



PESONA METRO HOLDINGS BERHAD
(Registration No. 201101029741) (957876-T)

ANNUAL REPORT 2024

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14th ANNUAL GENERAL MEETING

THE VERTICAL, CONNEXION CONFERENCE
& EVENT CENTRE, THE ZENITH (LEVEL M1),
BANGSAR SOUTH CITY, NO. 8, JALAN KERINCHI,
59200 KUALA LUMPUR, MALAYSIA

TIME : 10.30 A.M.

DATE : WEDNESDAY, 25 JUNE 2025

● OUR VISION

To be the preferred construction company in Malaysia as well as a trusted and passionate partner that delivers sustainable value and builds enduring relationships with all stakeholders.

● OUR MISSION

To achieve excellence in all that we undertake by leveraging on exceptional performance, superior teamwork, strong value creation, good ethical conduct and unwavering customer satisfaction.

○ OUR CORE VALUE



Superior
Teamwork



Good Ethical
Conduct



Exceptional
Performance



Strong Value
Creation



Unwavering Customer
Satisfaction

NOTICE OF 14th ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 14th Annual General Meeting of the Company will be held at **The Vertical, Connexion Conference & Event Centre, The Zenith (Level M1), Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia** on **Wednesday, 25 June 2025 at 10.30 a.m.** for the following purposes:

AS ORDINARY BUSINESS:

- | | |
|--|---|
| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon. | (Please refer to the Explanatory Notes to the Agenda) |
| 2. To approve the payment of Directors' fees of RM384,000.00 for the financial year ending 31 December 2025 to be paid quarterly in arrears. | (Ordinary Resolution 1) |
| 3. To approve the payment of Directors' benefits up to an aggregate amount of RM35,000.00 for the period from 26 June 2025 until the next annual general meeting of the Company. | (Ordinary Resolution 2) |
| 4. To re-elect the following Directors who are retiring in accordance with the Constitution of the Company:- | |
| (a) Mr Wie Hock Kiong [Clause 76(3)]; | (Ordinary Resolution 3) |
| (b) Dr. Yong Mun Ching [Clause 78]; and | (Ordinary Resolution 4) |
| (c) Mr Yeong Yok Hoong [Clause 78]. | (Ordinary Resolution 5) |
| 5. To re-appoint UHY Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. | (Ordinary Resolution 6) |

AS SPECIAL BUSINESS:-

To consider and, if thought fit, to pass the following resolutions, with or without modification(s): -

- | | |
|---|-------------------------|
| 6. Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016 | (Ordinary Resolution 7) |
| <p>"THAT subject always to the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the Company from time to time, at such price, upon such terms and conditions, to such persons and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be authorised to do all such things as they deem fit and expedient in the best interest of the Company to give effect to the issuance of new shares under this resolution including making such applications to Bursa Securities for the listing of and quotation for the additional shares so issued on Bursa Securities AND THAT such authority shall continue to be in force until the conclusion of the next annual general meeting the Company held after the approval was given or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is the earlier, unless revoked or varied by an ordinary resolution of the Company at a general meeting."</p> | |
| 7. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of Shareholders' Mandate for RRPTs") | (Ordinary Resolution 8) |
| <p>"THAT subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and/or its subsidiaries ("the Group") to enter into recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.4 of the Circular to Shareholders dated 29 April 2025 ("the Related Parties") provided that such transactions are:-</p> | |

NOTICE OF 14th ANNUAL GENERAL MEETING

- (a) necessary for the Group's day-to-day operations;
- (b) undertaken in the ordinary course of business and are carried out at arm's length basis on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (c) not detrimental to the interest of the minority shareholders of the Company.

THAT the authority conferred by such mandate shall continue to be in force until:-

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

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the best interest of the Company to give effect to the Proposed Renewal of Shareholders' Mandate for RRPTs."

