned to market dynamics in the current challenging business environment. Our objective is to navigate these complexities with precision, ensuring both business sustainability and positive financial results.

With over 48 years of industry experience, we are well-positioned to capitalise on economic recovery, steering us towards steady growth. This financial year, we are encouraged by the successful acquisition of new contracts and partnerships. These projects encompass high-rise residential buildings, affordable housing, retail complexes, serviced apartments, a golf club, and the redevelopment of military facilities.

Our Group remains committed to seeking new business opportunities and leveraging our strengths to generate sustainable revenue across both existing and new ventures. We have also established strategic partnerships, including with PDC for the development of Medi-City Bandar Cassia and the construction of a Centralised Labour Quarters ("CLQ") facility in Senawang, Seremban with Care Dynamic Sdn. Bhd.

Looking ahead, I am confident that the Group will remain resilient, effectively navigating any challenges while continuing to grow our business sustainably.

APPRECIATION

On behalf of the Board, I would like to express my deepest gratitude to our dedicated management team, employees, and business partners for their tireless efforts and unwavering commitment. Your dedication has been a cornerstone of our achievements. I am also profoundly thankful to our valued stakeholders—including clients, shareholders, business partners, bankers, and suppliers—whose trust and ongoing support have been essential to our continued success. We remain committed to nurturing and strengthening these vital relationships as we move forward.

A special note of appreciation goes to our esteemed Board members. Your leadership, strategic vision, and invaluable guidance have played an integral role in steering the Company through challenges and opportunities alike, and for that, I am sincerely grateful.

In conclusion, Fajarbaru is well-positioned to seize emerging opportunities, build on our successes, and create lasting value for all our stakeholders. As we embark on the next chapter of our journey, we look forward to your continued support and confidence as we work towards achieving sustained growth and long-term success.

Thank you once again.

TAN SRI DATO' SRI CHAN KONG CHOY
Group Executive Chairman

OUR ARCHIEVEMENTS & HIGHLIGHTS

INDUSTRY RECOGNITIONS

Nanyang Superb Brand Awards 2023 Innovative Property and Construction Brand Award

Platinum Business Award 2023 Outstanding Achiever Award

Best Value High-Rise Development in Malaysia by PropertyGuru Asia Property Awards (2022)

Provisional Green RE Certification Residential Category 2022

Infrastructure Contractor of the Year 2021

Paragon, Melbourne Best International Development iProperty Development Excellence Awards (iDEA) 2019

Paragon, Melbourne Best Residential High-Rise Development International Property Awards 2018-2019

Asiahub Trading Sdn Bhd 100 Outstanding SME Award Golden Bull Awards 2018

ISO 45001 : 2018 Occupational Health and Safety Management System

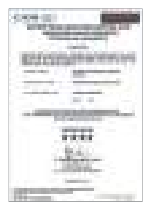
The BrandLaureate Brand Leadership Award 2017-2018

Gardenhill, Melbourne, Game Changer of the Year Award REA Excellence Award 2017

ISO 9001 : 2015 Quality Management System

SO 14001 : 2015 Environmental Management System

Green Building Index (Gold) – Gleneagles Hospital Kuala Lumpur



4-Star SHASSIC Certification – Ampang Line Extension Project

CIDB 5 Star

CORPORATE STRUCTURE

FAJARBARU BUILDER GROUP BHD
199301026907 (281645-U)
Investment Holding

- **100%** FAJARBARU BUILDER SDN BHD
  197601001406 (27198-T)
  Building & Civil Construction
- **100%** FAJARBARU LAND (M) SDN BHD
  200901008282 (851265-T)
  Investment Holding
  - **100%** FAJARBARU LAND SDN BHD
    199501015598 (344800-A)
    Property Development
  - **100%** WAJATEX SDN BHD
    199601006704 (379050-M)
    Property Development
  - **100%** RENOWAJA SDN BHD
    200801019419 (820729-W)
    Property Development
  - **100%** FBL DEVELOPMENT SDN BHD
    (formerly known as FB Cemara Sdn Bhd)
    202201015626 (1461323-M)
    Property Development
  - **55%** FAJARBARU REAL DEVELOPMENT SDN BHD
    202201017779 (1463476-H)
    Property Development
  - **60%** FAJARBARU DYNAMIC DEVELOPMENT SDN BHD
    202301025414 (1519337-X)
    Property Development
  - **51%** FAJARBARU-BEULAH (MELBOURNE) PTY LTD
    (169 430 246)
    Property Development
  - **49%** BEULAH NORTHCOTE LAND PTY LTD
    (622 225 192)
    Property Development
  - **45%** BEULAH FB FITZROY PTY LTD
    (657 634 163)
    Property Development
  - **44.44%** BFB PROJECT PTY LTD
    (615 616 843)
    Property Development
    - **50%** 320 QUEEN STREET PROJECT PTY LTD
      (615 814 009)
      Property Development
- **100%** POTENTIAL REGION SDN BHD
  199101018787 (229098-H)
  Property Development
- **100%** ASIAHUB TRADING SDN BHD
  201601025412 (1196351-D)
  Trading of Construction Materials
- **100%** FAJARBARU TRADING SDN BHD
  199301028227 (282965-H)
  Trading of Construction Materials
- **100%** FAJARBARU LOGISTICS SDN BHD
  201501023662 (1148991-K)
  Logistics Services
- **100%** FB WELLNESS SDN BHD
  202201023974 (1469671-W)
  Healthcare Services
- **100%** FB EVENT SDN BHD
  202201036774 (1482471-K)
  Event Management
- **100%** FB GREEN SDN BHD
  202401014155 (1560005-K)
  Renewable Energy
- **20%** KERJAYA JUTAMAS SDN BHD
  201601023301 (1194240-W)
  Logging & Timber Trading
- **51%** BILLION VARIETY SDN BHD
  200701000149 (758147-T)
  Logging & Timber Trading
  - **100%** SMOOTH ACCOMPLISHMENT SDN BHD
    201301036436 (1066265-P)
    Logging & Timber Trading
- **100%** FAJARBARU TIMBER SDN BHD
  202101012511 (1412810-W)
  Investment Holding
  - **70%** GRAND ACHIEVEMENT SDN BHD
    202101020243 (1420543-A)
    Logging & Timber Trading
- **100%** FAJARBARU PLANTATION SDN BHD
  202001025054 (1381374-M)
  Plantation
  - **91%** FAJARBARU AGRICULTURE SDN BHD
    202201011286 (1456983-X)
    Plantation

MANAGEMENT DISCUSSION AND ANALYSIS

Fajarbaru Builder Group Bhd. ("Fajarbaru" or "the Company") is an investment holding company with subsidiaries (collectively referred to as "the Group") engaged in various segments. These include construction, property development, logging and timber trading, trading of building materials, logistics, and plantation, operating in both Malaysia and Australia. The Company has been listed on Bursa Malaysia Securities Berhad since 1998.

The Management Discussion and Analysis section provides stakeholders with a detailed overview of the Group's business operations and financial performance for the financial year ended 30 June 2024. This analysis should be considered in conjunction with the Group's consolidated financial statements and the accompanying notes for a complete understanding.

INDUSTRY REVIEW AND OUTLOOK

In 2023, the Malaysian economy demonstrated continued strength and resilience. Despite external challenges, the economy grew by 3.7%, as reported by Bank Negara Malaysia ("BNM"), driven by robust domestic demand, a recovery in tourism, and improvements in labour market conditions. The economy continued its positive

trajectory in the first half of 2024, expanding by 5.1%, with indicators suggesting ongoing momentum driven by vigorous domestic consumption and increased export activity. BNM forecasts that full-year growth for 2024 will fall between 4.0% and 5.0%, largely supported by robust domestic demand and private sector investments.

Despite navigating a complex environment characterised by rising inflation, ongoing geopolitical tensions, and the enduring effects of the pandemic, Fajarbaru has shown remarkable resilience. The Company adeptly managed these challenges by implementing strategic measures and leveraging its core strengths, ensuring continued performance and growth even in uncertain times.

Sustainability is becoming increasingly important in the construction and property development industries, particularly as Malaysia aims to achieve net-zero carbon emissions by 2050. This target requires a shift to renewable energy sources, improvements in energy efficiency, and the adoption of sustainable practices across various industries. In response, the Group is actively exploring energy-efficient technologies, working to reduce its carbon footprint, and using environmentally friendly materials in its projects and operations. These efforts align with Malaysia's national sustainability goals and contribute to the broader objective of a more sustainable future.

OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS

During the FYE 2024, the Group achieved a solid financial performance through its core business segments: Construction and Property Development.

GROUP FINANCIAL REVIEW

Financial Performance

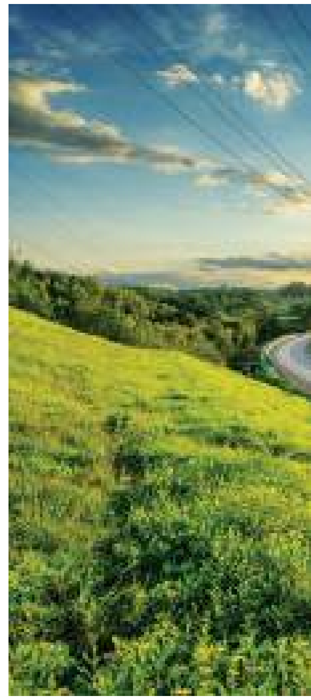
The Group reported a net profit of RM55.5 million for FYE 2024, marking a significant turnaround from a net loss of RM16.6 million the previous financial year. This improvement was driven by contributions from the Property Development segment, resulting in a revenue of RM497.4 million — its highest since the Group's initial public offering in 1998 and more than double the RM224.1 million reported for FYE 2023.

Fajarbaru's improved financial performance was largely attributed to the Property Development segment, which saw a dramatic increase in profit before tax ("PBT") of RM76.0 million in FYE 2024, from a loss before tax of RM10.7 million in FYE 2023. This growth was primarily driven by the Vierra Residence @ Kinrara development, which showed a higher work progress compared to the previous year.

The Group's balance sheet remains robust, with low borrowing levels and a strong cash reserve. As of 30 June 2024, total assets were RM645.9 million, compared to RM572.9 million as of FYE 2023. The gearing ratio continued to be at a manageable level of 16.9%. Our focus is on maintaining this strong financial position through careful capital and cash flow management.

Total Assets
RM646 MILLION

MANAGEMENT DISCUSSION AND ANALYSIS
(Cont'd)



Construction Segment
The Construction segment achieved a revenue of RM165.0 million in the current financial year, up from RM146.2 million in the previous year. Despite this increase in revenue, the segment reported a loss before tax of RM22.5 million for the current financial year, as compared to RM31.7 million loss before tax recorded in the previous financial year.

The revenue increase was primarily attributed to the commencement of new projects that began to contribute progressively to the segment's income. The loss before tax for the current financial year was largely due to the accounting elimination of intercompany profits from internal projects, as well as higher operating expenses due to start-up costs of new projects. In comparison, the loss before tax for the previous financial year was due to a one-off impairment loss on contract assets for a completed project.

Property Development Segment
The Property Development segment saw a substantial increase in revenue, rising from RM70.5 million in the previous financial year to RM306.2 million in the current financial year, marking an increase of over four times. Similarly, PBT saw a substantial rise, growing from RM17.2 million in the previous financial year as compared to RM95.1 million in the current financial year.

Residensi Intan @ Desa Green

MANAGEMENT DISCUSSION AND ANALYSIS
(Cont'd)

The increase in both revenue and PBT was largely attributed to the significant progress made on the Vierra Residence @ Kinrara development project. As the current financial year marks the peak of construction activities, majority of the revenue had been recognised during this period. Additionally, it is important to highlight that all units in this development have been completely sold.

Logging and Timber Trading Segment

In the Logging and Timber Trading segment, revenue rose significantly from RM2.40 million in the previous financial year to RM15.0 million in the current year. PBT also improved, from a loss before tax of RM1.46 million in the previous financial year to a profit before tax of RM4.74 million in the current financial year.

The increase in both revenue and PBT are mainly attributed to securing a permit to log a larger area within our concession during the current financial year compared to the previous year. The approval of this new timber block enabled the continuation of logging and timber trading activities.

Trading and Logistics Segments

The Trading segment saw a rise in revenue, increasing from RM3.47 million in the previous financial year to RM9.55 million in the current financial year. Additionally, the segment reported profit before tax of RM1.66 million, as compared to profit before tax of RM0.05 million reported in the previous year. The growth in revenue is primarily attributed to higher purchases of construction materials for the Group's ongoing projects within the Construction segment, as well as increased purchases from external contractors for their respective projects.

MANAGEMENT DISCUSSION AND ANALYSIS
(Cont'd)

In the Logistics segment, revenue slightly declined from RM1.17 million in the previous financial year to RM1.14 million in the current financial year. The segment also reported a reduced loss before tax of RM0.40 million this year, compared to a loss before tax of RM0.60 million last year. The minimal change in both revenue and loss before tax is mainly due to the routine operations of the segment, with no significant impact from special events or extraordinary circumstances.

REVIEW OF OPERATIONS

CONSTRUCTION

Malaysia's construction industry is projected to grow by 3% in tender prices for 2024, driven by diverse project types, strategic procurement methods, and currency fluctuations. This reflects a positive trend in construction costs, with the previously rapid escalations now stabilising. Despite facing challenges such as inflation and supply chain disruptions, the industry is adapting with moderate cost increases and improvements in logistics and supply chain stability.

However, the sector still grapples with issues such as rising overhead costs, and shortage of skilled labor, which may impact project delivery capacities. Major infrastructure projects like the Mass Rapid Transit 3 (MRT3), Penang Mutiara Light Rail Transit (LRT) and Penang International Airport expansion are expected to significantly contribute to this growth. Private sector projects continue to expand robustly, driven by substantial private investments. With strong government support, including the largest-ever budget for 2024 and an emphasis on public-private partnerships, the construction industry is well-positioned for sustained growth in the coming years.

The FYE 2024 commenced positively for the Group's Construction segment, with the Group successfully securing seven contracts so far, including three from the Australian Department of Defence. This promising start underscores the Company's proficiency in winning and executing high-value construction projects, fostering optimism for continued success.

Johore Golf & Country Club

Pavilion Mont' Kiara

Temasya Prisma

Desa Green @ Kuala Krai

The Construction segment will continue to focus on the Group's current projects such as Pavilion Mont' Kiara (Kuala Lumpur), Temasya Prisma (Selangor), Suria 2 (Seberang Perai Selatan, Penang), Royal Malaysian Air Force ("RMAF") (Penang) and its own property development projects such as Vierra Residence @ Kinrara. In addition to these current projects, the Group will strive to execute the following construction projects.

In March 2024, the Group accepted a Letter of Award from Tanjung Nakhoda (M) Sdn. Bhd. for the construction and completion of partially completed works of Johore Golf & Country Club ("JGCC") located in Johor Bahru, Johor Darul Takzim. The project involves the construction and completion of a 2-storey clubhouse and accompanying carpark, a 4-storey driving range complex featuring a one-storey multi-purpose hall and a carpark, a guard house, and an electricity sub-station. The contract which commenced on March 2024 and is scheduled for completion in November 2025. The JGCC construction project represents the Group's inaugural venture into Johor. In the same month, the Group was awarded a Minor Works Contract (International) from Australian Department of Defence, Commonwealth of Australia for the partial delivery phase (early works) of the design and construct infrastructure project to redevelop the Australian leased facilities and Malaysian facilities at RMAF Base Butterworth, Penang, Malaysia. This award further expanded the Group's involvement in the design and construct infrastructure project to redevelop military facilities at RMAF.

In April 2024, the Group was awarded a contract from Malaysia Airports (Sepang) Sdn. Bhd. for a proposed improvement and upgrading works for fire engineering system and other works at the existing satellite building, KLIA Terminal 1, KL International Airport, Sepang, Selangor Darul Ehsan. The contract which commenced in April 2024 and is scheduled to be completed by March 2025. In the same month, the Group was awarded a contract from WCT Construction Sdn. Bhd. for main building works for section 1 : phase one, a proposed two-phase development comprising 2 blocks of serviced apartments spread across 8 towers, totaling 2,048 residential units and 69 commercial units in Johor Bahru, Johor Darul Takzim. The contract commenced on May 2024 and is scheduled to be completed by May 2027.

MANAGEMENT DISCUSSION AND ANALYSIS
(Cont'd)

In May 2024, the Group secured an additional contract sum from the Australian Department of Defence. This development, which comes following an amendment to the contract, expands the scope of the Group's involvement in the design and construct infrastructure project to redevelop military facilities at the RMAF Base Butterworth, Penang, Malaysia. The total value secured for the project is RM39.05 million as of 28 May 2024.

In October 2024, the Group received a Letter of Award from WCT Construction Sdn. Bhd. for a proposed two-phase development of the main building works for section 2 : phase two. The development is located in Larkinton, Johor Bahru and the contract involves the construction of four serviced apartment towers, recreational facilities and amenities as well as a six-storey podium featuring car parks, commercial lots, and a lobby. Inclusive of the first phase which was also awarded to the Group in April 2024, this brings the total to eight serviced apartment towers. This contract commenced in the same month and is scheduled to be completed by October 2027.

These awarded contracts are anticipated to positively impact the Group's future earnings and net assets per share, starting from the financial year commencing 1 July 2024 and beyond. Currently, the Group's outstanding order book is valued at approximately RM1.23 billion with RM68 million contributed from the Group's internal development projects. Additionally, the Group is actively involved in bidding for new construction projects in both the private and government sectors, with a total tender book value of RM1.67 billion.

While the Group remains cautious and vigilant on the construction industry outlook, it is dedicated to identifying opportunities to expand its construction portfolio. As part of its growth strategy, Fajarbaru aims to secure new construction contracts to replenish its outstanding order book. With a track record of successfully completing diverse construction and infrastructure projects, including high-rise buildings, hospitals, railways, roads and airports, the Group is well-equipped and determined to bid for upcoming building construction, railway, and infrastructure projects.

PROPERTY DEVELOPMENT

Malaysia's real estate market is expected to remain stable and see positive growth in 2024, fuelled by increased foreign direct investment, economic stability, and strategic infrastructure developments. This optimistic forecast is set against a backdrop of strong economic performance and evolving investment trends that are reshaping the property landscape.

In the first quarter of 2024, the Malaysian property market reported a 34.3% growth compared to the same period in 2023, with over 104,297 transactions totalling RM56.53 billion. This marks a significant increase from 2023's 89,024 transactions valued at RM42.11 billion. Growth was evident across various property sub-sectors with the commercial sub-sector grew by 33.4%, residential by 16.6% and industrial by 14.3%. The residential sub-sector led market activities with over 62,000 transactions valued at RM25.0 billion. Continued government support, such as the extension of the stamp duty exemption for first home purchases valued at RM500,000 and below until December 2025, has been a catalyst for strengthening the real estate market.

As Malaysia navigates global uncertainties, its real estate market remains resilient and attractive, supported by strategic investments, infrastructure projects, and favorable economic policies.

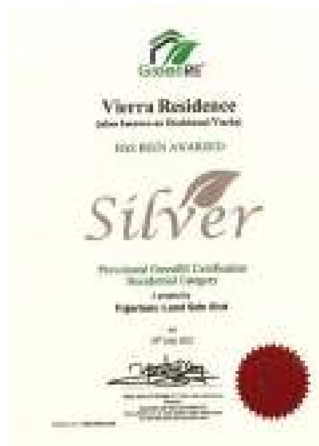
MANAGEMENT DISCUSSION AND ANALYSIS
(Cont'd)

In October 2024, the Group received the rights to develop Parcel 1 of Medi-City Bandar Cassia in Batu Kawan by Penang Development Corporation ("PDC"), spanning approximately 51.2 acres. Of this, 15.3 acres are earmarked for healthcare-related infrastructure, including a 200-bed hospital and various healthcare and medical facilities. The remaining 35.8 acres are allocated for mixed-use development, incorporating both residential and commercial elements.

Current Projects – Malaysia

Vierra Residence @ Kinrara (Kuala Lumpur)
The Group's second property development project in Malaysia, Vierra Residence @ Kinrara, was launched in the second quarter of 2022. With a GDV of RM482.5 million, all units were sold out by the first quarter of 2023. This development consists of two tower blocks, totalling 1,604 units, and aligns with the affordable housing initiative "Residensi Wilayah Keluarga Malaysia" (RUMAWIP), targeting the younger generation and the B40 and M40 income groups.

The project received the prestigious GreenRE Silver Certification (Provisional) under the Residential Building and Landed Home category, recognising its sustainable design features such as solar panels for renewable energy and a rainwater harvesting system. Additionally, in 2022, it was honored with the Best Value High-Rise Development award at the PropertyGuru Asia Awards in partnership with iProperty. The development is expected to be completed by the third quarter of 2025.