- 8. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

By Order of the Board

TE HOCK WEE (MAICSA 7054787) (SSM PC NO. 202008002124)

FOO PEI KOON (MAICSA 7067238) (SSM PC NO. 202108000380)

Company Secretaries

Kuala Lumpur

29 April 2025

NOTES:

1. *For the purpose of determining who shall be entitled to attend, speak and vote at this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 18 June 2025. Only a member whose name appears on this Record of Depositors shall be entitled to attend and vote at this meeting or appoint proxy(ies) to attend, speak and vote on his/her/its behalf.*
2. *A member of the Company who is entitled to attend, speak and vote at a general meeting may appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, speak and vote in his place. A proxy may but need not be a member of the Company.*
3. *A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to attend, speak and vote instead of the member at the general meeting.*

NOTICE OF 14th ANNUAL GENERAL MEETING

NOTES: (CONT'D)

4. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than 2 proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
6. Where a member, an authorised nominee or an exempt authorised nominee appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment shall not be valid unless he specifies the proportion of his shareholdings to be represented by each proxy.
7. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the 14th Annual General Meeting or adjourned general meeting at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
To be deposited with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia
 - (ii) By electronic means via TIIH Online website at <https://tiih.online>
Please refer to the procedure as set out in the Administrative Guide of the 14th Annual General Meeting for further information on electronic submission of proxy form via TIIH Online.
8. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the general meeting or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
9. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
10. Last day, date and time for lodging the proxy form is **Monday, 23 June 2025 at 10.30 a.m.**
11. For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please deposit the **ORIGINAL** certificate of appointment executed in the manner as stated in the proxy form with the Share Registrar of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia if this has not been lodged with the Company's Share Registrar earlier.
12. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
 - a. Identity card (NRIC) (Malaysian), or
 - b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
 - c. Passport (Foreigner).
13. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 14th Annual General Meeting will be put to vote by way of poll.

NOTICE OF 14th ANNUAL GENERAL MEETING

EXPLANATORY NOTES TO THE AGENDA

(i) **Item 1 of the Agenda**

Audited Financial Statements for the financial year ended 31 December 2024

This item is meant for discussion only. The provision of Section 248(2) and Section 340(1)(a) of the Companies Act 2016 require that the audited financial statements and the Reports of the Directors and Auditors thereon be laid before the Company at its annual general meeting. As such, this agenda item is not a business which requires a motion to be put forward to vote by shareholders.

(ii) **Ordinary Resolution 1**

Directors' fees for the financial year ending 31 December 2025

The Directors' fees proposed for the financial year ending 31 December 2025 are calculated based on the current board size and assuming that all Non-Executive Directors will hold office until 31 December 2025. This resolution is to facilitate payment of the Directors' fees on current financial year basis. In the event the Company appoints additional Non-Executive Directors, approval on additional Directors' fees will be sought at the next annual general meeting.

(iii) **Ordinary Resolution 2**

Directors' benefits for the period from 26 June 2025 until the next Annual General Meeting

Directors' benefits are meeting allowance payable to Non-Executive Directors and in determining the estimated amount, the Board has considered various factors including the current board size and number of scheduled meetings for the Board and Board Committees for the period from 26 June 2025 until the next annual general meeting as well as the number of Non-Executive Directors involved in the meeting. In the event the proposed amount is insufficient (due to more meetings/enlarged board size), approval will be sought at the next annual general meeting for the shortfall.

(iv) **Ordinary Resolutions 3, 4 and 5**

Re-election of Directors

Mr Wie Hock Kiong, Dr. Yong Mun Ching and Mr Yeong Yok Hoong are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 14th Annual General Meeting.

Their profiles are disclosed in the Profile of the Board of Directors of the 2024 Annual Report.

Saved as disclosed, the retiring Directors have no conflict of interest with the Company and have no family relationship with any Director and/or major shareholder of the Company. The Nomination Committee ("NC") has considered the performance and contribution, time and commitment, calibre and personality, and fit and proper of the retiring Directors. Based on the recommendation of the NC, the Board is supportive of their re-elections based on the following justifications:-

(i) **Ordinary Resolution 3 – Re-election of Mr Wie Hock Kiong as Non-Independent Non-Executive Chairman**

Mr Wie Hock Kiong is the brother of Mr Wie Hock Beng, the Managing Director and major shareholder of the Company. He possesses relevant qualifications, knowledge and experience which complement the Board's competencies. He also has vast experience in construction and property development industries, and has contributed significantly to the Group by providing valuable input to steer the Group forward.

(ii) **Ordinary Resolution 4 – Re-election of Dr. Yong Mun Ching as Independent Non-Executive Director**

Dr. Yong Mun Ching has exercised due care and carried out her professional duty proficiently as an Independent Non-Executive Director of the Company. She demonstrated objectivity and independence through her participation at all the meetings by giving objective feedback to Board.

(iii) **Ordinary Resolution 5 – Re-election of Mr Yeong Yok Hoong as Independent Non-Executive Director**

Mr Yeong Yok Hoong exercised due care and carried out his duties professionally during his tenure as Independent Non-Executive Director of the Company. He demonstrated independence through his engagement in Board and Board Committees meetings.

NOTICE OF 14th ANNUAL GENERAL MEETING

EXPLANATORY NOTES TO THE AGENDA (CONT'D)

(v) **Ordinary Resolution 6**
Re-appointment of Auditors

The Board had, through the Audit Committee, considered the re-appointment of UHY Malaysia PLT as Auditors of the Company. The factors considered by the Audit Committee in making the recommendation to the Board to table their re-appointment at the 14th Annual General Meeting are disclosed in the Audit Committee Report of the 2024 Annual Report.

(vi) **Ordinary Resolution 7**
Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution 7, if passed, will empower the Directors to issue and allot shares up to an aggregate amount not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company without having to convene separate general meetings. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next annual general meeting of the Company.

This is a renewal of the mandate obtained from shareholders at the 13th Annual General Meeting. The mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval for any possible fund-raising exercises for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions or such other application as the Directors may deem fit in the best interest of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the 13th Annual General Meeting held on 28 June 2024 and the mandate will lapse at the conclusion of the 14th Annual General Meeting.

(vii) **Ordinary Resolution 8**
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 8, if passed, will allow the Group to enter into recurrent related party transactions of a revenue or trading nature with its related parties as identified in Section 2.4 of the Circular to Shareholders dated 29 April 2025 in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad without the necessity to convene separate general meetings to seek shareholders' approval as and when such recurrent related party transactions occur. This would reduce substantial administrative time and expenses associated with the convening of such meetings without compromising the corporate objectives of the Group or affecting the business opportunities available to the Group. This authority, unless revoked or varied at a general meeting, will expire at the next annual general meeting of the Company and is subject to renewal on an annual basis.

Further details relating to this proposed resolution are set out in the Circular to Shareholders dated 29 April 2025, which is available at the Company's website at www.pesona.com.my.

CORPORATE INFORMATION

BOARD OF DIRECTORS



WIE HOCK KIONG

Chairman
(Non-Independent Non-Executive Director)

WIE HOCK BENG

Managing Director
(Non-Independent Executive Director)

SALWA BINTI SHAMSHUDDIN

(Independent Non-Executive Director)

DR. YONG MUN CHING

(Independent Non-Executive Director)

YEONG YOK HOONG

(Independent Non-Executive Director)

COMPANY SECRETARIES

Te Hock Wee
(MAICSA 7054787)
(SSM Practising Certificate No. 202008002124)

Foo Pei Koon
(MAICSA 7067238)
(SSM Practising Certificate No. 202108000380)

HEAD OFFICE/ REGISTERED OFFICE

39, Jalan SB Indah 1/19
Taman Sungai Besi Indah
43300 Seri Kembangan
Selangor Darul Ehsan, Malaysia
Tel : +60 3 8941 0818
Fax : +60 3 8941 0817
Email: pmhb@pesona.com.my
Website : www.pesona.com.my

AUDIT COMMITTEE

Yeong Yok Hoong (Chairman)
Wie Hock Kiong
Salwa Binti Shamshuddin
Dr. Yong Mun Ching

REMUNERATION COMMITTEE

Dr. Yong Mun Ching (Chairperson)
Wie Hock Kiong
Salwa Binti Shamshuddin
Yeong Yok Hoong

NOMINATION COMMITTEE

Salwa Binti Shamshuddin (Chairperson)
Wie Hock Kiong
Dr. Yong Mun Ching
Yeong Yok Hoong