Vierra Residence @ Kinrara, KL

MANAGEMENT DISCUSSION AND ANALYSIS
(Cont'd)

Desa Green @ Kuala Krai (Kelantan)

Located in Kuala Krai, Kelantan, Desa Green is an integrated township covering approximately 146 acres. This township will include a commercial hub with amenities such as a superstore, boutique hotel, private hospital, and various other community facilities.

The first phase of this freehold development, Residensi Intan @ Desa Green, consists of 143 single-story terrace houses and 84 single-story semi-detached homes. The 23.59 acres development was opened for booking in the second quarter of 2023 and has an estimated GDV of RM69.8 million. Marketing efforts for the remaining units are ongoing, and the development is expected to be completed by the second quarter of 2025.

Residensi Intan @ Desa Green

Desa Green @ Kuala Krai

Current Projects – Australia

The Wilds (Melbourne)

The Wilds, situated in Northcote, Melbourne, is poised to set a new standard in sustainable design and will be the first carbon-neutral detached housing project in inner Melbourne. Comprising 15 fossil-fuel-free homes, each property features 100% electric systems, including integrated solar panels and induction cooktops. With an estimated GDV of AUD43.8 million, the project is expected to be completed by the third quarter of 2025.

Upcoming Projects – Malaysia

Centralised Labour Quarters (Negeri Sembilan)

This project involves the development and construction of a Centralised Labour Quarters ("CLQ") featuring 672 housing units designed to accommodate workers. The development consists of 12 blocks, with each block housing 56 living quarters. The CLQ is equipped with a range of amenities and facilities to ensure a comfortable living environment. Located in Sungai Gadut, Senawang, Seremban, Negeri Sembilan Darul Khusus, the project is a joint venture between Fajarbaru Land (M) Sdn. Bhd. and Care Dynamic Sdn. Bhd. and has a GDV of RM172.4 million.


The Wilds


The Wilds


The Wilds

MANAGEMENT DISCUSSION AND ANALYSIS
(Cont'd)

Medi-City Bandar Cassia
For Illustration Only

Medi-City @ Bandar Cassia (Penang)

The Group received the rights to develop the first parcel of Medi-City Bandar Cassia in Batu Kawan by PDC, covering approximately 51.2 acres. Of this area, 15.4 acres are allocated for healthcare-related infrastructure, which will include a 200-bed hospital and various healthcare and medical facilities. The remaining 35.8 acres are reserved for mixed-use development, incorporating both residential and commercial elements.

As part of the Medi-City Master Plan, which encompasses 235.8 acres, the Group aims to deliver a complete ecosystem of healthcare and medical facilities through the development of a medical hub, offering wide range of healthcare solutions such as preventive care, rehabilitation, diagnostic, treatment and wellness services. Additionally, Fajarbaru plans to establish a wellness village, a medical education hub, a hybrid health tech park, a waterfront commercial center, Fajarbaru Global Park, and seaview residences. In alignment with the government's agenda for sustainable development, Medi-City Bandar Cassia will feature an integrated district cooling system, green buildings, renewable energy sources, and EV charging hubs, fostering a smart and eco-friendly environment that adheres to the principles of environmental, social, and governance ("ESG") sustainability.

MANAGEMENT DISCUSSION AND ANALYSIS
(Cont'd)

Upcoming Projects – Australia

Fitzroy

The Group has acquired a piece of land in Fitzroy, Melbourne and the development is planned to have 46 apartments with built-up ranging from 700 sq ft to 1,496 sq ft (65 sqm – 139 sqm) and an estimated GDV of approximately AUD64.2 million. Currently, the project is undergoing approval procedures with relevant authorities and is scheduled for launch in July 2025.

LOGGING AND TIMBER TRADING

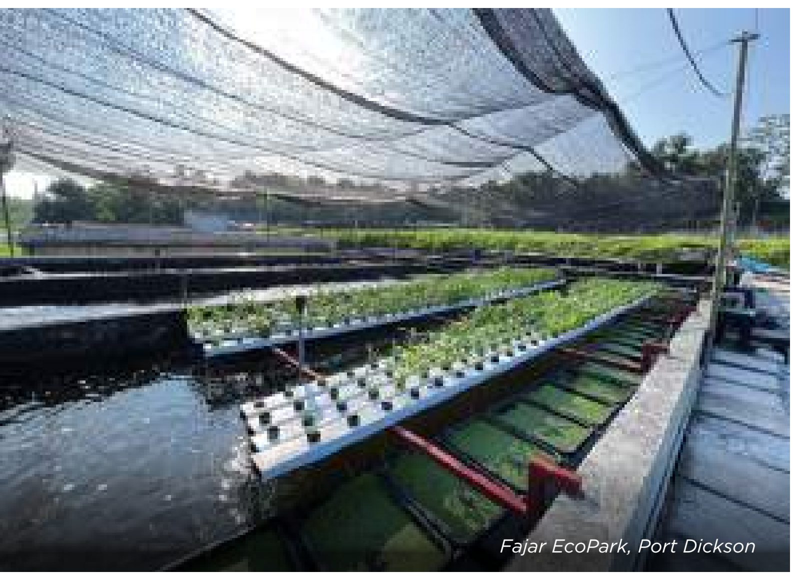
In the Logging and Timber Trading segment, the Group oversees around 20,468 acres of operational blocks through our subsidiaries and an associate company. These assets are expected to provide a sustainable boost to the Group's earnings in the near future.

PLANTATION

The Group has ventured into the Plantation sector, anticipating promising returns. Our operations in Jerantut, Pahang, span 600 acres and involve reforestation, fruit crop cultivation, and eucalyptus tree planting.

Additionally, the Group is working on an ecopark in Port Dickson, Negeri Sembilan, which is scheduled to open to the public in early 2025. The first phase of Fajar EcoPark will feature a restaurant overlooking a pond, designed with a nature-inspired aesthetic and 'kampung'-style outdoor dining structures arranged around the water. Fajar EcoPark will also include an exotic animal farm and various fruit plantations, such as durian, banana, and dragon fruit, along with a range of other attractions.

The Group remains committed to pursuing new opportunities and strategic acquisitions to strengthen our presence in this sector.



Fajar EcoPark, Port Dickson

Fajar EcoPark, Port Dickson

MANAGEMENT DISCUSSION AND ANALYSIS
(Cont'd)

LOOKING AHEAD

Going forward, the Group will continue to emphasise on its core segments: Construction, Property Development and Plantation, to ensure a steady revenue stream. We remain cautious and vigilant in addressing external challenges, such as rising interest costs and other uncertainties expected in the coming year. Nevertheless, we are confident that our divisions are well-positioned to seize new opportunities within their core business areas.

The Construction segment will prioritise efficient project execution and timely completion of its ongoing projects throughout Peninsular Malaysia. Fajarbaru takes pride in broadening the Group's project portfolio, extending from Penang and the Klang Valley to the east coast, and now into the southern regions of Peninsular Malaysia. Throughout FYE 2024, the division successfully retained its ISO 9001 (Quality Management System), ISO 45001 (Occupational Health and Safety Management System), and ISO 14001 (Environmental Management System) certifications. These certifications, recognised both internationally and locally, affirm our commitment to quality, health and safety, and environmental management. The segment remains actively engaged in tendering for new projects to grow its order book, while upholding a strong focus on cost management and operational efficiency.

The construction sector's heavy reliance on natural resources demands a reduction in its environmental impact. In response, the Group has adopted sustainable practices, including technologies like Building Information Modelling (BIM), Self-Climbing Platforms (SCP), and drones. These innovations enhance the efficiency of sustainable on-site planning and management throughout construction processes. The Group remains dedicated to embracing emerging technological advancements that offer new opportunities for implementing environmentally-friendly construction methods.

The Group remains steadfast to its strategic, long-term growth plan for its Property Development segment in Malaysia. The Group is progressing with its latest project, Desa Green, located in Kuala Krai, Kelantan. This freehold development's initial phase, Residensi Intan @ Desa Green, features single-story terrace and semi-detached homes with a GDV of RM69.8 million. The remaining land within Desa Green will be designated for future property development.

The strategic partnership with PDC for the development of Medi-City Bandar Cassia marks a significant milestone with long-term implications, solidifying Penang as a prominent regional and global medical hub. This ambitious Medi-City project is set to create over 5,000 high-quality jobs across various industries, from healthcare and research to technology and support services. Beyond job creation, the project is anticipated to unlock substantial economic value, benefiting both PDC and the broader Penang state economy.

The Group is actively seeking international opportunities in the property development sector, with a particular focus on Australia. The Group is eager to explore potential partnerships that could strengthen our presence and drive growth in the global market.

The Property Development segment's growth strategy is comprehensive and forward-looking. It is centered on strengthening its brand identity as a premier property developer by fostering strong demand in its targeted market segments. The strategy includes optimising operational efficiency through enhanced systems and processes, driving increased sales, and expanding digital capabilities to elevate customer service experiences. In addition, the division remains committed to embedding sustainability into its core practices. This commitment involves ensuring that every business decision aligns with financial objectives while also meeting environmental and social responsibility standards.

By integrating these strategic elements, the Group aims to enhance its competitive edge, drive sustainable growth, and deliver long-term value to stakeholders while upholding its commitment to responsible and innovative property development practices.

In the Plantation segment, the Company is optimistic about future revenue growth, largely driven by its sustainable durian plantation, which benefits from robust international demand, particularly from China. To support the expansion of its durian cultivation, the Company plans to acquire additional land, aiming to boost long-term growth prospects for durian sales as the fruits mature and become ready for harvest. As part of its growth strategy, Fajarbaru is also open to forming partnerships with landowners through contract farming arrangements. These agreements would grant the Company rights to utilise land for a specified period, during which it would handle all aspects of planting, managing, maintaining, and harvesting the crops.

MANAGEMENT DISCUSSION AND ANALYSIS
(Cont'd)

The Group has also recognised the potential of eucalyptus plantations, which thrive in tropical and subtropical climates due to their adaptability. Consequently, the Group has strategically cultivated approximately 100 acres of eucalyptus trees at its Jerantut plantation. This initiative is based on the trees' rapid growth and potential for profitability, enhancing the segment's overall value.

Additionally, the Group is exploring innovative sustainability measures such as microalgae and black soldier fly ("BSF") technologies within its Plantation segment. Microalgae play a crucial role in carbon capture, converting carbon dioxide into organic matter, and can be utilised as biofertiliser to enhance soil health and crop yields, particularly in Fajar EcoPark. The Group is also exploring microalgae-based fertilisers and biostimulants to further support our sustainability goals. Concurrently, BSF technology is being employed to efficiently process organic waste into valuable fertiliser. For more information on our sustainability efforts, please refer to our Sustainability Statement.

Fajar EcoPark aims to offer a variety of recreational activities designed to enhance visitor experiences and increase the value of its Port Dickson land. Future activities will include camping, all-terrain vehicle (ATV) rides for exploring the park's scenic landscapes, fishing, and various family-oriented events. By providing these engaging experiences, Fajarbaru seeks to create added value for the land and attract a diverse range of visitors.

The Group is actively progressing in its digital transformation efforts to optimise operations and enhance overall efficiency. As part of this initiative, we are addressing the growing cybersecurity challenges that threaten sensitive data and operational integrity. To mitigate these risks, the Group has implemented a range of measures, including upgrading our network infrastructure,

Fajar EcoPark, Port Dickson

enhancing firewall protections, and deploying advanced anti-threat systems. Additionally, we have strengthened our Information Technology (IT) policies and introduced comprehensive cybersecurity training for our staff. These initiatives are designed to bolster data protection for both our clients and employees. Looking ahead, future efforts will focus on upgrading our Enterprise Resource Planning (ERP) system to further streamline processes and improve data management.

At Fajarbaru, we are dedicated to embedding sustainability into every facet of our construction and property development practices. In response to critical sustainability challenges, including climate change, biodiversity loss, social inequalities, and ethical issues, we have implemented robust governance mechanisms to ensure the achievement of our sustainability objectives.

For FYE 2024, Fajarbaru engaged an ESG consultant to evaluate the Group's impact on the economy, environment, and society, including human rights, in a rigorous and credible manner. This engagement included a comprehensive materiality assessment conducted through sustainability surveys distributed to stakeholders via various channels such as town halls, training sessions, notices, and emails. The surveys revealed the sustainability issues most pertinent to our diverse stakeholder groups, resulting in the identification of 14 key material matters along with their associated risks and opportunities.

Additionally, the Sustainability Working Group ("SWG") collaborated with the ESG consultant to review the Group's policies and established a sustainability framework. Moving forward, we will develop a more strategic and focused approach based on the 14 key material matters and the baseline carbon emission inventories.

The advancements and innovations we have achieved this year will establish a robust foundation for our future success. As we continue to enhance the efficiency and resilience of our existing initiatives, we are also actively exploring new strategic opportunities. These efforts are designed to position us more effectively to address future challenges and seize emerging opportunities, ensuring sustained growth and adaptability in an evolving market.

Dato' Sri Kuan Khian Leng
Group Chief Executive Officer

BOARD OF DIRECTORS

TAN SRI DATO' SRI CHAN KONG CHOY

Group Executive Chairman, Executive Director

Male | Age 69 | Malaysian

- Appointed on 1 April 2021
  - Independent Non-Executive Chairman
- Re-designated on 16 December 2021
  - Group Executive Chairman
- Directorship in Other Listed Company
  - P.A. Resources Berhad (Executive Chairman)

QUALIFICATION

- Post-graduate Diploma in Education, University of Malaya, Malaysia
- Bachelor of Arts in Chinese Studies (First Class Honours), University of Malaya, Malaysia

EXPERIENCE

Tan Sri Dato' Sri Chan started his career in 1980 as a Language Teacher, Malaysia Agriculture University (now known as University Putra Malaysia) where he remained until 1985. In 1986, he was appointed as the Political Secretary to the Minister of Housing & Local Government. He was elected as the State Assemblyman for Tanah Rata the same year and was later appointed as an Executive Council (EXCO) member of the Pahang State Government where he remained until 1990. He was the Member of Parliament for Lipis, Pahang from 1990 to 1995 and Selayang, Selangor from 1995 to 2008. He was the Deputy Minister of Culture, Arts & Tourism from 1990 to 1995. He was appointed as the Deputy Minister of Energy, Communications & Multimedia in 1995 to 1999 and then the Deputy Minister of Finance from 1999 to 2003. He became the Minister of Transport in 2003 until 2008.

Tan Sri Dato' Sri Chan is currently the Adjunct Professor to the Faculty of Arts and Social Sciences, University of Malaya and was appointed to this position in 2017. He was also the Independent Non-Executive Director and Chairman of the Remuneration Committee in Nirvana Asia Ltd, a company listed on Hong Kong Stock Exchange, from 2014 to 2016.

In January 2024, Tan Sri Dato' Sri Chan was appointed as the new Chairman to the Board of Governors and Alumni Council of Tunku Abdul Rahman, University of Management and Technology.

OTHER INFORMATION

Tan Sri Dato' Sri Chan is the uncle of Ir. Kong Kam Loong, Group Executive Director of the Company. He does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries.

BOARD OF DIRECTORS
(Cont'd)

TAN SRI DATO' SRI KUAN PENG CHING @ KUAN PENG SOON
Deputy Chairman, Non-Independent Non-Executive Director

Male | Age 79 | Malaysian

- Appointed on 1 April 2021
  - Non-Independent Non-Executive Deputy Chairman
- Committee
  - Remuneration Committee (Chairman)
- Directorship in Other Listed Company
  - Star Media Group Berhad (Non-Independent Non-Executive Deputy Chairman)

QUALIFICATION
- Bachelor of Engineering in Electrical Engineering, University of Adelaide, South Australia
- Member of the Institution of Engineers, Malaysia (IEM)

EXPERIENCE
Tan Sri Dato' Sri Kuan joined Fajarbaru Builder Group Bhd as a Director and Non-Executive Chairman from 2006 to 2012. He was re-designated as Executive Chairman from 2012 until 2015. He was then re-designated as Non-Executive Chairman until 2016.

Tan Sri Dato' Sri Kuan is on the Board of Trustee of Star Foundation. He also sits on the board of several private companies.

OTHER INFORMATION
Tan Sri Dato' Sri Kuan is the father of Dato' Sri Kuan Khian Leng, Group Chief Executive Officer of the Company. He does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries.

DATO' SRI KUAN KHIAN LENG
Group Chief Executive Officer, Executive Director

Male | Age 48 | Malaysian

- Appointed on 22 June 2017
  - Executive Director
- Re-designated on 1 April 2021
  - Group Chief Executive Officer
- Directorship in Other Listed Company
  - OKA Corporation Bhd (Independent Non-Executive Director)

QUALIFICATION
- Master in Management Science & Operational Research, University of Warwick, United Kingdom
- Bachelor in Civil Engineering (First Class Honours), University of Warwick, United Kingdom

EXPERIENCE
Dato' Sri Kuan started his career as a Civil and Structural Engineer in Sepakat Setia Perunding Sdn Bhd in year 2000. In March 2002, he joined Citibank Berhad as Assistant Manager and subsequently held several managerial positions in the Marketing, Project Management and Risk Management departments. In July 2006, he held the position of Business Intelligence Head in Kuwait Finance House (Malaysia) Berhad. He served as the Executive Director of Mexter Technology Berhad from June 2007 to December 2015, overseeing the operations, business development and marketing activities of the company. He joined Fajarbaru as a Director in 2015.

Dato' Sri Kuan has more than 20 years of experience across the banking, ICT, engineering and construction industries. He is currently the Vice President of Master Builders Association Malaysia (MBAM). Additionally, he is a panel advisor for the bachelor's programme in civil engineering at the Faculty of Engineering, Universiti Putra Malaysia.

Dato' Sri Kuan is an active member of Lions Club of Kuala Lumpur Elite (District 308B1), a non-profit voluntary service organisation serving the community and elected as President for the term 2024 – 2025.

OTHER INFORMATION
Dato' Sri Kuan is the son of Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon, a substantial shareholder and Deputy Chairman of the Company. He does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries.

BOARD OF DIRECTORS
(Cont'd)

TAN SRI DATUK SERI LAU KUAN KAM
Group Executive Director

Male | Age 61 | Malaysian

- Appointed on 3 December 2020
  - Group Executive Director
- Directorship in Other Listed Company
  - P.A. Resources Bhd (Group Managing Director)

QUALIFICATION
- Master of Business Administration, Senior University International, State of Wyoming, United States of America

EXPERIENCE
Tan Sri Datuk Seri Lau began his career in 1981 as a Sales & Marketing Representative with Union Auto Mobil after graduating from high school. In 1987, he joined Bio-Organo Fertilizer Sdn Bhd as Marketing Manager. In 1990, he founded Twin Arrow Fertilizer Sdn Bhd in the field of manufacturing fertiliser product. Over the decades, Twin Arrow Group has grown into one of the largest manufacturers of compound, compact, mixtures and organic hybrid fertilisers in Malaysia. He is also the founder of Rahmat Dhuha Palm Oil Plantation Sdn Bhd and Zan Dong Sdn Bhd for palm oil and durian fruit plantation. He possesses passion, great knowledge and experience in plantation management.

Tan Sri Datuk Seri Lau was awarded numerous entrepreneurship recognition and titles throughout the years such as Malaysia Golden Entrepreneur Award and so on including the award of Panglima Setia Mahkota by the Yang di-Pertuan Agong in 2023.

OTHER INFORMATION
Tan Sri Datuk Seri Lau is not related to any Directors or major shareholders of the Company. He does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries.

IR. KONG KAM LOONG
Group Executive Director

Male | Age 47 | Malaysian

- Appointed on 1 April 2021
  - Group Executive Director

QUALIFICATION
- Professional Engineer, Institute of Engineers Malaysia (IEM)
- Bachelor of Engineering (Civil) (Upper Second Class Honours), University of Technology Malaysia (UTM), Malaysia

EXPERIENCE
Ir. Kong joined Fajarbaru as a Director in 2015. He has more than 22 years of experience in the construction industry involving in civil and structural design, planning and management for site operations.

OTHER INFORMATION
Ir. Kong is a nephew of Tan Sri Dato' Sri Chan Kong Choy, Group Executive Chairman of the Company. He does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries.

BOARD OF DIRECTORS
(Cont'd)

DATO' LIM SIEW MEI
Non-Independent Non-Executive Director

Female | Age 42 | Malaysian

- Appointed on 1 March 2018
  - Non-Independent Non-Executive Director
- Committee
  - Nominating Committee (Member)
- Directorship in Other Listed Company
  - P.A. Resources Bhd (Independent Non-Executive Director)

QUALIFICATION
- Master of Banking and Finance, Monash University, Australia
- Degree in Bachelor of Commerce in Accounting and Finance, Deakin University, Australia

EXPERIENCE
Dato' Lim holds directorship in several private limited companies and has more than 17 years of experience in various industry.

Dato' Lim has in 2024 appointed as the Executive Committee for Timber Trade Federation Malaysia, representing the Persatuan Pengusaha Kayu-Kayan Negeri Pahang.

OTHER INFORMATION
Dato' Lim is not related to any Directors or major shareholders of the Company. She does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries.

DATO' NORASNI BINTI AYOB
Independent Non-Executive Director

Female | Age 62 | Malaysian

- Appointed on 16 December 2021
  - Independent Non-Executive Director
- Committee
  - Nominating Committee (Chairman)
  - Audit Committee (Member)

QUALIFICATION
- Master in Business Administration, Nottingham Trent University, United Kingdom

EXPERIENCE
Dato' Norasni was a senior banker with over 3 decades of experience in two leading banks, infusing high performance, innovation and risk management. She served Public Bank Berhad for more than 29 years, where she held various management position before leaving to join Bank Islam Malaysia Berhad in 2011 as the Chief Operating Officer (COO) for 6 years. Dato' Norasni's specific areas of expertise includes financial management, banking operations, business process management and transformation planning.

Dato' Norasni currently serves on the Board of Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN). In 2024, she was appointed as Adjunct Professor to the Faculty of Entrepreneurship and Business, University Malaysia Kelantan.

OTHER INFORMATION
Dato' Norasni is not related to any Directors or major shareholders of the Company. She does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries.

BOARD OF DIRECTORS
(Cont'd)

DATUK YOO WEI HOW
Independent Non-Executive Director

Male | Age 51 | Malaysian

- Appointed on 23 October 2023
  - Independent Non-Executive Director
- Committee
  - Audit Committee (Member)
  - Remuneration Committee (Member)

QUALIFICATION
- Master of Science (Management), Asia e University
- Diploma in Management, Institute of Professional Manager and Administration, United Kingdom

EXPERIENCE
Datuk Yoo held the position of Private Secretary to the Minister of Human Resources in 1999. In 2003, he served as the Press Secretary to the Minister of Transport and subsequently in 2007, he assumed the role of Political Secretary to the Minister of Transport. Datuk Yoo was the Political Secretary to the Minister of Health in 2008 and in 2014, he was a Senator at the Upper House for the Parliament of Malaysia. Then, in 2018, he took on the role of Managing Director at PRG Agro Sdn Bhd, a subsidiary of PRG Holding Berhad.

Datuk Yoo has over two decades of extensive experience encompassing marketing, business development, public relations, training, and a diverse array of other fields. He has held various senior roles in a range of industries ranging from food and beverages, real estate, training, research, oil and gas and plantation companies. In the past few years, Datuk Yoo has actively participated in logging, teak wood plantation, timber export, Albizia planting, pineapple plantation, fruit branding and marketing, durian plantation, durian export and packaging.

Previously, Datuk Yoo held positions on the Board of Governors for SJK Sg Long and SMJK Keat Hwa and served as the advisor for Lions Club Kuala Lumpur/Selangor. Datuk Yoo currently holds the role of Vice President for the Malaysia One Belt One Road Council.

OTHER INFORMATION
Datuk Yoo is not related to any Directors or major shareholders of the Company. He does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries.

OOI LENG CHOOI
Independent Non-Executive Director

Male | Age 58 | Malaysian

- Appointed on 12 December 2001
  - Executive Director
- Re-designated on 24 February 2016
  - Non-Independent Non-Executive Director
- Re-designated on 28 August 2018
  - Independent Non-Executive Director
- Committee
  - Audit Committee (Chairman)
  - Nominating Committee (Member)
  - Remuneration Committee (Member)
- Directorship in Other Listed Company
  - Careplus Group Bhd (Independent Non-Executive Director)

QUALIFICATION
- Chartered Accountant, Chartered Institute of Management Accountants (CIMA)
- Member of the Malaysian Institute of Accountants (MIA)
- Member of the Certified Financial Planner (CFP).

EXPERIENCE
He has more than 24 years of working experience in handling corporate finance and general management with two (2) listed companies prior in joining the Company.

OTHER INFORMATION
Mr. Ooi is not related to any Directors or major shareholders of the Company. He does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries.

CONVICTIONS FOR OFFENCES OF DIRECTORS

None of the Directors have been convicted for any offences within the past five (5) years other than traffic offences, if any.

DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

There were five (5) Board Meetings held during the financial year ended 30 June 2024. Details of attendance of Directors at Board Meetings are as follows:-

NAME	STATUS OF DIRECTORSHIP	ATTENDANCE OF MEETINGS
Tan Sri Dato' Sri Chan Kong Choy	Group Executive Chairman, Executive Director	5/5
Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon	Deputy Chairman, Non-Independent Non-Executive Director	5/5
Dato' Sri Kuan Khian Leng	Group Chief Executive Officer, Executive Director	5/5
Tan Sri Datuk Seri Lau Kuan Kam	Group Executive Director	4/5
Ir. Kong Kam Loong	Group Executive Director	5/5
Dato' Lim Siew Mei	Non-Independent Non-Executive Director	4/5
Dato' Norasni Binti Ayob	Independent Non-Executive Director	5/5
Datuk Yoo Wei How[2]	Independent Non-Executive Director	3/3
Ooi Leng Chooi	Independent Non-Executive Director	5/5
Dato' Ismail Bin Haji Omar[1]	Independent Non-Executive Director	0/0

[1] *Retired on 18 August 2023*
[2] *Appointed on 23 October 2023*

DATE, TIME AND VENUE OF BOARD MEETINGS

All Board Meetings for the financial year ended 30 June 2024 were held in hybrid manner with the physical venue at Fajarbaru Quality Room, No. 61 & 63, Jalan SS6/12, Kelana Jaya, 47301 Petaling Jaya, Selangor, except for the Board Meeting held on 23 May 2024 at the Deluxe Room, The Majestic Hotel Kuala Lumpur, No. 5, Jalan Sultan Hishamuddin, 50000 Kuala Lumpur.

The date and time of the Board Meetings were as follows:

DATE	TIME
30 August 2023 (Wednesday)	3.30 p.m.
23 October 2023 (Monday)	11.30 a.m.
27 November 2023 (Monday)	10.30 a.m.
26 February 2024 (Monday)	11.00 a.m.
23 May 2024 (Thursday)	2.30 p.m.

SENIOR MANAGEMENT TEAM

CHARLES TAN TING LIH

Chief Financial Officer

Male | Age 48 | Malaysian

- Joined on June 2011
- Re-designated on February 2024
  - Chief Financial Officer

QUALIFICATION

- Chartered Accountant
- Member of the Malaysian Institute of Accountants (MIA)
- Bachelor of Business (Accounting), Charles Sturt University, Australia

EXPERIENCE

More than 20 years of experience in the fields of accounting, corporate finance, fund raising, financial analysis and planning, statutory reporting and general management.

WONG WEE KEONG

Director of Contract & Trading

Male | Age 58 | Malaysian

- Joined on December 2010

QUALIFICATION

- Master in Quantity Surveyor, Heriot Watt University, United Kingdom

EXPERIENCE

More than 38 years of experience in the construction industry. His responsibility involved overseeing, supervision and coordinate the operations of the contract and purchasing departments.

TS. TAN WEI OON

General Manager, Civil & Engineering

Male | Age 41 | Malaysian

- Joined on November 2015

QUALIFICATION

- Master of Project Management, Universiti Tunku Abdul Rahman (UTAR), Malaysia
- Bachelor of Science (Hons) in Construction Management, Universiti Tunku Abdul Rahman (UTAR), Malaysia

EXPERIENCE

More than 17 years of extensive experience in the construction industry. He is responsible for the strategic oversight and management of complex projects. His role encompasses the full project lifecycle, ensuring that projects are executed on time, within budget, and to the highest standards of quality and safety.

ALLEN KANG SEOK CHUN

General Manager, Contract

Male | Age 40 | Malaysian

- Joined on August 2016

QUALIFICATION

- Bachelor of Science in Quantity Surveying, Heriot Watt University, United KIngdom

EXPERIENCE

More than 17 years of experience in the construction industry. He is responsible for Post Contract for Contract Department of the Construction Division.

SENIOR MANAGEMENT TEAM
(Cont'd)

ROY WONG SEONG ZENG
General Manager, Property

Male | Age 40 | Malaysian

- Joined on April 2024

QUALIFICATION
- Bachelor of Engineering (Civil), University of Melbourne, Australia

EXPERIENCE
More than 15 years of experience in the property development industry. His specialties include design development and project implementation of various development types from landed to mix developments and commercial properties. He is responsible to lead, strategise and manage the operations for the Property Development team.

COCO OOI PHEI PHEI
General Manager, Business Development, Marketing & Sales cum Customer Relationship Management

Female | Age 37 | Malaysian

- Joined on February 2017

QUALIFICATION
- International Executive Master in Business Administration, Asia Metropolitan University, Malaysia

EXPERIENCE
More than 11 years of experience in real estate industry. She leads the Marketing & Sales, Customer Relationship and Management (CRM), and Credit Admin teams, and involved in product development and feasibility study to explore new business opportunities for the property division. She is currently serving as Deputy Secretary of Real Estate and Housing Developers' Association Youth Malaysia (REHDA Youth).

JENNY FOO MAY CHING
Assistant General Manager, Group Marketing & Communication

Female | Age 50 | Malaysian

- Joined on December 2017

QUALIFICATION
- Master in Sustainable Development Management Jeffrey Sachs Centre, Sunway University, Malaysia
- Bachelor of Business (Marketing and Management), University of Technology, Sydney, Australia

EXPERIENCE
More than 25 years of marketing, communications, and sales operations working experience in the automotive, construction, property and retail industries. She is responsible for the communications and marketing for the Group.

CHAN CHUI KUAN
Assistant General Manager, Human Resources

Female | Age 46 | Malaysian

- Joined on March 2010

QUALIFICATION
- Master of Business Administration, Victoria University, Australia
- Bachelor Degree of Science - Computer Science, TAR UMT (Formerly Tunku Abdul Rahman College), Malaysia

EXPERIENCE
More than 20 years of experience in the various industries. Her main role is leading the Human Resources Department.

SENIOR MANAGEMENT TEAM
(Cont'd)

NG KOK WAI
Senior Operation Manager

Male | Age 61 | Malaysian

- Joined on May 2014

EXPERIENCE
More than 34 years of corporate experience in Public Relations, Issues Management and Marketing. He started as a journalist for Nanyang Siang Pau in the 1980's for 12 years before heading Media and Marketing of Genting Malaysia Berhad (formerly Resorts World Bhd) for 10 years. He was appointed Press Secretary to the Minister of Transport between 2007 and 2008. He is responsible for the day-to-day business operations of the logging and timber trading division.

LEE KUN WAH
Senior Manager, Ecotourism

Male | Age 61 | Malaysian

- Joined on March 2021

QUALIFICATION
- Bachelor in Economics, University Kebangsaan Malaysia, Malaysia

EXPERIENCE
More than 33 years of marketing experience in the tourism industry. He leads the Group's plantation and eco-tourism project at Port Dickson and oversees the operation at Port Dickson site.

EVELYN ONG SOK NEO
Senior Manager, Sustainability

Female | Age 36 | Malaysian

- Joined on February 2019

QUALIFICATION
- Bachelor of Arts with Honours in International Business, University of East London, United Kingdom
- Certified Sustainability Reporting Specialist, accredited by the Institute of Certified Sustainability Practitioners (ICSP)

EXPERIENCE
More than 10 years of experience in automotive industry. She has worked with renowned brands such as Ferrari, Maserati, Rolls-Royce, Jaguar Land Rover, and Volvo, specialising in marketing and CRM operations. In her current role, she is responsible for leading the company's sustainability initiatives on environmental, social, and governance (ESG) compliance, developing comprehensive strategies, and implementing best practices to ensure long-term value.

ADDITIONAL
COMPLIANCE INFORMATION

1. **Utilisation of Corporate Exercise Proceeds**

   For the financial year ended 30 June 2024, there were no proceeds raised by the Company from any corporate proposal.

2. **Total Audit and Non-Audit Fee Payable to External Auditors**

	The Group		The Company	
	2024 (RM'000)	**2023 (RM'000)**	**2024 (RM'000)**	**2023 (RM'000)**
1. Audit Fee	320	304	71	73
2. Non-Audit Fee	9	9	9	9
Total fee payable to External Auditors	329	313	80	82

3. **Profit Guarantee**

   Claim by Fajarbaru Builder Group Bhd ("FBG") against Cashrep Holdings Sdn. Bhd. ("Cashrep") and Cita Jati Sdn. Bhd. ("Cita Jati").

   - FBG's claim is based on Profit Guarantee Agreement and a Supplemental Profit Guarantee Agreement both executed by Cashrep and Cita Jati in favour of FBG.
   - On 23 November 2006 and 11 April 2007, the Company has obtained Winding-Up Orders from the Court against Cita Jati and Cashrep respectively. The Official Receiver from the Jabatan Insolvensi, Wilayah Persekutuan was appointed as liquidator for both companies.

4. **Recurrent Related Party Transactions**

   There were no recurrent related party transactions during the financial year ended 30 June 2024.

5. **Material Contracts Involving Directors and Substantial Shareholders**

   There were no material contracts involving directors and substantial shareholders during the financial year ended 30 June 2024.

6. **Revaluation Policy**

   The Group did not adopt a policy on regular revaluation of its landed properties.

SUSTAINABILITY STATEMENT

OUR FINANCIAL YEAR 2024 SUSTAINABILITY STATEMENT ("SUSTAINABILITY STATEMENT" OR "THE STATEMENT") PROVIDES AN OVERVIEW OF FAJARBARU BUILDER GROUP BHD'S ("FAJARBARU" OR "GROUP") SUSTAINABILITY INITIATIVES AND PRACTICES, HIGHLIGHTING OUR ECONOMIC, ENVIRONMENTAL, SOCIAL, GOVERNANCE ("ESG") IMPACTS.

Our desire to minimise environmental impact while producing value for our stakeholders and future generations stems from Fajarbaru's dedication to sustainability. In FYE 2024, we have established our sustainability framework and revised our material topics. The details of these activities will be further elaborated in later part of this report.

Our core values of Integrity, Quality, Safety, Innovation and Respect are our main focus in ESG to ensure the commitment of incorporating best practices in our operations. In order to ensure our long-term business success, we are dedicated to improving our sustainability practices in accordance with latest edition of Bursa Malaysia's Sustainability Reporting Guide and supporting the Sustainable Development Goals ("SDGs").

SCOPE

Fajarbaru formally discloses the sustainability management and initiatives on an annual basis.

The statement has been prepared in accordance with Practice Note 9 of Bursa Malaysia's Main Market Listing Requirements, guided by Bursa Malaysia's Sustainability Reporting Guide. This Sustainability Statement covers the reporting period between 1 July 2023 to 30 June 2024.

The information presented in the Statement primarily covers the Group's Construction and Property Development activities in Malaysia, unless otherwise stated. Data for financial year 2024 disclosed in this statement has been verified by the Group's Internal Audit Department.

More information on Fajarbaru's group of companies can be viewed in the Corporate Structure section of this annual report. The terms "Fajarbaru", "Fajarbaru Group", "Group", and "we" refer to Fajarbaru Builder Group Bhd and/or its divisions and subsidiaries. We aim to expand our scope of reporting to include other business segments in the future.

We aim to continuously improve our sustainability disclosures and we appreciate your thoughts and feedback on our sustainability initiatives, reporting and communication. Please send your feedback to:

Evelyn Ong
Senior Manager, Sustainability
No. 61 & 63, Jalan SS6/12, Kelana Jaya,
47301 Petaling Jaya,
Selangor Darul Ehsan, Malaysia
sustainability@fajarbaru.com.my

SUSTAINABILITY GOVERNANCE

At Fajarbaru, our sustainability governance structure aims to strengthen the Group's commitment to ESG by embedding it into our sustainability strategy. This approach ensures accountability for both our established initiatives and management processes.

Group's Sustainability Organisation Structure

The sustainability related Key Performance Indicators ("KPIs") have been incorporated into the annual appraisal performance of management and employees since 2022. At Fajarbaru, there is a strong recognition of the importance of sustainability. It is a top priority for the board, senior management, and employees to grasp the sustainability risks and opportunities that may affect the Group. Fajarbaru's Sustainability Policy can be viewed at https://fajarbaru.com.my/investor-relations/corporate-governance/

Our Board of Directors oversees all ESG matters, which includes, but not limited to, monitoring carbon footprint, promoting diversity and inclusion, upholding ethical business practices, supply chain management, and ensuring transparent reporting.

Board of Directors ("BOD")

The BOD is primarily responsible for the Group in overseeing and ensuring effective implementation of sustainability strategy to be aligned with the company's strategies and priorities.

Group Chief Executive Officer ("Group CEO")

The Group CEO is the key designated person to provide dedicated focus to lead the charge and responsible to manage sustainability strategically, including the integration of sustainability considerations in the operations of the Group. The Sustainability Committee Meeting was chaired monthly by the Group CEO.

Sustainability Steering Committee ("SSC" or "Committee")

The Committee will steer the sustainability agenda for the Group and will be responsible to develop comprehensive strategies, implement management programmes as well as monitor our progress towards improving sustainability performance. The key SSC meeting was conducted quarterly.

The Management ("TM")

The Management mainly supports the SSC, enhance our sustainability practices and to develop long-term solutions to manage our intangible value drivers. The business divisions consist of all business units. The Sustainability Committee Meeting was conducted monthly.

Sustainability Governance (Cont'd)

On 21 June 2024, a training on Sustainability Reporting and Anti-Bribery & Anti-Corruption ("ABC") was conducted for board of directors and senior management. Separate sessions were conducted for our employees on 14 June 2024.

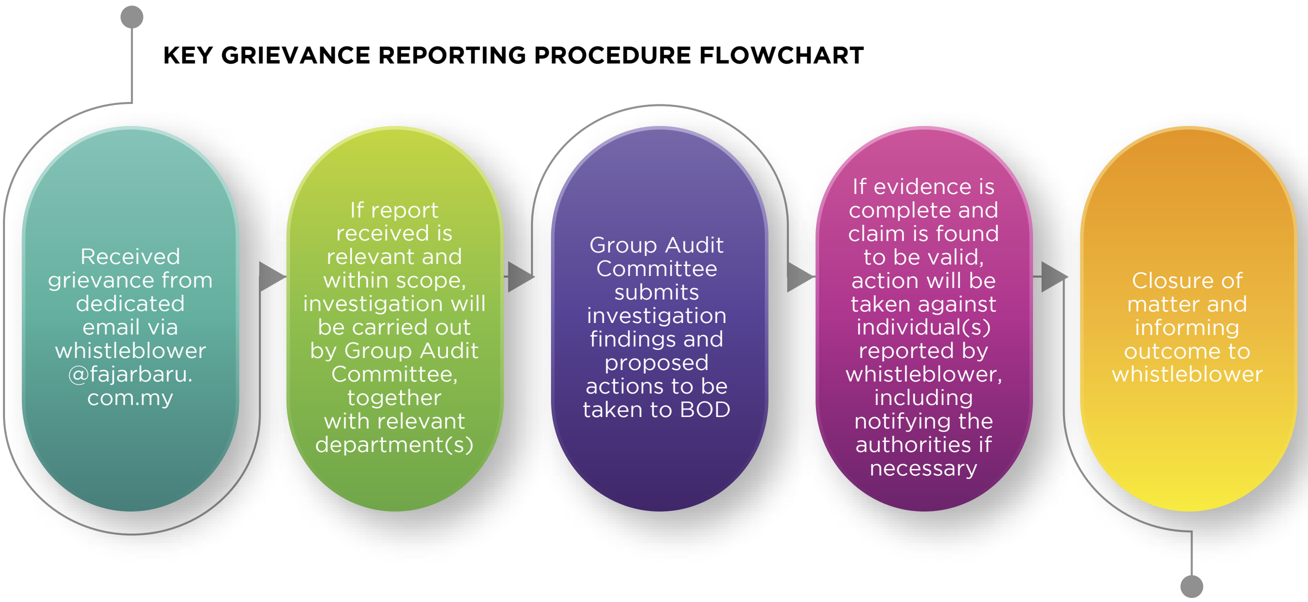
COMMITMENT TO GOOD BUSINESS CONDUCT

The Group is committed to maintaining the highest standards of integrity and transparency in all its operations. We have implemented anti-corruption approach to prevent and address any form of corruption or unethical behaviour. We aim to safeguard our business practices and ensure compliance with legal and regulatory requirements. By fostering a culture of honesty and accountability, we create a foundation of trust, maintain our business integrity, and drive long-term sustainability.