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market
Construction Sector

STOCK NAME AND CODE

PESONA (8311)

AUDITORS

UHY Malaysia PLT
202406000040 (LLP0041391-LCA) & AF 1411
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower, Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur, Malaysia
Tel : +60 3 2279 3088
Fax : +60 3 2279 3099

SHARE REGISTRAR

Tricor Investor & Issuing
House Services Sdn Bhd
(Registration No. 197101000970)
(11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia
Tel : +60 3 2783 9299
Fax : +60 3 2783 9222
Email: is.enquiry@vistra.com

Customer Service Centre
Unit 30-01, Level 30, Tower A,
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur, Malaysia

BANKERS

Alliance Bank Malaysia Berhad
CIMB Bank Berhad
Malayan Banking Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia)
Berhad

CORPORATE STRUCTURE



PESONA METRO HOLDINGS BERHAD

(Registration No. 201101029741) (957876-T)



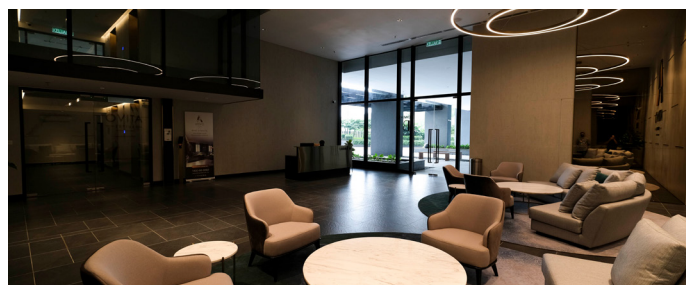
CORPORATE MILESTONES



2002

FIRST “DESIGN & BUILD”

In 2002, PMSB won its first “Design and Build” project as the main contractor.



1996

In 1996, Pesona Metro Sdn Bhd (“PMSB”) was established and commenced business as sub-contractor.

2002

In 2002, PMSB won its first “Design and Build” project as the main contractor. This “Rehabilitation and Beautification of Melaka River Project” Phase 1, 2 and 3 (“Sg. Melaka Project”) came with a contract value exceeding RM234 million.

2005

In 2005, PMSB won its first “Design and Build” highway project at Jalan Pantai Laluan T1/T3, from Merang to Kuala Besut, Terengganu.

2006

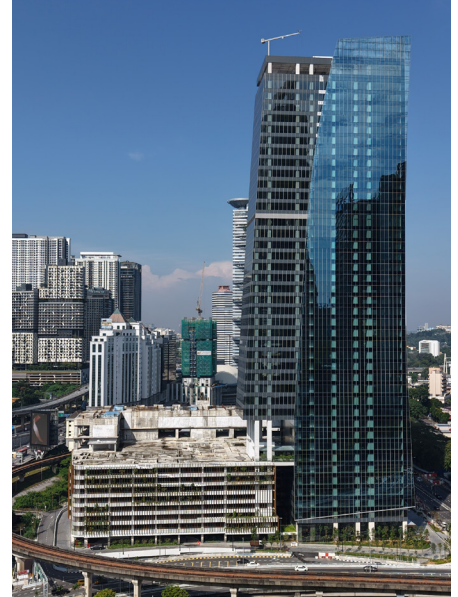
In 2006, PMSB secured its first high-rise residential project, Zehn Bukit Pantai, Kuala Lumpur comprising two blocks of 25-storey luxury condominium.

CORPORATE MILESTONES



2008

In 2008, PMSB secured its “Design and Build” project for the upgrading of Timah Tasoh Dam, Perlis.



2008

In 2008, PMSB secured its “Design and Build” project for the upgrading of Timah Tasoh Dam, Perlis.

2009

In 2009, PMSB was certified as having complied with ISO 9001:2008, the international standard for quality management systems.

In the same year, the Sg. Melaka project was named the Winner for Category 8 (Special Category) for PAM 2009 Awards. PMSB also received the 2009 Malaysia Independence Award under the Malaysia’s Prominent Property Construction Company category.