All our stakeholders are encouraged to submit grievances via whistleblower@fajarbaru.com.my if they encounter any misconduct or unethical behaviour. We assure that all submissions will be handled confidentially, with anonymity fully protected throughout the process while ensuring prompt investigation and resolution.

SUSTAINABILITY STATEMENT
(Cont'd)

Commitment to Good Business Conduct (Cont'd)



No.	Item	No. / %
1	Percentage of employees who have received training on ABAC by employee categories:	
	a. Managerial	39 / 59%
	b. Executive	35 / 32%
	c. Non-Executive	0 / 0%
2	Percentage of operations assessed for corruption-related risk	0
3	Confirmed incidents of corruption and action taken	0

Fajarbaru is committed to upholding integrity and transparency in all operations. Moving forward, we will carry out a comprehensive assessment to identify and mitigate corruption-related risks, ensuring that our practices align with the highest standards of governance, safeguarding our reputation and strengthening stakeholder trust.

GROUP POLICIES

The Group's governance is guided by the following key policies. These policies establish clear standards for decision-making, uphold integrity, and ensure consistent and fair practices across the organisation, reflecting our commitment to operational excellence and sustainable growth. A full list of Fajarbaru's policies are available at https://fajarbaru.com.my/investor-relations/corporate-governance/. These policies will be updated periodically to ensure its relevance and effectiveness, aligns with industry's best practices.

Code of Conduct and Ethics ("Code")

All employees of Fajarbaru shall observe the provisions of the Code of Conduct and Ethics and Employee Handbook to maintain the highest standard of professional conduct.

More information on the Code of Conduct and Ethics can be viewed at https://fajarbaru.com.my/investor-relations/corporate-governance/

Anti-Bribery and Anti-Corruption Policy ("ABC Policy")

Fajarbaru takes great pride in its core values of integrity, respect and professionalism in conducting business across the board. Adherence and observance of the core value is the key to ensure its continuous growth and excellent success with all its valued business partners. In accordance to the subsection (5) of section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Act 694) (MACC ACT 2009), stated in the Malaysian Anti-Corruption Commission (Amendment) Act 2018. The Group has adopted a zero-tolerance approach against all forms of bribery and corruption.

All employees and business associates may report any act of bribery and corruption directly through a dedicated email: auditcommittee@fajarbaru.com.my More information on the ABC Policy can be obtained from https://fajarbaru.com.my/investor-relations/corporate-governance/

No-Gift Practice

In ABC Policy, Fajarbaru observes a No-Gift Practice, whereby employees are prohibited from solicity or receiving any gifts from their associates and business partners which may influence the employee's judgement in the decision-making process or result in an appearance of conflict.

Whistleblowing Policy

Fajarbaru established a Whistleblowing Policy that provides a platform for all stakeholders to report any instance of misconduct or criminal offence.

All stakeholders may report any violations of the Code of Conduct and Ethics through a dedicated whistleblowing email: whistleblowing@fajarbaru.com.my which is accessible by the Chairperson of the Audit Committee. Further information on this policy can be obtained from https://fajarbaru.com.my/investor-relations/corporate-governance/

Internal Grievance Platform

An internal grievance platform was established as another mechanism for employees to submit their concerns. The grievance platform allows Fajarbaru to identify issues that affect the well-being of the employee and the dynamics of the work environment.

SUSTAINABILITY STATEMENT
(Cont'd)

STAKEHOLDERS

The fast-evolving business environment is driving us to set specific objectives for each stakeholder group through clear mission statements. At Fajarbaru, we prioritise engaging with all stakeholder groups through diverse activities and communication channels year-round. This ongoing engagement allows us to refine our operations and better meet the distinct needs of each stakeholder.

Stakeholders (Cont'd)

Stakeholders	Individual Goals	Engagement Activities	Frequency of Engagement
Board of Directors	To enhance shareholders value and our long-term financial performance.	- Board meetings - Annual General Meetings - Sustainability-related trainings	- Quarterly - Annually - Ad hoc/To be organised annually
Customers	To achieve highest level of customer satisfaction through reliable and timely delivery, innovative and cost-effective products and solutions without compromising on quality and safety.	- Customer feedback mechanism - Roadshows - Social media platforms	- Ongoing - Ongoing - Ongoing
Employees	To create value for our employees by providing better growth opportunities at the workplace.	- Employee induction training - Hybrid Townhall sessions - Sustainability awareness talk - Feedback sessions - Safety briefings - Salary benchmarking against market - Learning and development programmes - Company & Sports Club activities - Social media platforms - Performance appraisals with functional and sustainability related KPIs	- Ad hoc - Quarterly - Quarterly - Ongoing - Ongoing - Ongoing - Ongoing - Ongoing - Ongoing - Annually
Shareholders	To create value for our shareholders by consistently improving our profitability and growth, and ultimately deliver superior returns on their investment.	- Annual General Meetings - Media releases	- Annually - Ad hoc
Local Communities	To create a sustainable future for our stakeholders and the society by preserving the environment, be responsible and be active in the development of a better society and economy.	- Corporate Social Responsibility ("CSR") programmes - Community engagement activities - Long-term partnerships	- Ongoing - Ongoing - Ongoing

SUSTAINABILITY STATEMENT
(Cont'd)

Stakeholders (Cont'd)

Stakeholders	Individual Goals	Engagement Activities	Frequency of Engagement
Sub-contractors, Vendors, Suppliers, Consultants	To ensure cost efficiency, quality, timely delivery, while fostering innovation and alignment with business strategies for long-term success.	- Tender and bidding - Meetings - Written communication	- Ongoing - Ongoing - Ongoing
Financial Institutions	To establish reliable and clear financial relationships that secure timely and sufficient capital for our project needs.	- Annual Financial Briefings - Meetings - Media releases - Quarterly earning reports - Annual General Meetings	- Annually - Ad hoc - Ad hoc - Quarterly - Annually
Media	To foster strategic media engagements that enable consistent and high-impact visibility.	- Media releases - Meetings - Social media platforms - Agency - Corporate events	- Ad hoc - Ad hoc - Ad hoc - Ongoing - Ad hoc
Industrial Affiliates	To establish synergistic industrial affiliations that amplify support and resource allocation, enhancing the overall impact and success of our project endeavours.	- Meetings - Workshops - Seminars - Forums - Conferences	- Ad hoc - Ad hoc - Ad hoc - Ad hoc - Ad hoc
Regulators & Local Authorities	To develop effective channels of communication with regulatory and local governance entities, ensuring project alignment with regulatory standards and promoting community support.	- Consultations - Meetings - Working groups - Survey and feedback forms - Progress reports	- Ad hoc - Ad hoc - Ad hoc - Ad hoc - Ongoing
Joint Venture & Business Partners	To develop and maintain impactful joint venture and business relationships, fostering a collaborative environment that accelerates project success and mutual growth.	- Meetings - Workshops - MoUs - Progress reports - Consultations - Annual General Meetings	- Ad hoc - Ad hoc - Ad hoc - Ad hoc - Ad hoc - Annually

MATERIALITY

Following an extensive materiality assessment, we have updated our material topics to better match our sustainability goals and stakeholder concerns. This process involved thorough discussions with our Board of Directors and senior management, as well as a broad survey of stakeholders including employees, customers, and community members.

The feedback gathered helped us identify and prioritise the ESG issues most relevant to our operations. This alignment with the latest industry standards and regulatory requirements ensures that our sustainability efforts focus on areas that provide the most significant benefits to both our business and society.

The Group's revised materiality topics are presented below, without any ranking and order of significance, except for the first five topics:

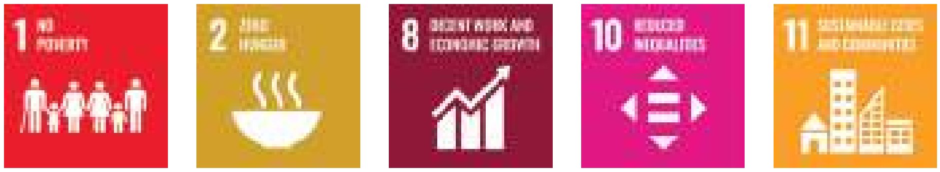
No.	Topic
1	Anti-Corruption and Integrity
2	Contributing to the Economy
3	Climate Change
4	Employment and Training
5	Occupational Health and Safety
6	Energy and Water Use
7	Material Use
8	Waste and Pollution Management
9	Product Safety and Quality
10	Responsible Sourcing and Buying
11	Biodiversity
12	Data Integrity and Protection
13	Migrant Workers' Well-Being
14	Community Relations

On 8 May 2024, Fajarbaru invited our consultant to conduct a training on establishing and embedding ESG strategies into business model for the management.

TOWARDS A SUSTAINABLE WORLD

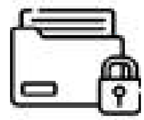
At Fajarbaru, we are dedicated to supporting the United Nations Sustainable Development Goals ("UNSDGs") through our sustainability practices. By integrating these global objectives into our operations, we aim to enhance our environmental and social impact, driving positive change and contributing to a more sustainable future.

Central to our approach are the following five UNSDGs, which are fundamental to our operations:



DATA PRIVACY

As digital transformation progresses, our company is facing growing cybersecurity challenges. Endpoint security and protection are critical in safeguarding our sensitive data while maintaining the integrity of our business operations. The implementation of Trend Micro Endpoint Protection (which offers advanced security features such as data loss prevention, behaviour-based threat detection, automated response capabilities) along with improved IT policies and ongoing cybersecurity awareness campaigns, enable us to better safeguard our data and enhance data privacy for both our stakeholders and employees.



Number of substantiated complaints concerning breaches of customer privacy and losses of customer data:

0

ECONOMIC

At Fajarbaru, we leverage on Building Information Modelling ("BIM") and data transformation to significantly enhance project and cost efficiency. By streamlining our operations, optimising resource management, and ensuring timely project completion, these innovations contribute to broader economic development. Furthermore, the Group's commitment to effective supply chain management is demonstrated through our strategic sourcing from local suppliers, which strengthens regional business activities. This integrated approach is complemented by our proactive engagement with local industry stakeholders, enabling us to maintain a competitive edge while advancing sustainable practices that benefit both our sector and the wider community.

BUILDING INFORMATION MODELLING

The BIM cloud system is a platform or set of tools that facilitates the use and management of BIM data through cloud technology. BIM itself is a process that involves creating and managing digital representations of physical and functional characteristics of places. When integrated with cloud technology, it allows for more efficient collaboration, data management, and project execution.

Building Information Modelling (Cont'd)

Key Features and Benefits:

Centralised Data Storage

Data Access: All project data, including models, drawings, and documentation are stored in a central cloud repository. This ensures that everyone on the project has access to the most current information.

Version Control: The cloud system can manage different versions of models and documents, allowing users to track changes and revert to previous versions if needed.

Collaborative Workflow

Real-Time Collaboration: Multiple stakeholders, including architects, engineers, contractors, and clients, can work on the same model simultaneously from different locations. This fosters better communication and reduces errors caused by outdated information.

Integrated Tools: Many BIM cloud systems integrate with other tools and software, such as project management or construction scheduling tools, streamlining workflows and improving efficiency.

Enhanced Data Security

Access Control: Cloud systems offer robust security features, including user authentication and role-based access controls, to ensure that only authorised individuals can view or modify the data.

Backup and Recovery: Regular backups are performed automatically, minimising the risk of data loss and enabling recovery in case of system failures or other issues.

Scalability and Flexibility

Resource Management: Cloud platforms can scale according to the project's needs, whether it's handling large models or supporting a growing team. This flexibility is beneficial for managing projects of various sizes and complexities.

Accessibility: Users can access the BIM data from any location with internet connectivity, which supports remote work and coordination among dispersed teams.

Improved Visualisation and Analysis

Visualisation Tools: Many BIM cloud systems offer advanced visualisation capabilities, such as 3D modelling, virtual reality ("VR"), or augmented reality ("AR") features, to enhance understanding and communication of the project.

Analysis Tools: Cloud-based platforms may also provide tools for performance analysis, energy modelling, and other simulations to support informed decision-making.

Moving forward, the Group's BIM team is integrating a cloud system for BIM related project via Autodesk Construction Cloud. It enhances construction project management and fosters collaboration throughout the entire lifecycle of a project, from the supervisory level to project managers.

SUSTAINABILITY STATEMENT
(Cont'd)

DIGITAL TRANSFORMATION

Enterprise Resource Planning ("ERP") and network enhancement will be our next Digital Transformation initiatives. ERP will help to integrate various business processes into a single unified system which enable the Group to streamline operations, process flow, improve data accuracy, and most importantly improving our productivity.

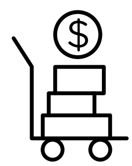
In addition, reliable internet connection is the fundamental of digital transformation. Reliable network connectivity empowers businesses to enhance communication and support cloud-based applications such as Microsoft 365 and ERP solutions. The Group's IT department is currently exploring the feasibility of Starlink, a satellite internet services developed by SpaceX which offers high-speed internet access to even the most remote locations. This connectivity solution will be beneficial for our remote sites in rural or underserved areas where traditional internet services are limited or unreliable. With Starlink, we can ensure consistent access to digital resources, enabling seamless collaboration and innovation.

SUPPLY CHAIN MANAGEMENT

Supply chain management continues to be a vital and essential aspect of the industry. In FYE 2024, Fajarbaru remained dedicated to sourcing all materials from local suppliers and exclusively partnering with local companies as our subcontractors.

We acknowledge the significance of environmental and social factors in our supply chain. Moving forward, the Group plans to include ESG criteria in all contracts with our suppliers, vendors, and subcontractors, who will be required to meet these standards when conducting business with us.

This initiative underscores our commitment to integrating sustainable practices into our operations and reflects our seriousness in managing our supply chain responsibly. By embedding ESG requirements, we aim to enhance our overall environmental, social, and governance performance, ensuring that our business practices contribute positively to society and the environment.



Proportion of spending on local suppliers:

100%

PARTICIPATION IN INDUSTRY ENGAGEMENTS

Fajarbaru actively engages with industry partners like Master Builders Association of Malaysia ("MBAM"), Real Estate and Housing Developers' Association Malaysia ("REHDA"), and ESG Association of Malaysia ("ESGAM") through an array of meetings, workshops, and training sessions. We acknowledge the significance of collaborating with key stakeholders to encourage innovation, exchange industry insights, and support the growth and sustainability of the construction and infrastructure sector.

Participation in Industry Engagements (Cont'd)

One of our key stakeholders is the MBAM, which was founded in 1954 to promote and develop the construction industry in Malaysia. MBAM provides opportunities to its members and affiliates to highlight issues affecting the construction industry through dialogues with government. Fajarbaru has been actively involved in MBAM as committee members.

Fajarbaru is also a member of REHDA which is recognised as the leading representative body for private property developers, being involved primarily in advocacy and governance.

Fajarbaru's Representatives Current Involvements

Dato' Sri Kuan Khian Leng	• Vice President, MBAM (2022 – to-date) • 70th Anniversary Dinner, Advisor, MBAM (2023 – 2024) • Awards & Constitution Committee, Deputy Chairman, MBAM (2022 – to-date) • Membership Committee, Advisor, MBAM (2022 – to-date) • Council Member, MBAM (2014 – to-date) • Panel Advisor, Bachelor Programme in Civil Engineering of the Engineering Faculty, Universiti Putra Malaysia (2022 – to-date)
Zulhilmi Bin Zulkafli	• Safety & Health Committee, MBAM (July 2024 – to-date)
Coco Ooi Phei Phei	• Assistant Secretary / Committee (Selangor), REHDA Youth (2024 – to-date) • Committee Member, Malaysia Developer Awards 2024, International Real Estate Federation ("FIABCI") Malaysian Chapter & The Star (2024 – to-date)

The Group is recognised as a Class A and Grade 7 contractor by Pusat Khidmat Kontraktor ("PKK") and Construction Industry Development Board ("CIDB") respectively, which is the highest classification awarded. PKK is a governmental registration body by for licensed contractors in Malaysia. CIDB is established by the government to develop the capacity of the construction industry by improving quality and productivity. The highest classifications awarded allow us to participate in government and private projects of any scale.

On 31 May 2024, Dato' Sri Kuan received the Silver Service Award (10 Years) in MBAM 70th Anniversary Dinner.

SOCIAL

We prioritise workplace well-being through dedicated efforts to ensure the safety and fair treatment of our employees and migrant workers. Our initiatives include stringent safety protocols, equitable wages, promoting a diverse and inclusive workplace, and fostering strong community engagement. These practices are integral to creating a positive and supportive environment for all our stakeholders.

OCCUPATIONAL HEALTH AND SAFETY

At Fajarbaru, safety is a fundamental core value that we prioritise above all else. We hold the ISO 45001:2018 Occupational Health and Safety ("OHS") Management System certification standard. We continuously monitor, manage, and mitigate OHS risks to prevent work-related injuries and ensure the safest and healthiest workplace for all our employees.

Our Approach

Cross-division monthly construction meeting	An avenue to discuss important aspects of the construction projects undertaken by the Group, as well as issues concerning safety and health, quality, project progress and internal control findings.
Safety and Health Committee	Committee meeting will be held at least once every three months. Key functions of committee include: develop and review safety and health management programmes, incidents investigation (if any), and promoting best safety and health practices.
Daily site safety inspection	To ensure all the safety and health control measures are in order. These measures include, but not limited to, verifying the proper use of personal protective equipment ("PPE"), ensuring machinery and tools are maintained and functioning correctly, checking that work areas are free of hazards, etc.
Daily toolbox talks	Conducted to construction workers and site supervisors prior to any commencement of works to spread awareness on maintaining the highest safety and health standard.
Weekly safety audit	Carried out for each project site by Safety and Health team to ensure the compliance to all local acts and regulations.
Training and activities	Key training include: evacuation, forklift handling, firefighting, safe use of chemical and other relevant programmes to keep abreast with the latest development in safety and health standard. In addition, we also conduct quarterly ISO or Safety Awareness Talk during the Townhall session in HQ.
Safety and Health Assessment System ("SHASSIC")	Independent method to assess and evaluate the safety and health performance of contractors in construction works.

Occupational Health and Safety (Cont'd)

Our Occupational Health and Safety Performance

FYE 2024	PMK	Vierra	Temasya	PDC
Total hours worked	93,630	1,559,922	99,590	103,490
Number of work-related fatalities	0	0	0	0
Number of Lost Time Injury ("LTI")	0	0	0	0
LTI Rate	0	0	0	0

Number of Employees/Workers Trained on Health and Safety Standards

Site	No.	%
PMK	326	75%
Vierra	525	57%
Temasya	40	74%
PDC	70	85%

EMPLOYEE TRAINING

The Group prioritises employee training to ensure they have the necessary skills, knowledge, and qualifications, determined through their annual performance appraisals. In the FYE 2024, we achieved 2,137 hours of training across our business segments, which translates to 12 hours per employee (exclude non-executives).

Our Performance for Employee Training

Total hours of training by employee category

Categories	No.
Non-Executive	0
Executive	724
Managerial	1,413

Total hours of training by year

Year	No.
FYE 2024	2,137
FYE 2023	2,751
FYE 2022	2,452

SUSTAINABILITY STATEMENT
(Cont'd)

Employee Training (Cont'd)

Our Approach

Annual training needs analysis for all employees	Collaboration between Human Resources ("HR") and other Departments. This analysis provides a structured approach to identifying relevant training programmes and solutions for our workforce.
Sponsoring relevant education and professional certification programmes	Supporting qualifications and certifications that are recognised within the Malaysian construction sector, such as those related to safety, project management, and technical skills.
Reimbursing subscription fees for two professional bodies of each employee's choice	Allows employees to join and maintain memberships with key industry organisations that offer valuable resources, networking opportunities, and ongoing professional development.
Encourage employees to attend external seminars or workshops	Provide opportunities for employees to gain insights into the latest industry trends, technologies, and best practices.
Quarterly townhall meetings that include dedicated sessions on sustainability	Keep our employees informed about the latest developments in sustainability practices. By providing a platform for open dialogue and learning, we ensure that our workforce remains engaged and proactive in supporting our sustainability initiatives.

Fajarbaru is ISO 9001:2015 certified for Quality Management System in its Construction and Property Division. We are dedicated to providing all employees in this division (excluding non-executive staff) with a minimum of 12 hours of training annually. In the future, we will evaluate the possibility of introducing an annual training goal for employees in other business divisions, based on their performance appraisals.

Average training hours per employee (exclude non-executive):

12 hours

Employee Training (Cont'd)

Training Activities Highlight

On 19 January 2024, we have invited our consultant to conduct a training session for our management to kickstart our ESG journey.