2010

In 2010, PMSB received a Letter of Appreciation (Grade A) from JKR (HQ) in relation to the construction of a government building project in Johor.

2011

In 2011, the Sg. Melaka project received the FIABCI Award under the Special Category Award for National Contribution.

CORPORATE MILESTONES



2014

In 2014, PMSB completed the construction of its first green building, Menara Technip at Kuala Lumpur, which carries the Gold GBI certification.

2012

In 2012, Pesona Metro Holdings Berhad ("PMHB") was listed on the Main Market of Bursa Malaysia Securities Berhad under the Construction Sector. In the same year, the CIQ Melaka project was named the Overall Champion or Best Project Management in the Design and Build Category from the Ministry of Works. The Sastra U-Thant project was certified as the first Condominium Construction project to receive the 5-S certification in Malaysia.

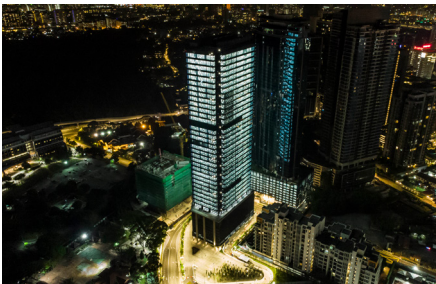
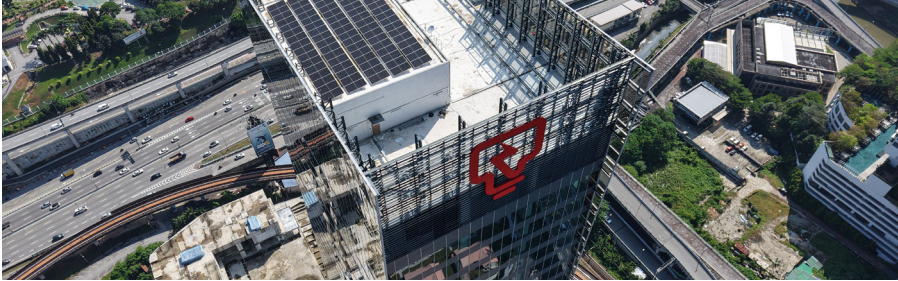
2013

In 2013, PMSB was certified as having complied with ISO14001:2004, the international standard for environmental management systems. In the same year, the Sg. Melaka project received the Silver Award of Merit for Category 1-Infrastructure from ACEM. The CIQ project championed the Contractor Excellence Award for the Large Infrastructure Project Exceeding RM50 million category from JKR.

2014

In 2014, PMSB completed the construction of its first green building, Menara Technip at Kuala Lumpur, which carries the Gold GBI certification. The building achieved a score of 73% in QCLASSIC by CIDB. In the same year, PMSB was certified as having complied with OHSAS 18001:2007, the international standard for occupational health and safety management systems.

CORPORATE MILESTONES



2016

QLASSIC Excellence Awards 2016

In 2016, PMSB won the QLASSIC Excellence Awards 2016 in Category C for achieving 81% in QLASSIC for the Menara SPR project.

2015

In 2015, the Menara SPR project received the Highest Merit Points 2014 for the Health, Safety and Environment category for high-rise buildings. Concurrently, the same building achieved a score of 81% in QLASSIC by CIDB and 77.3% in CONQUAS by Building & Construction Authority Singapore. Both the scores are among the highest scores achieved by premium contractors in Malaysia. In the same year, the Central Spine Road Pakej 3: Gua Musang, Kelantan ke Kg. Relong, Pahang Seksyen 3F1: Kg. Kubang Rusa ke Kg. Sg. Yu project won the First Runner Up for the Innovative Project Management 2014 Award by the Ministry of Works Malaysia.

2016

In 2016, PMSB won the QLASSIC Excellence Awards 2016 in Category C for achieving 81% in QLASSIC for the Menara SPR project. The Menara Technip attained the Gold rating under Malaysia's Green Building Index.