On 19 and 20 March 2024, a training on GHG was also conducted for our management with the aim to equip the participants with knowledge on establishing GHG inventory, baseline and targets, types of GHG emission, and GHG emission calculation, amongst others.

EMPLOYEE RIGHTS AND BENEFITS

At Fajarbaru, we foster a work environment that values and promotes excellence, which supports our efforts to attract, motivate, and retain top talent. Our compensation package aligns with industry standards and adheres to the legal requirements set forth by Malaysian laws and regulations. We ensure that our compensation is merit-based, reflecting fair performance evaluations.

In line with our commitment to inclusivity, we strive to uphold equal opportunity by making remuneration and promotion decisions based on each employee's contributions and merit. We also adhere to the minimum wage regulation.

On our site projects, we prioritise meeting the standards for appropriate accommodation for our migrant workers. We are compliant with the standards set by the Housing and Amenities Act 1990 (Act 446). Additionally, we hold weekly toolbox meetings for all migrant workers. These meetings provide a platform for our workers to voice concerns or report any issues related to disputes or unfair treatment. Any reported issues are forwarded to the Health and Safety team, which will take the necessary actions to address them.

Number of substantiated complaints concerning human rights violations: 0

SUSTAINABILITY STATEMENT
(Cont'd)

Employee Rights and Benefits (Cont'd)

Benefits Provided to Full Time Employees

General benefits	Contributions to Employees Contribution Fund ("EPF"), Social Security Organisation ("SOCSO"), Employment Insurance Scheme ("EIS"), Professional Body Subscription Fee
Leave	Annual Leave, Compassionate Leave, Marriage Leave, Paternity Leave, Maternity Leave, Examination Leave, Medical Leave, Prolonged Illness Leave, Replacement Leave, Carried Forward Annual Leave
Healthcare	Medical Benefits, Dental Benefits, Optical Benefits, Group Hospital & Surgical Scheme, Group Personal Accident Insurance
Employee discount	Discount on purchase of property built by the Group
Allowances	Site Allowance, Handphone Allowance, Mileage Claims, Accommodation Allowance, Meal Allowance, Car Allowance, Parking Allowance, Travel Allowance

Employee Engagement Activities Highlight

1. Annual Dinner – Black Pink Theme

2. Team Building - 'Sotong' Game

3. Festive Celebration (Chinese New Year, Hari Raya Aidilfitri, Deepavali, Christmas)

4. Fajarbaru Movie Night

5. Chiropractic First Health Talk Programme in Conjunction with World Health Day

6. Fajarbaru Blood Donation Campaign in Collaboration with Pusat Darah Negara

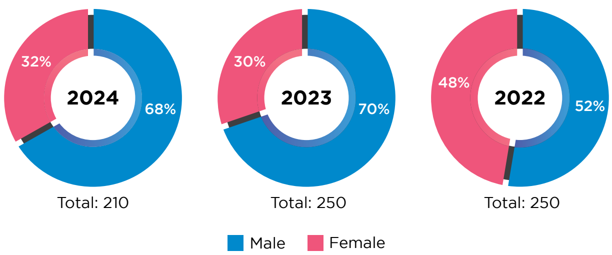
WORKFORCE DIVERSITY

In the current business climate, the need for workforce diversity and inclusion is more critical than ever for the success of any industry and organisation. We recognise that our field has traditionally been male-dominated due to the physically intensive nature of the work. We are actively working to adopt new approaches to our operations, with a continuous focus on ensuring equal opportunity and inclusivity throughout our hiring practices.

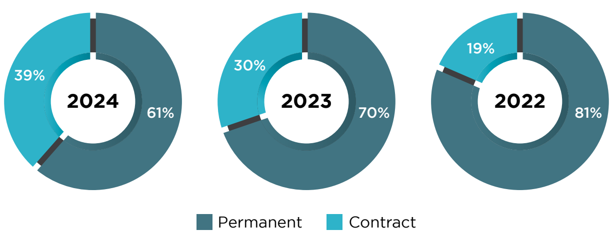
Fajarbaru Group of Companies Workforce

As at 30 June 2024, 210 people are employed in Fajarbaru Group of Companies.

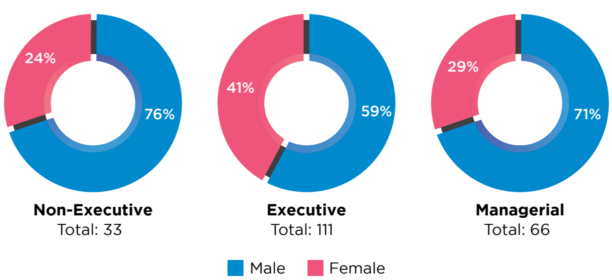
Employee Diversity by Gender



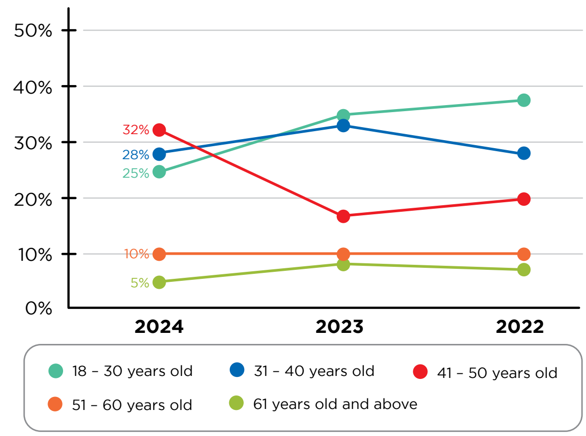
Employee Diversity by Employment Type



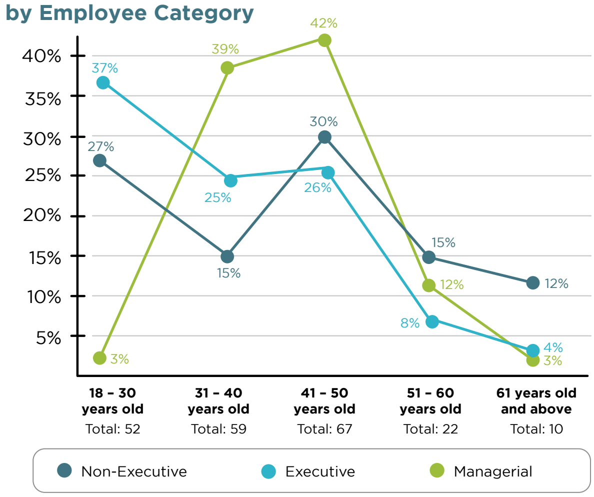
Employee Diversity by Gender, by Employee Category



Employee Diversity by Age Group

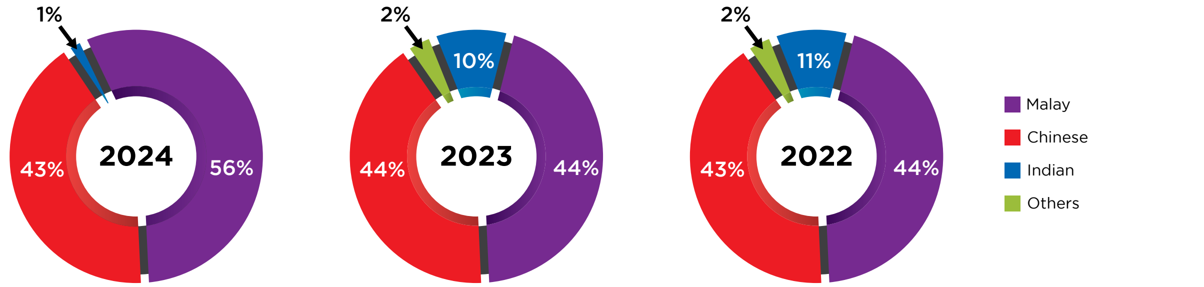


Employee Diversity by Age Group, by Employee Category

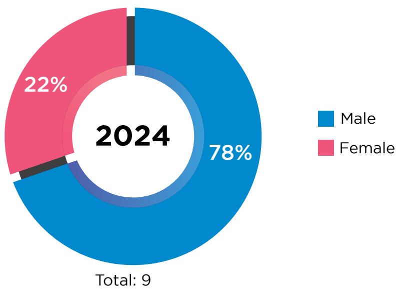


Workforce Diversity (Cont'd)

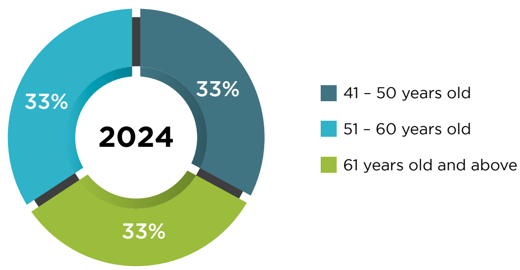
Employee Diversity by Ethnicity



Percentage of Directors by Gender



Percentage of Directors by Age Group



Employee Turnover by Employee Category

Non-Executive	Executive	Managerial
15%	27%	17%

Overall Turnover Rate: 24%

Employee New Hires by Employee Category

Non-Executive	Executive	Managerial
5%	48%	32%

Overall New Hires Rate: 36%

Employee Turnover Rates by Gender

	2024	2023	2022
Male	24%	39%	42%
Female	21%	38%	25%

Employee New Hires by Gender

	2024	2023	2022
Male	33%	36%	29%
Female	22%	35%	16%

SUSTAINABILITY STATEMENT
(Cont'd)

SERVICE QUALITY

Quality Management System

The Group constantly strives to meet its standard of excellence by ensuring the delivery of quality products and services in our project execution, with the aim of meeting customer deliverables as detailed in our contracts. We adopt and implement quality workmanship for various elements of building construction, such as structural, architectural, mechanical, electrical, and external works. The QAQC department implements a structured strategy through our management systems and established procedures, including policies, manuals, risk assessments, and databases. This approach is intended to achieve customer satisfaction while actively pursuing improvements in our quality performance.

We are committed to upholding the ISO 9001:2015 Quality Management System, an internationally recognised standard for quality management, to ensure the highest quality of workmanship in our projects. This involves conducting an annual internal Quality Management System Audit to consistently uphold the standards. We have obtained and maintained our ISO 9001:2015 Certification since 2002.

Site inspection with the certification body for ISO certification

Auditing session with the certification body for ISO certification

Quality Assessment System

We have adopted the Quality Assessment System in Construction ("QLASSIC"), underscoring our commitment to delivering the highest standards of workmanship and ensuring our customers' satisfaction.

QLASSIC is a comprehensive method used to measure and evaluate the quality of workmanship in building construction. It is based on two key standards: CIS7:2016 (Second Edition) and CIS7:2021 (Latest Edition). These standards provide a structured framework for assessing various aspects of construction quality, ensuring that projects meet high standards of workmanship and consistency.

Quality Assessment System (Cont'd)

By adopting QLASSIC, we can systematically evaluate and enhance the quality of our construction work. QLASSIC's approach encourages contractors to adopt a philosophy of 'Do Things Right the First Time and Every Time'.

Our following projects have consistently achieved a high QLASSIC score above 70%. This shows our commitment to delivering quality and excellence across our projects.

Project Name	Assessment Year	QLASSIC Score
Duta Park Residences, KL	2024	79%
Rica Residence, Sentul	2021	73%
Gleneagles Hospital, Ampang	2016	75%


CREAM

79%


CIDB

Sijil QLASSIC

73%


CIDB

Sijil QLASSIC

75%

In addition to the QLASSIC assessment, we have implemented a Pre-Delivery Inspection ("PDI") process, where our personnel conduct a comprehensive inspection before handing over the project to the client. This process mandates that our team ensure adherence to industry best practices, including allocating at least two months to complete any necessary corrective work before handover. We proactively learn from past project defects to prevent these errors from recurring in future projects.

Our QAQC department's internal quality programme begins at the project site's initial stage, ensuring that we deliver quality that meets customer expectations. This initiative includes monthly Site Quality Checks ("SQC") and quarterly Site Quality Audits ("SQA"), which are designed to minimise defects and enhance workmanship. These practices are essential for maintaining and monitoring quality standards throughout the project.

SUSTAINABILITY STATEMENT
(Cont'd)

CUSTOMER SATISFACTION

We strive to deliver highest level of customer experience in line with our core value – Quality. At the end of each project, we receive feedback from our client on their satisfaction levels for the works delivered. This is done via a Customer Satisfaction Survey. Clients assess the quality of our workmanship in the following areas:

Areas assessed within the Customer Satisfaction Survey

- Quality Control
- Labour Status
- Safety
- Professionalism
- Material
- Overall Performance

Our target is set for a minimum of 80% in achieving excellent customer satisfaction. The outcome of the Customer Satisfaction Survey will be tabled during senior management meetings for a thorough evaluation to identify potential improvement opportunities. If the outcome is below the target, the project manager will need to craft a Corrective Action Report and aim to improve the satisfaction level in the next project. Fajarbaru also conducts market research for our planned property developments to understand customer needs and current trends better.

QLASSIC Accessor Course

Fajarbaru is committed to contribute high quality product by practicing QLASSIC assessment system. We conduct trainings to continue train more qualified employees to achieve a better scoring in the QLASSIC assessment system.

COMMUNITY ENGAGEMENTS

Engaging with our community is more than just a responsibility; it's a passion. We recognise the vital role that strong, connected communities play in our collective success. By participating in local activities, supporting initiatives that matter to our neighbours, and encouraging our team to give back, we demonstrate our dedication to enhancing community life. These efforts not only enrich the lives of those around us but also strengthen our own sense of purpose and belonging.

Total amount invested in the community where the target beneficiaries are external to the listed issuer:

RM124,768.65

Total number of beneficiaries of the investment in communities:

15

Community Engagements (Cont'd)

Community Engagement Activities Highlight

FTS Nature Education Programme	Fajarbaru partnered with Free Tree Society ("FTS") for a nature education programme at Taman Tugu Kuala Lumpur, equipping employees with hands-on knowledge in sustainability practices to reduce emissions and carbon footprints.
Bukit Fraser English Session by School Heroes	Fajarbaru joined the School Heroes Programme at SRKT Bukit Fraser, sparking excitement for English learning among 68 students through engaging, tailored content.
Stage Renovation Works at the Lecture Theatres A & F, Faculty of Arts and Social Sciences, Universiti Malaya	Fajarbaru contributed to renovation and design of stage at Lecture Theatres A & F, Faculty of Arts and Social Sciences, Universiti Malaya, which aimed to enhance the student learning environment.
10th TAR UMT Staff Appreciation cum Student Loan Fundraising Dinner	Fajarbaru proudly sponsored the 10th TAR UMT Staff Appreciation and Student Loan Fundraising Dinner at Tunku Abdul Rahman University of Management and Technology, raising essential funds to support students facing financial challenges.

ENVIRONMENT

We acknowledge the importance of environmental factors, recognising that our business activities can have direct or indirect consequences on the larger environment. Accordingly, our environmental disclosures primarily address the impacts at our headquarters. Additionally, we will systematically report on the key environmental risks and impacts at our project sites. The environmental policy is available for review at https://fajarbaru.com.my/investor-relations/corporate-governance/

Fajarbaru holds the ISO 14001:2018 Environmental Management System certification and is committed to the proper disposal of any scheduled waste generated, in compliance with the monitoring requirements set by the Environmental Quality Act 1974 (Act 127).

Fajarbaru conducts monthly environmental monitoring of:

- **Air Quality**
- **Water Quality**
- **Noise and Vibration Level**

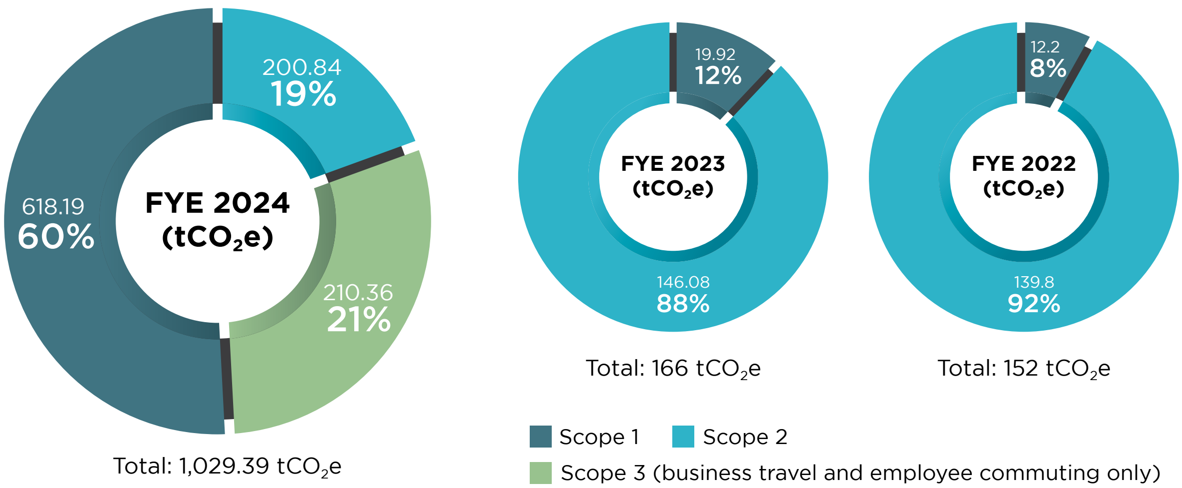
at all our project sites to minimise our impacts on the natural environment and the surrounding areas.

SUSTAINABILITY STATEMENT
(Cont'd)

CARBON EMISSIONS

Reducing carbon footprint is important for addressing the urgent challenges of climate change. Our Greenhouse Gas ("GHG") emissions are calculated using the GHG Protocol's classification of direct and indirect emissions, with Scope 2 emissions (purchased electricity) being the largest contributor at our headquarters. Since FYE 2023, we have been reporting our carbon emissions and in alignment with the GHG Protocol Corporate Standard. Our 3-year carbon emission data is presented, with detailed breakdown of Scope 1, Scope 2, and Scope 3 (FYE 2024 only) emissions.

Our Carbon Emission Performance



Note: The emission data for FYE 2024 include HQ and our selected site of Pavilion Mont' Kiara ("PMK")

Initiatives at HQ

- Placement of recycling bins
- Use of FSC-certified paper
- Ban of plastic bottles in meeting rooms
- Smoke-free workplace policy

Initiatives at Site

Vierra Residence: In 2022, we have received GreenRE Silver Certification (Provisional) for our Vierra Residence Project. The calculated embodied carbon for the project is 171,338 tCO_2e. Meanwhile, the calculated operational carbon reduction of energy savings from baseline is about 860,741 kWh/year.

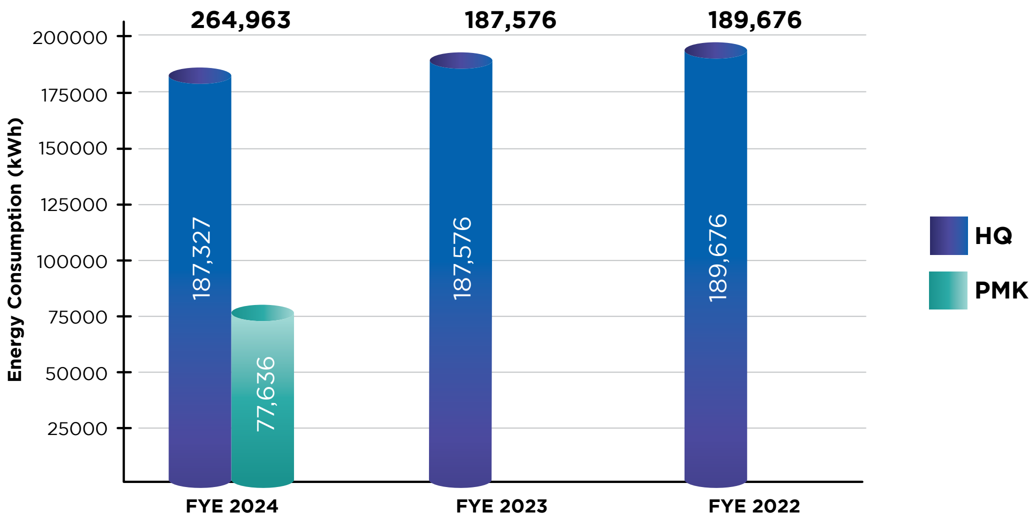
ENERGY MANAGEMENT

Reducing electricity use not only leads to significant cost savings for businesses but also represents an important step towards a more sustainable and resilient future. At our headquarters, our electricity consumption for the current financial year is 187,327 kWh.

Fajarbaru employees are always reminded to switch off lights and unused appliances during lunch breaks and at the end of working day. Power Off signs near switches continued to be displayed at both headquarters and site offices.

To support our commitment to energy efficiency and environmental sustainability, all lighting at our headquarters consists of LED fixtures. To maximise energy efficiency, timers are fitted on some switches to ensure devices are fully turned off instead of remaining in standby. Looking ahead, we plan to explore energy efficiency measures, including solar power and other suitable options for our headquarters.

Our Energy Management Performance



Note: The energy consumption data for FYE 2024 include HQ and our selected site of PMK

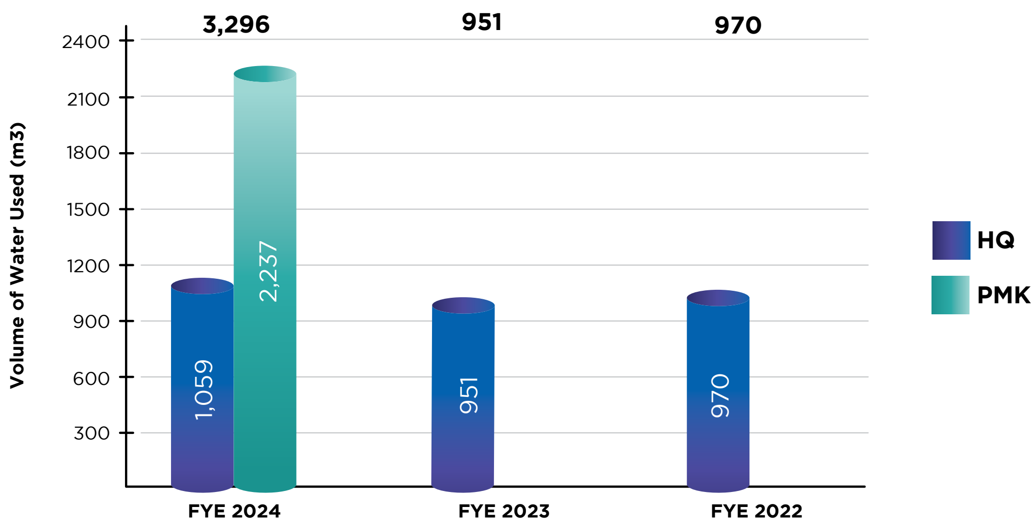
WATER MANAGEMENT

At our headquarters, water is sourced from state water utility company. Managing water use is integral to our company's approach to environmental sustainability. We strive to implement practices that cut down our water footprint and preserve essential ecosystems. By promoting awareness and a culture of responsibility, we aim to ensure our operations contribute positively to our overall sustainability objectives.

SUSTAINABILITY STATEMENT
(Cont'd)

Water Management (Cont'd)

Our Water Management Performance



Note: The water used data for FYE 2024 include HQ and our selected site of PMK

Fajarbaru Hosts Water Conservation Session with Air Selangor

Fajarbaru is dedicated to environmental responsibility and a sustainable future. On 29 May 2024, we hosted a Water Conservation Awareness Session for our employees, led by representatives from Air Selangor.

The session offered valuable insights into Selangor's water distribution system, current sustainability challenges, and practical water-saving strategies for work and home.

By empowering our employees with this knowledge, Fajarbaru is taking steps to minimise our environmental footprint and promote responsible water usage. We believe collective action is key to preserving this vital resource for future generations.

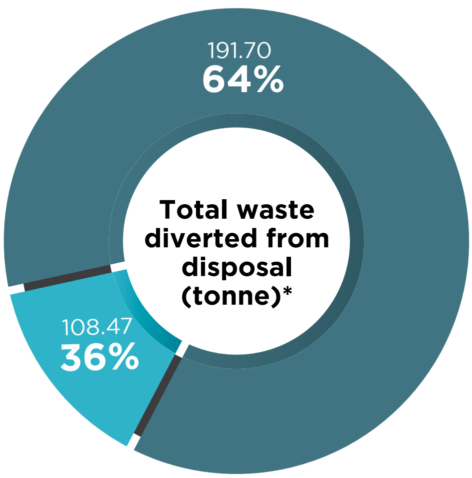
RESOURCES AND WASTE MANAGEMENT

Reflecting our deep commitment to safeguarding the environment and supporting our communities, Fajarbaru remains steadfast in adhering to the Environmental Quality Act 1974 for managing general and scheduled waste. We enforce a scheduled waste policy across all our project sites and appoint licensed contractors to handle the disposal process.

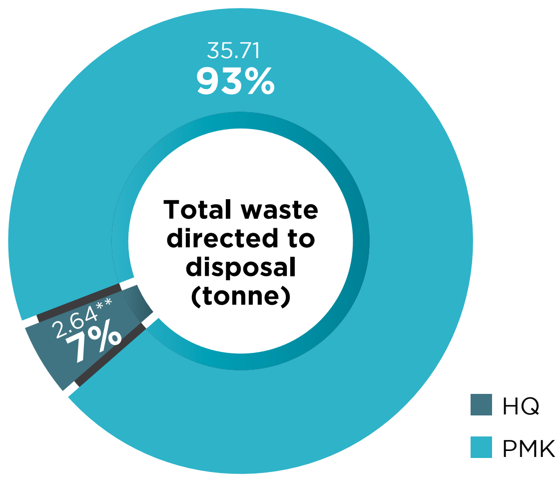
As a company in the property development and construction sector, we utilise significant quantities of materials like sand, cement, and steel. Our Safety and Health team, and Environment team closely monitors material usage to reduce waste wherever possible.

We have also established a stringent procurement and monitoring system to ensure efficient use of raw materials. Additionally, as part of our continuous improvement efforts, we repurpose and upgrade old equipment from project sites whenever possible, thereby prolonging the life of these assets and reducing waste sent to landfills.

Our Resources and Waste Management Performance



Total: 300.17



Total: 38.35

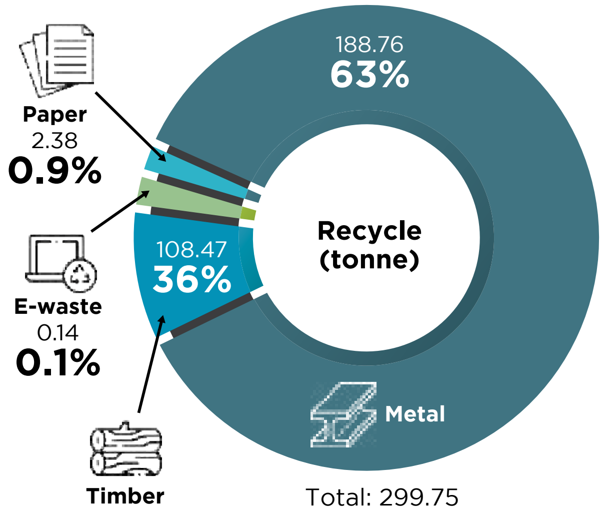
* *Recyclable waste and waste that can be repurposed or refurbished were sold to our appointed vendors to be processed at their plant. Details of breakdown are illustrated in this page.*

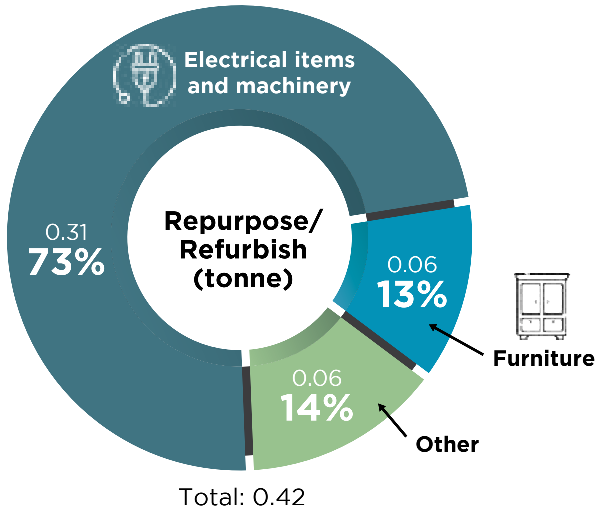
** *The figure for HQ is based on estimation as we do not weight municipal waste. It is currently being handled and disposed of the local council.*

SUSTAINABILITY STATEMENT
(Cont'd)

Resources and Waste Management (Cont'd)

Total Waste Diverted From Disposal





Note: The waste diverted from disposal data for FYE 2024 include HQ and our selected site of PMK

The 2023 Fajarbaru E-Waste Campaign with ERTH (E-waste Recycling Through Heroes; registered as BlueBee Technologies Sdn. Bhd.) runs a two-month campaign from 1 October to 30 November 2023.

SUSTAINABILITY PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Managerial	Percentage	59.00
Executive	Percentage	32.00
Non-Executive	Percentage	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	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
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	961
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Managerial	Hours	1,413
Executive	Hours	724
Non-Executive	Hours	0
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	39.00
Bursa C6(c) Total number of employee turnover by employee category		
Managerial	Number	9
Executive	Number	27
Non-Executive	Number	15
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Managerial Between 18-30	Percentage	3.00
Managerial Between 31-40	Percentage	39.00
Managerial Between 41-50	Percentage	42.00
Managerial Between 51-60	Percentage	12.00
Managerial 61 and above	Percentage	3.00
Executive Between 18-30	Percentage	37.00
Executive Between 31-40	Percentage	25.00
Executive Between 41-50	Percentage	26.00

Internal assurance | External assurance | No assurance | (*)Restated

SUSTAINABILITY STATEMENT
(Cont'd)

Indicator	Measurement Unit	2024
Bursa (Diversity) (Cont'd)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category (Cont'd)		
Age Group by Employee Category (Cont'd)		
Executive Between 51-60	Percentage	8.00
Executive 61 and above	Percentage	4.00
Non-Executive Between 18-30	Percentage	27.00
Non-Executive Between 31-40	Percentage	15.00
Non-Executive Between 41-50	Percentage	30.00
Non-Executive Between 51-60	Percentage	15.00
Non-Executive 61 and above	Percentage	12.00
Gender Group by Employee Category		
Managerial Male	Percentage	71.00
Managerial Female	Percentage	29.00
Executive Male	Percentage	59.00
Executive Female	Percentage	41.00
Non-Executive Male	Percentage	76.00
Non-Executive Female	Percentage	24.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	78.00
Female	Percentage	22.00
Between 41-50	Percentage	33.33
Between 51-60	Percentage	33.33
61 and above	Percentage	33.33
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	124,768.65
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	15
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	618.19
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	200.84
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	210.36
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	264.96
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	3.296000
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	338.52
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	300.17
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	38.35

Internal assurance | External assurance | No assurance | (*)Restated

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

This Corporate Governance Overview Statement is presented pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and guidance was drawn from Practice Note 9 of MMLR and the Corporate Governance Guide (4th Edition) issued by Bursa Securities. The Board of Directors ("Board") of Fajarbaru Builder Group Bhd ("Fajarbaru" or the "Company") remains committed during the financial year ended 30 June 2024 in maintaining the highest standards of Corporate Governance ("CG") within the Company and its subsidiaries (collectively referred to as "the Group") and adhering to the principles and best practices of CG, through observing and practising the core values of the Malaysian Code on Corporate Governance ("MCCG"). The commitment from the top paves the way for the management and all employees to ensure the Company's businesses and affairs are effectively managed in the best interest of all stakeholders.

The objective of this statement is to provide the stakeholders with an overview of the application of the CG practices within the Group. The Board has also provided specific disclosures on the application of each of the Practices in its Corporate Governance Report ("CG Report"). This CG Report was announced together with the Annual Report of the Company on 28 October 2024. Shareholders are advised to read this statement together with the CG Report prepared based on a prescribed format as set out in Paragraph 15.25(2) of the MMLR so as to provide a detailed articulation on the application of the Company's corporate governance practices vis-à-vis the MCCG. The CG Report provides details on how the Company has applied each Practice as set out in the MCCG during the financial year 2024.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART I – BOARD RESPONSIBILITIES

Board Charter

The Board Charter act as a source of reference and primary induction literature in providing insights to the Board members and senior management.

The Board is mindful of the importance of the establishment of clear roles and responsibilities in discharging its fiduciary and leadership functions including those reserved for the Board's approval. The Board has defined its Board Charter by setting out the roles, duties and responsibilities of the Board, the principles and practices of CG to be followed as well as the key matters reserved for the Board's approval.

The Board Charter was reviewed and published on the Company's website at https://fajarbaru.com.my/charter/

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART I – BOARD RESPONSIBILITIES (Cont'd)

Board Responsibilities

The Board takes full responsibility for the performance of the Group and guides the Group towards achieving its short and long term objectives, setting corporate strategies for growth and new business development while providing advice and direction to the Management to enable the Group to achieve its corporate goals and objectives. The Board is mindful of the importance of the establishment of clear roles and responsibilities in discharging its fiduciary and leadership functions including those reserved for the Board's approval. Key matters such as approval of annual and quarterly results, acquisitions and disposals, material agreements, major capital expenditures, budgets and long term plans would require Board approval.

The Board is led by a Group Executive Chairman who ensures smooth functioning of the Board so that the Board can perform its responsibilities effectively in meeting the goals and objectives of the Group and the Company. Under the leadership of the Group Executive Chairman, the Board continues to function effectively in fulfilling its governance responsibilities during the financial year. The Group Executive Chairman is primarily responsible for the Group's overall business plan and direction, whereas, the Group Chief Executive Officer and Group Executive Directors are responsible for the day-to-day business operations, management decisions, financial planning and implementation of policies. The Non-Executive Directors share their experience and expertise and give independent input to major decisions including formulation of policies and strategies, they act independently and objectively in carrying their duties. They possess integrity and extensive experience to provide unbiased and independent views to the Board. Their role is to challenge the management and the Board in an effective and constructive manner as well as to provide justified and sound opinions to the Board.

The roles of the Group Executive Chairman are separated with clear division of responsibilities to ensure balance of power and authority. The Group Executive Chairman is delegated with authority to make all decisions and actions that will enhance the corporate purpose of creating long-term shareholder value through the discovery, acquisition, development and marketing of natural resources. The Group Executive Chairman's main responsibility is to lead and manage the Board with the focus on environmental issues, employees, public and shareholders' interest. Concentrated discussion of these items assists the Board in making the right decisions based on the long term opportunities for the business and its stakeholders. The Board monitors the decisions and actions of the Group Executive Chairman and the performance of the Group to gain assurance that progress is being made towards the corporate strategy purpose within the limits imposed through the Group's governance assurance framework.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART I – BOARD RESPONSIBILITIES (Cont'd)

Board Responsibilities (Cont'd)

Board	Responsibilities
Group Executive Chairman	The Board is led by Tan Sri Dato' Sri Chan Kong Choy, an Executive Chairman who is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board. The Chairman provides leadership and governance in order to create a conducive environment geared towards building and enhancing the Board's effectiveness and ensures that all strategic and critical issues are discussed by the Board in a timely manner. The Chairman is also responsible for ensuring the adequacy and effectiveness of the Board's governance process and acts as a facilitator at Board meetings to ensure that contributions from Directors are forthcoming on matters being deliberated and that no Board member dominates discussion.
Group Chief Executive Officer	The Group Chief Executive Officer ("GCEO") of the Company is Dato' Sri Kuan Khian Leng. The GCEO is supported by the Group Executive Directors and Senior Management Team in implementing the Group's strategic plan and overseeing the operations and business development of the Group.
Group Executive Director	The Group Executive Director ("GED") is responsible for the executive management of the Group's business and implementing operational decisions and managing day-to-day operations.
Non-Executive Director	The Company has three (3) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Directors. The Non-Executive Directors are strong individuals to oversee and scrutinise the decisions and conducts of the Executive Directors and the management. The Non-Executive Directors are essential for protecting the interests of shareholders and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART I – BOARD RESPONSIBILITIES (Cont'd)

Board Responsibilities (Cont'd)

The following matters (including changes to any such matters) require approval from the Board, except where they are expressly delegated by the Board to a Committee, the Chairman or another nominated member of the Management team:–

(i) Approval of corporate directions and plan
(ii) Approval of annual budgets / forecast
(iii) Approval of any Joint Venture
(iv) Approval of any material acquisitions and disposals of undertakings
(v) Changes to the management and control structure within the Company and its subsidiaries, including key policies and delegated authority limits
(vi) Board appointment
(vii) Any matters / transactions that fall within the ambit of the Board pursuant to the Companies Act, 2016, the Main Market Listing Requirements of Bursa Malaysia, Terms of Reference of the respective Board Committees or any other applicable rule.

Adherence to the Limits of Authority is reported directly to the Audit Committee.

The Board met five (5) times during the financial year ended 30 June 2024 to review the Group's operations, quarterly and annual financial statements and any other matters that required the Board's approval. Details of each Director's attendance is set out on page 45 of this Annual Report.

Board Committees
The Board has delegated certain functions to the Committees its established to assist in the execution of its responsibilities. The Board Committees are entrusted with specific responsibilities to oversee the Company's affairs. The relevant Board Committees established are as follows:–

(i) Audit Committee ("AC")
(ii) Nominating Committee ("NC")
(iii) Remuneration Committee ("RC")
(iv) Risk Management Committee ("RMC")

The duties and responsibilities of the Nominating and Remuneration Committees are to assist the Board in reviewing and recommending the appointment of caliber candidate irrespective of gender and evaluation of the performance of the Directors. They also assess the appropriate remuneration policies applicable to Directors and Senior Management Team.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART I – BOARD RESPONSIBILITIES (Cont'd)

Board Committees (Cont'd)

The activities of the Nominating and Remuneration Committees for the financial year are included in the following:–

(i) reviewed the bonus and incentives of Directors and Senior Management of the Group;

(ii) assessed and evaluated the effectiveness of Directors through the annual Board evaluation (including the independence of Independent Non-Executive Directors);

(iii) reviewed the letter of employment of senior management staff;

(iv) reviewed the composition of the Board and Board Committees of the Group;

(v) reviewed the Directors' Fees of the Group; and

All recommendations of the Nominating and Remuneration Committees are subject to endorsement by the Board.

Three (3) Nominating Committee meetings were held during the financial year and were attended by all its members. At the meeting, the Committee has discussed on the training needs of the directors, reviewed and assessed the executive directors, recommendation on re-election of directors subject to retirement as well as the continuation in office of independent non-executive director who have served for more than 9 years.

Three (3) Remuneration Committee meetings were held during the financial year and were attended by all its members.

The responsibilities and activities of Audit Committee disclosed in the Report of the Audit Committee on pages 110 to 112 of this Annual Report, while the responsibilities of Risk Management Committee set out on pages 100 to 108 of this Annual Report.

Supply of Information
All Directors are supplied with board papers pertaining to agenda items prior to the Board meeting. This is issued in sufficient time to enable the Directors to obtain further explanations, when necessary, in order to be properly briefed before the meeting.

The Board has unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretaries on any updates relating to new statutory and regulatory requirements pertaining to the duties and responsibilities of Directors, and promptly disseminate communications received from the relevant regulatory/governmental authorities.

The appointment of the Company Secretary is based on the capability and proficiency determined by the Board. All Directors have access to the advice and services of the Company Secretaries who are responsible for ensuring the proper Board procedures are followed through and that all applicable rules and regulations are complied accordingly. The Company Secretaries attended the Board meetings and recorded the deliberations, in terms of the issues discussed and the conclusion made by the Board in discharging their duties and responsibilities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART I – BOARD RESPONSIBILITIES (Cont'd)

Supported by Qualified and Competent Company Secretaries

The Board is supported by professionally qualified and competent Company Secretaries who advise the Board, particularly with regards to compliance with regulatory requirements, guidelines, legislations and the principles of best CG practices. The appointment and removal of Company Secretaries or Secretaries of the Board Committees can only be made by the Board.

The Company Secretaries, being member of The Malaysian Association of Company Secretaries ("MACS") and The Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"), satisfy the qualification as prescribed under Section 235(2) of the Companies Act 2016 and have the requisite experience and competency in company secretarial services.

The Company Secretaries play an important advisory role to the Board, on administrative, regulatory requirements and governance matters. The Company Secretaries are also responsible to ensure that accurate and proper recording of proceedings and resolutions at the Board, Board Committees meetings and general meetings.

Mr. Tan Kok Aun is a member of The Malaysian Association of Company Secretaries (MACS). He has more than 33 years of experience as a corporate secretary.

Ms. Lee Wai Ngan is a licensed Company Secretary. She has more than 42 years of experience in corporate secretarial practice.

Promoting Good Business Conduct

The Company takes a stance against the use of corrupt practices in relation to its activities and promotes a culture of integrity within the Group by ensuring there are adequate policies and procedures, which are implemented appropriately in line with the principles under the Guidelines for Adequate Procedures issued by the Prime Minister's Department on 10 December 2018 pursuant to Section 17A(5) of the Malaysian Anti-Corruption Commission (MACC) Act 2009.