2017

In 2017, PMSB bagged 2 awards from the prestigious Sin Chew Business Excellence Award 2017, namely the Business Service Excellence Award and Property Excellence Award. PMSB also won the Super Golden Bull Award 2017 at the 11th Malaysia Outstanding SMEs Award organised by Business Media International for achieving an annual sales of RM100 million and above in the last three financial years. In the same year, the Central Spine Road Package 3 project won the Mino Best Project Award (Category 1 – High Volume Road) by the Road Engineering Association of Asia and Australasia ("REAAA") at its 15th REAAA Conference in Bali, Indonesia. PMSB also won the silver award for the PAM Awards 2017 for category 4 (Public & Institutional) for the Menara SPR project.

CORPORATE MILESTONES



2019

GOLD AWARD

In 2019, PMSB was awarded with the Gold Award at the 15th MOSHPA OSH Excellent National Award 2019 ceremony



2018

In 2018, the KPJ Bandar Dato' Onn Specialist Hospital project achieved a score of 79% in the QCLASSIC Assessment from CIDB. The Gua Musang Seksyen 3E2 Central Spine Road project was awarded with unprecedented outstanding performance certifications by Jabatan Kerja Raya, Malaysia for completing the project ahead of time and within budget with zero accident.

In the same year, PMSB bagged the GOLD CLASS 2 for the 2017 OSH Performance Award by Malaysian Society for Occupational Safety and Health for its Residensi Gen project. This project also scored 93% in SHASSIC by CIDB in December 2018. The Central Plaza i-City Mall project achieved a score of 92% in the SHASSIC Assessment from CIDB. PMSB also emerged as the Top Winner for the Eminent Eagles category of the Golden Eagle Award 2018 organised by Nanyang Siang Pau.

2019

In 2019, PMSB was awarded with the Gold Award at the 15th MOSHPA OSH Excellent National Award 2019 ceremony by the Malaysian Occupational Safety & Health Practitioner's Association for its excellent OSH practices at the TRIA Seputeh project. PMSB also bagged the Gold Class 2 award for the 2018 OSH Performance Award by the Malaysian Society for Occupational Safety and Health for the Lot 15 SJCC project. In the same year, the Central Spine Road Package 3E2 project emerged as the champion for Excellent Contractor Award (Category: Infrastructure) by Jabatan Kerja Raya, Malaysia.

2020

In 2020, PMSB received the SHASSIC Achiever recognition from CIDB for achieving a score of 95% (5 star rating) in SHASSIC Assessment for the Lot 15 SJCC project.

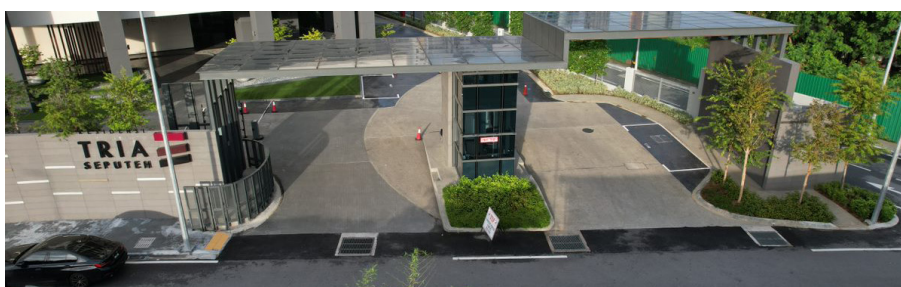
CORPORATE MILESTONES



2024

BEST CORPORATE SUKUK IN SOUTHEAST ASIA

presented by Alpha Southeast Asia under the 18th Annual ESG Green Finance Awards 2024.



2021

In 2021, the Eaton Residences project achieved a score of 80% in the QCLASSIC Assessment from CIDB and a score of 81% in the BuildQAS Assessment from BuildQAS Consulting Singapore. The Conlay 301 project achieved a score of 83% in the BuildQAS Assessment from BuildQAS Consulting Singapore.

2022

In 2022, the Lot 15 SJCC project achieved a score of 80.2% in the BuildQAS Assessment from BuildQAS Consulting Singapore and a score of 79% in the QCLASSIC Assessment from CIDB. The MCT Lakefront Residence project achieved a score of 79% in the QCLASSIC Assessment from CIDB. The Ativo Suites, Damansara Avenue project achieved a score of 80% in the BuildQAS Assessment from BuildQAS Consulting Singapore and in the QCLASSIC Assessment from CIDB.