In this respect, the Board has in place the Code of Conduct and Ethics to affirm its commitment to practise the highest level of integrity and ethics.

The Company has zero tolerance of any conduct that constitutes a wrongdoing or malpractice which may include any breach of ethics and/or any fraudulent act as may be described in the Anti-Bribery and Anti-Corruption Policy. To this, the Company has in place a Whistleblower Policy to facilitate the exposure of any violations or improper conduct or wrongdoing within the Group.

Code of Conduct and Ethics

Good governance at all levels is essential for sustainable development. The Board is committed to embrace the highest standards of corporate governance practices and ethical standards throughout the Group.

In this respect, the Group has established a Code of Conduct and Ethics to provide direction and guidance to all Directors, Senior Management and employees in the discharge of their duties and responsibilities that will be in the best interests of the Group. The Code of Conduct and Ethics has been uploaded on the Company's website under the Investor Relations segment at https://www.fajarbaru.com.my/investor-relations/corporate-governance/

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART I – BOARD RESPONSIBILITIES (Cont'd)

Anti-Bribery and Anti-Corruption Policy
An Anti-Bribery and Anti-Corruption Policy was established to set out the Group's zero tolerance approach against all forms of bribery and corruption. The Group's practices are in accordance to the Malaysian Anti-Corruption Commission Act 2009 and its amendments. The Anti-Bribery and Anti-Corruption Policy is published in the Company's website under the Investor Relations segment at https://fajarbaru.com.my/investor-relations/corporate-governance/

Whistle-blowing Policy
The Company is committed to the highest standard of integrity, openness and accountability in the conduct of its businesses and operations. It aspires to conduct its affairs in an ethical, responsible and transparent manner.

This policy is to provide an avenue for all employees of the Company and members of the public to disclose any improper conduct in accordance with the procedures as provided for under this policy and to provide protection for employees and members of the public who report such allegations.

A whistle-blower will be accorded with protection of confidentiality of identity, to the extent reasonably practicable. Any anonymous disclosure will not be entertained. Any employee or member of the public who wishes to report improper conduct is required to disclose his / her identity to the Company in order for the Company to accord the necessary protection to him / her. However, the Company reserves its right to investigate into any anonymous disclosure.

The Whistle-blowing Policy is posted on the Company's website under the Investor Relations segment at https://www.fajarbaru.com.my/investor-relations/corporate-governance/. Any improper conduct may be reported in writing directly to whistleblow@fajarbaru.com.my, which is accessible by the Chairman of the Audit Committee.

During the year, the Board also approved/reviewed various other changes and/or introduced new policies and procedures, to promote good business conduct within the Group, among others, the introduction of Group Human Rights Policy and the review of the Diversity Policy, Group Sustainability Policy, Auditor Independence Policy and Remuneration Policy.

Sustainability Strategies
The Board views the commitment to promote sustainability strategies in the Economic, Environmental, Social and Governance aspects as part of its broader responsibility to all its various stakeholders and the communities in which it operates. The Board is ultimately accountable for ensuring that sustainability is integrated into the strategic direction of Fajarbaru and its operations. To achieve this, the Board continuously ensures that there is an effective governance framework for sustainability within the Group. The Board recognises its responsibility to set the "tone from the top" and ensure good governance within the Group.

The Group strives to achieve a long-term sustainability balance between meeting its business goals, preserving the environment to sustain the ecosystem and improving the welfare of its employees and the communities in which it operates such initiatives are set out in the Sustainability Statement section in this Annual Report. Aside from strategic guidance for management of its identified sustainability material matters and climate-related risks, the Board is also committed in advancing the Economic, Environmental, Social and Governance agenda across the Group.

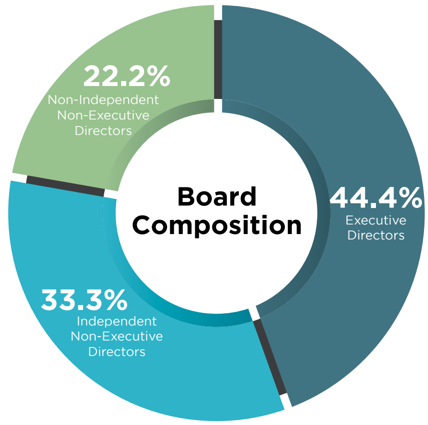
CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART II – BOARD COMPOSITION

Composition and Balance

The Directors' Fit and Proper Policy was adopted by the Company to ensure a formal, rigorous and transparent process for the appointment/election of candidates as Directors of the Company and for the re-election of the Directors. The Board currently has nine (9) members comprising of a Group Executive Chairman, a Non-Independent Non-Executive Deputy Chairman, a Group Chief Executive Officer, two (2) Group Executive Directors, a Non-Independent Non-Executive Director, and three (3) Independent Non-Executive Directors. The Company is in compliance with the MMLR which required at least two directors, or one-third of the total number of Directors, whichever is higher, to be Independent Directors.



The presence of Independent Non-Executive Directors ("INEDs") fulfills a pivotal role in corporate accountability. Although all the Directors have equal responsibility for the Group's operations, the role of these Independent Non-Executive Directors are particularly important as they provide unbiased and independent view, advice and judgement to take account of the interests, not only of the Group, but also of shareholders, employees, customers, suppliers and the many communities in which the Group conducts business.

The Directors, with their different background and specialisation, collectively bring with them a wide range of experience and expertise in areas such as finance, corporate affairs, legal, marketing and operations. The Board comprises of members from various professions with individual personalised quality, expertise, skills and relevant market and industry knowledge and ensures at all times that necessary financial and human resources are in place for the Company to meet its strategic objectives.

In the event of any vacancy in the Board, resulting in non-compliance with the aforesaid, the Company must fill the vacancy within three (3) months.

The Board is mindful that the Board still does not comprise of at least half INEDs as recommended by Practice 5.2 of MCCG 2021. The Board is of the view that the present INEDs, with the breadth of professional background, have enabled the Board to exercise objective judgement on various issues and decisions are made through their sharing of impartial, objective and unbiased opinion and viewpoints. Although all Directors shared equal responsibility for the Group's business directions and operations, the presence of INEDs are essential in ensuring that the management proposals are fully discussed, challenged and evaluated, by taking into account the interest of not only the Group but also all interested parties, including shareholders, employees, customers, suppliers and the communities as a whole.

Further, the current composition of the Board Committees comprise of all INEDs which affirmed the Board's commitment towards independence and provide strong check and balance in the Board's governance function. The significant contributions of the Independent Directors in the decision-making process are evidenced by their participation as members of the various Board Committees. Hence, the INEDs are able to carry out their duties and to provide an unfettered and unbiased independent judgement and to promote good corporate governance.

Nonetheless the Board will consider appointment of additional INEDs in the near future to ensure that the Board comprises at least half INEDs as per Practice 5.2 of the MCCG 2021.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART II – BOARD COMPOSITION (Cont'd)

Appointments of the Board

The NC is responsible for assessing and considering the re-appointment of the existing Directors; and for identifying and selecting potential new Directors to the Board. It also considered succession planning and the composition of the Board. The NC considers the experience, skills and qualities of the new and existing Directors to ensure a good balance of skills amongst the Directors so as to continue to enhance the effectiveness of the Board. The Board, through the NC, agreed the importance of having diversity on the Board and will take steps to ensure that women candidates are sought as part of its recruitment exercise. The ultimate decision will be based on merit and contributions the candidate brings to the Board.

The NC will evaluate the independence of the Independence Director based on the evaluation criteria approved by the Board and submit its findings to the Board for deliberation. The Independence Director who is also the NC member will be excused from the meeting during discussion of his/her independence status. The assessment takes into account the individual Director's ability to exercise independent judgement to enhance the Board's accountability.

Re-election of the Directors

In accordance with the Company's Constitution, one-third (1/3) of the Directors (including a Managing Director) for the time being, or, if their number is not a multiple of three, then the number nearest to one-third (1/3) shall retire from office and shall be eligible for re-election. All directors (including a Managing Director) shall retire from office once at least in each three years, but shall be eligible for re-election.

The Company's Constitution also provides that any director appointed during the year shall hold office until the next annual general meeting, and shall then be eligible for re-election but shall not be taken into account in determining the directors who are to retire by rotation at that meeting.

Directors' Training

The Board acknowledges that continuous education is vital for its members to gain insight into the state of the economy, technological advances, latest regulatory developments and management strategies. All members of the Board have attended and successfully completed the Mandatory Accreditation Programme as required by Bursa Securities. The Board will also identify training needs amongst the Directors and enroll the Directors for training programme, as and when required.

The Company regularly organises in-house programmes, briefings and updates by its in-house professionals. The directors are also encouraged to attend seminars and briefings in order to keep themselves abreast with the latest developments in the business environment and to enhance their skills and knowledge. Directors are kept informed of available training programmes on a regular basis.

The external auditors briefed the Board members on any changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during the year. In addition, the Board is briefed at every Board meeting on any significant changes in laws and regulations that are relevant by the Company Secretary. The Directors' are also encouraged to attend appropriate external trainings on subject matter that aids the Directors in the discharge of their duties as Directors, either at the Company's expense or through self-reading.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART II – BOARD COMPOSITION (Cont'd)

Directors' Training (Cont'd)

During financial year 2024, the directors received regular briefings and updates on the Group's businesses, operations, risk management, internal control, corporate governance, finance and any changes to relevant legislation, rules and regulations from in-house professionals. The Company also organised in-house programmes for its directors and senior management.

The Directors of the Company have also attended various programmes and forums facilitated by external professionals in accordance with their respective needs in discharging their duties as directors.

The training, conferences or seminars attended by the Directors during the financial year are as outlined below:

Director	Training Programme
Tan Sri Dato' Sri Chan Kong Choy	• Sustainability Reporting Training • Anti-Bribery & Anti-Corruption Training
Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • Malaysia 2024 Budget Highlights Sustainability Reporting Training • Anti-Bribery & Anti-Corruption Training
Dato' Sri Kuan Khian Leng	• Contractual Claims: A Look into Variation, Extension of Time and Loss & Expense Claims • 14th International Conference On World Class Sustainable Cities 2023 (WCSC 2023) • 54th Asean Constructors Federation (ACF) Conference • Environmental, Social & Governance (ESG) Transformation Workshop to Attract Ethical Investor • Environmental, Social & Governance Association of Malaysia (ESGAM) Awareness Event "Business Reimagined: Bridging the Sustainability Gap for Small and Medium Enterprises (SMEs)" • 46th International Federation of Asian and Western Pacific Contractors' Assocations (IFAWPCA) Convention • Conference on Construction Industry Development Board (CIDB) Standard Form of Contract for Building Works 2022 and Mediation For Construction Disputes • Sustainability Implementation and Reporting Training • Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • Materiality Assessment (Sustainability) Training • Greenhouse Gas (GHG) Inventory and Reporting Training • Establishing & Embedding Environmental, Social and Governance (ESG) Strategies into Your Business Model • Sustainability Reporting Training • Anti-Bribery & Anti-Corruption Training
Tan Sri Datuk Seri Lau Kuan Kam	• Sustainability Reporting Training • Anti-Bribery & Anti-Corruption Training

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART II – BOARD COMPOSITION (Cont'd)

Directors' Training (Cont'd)

Director	Training Programme
Ir. Kong Kam Loong	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • Greenhouse Gas (GHG) Inventory and Reporting Training • Sustainability Reporting Training • Anti-Bribery & Anti-Corruption Training
Dato' Norasni Binti Ayob	• Sustainability Reporting Training • Anti-Bribery & Anti-Corruption Training
Dato' Lim Siew Mei	• International Union of Forest Research Organization (IUFRO) 2023 Working Group 2.08.03 – Improvement and Culture of Eucalypts Enhancing the Performance and Sustainability of Eucalypt Plants • Kursus Berjadual Pengecaman Spesies-spesies Kayu Malaysia • Sustainability Reporting Training • Anti-Bribery & Anti-Corruption Training
Datuk Yoo Wei How	• Mandatory Accreditation Programme • Sustainability Reporting Training • Anti-Bribery & Anti-Corruption Training
Ooi Leng Chooi	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • Sustainability Reporting Training • Anti-Bribery & Anti-Corruption Training

The Company Secretaries normally circulate the relevant statutory and regulatory requirements from time to time for the Board's reference and brief the Board on the updates, where applicable.

PART III - REMUNERATION

Remuneration Policy

The remuneration of the Directors is determined at levels which enable the Company to attract and retain Directors with the relevant experience and expertise needed to run the Group successfully. The component parts of remuneration are structured so as to link rewards to corporate and individual performance in the case of Executive Directors. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the individual Non-Executive Directors concerned.

Remuneration Procedure

The RC is responsible for making recommendations to the Board on remuneration packages and benefits extended to the Executive Directors. The remuneration package of Non-Executive Directors will be decided by the Board as a whole, with the Directors concerned required to abstain from the deliberations and voting on decisions in respect of the individual's remuneration.

The determination of the remuneration of the Non-Executive Directors is a matter for the Board as a whole, subject to approval by the shareholders of the Company at the Annual General Meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART III - REMUNERATION (Cont'd)

Disclosure
The aggregate remuneration of Directors for the financial year ended 30 June 2024 is as follows:–

Directors	Fees RM '000	Salaries RM '000	Bonus RM '000	Gratuity RM '000	Allowance RM '000	EPF RM '000	Socso RM '000	BIK RM '000	Total RM '000
Tan Sri Dato' Sri Chan Kong Choy	–	1,068	254	–	–	53	1	35	1,411
Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon	72	–	–	–	8	–	–	7	87
Dato' Sri Kuan Khian Leng	–	786	168	–	78	115	1	7	1,155
Tan Sri Datuk Seri Lau Kuan Kam	–	334	80	–	–	16	1	–	431
Ir. Kong Kam Loong	–	575	138	–	74	86	1	7	881
Dato' Lim Siew Mei	196	–	–	–	2	–	–	–	198
Dato' Norasni Binti Ayob	36	–	–	–	8	–	–	–	44
Datuk Yoo Wei How[1]	25	–	–	–	1	–	–	–	26
Ooi Leng Chooi	42	–	–	–	8	–	–	–	50
Dato' Ismail Bin Haji Omar[2]	7	–	–	63	–	–	–	–	70

[1] *Appointed on 23 October 2023*
[2] *Retired on 18 August 2023*

	Executive Directors	Non-Executive Directors
RM 50,000 and below	–	3
RM 50,001 to RM 100,000	–	2
RM 150,001 to RM 200,000	–	1
RM 400,001 to RM 450,000	1	–
RM 850,001 to RM 900,000	1	–
RM 1,150,001 to RM 1,200,000	1	–
RM 1,400,001 to RM 1,450,000	1	–

The aggregate remuneration of Senior Management personnel for the financial year ended 30 June 2024 is as follows:–

	Senior Management
RM 550,001 to RM 600,000	1
RM 850,001 to RM 900,000	1

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – AUDIT COMMITTEE

Composition of Audit Committee

The Board understands its role in upholding the integrity of financial reporting by the Company. The Board is assisted by the AC in governing its oversight of the Group's financial reporting, as well as the quality and integrity of its financial reporting. The quarterly results and audited financial statements are reviewed by the AC and the external auditors (for audited financial statements) and approved by the Board before being released to Bursa Securities.

The AC currently comprises three (3) members, all of whom are Independent Non-Executive Directors. The AC is chaired by Mr Ooi Leng Chooi, the Independent Non-Executive Director, who is not the Chairman of the Board. All members of the AC are financially literate and well-equipped with relevant knowledge and experience to effectively discharge their duties and responsibilities as members of the AC. They also have sufficient understanding of the Company's businesses.

The composition of the AC, including its roles and responsibilities, are set out in the Audit Committee Report on pages 110 to 112 of this Annual Report, which provides the details of the AC's activities which among others, include the annual assessment on the suitability, objectivity and independence of the external auditors. One of the key responsibilities of the Audit Committee in its specific terms of reference is to ensure that the financial statements of the Group and Company comply with applicable financial reporting standards in Malaysia and provisions of the Companies Act, 2016.

Financial Reporting

The Boards aims to provide and present a balanced and understandable assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements and quarterly announcement of results to shareholders as well as the Chairman's Statement and Management Discussion and Analysis in this Annual Report.

Internal Control

Information on the Group's internal control is presented in the Statement on Risk Management and Internal Control laid out on pages 100 to 108.

Relationship with the External Auditors

Through the Audit Committee, the Company has established a transparent and appropriate relationship with the Company's External Auditors. The External Auditors meet and report their findings to the Audit Committee pursuant to their audit for each financial year.

Compliance with the Malaysian Code on Corporate Governance

The Board has the best of its ability and knowledge complied with the MCCG. The Board expects to continue to improve and enhance the procedures from time to time, especially in both corporate governance and internal control.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

PART II -RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Sound Framework to Manage Risks
The Board has the ultimate responsibility of approving the risk management framework as well as overseeing the Group's risk management and internal control framework.

In recognising the importance of risk management, the Group has established a risk management and internal controls framework to identify, evaluate, control, monitor and manage significant business risks faced by the Group on an ongoing basis. The Board through oversight of the RMC and reports received from this Committee, makes high level assessments of the key risks inherent in the Group and proposes or endorses mitigating measures for any identified risks, including business disruption risks and investment risks.

The Statement on Risk Management and Internal Control is set out on pages 100 to 108 of this Annual Report, provides an overview of the state of risk management and internal control within the Group.

Internal Audit Function
The Internal Audit Function is set out on page 112 of this Annual Report.

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

PART I – ENGAGEMENT WITH STAKEHOLDERS

Periodic and Continuous Disclosure
The Board acknowledges the need for shareholders and other stakeholders to be informed of all material matters affecting the business and performance of the Company. Announcements to Bursa Securities are made on developments or events significantly affecting the Group. Financial results are released on a quarterly basis to provide shareholders and other stakeholders with a regular overview of the Group's performance. All announcements made by the Company to Bursa Securities are also available to shareholders and the market on the Investor Relations section of the Company's website at https://www.fajarbaru.com.my/

Company Website
The Company's website, https://www.fajarbaru.com.my/ provides detailed information on the Group's businesses and latest development. The website has a dedicated section on investor relations and corporate governance which contains announcements to Bursa Securities, quarterly financial results and annual reports, among others. In addition, the website also offers additional information which includes the Board and corporate information.

Shareholders and Investors Queries
Whilst the Company aims to provide sufficient information to shareholders and investors about the Company and its activities, it also recognises that shareholders and investors may have specific queries and require additional information.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)

PART I – ENGAGEMENT WITH STAKEHOLDERS (Cont'd)

To ensure that shareholders and investors can obtain all relevant information about the Group, they are encouraged to direct their queries to:

Investor Relations
Fajarbaru Builder Group Bhd
No. 61 & 63,
Jalan SS6/12,
Kelana Jaya,
47301 Petaling Jaya,
Selangor Darul Ehsan.
Tel: +603 – 7804 9698
Fax: +603 – 7804 3698 / 4849
Email : corporate@fajarbaru.com.my

PART II – CONDUCT OF GENERAL MEETINGS

Annual General Meeting and Dialogue with Shareholders
The Board is aware of the importance of the timely and accurate disclosure of material information to shareholders and investors of the Group.

The Company reaches out to its shareholders through the issuance of Annual Report, Explanatory Circulars and updates on the Company are provided through the quarterly reports announced to the Bursa Securities. The Annual General Meeting is the principal forum for dialogue and interaction with the shareholders of the Company. Besides the usual agenda of the Annual General Meeting, the Board presents the progress and performance of the business. Thereafter, the shareholders are presented with the opportunity to participate in question and answer sessions with the Directors. The Chairman where appropriate, the Group Chief Executive Officer or the Executive Directors, will respond to any questions raised during the meeting.

In the re-election of Directors, the Board will ensure that through the notice of meeting, full information is disclosed on Directors who are retiring and willing to continue to serve, if re-elected.

Each item of special business included in the notice of meeting will be accompanied by a full explanation of the effects of a proposed resolution. This is to facilitate a better understanding and evaluation of the issues involved.

The minutes of the AGM and/or EGM (including the questions raised at the AGM/EGM and the answers thereto) were made available on the Company's website at https://www.fajarbaru.com.my/

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("Board") is pleased to present the Statement on Risk Management and Internal Control ("Statement") pursuant to the Paragraph 15.26 (b) and Practice Note 9 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the recommendations of the Malaysian Code on Corporate Governance 2021 ("MCCG") with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, a publication of Bursa Securities. The Board is committed to preserve and uphold a sound system of risk management and internal control as well as good corporate governance practices throughout Fajarbaru Builder Group Bhd ("Fajarbaru" or the "Company") and its subsidiaries (collectively referred to as "the Group"). The Statement outlines the key features of risk management and internal control system of the Group during the year under review.

BOARD RESPONSIBILITY

The Board affirms its commitment and responsibility for maintaining a sound risk management framework and internal control system to safeguard the shareholders' investments and the Group's assets, as well as to discharge its stewardship responsibility in identifying principal risks and ensuring the implementation of an appropriate risk management and internal control system to manage those risks in accordance with Principle B: Effective Audit and Risk Management of the MCCG. By virtue of the nature of its business activities, the Board considers its strategic risk appetite and seeks to minimise risks at operational level.

The Board is mindful of the need to establish clear roles and responsibilities in discharging its fiduciary and leadership functions in line with the Principles, Practices and Guidance of the MCCG.

In embracing Practice 10.1 of the MCCG, the Board has formalised a Risk Management framework ("Framework") that sets out pertinent policies and guidelines to streamline the Group's risk management initiatives and activities in a structured and holistic manner to safeguard shareholders' investment and the Group's assets. Based on this Framework, the Board has established an on-going process to identify, evaluate, control, report and monitor significant business risks faced by the Group.

The system of risk management and internal control is designed to manage risk to a reasonable level rather than to eliminate risk of failure to achieve the Group's business objectives. It can therefore only provide reasonable and not absolute assurance against material misstatement or financial losses or fraud. In achieving the Group's business objectives, the Board assumes its responsibilities in designing the system of risk management and internal control based on the ongoing process of identifying and prioritising risk, evaluating the likelihood of risks being realised and its impact should they be realised, and then, managing them effectively, efficiently, and economically.

The Management is responsible for assisting the Board in implementing and monitoring the procedures and processes which identify, assess, and monitor strategic risks, business risks and internal controls, and to take responsive risk mitigation actions as and when needed.

BOARD RESPONSIBILITY (Cont'd)

During the financial year under review and up to the date of approval of this Statement for the inclusion in Annual Report, the Board was supported by the Senior Management and Internal Auditor in implementing a formal approach towards identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives and is an ongoing process. This includes examining principal business risks in critical areas and identifying measures to mitigate, avoid and eliminate these risks.

RISK MANAGEMENT COMMITTEE

Risk Management Committee ("RMC") was established by the Board to oversee the management of all identified material risks including inter-alia reviewing the development of risk management framework, align with business and operational requirements which supports the maintenance of a strong control environment. The Group has established an on-going process for identifying and documenting major risks, evaluating the potential impact and likelihood of their occurrence and mitigating controls. This process is reviewed by the RMC and the Board.

In discharging its responsibilities, the RMC ensures corporate objectives are supported by a sound risk management strategy and an effective risk management framework that is appropriate to the nature, scale and complexity of the Group's activities and to provide effective oversight to ensure business activities are aligned to the risk strategy, risk appetite and policies approved by the Board.

RISK MANAGEMENT FRAMEWORK

The Board recognised the risk management as an integral part of system of internal control and good management practice in pursuit of its strategic objectives and maintains an ongoing commitment for identifying, evaluating and managing significant risks faced by the Group during the financial year under review. Significant risks were identified and assessed in terms of likelihood of their occurrence and the impact on the achievement of the Group's business and corporate objectives.

The Board oversight function in risk management assessment is assisted by RMC, chaired by an Independent Director and its members consist of Executive Directors and the Senior Management Team, that report to the Audit Committee and the Board with respect to review and monitor the Group's major risk exposures, key guidelines and policies for risk assessment and management, and steps taken by the Management to monitor and control such exposures. RMC was formed to provide an integrated risk management infrastructure to identify, respond to and monitor the significant business risk in a systematic and on-going approach. RMC will assist the Board in effectively discharging its primary responsibilities of identifying, managing, evaluating and monitoring principal risks. It will also oversee the implementation of appropriate systems and risk assessment processes to manage risks within the Group.

RMC had been established with the responsibility to identify and communicate to the Board the critical strategic business risks (both present and potential) the Group faces, their changes and the management action plans to manage the risks.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(Cont'd)

RISK MANAGEMENT FRAMEWORK (Cont'd)

RMC together with the respective heads of the Group's business unit are responsible for implementing the processes for identifying, evaluating, monitoring and reporting of risks and internal control, taking appropriate and timely corrective actions as needed.

Changes in the key business risks faced by the Group or emergence of new key business risks and the corresponding internal controls are discussed during management meetings with material changes in the key business risks faced by the Group or emergence of new key business risks are highlighted to the Board, if any.

A database of strategic risks identified and appropriate controls has been created and the information filtered to produce a detailed risk register/scorecard and individual risk profiles for the respective business units, which is continuously updated.

Key risks to each business unit's objectives aligned with the Group's strategic objectives are identified and scored for likelihood of the risks occurring and the magnitude of the impact.

The risks profile of the relevant business units have been tabled to the RMC with highlights on the key business risk, their causes and management action plans thereon.

All major risks that have an impact on the Group such as market, legislative and financial risks, will be identified, rated and monitored closely on an on-going basis. For each of the risk identified, the risk owner is assigned to ensure that the appropriate risk response actions are carried out in a timely manner. The Internal Auditor will update the Risk Analysis Matrix and perform an independent review on the risk and internal control area and report to the Audit Committee on a quarterly basis.

The individual risks in the profile are scored for their likelihood of occurrence and the impact thereof established for each key business unit or company in the Group. The risk parameters comprise relevant financial and non-financial metrics for risks to be evaluated in terms of likelihood of their occurrence and the impact thereof, this feature essentially articulates the Board's risk appetite, i.e. the extent of risk the Group is prepared to take or seek in achieving its corporate objectives. Details of specific risks are recorded in individual risk registers, covering the risk description, causes of risk, risk consequences, internal controls implemented by Management to address the causes of risk, Management's assessment of the effectiveness of internal controls and the residual risk rating.

The role of this risk management framework is to provide all staff with guidance in how to apply consistent and comprehensive risk management.

RISK MANAGEMENT FRAMEWORK (Cont'd)

The Board believes that the function of a sound system of internal control and risk management policies is built on a clear understanding and appreciation of the Group's risk management framework and policy with the following key elements:

(i) Provide a systematic approach to the early identification and management of risks;

(ii) Effective and efficient risk management activities contribute to good corporate governance and are integral to the achievement of business objectives;

(iii) Provide consistent risk assessment criteria;

(iv) Risk management should be embedded into day-to-day management processes and is explicitly applied in strategic planning and decision-making;

(v) Adopt risk treatment strategies that are cost effective and efficient in reducing risk to an acceptable level; and

(vi) Monitor and review risk levels to ensure that risk exposure remains within an acceptable level.

(vii) Regular reporting and monitoring activities emphasise the accountability and responsibility for managing risks.

Risk identification is a key step in the risk management process to ensure a complete list of risks is identified. There are four level of risk being identified namely Significant High Level, High Level, Medium Level and Low Level. Significant High Level of risk requires immediate prohibition of the process and immediate corrective action; High Level of risk requires immediate corrective action; Medium Level of risk may require corrective action through planning and budgeting process; and Low Level of risk requires the costs to treat the risk are disproportionately high compared to the negligible consequences or may require consideration in any future changes to the process or can be fixed immediately.

Possible risk treatments options include avoid the risk, mitigate the risk, transfer the risk, accept the impact of the risk or deferred the risk. Risk escalation is an important tool for ensuring that risks are known and understood by the people with appropriate authority to manage them. If a risk poses an extreme risk and requires allocation of substantial risk treatment resources, then it would not be appropriate for this to be managed at the divisional level. The Board has overall accountability for managing risks and therefore, where a risk poses such a high threat, the Board should be immediately informed of it.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(Cont'd)

RISK MANAGEMENT FRAMEWORK (Cont'd)

The respective risk owners are responsible for identifying risks and to ensure that adequate control systems are implemented to mitigate risks faced by the Group. The process of identifying, evaluating, monitoring and managing risks is embedded in the various work processes and procedures of the respective operational functions and the risk mitigating processes are implemented in the following aspects:–

1. **Financial**
   Liquidity risk management processes which ensures that the Group effectively and efficiently meets its financial obligations and liquidity requirements.

2. **Business**
   Business risk management approach which identifies key business risks and their financial impact. Identified business risks are assessed and ranked based on their severity of consequences and likelihood of occurrence for the remedial and mitigating actions to be taken.

3. **Operational**
   Key operational risks identified such as risks affecting quality and timelines of project delivery are monitored by risk owners to ensure that remedial and mitigating actions are carried out.

4. **Environmental, Safety and Health**
   Adopting stringent monitoring controls on environmental, safety and health which are of utmost importance to the business.

To strengthen the risk management framework, the RMC continuously enhances risk management practices and increases the scope across subsidiaries.

RMC met two (2) times during the financial year ended 30 June 2024 to review the Group's risk and any other matters that required the Board's approval.

INTERNAL CONTROL

The Internal Audit Department was established by the Board to undertake continuous testing and assessments on the adequacy and effectiveness of the risk management, internal control and governance processes in order to provide reasonable assurance that such systems continue to operate efficiently and effectively. The internal control system is designed to enable the Group to manage, rather than to eliminate the risk of failure to achieve business objectives. The internal control system can only provide reasonable and not absolute assurance against material misstatement and loss.

INTERNAL CONTROL (Cont'd)

Key Processes

The Board confirms that there is a continuous process for identifying, evaluating and managing the significant risks of the Group which has been in place for the financial year under review.

The Internal Auditor is placed under the direct supervision and authority of the Audit Committee to preserve its independence. The Internal Auditor reports functionally to the Audit Committee's Chairman and administratively to the Group Chief Executive Officer.

The process is regularly reviewed by the Board and is in accordance with the guidance as contained in the "Statement of Internal Control: Guidance for Directors of Public Listed Companies".

The key processes that the Board has established in reviewing the adequacy and integrity of the system of internal control, are as follows:

- Quarterly review of financial information covering financial performance and quarterly financial results;
- Operational information and updates provided by management during the board meetings;
- Audit Committee's review and consultation with management on the integrity of the financial results, annual report and audited financial statements;
- Audit findings and reports on the review of systems of internal control from the Internal Auditor;
- Management assurance that the Group's risk management and internal control systems have been operating adequately and effectively, in all material respects;
- Director representations in the boards of the companies in which the Group has investment; if any;
- The Group has in place experienced and competent employees in areas of responsibility to support the effectiveness of the Group's system of internal control. The Group also provides relevant training to the employees to ensure continuous improvement of their competencies;
- The Tender Committee, which consists of members from the Senior Management, reviews all significant procurement exercises based on the established policies and procedures of the Company before review and approval by the Group Chief Executive Officer or the Board; and
- The Management team, which comprises of the Group Chief Executive Officer, Group Executive Directors and head of department, meets at least once a month to review the Group's performance and to ensure that all functions within the organisation are working towards the Group's goals and objectives. Any other matters which are beyond the authority of the Management team will be escalated to the Board for decision through the Group Chief Executive Officer / Group Executive Directors.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(Cont'd)

KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The key elements of the Group's risk management and internal control system are as follows:

- The Group has a defined organisation structure and each function and/or operating business segments is led by a head of department. The line of accountability, responsibility, approval, authorisation and control procedures have been laid down and communicated throughout the Group;
- A process of hierarchical reporting which provides a documented and auditable trail of accountability, with appropriate sign-off by personnel entrusted with the responsibilities;
- Appropriate authority controls are established for the approval process, therefore minimising the risk of unauthorised transactions;
- Significant changes in business development are reported by Management to the Board at scheduled meetings. This oversight review enables the Board to evaluate and monitor the Group's business performance vis-à-vis its corporate objectives;
- Key result areas and key performance indicators are established and aligned with the strategic business objectives and goals and are monitored on an ongoing basis;
- Board meetings are held at least once in a quarter with a formal agenda on matters for discussion. The Board is kept updated on the Group's activities and operations on a timely and regular basis;
- Human resource function sets out clearly defined process for recruitment, training and staff appraisal to ensure that staff is competent and adequately trained in carrying out their responsibilities;
- Regular in-house trainings by external parties were conducted to keep Directors and Management abreast with the current thinking on risk management and internal controls and updates on new legislations;
- Internal policies and standard operating procedures are clearly documented to ensure compliance with internal controls, laws and regulations, which are subjected to reviews and improvement, have been communicated to all levels across the Group; and
- Whistle-Blowing Policy was established to provide avenue for whistle-blowing report and to promote good corporate governance.
- Anti-Bribery and Anti-Corruption Policy is in place to further enforce the Group Code of Conduct and Business Ethics to ensure that employees understand their responsibilities in compliance with the Group's zero tolerance for bribery and corruption within the Group.

EFFECTIVENESS OF INTERNAL CONTROL

The review and assurance of the system of internal control is an ongoing process. It is continuously reviewed by the Internal Audit and Audit Committee and weaknesses and incidents of non-compliance with policies and procedures are highlighted to the management for its further improvement actions to achieve business objectives.

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

In accordance with Bursa's Guidelines, Management is responsible to the Board for identifying risks relevant to the business of the Group's objectives and implementing strategies to mitigate those risks, maintaining a sound system of risk management and internal control; and monitoring and reporting to the Board of any material control deficiencies and changes in risks that could significantly affect the Group achieving its objective and performance.

The Board has received assurance from the Group Chief Executive Officer, Group Executive Directors and Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively for the financial year under review, in all material aspects, based on the risk management and internal control system of the Group. The assurance has been given based on the internal controls established and maintained by the Group, work performed and reports provided by the internal audit function, management letters provided by External Auditors, reviews performed by Management and various Board Committees as well as reliance on written confirmations by Management. Taking into consideration the assurance from the Management and input from the relevant assurance providers, the Board is of the view that the risk management framework and internal control systems are satisfactory and adequate to safeguard shareholders' investments, customers' interests and the Group's assets and have not resulted in any material loss, contingency or uncertainty. The Board continues to take pertinent measures to sustain and, where required, to improve the Group's risk management and internal control systems in meeting the Group's strategic objectives.

BOARD ASSURANCE AND LIMITATION

The Board is satisfied with the procedures outlined above and the Board will continue to review the effectiveness of the Group's risk management and internal control system. Nonetheless, the Board recognises that the internal control system should be continuously improved in line with the evolving business environment. It should be noted generally that all risk management and internal control systems could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, the Group's risk management and internal control system can only provide reasonable, but not absolute assurance against material misstatements, frauds, losses or other significantly adverse consequences.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(Cont'd)

REVIEW OF STATEMENT BY THE EXTERNAL AUDITORS

As required by paragraph 15.23 of the Main Market Listing Requirements, the External Auditors have reviewed this Statement on Risk Management and Internal Control in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report, issued by Malaysian Institute of Accountants.

Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that caused them to believe that the Statement is not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is it factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks 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 this Annual Report will, in fact, remedy the problems.

CONCLUSION

The Board is of the view that the risk management and internal control system are satisfactory and have not resulted in any material losses that would require disclosure in this Annual Report for the year ended 30 June 2024 up to the date of this Statement.

This Statement on Risk Management and Internal Control was approved by the Board on 24 October 2024.

DIRECTORS' RESPONSIBILITY STATEMENT

In respect of the preparation of the audited financial statements (as required under Paragraph 15.26(a) of the Main Market Listing Requirements):

The Directors are required by the Companies Act, 2016 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Company of the results and cash flows for that financial year.

The Directors, in preparing the financial statements for the financial year ended 30 June 2024 have:

- used appropriate accounting policies and apply them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed.

The Directors are responsible for ensuring that proper accounting records are kept and disclosure with reasonable accuracy at any time the financial position of the Company and of the Group and to enable them to ensure that the financial statements comply with the Companies Act, 2016.

REPORT OF
THE AUDIT COMMITTEE

The Board of Directors of Fajarbaru Builder Group Bhd. is pleased to present the report of the Audit Committee of the Board for the year ended 30 June 2024.

MEMBERS AND MEETINGS

The members of the Audit Committee during the year comprised the directors listed below. During the year ended 30 June 2024, the Committee held a total of five (5) meetings.

Audit Committee Members	Status of Directorship	Attendance of Meetings
Ooi Leng Chooi (Chairman)	Independent Non-Executive Director	5 / 5
Dato' Norasni Bin Ayob (Member)	Independent Non-Executive Director	5 / 5
Datuk Yoo Wei How (Member)^	Independent Non-Executive Director	3 / 3

^ Appointed on 23 October 2023

During the financial year, the Committee undertook the following activities:-

1. Reviewed the audited financial statements for the year ended 30 June 2024 and unaudited quarterly financial results announcement of the Group, prior to the Board's approval.
2. Reviewing with the External Auditors the scope of work and results of their examination together with the actions taken thereon.
3. Reviewing the scope and results of the Internal Audit procedures and reports as well as to recommend any necessary action to be taken by management.
4. Monitoring and reviewing the Financial and Operations Reports.
5. Reviewing any related party transaction that may arise within the Group of the Company.

TERMS OF REFERENCE

The terms of reference of the Committee is as follows:

The Committee shall be appointed by the Board from among their members and shall consists of not less than three (3) members. All the Committee member must be Non-Executive Directors' with a majority of them being independent.

The Chairman shall be an Independent Non-Executive Director. No alternate director of the Board shall be appointed as a member of the Committee. At least one member of the Committee must be a member

TERMS OF REFERENCE (Cont'd)

of the Malaysian Institute of Accountants or if he is not, then he must be a person who complies with the requirements of Paragraph 15.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

In the event of any vacancy in the Committee resulting in non-compliance of subparagraph 15.09 (1) of the Main Market Listing Requirements, the vacancy must be filled within three (3) months. The term of office and performance of the Committee and each of the members shall be reviewed by the Board of Directors at least once every three (3) years to determine whether the Committee and its members have carried out their duties in accordance with the Terms of Reference.

RESPONSIBILITIES AND DUTIES

The responsibilities and duties of the Committee are:

1. to consider the appointment, resignation and dismissal of External Auditors and the audit fee;
2. to review the nature and scope of the audit with the Internal and External Auditors before the audit commences;
3. to review the quarterly and annual financial statements of the Group and the Company focusing on the matter set out below, and thereafter to submit them to the Board:

   (a) any changes in accounting policies and practices;

   (b) significant adjustments arising from the audit;

   (c) the going concern assumption; and

   (d) compliance with accounting standards and regulatory requirements.
4. to discuss problems and reservations arising from the interim and final audits, and any matter the External Auditors may wish to discuss;
5. to review the audit reports prepared by the Internal and External Auditors, the major findings and management's responses thereto;
6. to review the adequacy of the scope, functions and resources of the Internal Audit department and that it has the necessary authority to carry out its work;
7. to review any appraisal or assessment of the performance of members of the Internal Audit department;
8. to approve any appointment or termination of senior executives in the Internal Audit department;
9. to review related party transactions entered into by the Group and the Company to ensure that such transactions are undertaken on the Group's normal commercial terms and that the internal control procedures with regards to such transactions are sufficient; and
10. any such other functions as may be agreed to by the Committee and the Board.

REPORT OF THE AUDIT COMMITTEE
(Cont'd)

RESPONSIBILITIES AND DUTIES (Cont'd)

The Audit Committee has established an Auditor Independence Policy, which setting out the 5-year rotation and cooling off requirement. The Audit Committee carried out an annual review of the performance of External Auditors, including assessment on their independence in performing their obligations, adequacy of experience and resources of the firm and professional staff assigned to the audit, and the level of non-audit services to be rendered by the External Auditors to the Group.

STATEMENT BY THE AUDIT COMMITTEE IN RELATION TO ESOS ALLOCATION

During the financial year, the Company did not grant any options to eligible employees of the Group under the ESOS.

INTERNAL AUDIT FUNCTION

The Company has an in-house Internal Audit Department whose principal responsibility is to undertake regular and systematic reviews of the systems of financial and operational controls so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively. The total cost incurred in discharging its functions and responsibilities during the year is RM292,464 (Year 2023: RM252,695). The attainment of such objectives involves the following activities being carried out:–

1. reviewing and appraising the soundness, adequacy and application of accounting, financial and other controls promoting effective control in the Company and the Group at reasonable cost;

2. ascertaining the extent of compliance with established policies, procedures and statutory requirements;

3. ascertaining the extent to which the Group and the Company's assets are accounted for and safeguarded;

4. appraising the reliability of information developed within the Group and the Company for management;

5. recommending improvements to the existing system of controls;

6. reviewing the effectiveness and efficiency of operations; and carrying out investigations and special reviews requested by management and/or Audit Committee.

The finding of the audit, including a follow-up on the status of Management's implementation of recommendation raised in previous reports, were tabled at the Audit Committee meetings for deliberation and the Audit Committee's expectation on the corrective measures were communicated to the respective heads of the business decisions.