2023

In 2023, the Tria Seputeh project achieved a score of 81% in the QCLASSIC Assessment from CIDB. PMSB also received the SHASSIC Achiever recognition from CIDB for achieving a score of 89% (4 star rating) in SHASSIC Assessment for the TNB Gold project.

2024

In 2024, the Residensi Aman project at Bukit Jalil won "The Edge Affordable Urban Housing Excellence Award". The ASEAN Sustainability SRI Sukuk Wakalah ("Sukuk") issued in 2024 won the "Best Corporate Sukuk in Southeast Asia", presented by Alpha Southeast Asia under the 18th Annual ESG Green Finance Awards 2024. The Sukuk also won the Tawarruq Deal of the Year 2024, presented by Islamic Finance News ("IFN").

BOARD OF **DIRECTORS****PESONA METRO HOLDINGS BERHAD****1. WIE HOCK KIONG**

Chairman

(Non-Independent Non-Executive Director)

2. WIE HOCK BENG

Managing Director

(Non-Independent Executive Director)

3. SALWA BINTI SHAMSHUDDIN

(Independent Non-Executive Director)

4. DR. YONG MUN CHING

(Independent Non-Executive Director)

5. YEONG YOK HOONG

(Independent Non-Executive Director)

PROFILE OF **DIRECTORS****WIE
HOCK KIONG**

NAME OF DIRECTORS

Designations

*Chairman
(Non-Independent Non-Executive Director)*

Gender

Male

Age

64 years old

Nationality

Malaysian

Educations

Wie Hock Kiong is an engineer by profession with a Bachelor of Science (Hons) Degree in Civil and Structural Engineering from the University of Aberdeen, United Kingdom.

Working Experience

Mr Wie Hock Kiong was appointed as a Director of the Company on 8 August 2012. He was appointed to the Board as the Chairman of the Company on 1 July 2024. He is also a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company.

He has more than 40 years of working and management experience in the fields of civil and structural works locally and abroad. After 5 years as Project Engineer, he founded Kamunting Construction Sdn Bhd in 1989 on behalf of Kamunting Corporation Berhad. Subsequently, he transformed Kamunting Construction Sdn Bhd into a giant construction and property development conglomerate, Putrajaya Perdana Berhad ("PPB") where he held the position as PPB's CEO from 1998 till 2011.

With his wealth of experience in construction and a keen interest in property development, Wie Hock Kiong subsequently ventured into property development and has to-date, successfully delivered a number of developments comprising of both commercial building and luxury residences.

He does not hold any directorship in public companies or listed issuers other than the Company. He is a major shareholder of the Company and the brother of Wie Hock Beng, the Managing Director of the Company. Other than the related party transactions disclosed in this Annual Report, he has no other conflicts of interest with the Company. He has no convictions of any offenses within the past 5 years (other than traffic offenses, if any), nor has he had any public sanctions or penalties imposed by regulatory bodies during the financial year.

He attended all the 6 Board meetings of the Company held during the financial year ended 31 December 2024.

PROFILE OF DIRECTORS

WIE HOCK BENG

*Managing Director
(Non-Independent Executive Director)*

Male

52 years old

Malaysian

He obtained his Diploma in Civil Engineering from the Federal Institute of Technology Malaysia in 1995.

Mr Wie Hock Beng was appointed to the Board as the Managing Director of the Company on 8 August 2012. He is also the founder of Pesona Metro Sdn Bhd, a wholly-owned subsidiary of the Company which was established in 1996 as a sub-contractor and has engineered its growth to its commendable size today.

He began his career with Invescor Venture Sdn Bhd and was involved in the construction of Starhill Shopping Centre in Kuala Lumpur. He has more than 30 years of working experience in the rehabilitation and beautification of rivers and dams, constructions of bridges and flyovers, roadwork, drainage, industrial, and high-rise luxury residential building projects.

He does not hold any directorship in public companies or listed issuers other than the Company. He is a major shareholder of the Company and the brother of Wie Hock Kiong, the Non-Independent Non-Executive Chairman of the Company. Other than the related party transactions disclosed in this Annual Report, he has no other conflicts of interest with the Company and its subsidiaries. He has no convictions of any offences within the past 5 years (other than traffic offenses, if any), nor has he had any public sanctions or penalties imposed by regulatory bodies during the financial year.

He attended all the 6 Board meetings of the Company held during the financial year ended 31 December 2024.

SALWA BINTI SHAMSHUDDIN

(Independent Non-Executive Director)

Female

48 years old

Malaysian

She holds a Master of Industrial Psychology from Universiti Kebangsaan Malaysia and a Bachelor of Human Resources Management Degree from Universiti Utara Malaysia.

Puan Salwa Binti Shamshuddin was appointed as a Director of the Company on 1 October 2018. She is currently the Chairperson of the Nomination Committee, and a member of the Audit Committee and Remuneration Committee of the Company.

She began her career with Rasah Kemayan Golf Club & Country Club as its Sports & Recreational Officer in 1998 and subsequently joined Universiti Kebangsaan Malaysia in 1999 as a Tutor and Research Assistant. In 2000, she was recruited as a Management Trainee for SKF Bearing Industries (Malaysia) Sdn Bhd for a year. In 2002, she joined Kurnia Insurans Sdn Bhd primarily responsible for the corporate business development of the insurance company.

She is currently the Director of Mam Minerals Sdn Bhd, Nebu Sdn Bhd and Kinetic Green Technology Asia Sdn Bhd. She is also the Chairperson of Epad Kinetic Asia Sdn Bhd, Juta Hajat Sdn Bhd and Poteck Enterprise Sdn Bhd.

She does not hold any directorship in public companies or listed issuers other than the Company. She does not have any family relationship with other directors and/or major shareholders of the Company. She has no conflicts of interest and does not hold any shares in the Company and its subsidiaries. She has no convictions of any offenses within the past 5 years (other than traffic offenses, if any), nor has she had any public sanctions or penalties imposed by regulatory bodies during the financial year.

She attended all the 6 Board meetings of the Company held during the financial year ended 31 December 2024.

PROFILE OF DIRECTORS

NAME OF DIRECTORS	DR. YONG MUN CHING	YEONG YOK HOONG
Designations	(Independent Non-Executive Director)	(Independent Non-Executive Director)
Gender	Female	Male
Age	54 years old	64 years old
Nationality	Malaysian	Malaysian
Educations	Her qualifications include a Doctor of Philosophy in Taxation & Law and a Master in International Business from the Monash University. She is currently a member of the Malaysian Institute of Certified Public Accountants ("MICPA") and the Malaysian Institute of Accountants Malaysia ("MIA").	Mr Yeong is a financial professional. His qualifications include Bachelor in Business Administration, Majoring in Finance (Honors) from the University of Hawaii at Manoa.
Working Experience	Dr. Yong Mun Ching was appointed as a Director of the Company on 1 July 2024. She is currently the Chairperson of the Remuneration Committee, and a member of the Audit Committee and Nomination Committee of the Company. She has over 15 years of corporate, consulting, and auditing experience, including 10 years at PricewaterhouseCoopers in Malaysia and New York prior to her management position in the content creation and entertainment industry, including serving as the Chief Financial Officer for a group of companies involved in film production and distribution. She is currently a Specialist lecturing undergraduate and master degree students in the Department of Accountancy of the Faculty of Accountancy and Management in Universiti Tunku Abdul Rahman (Sg. Long Campus). She does not hold any directorship in public companies or listed issuers other than the Company. She does not have any family relationship with other directors and/or major shareholders of the Company. She has no conflicts of interest and does not hold any shares in the Company and its subsidiaries. She has no convictions of any offenses within the past five years, nor has she had any public sanctions or penalties imposed by regulatory bodies during the current financial year. She attended 3 out of the 6 Board meetings of the Company held during the financial year ended 31 December 2024 after her appointment to the Board on 1 July 2024.	Mr Yeong Yok Hoong was appointed as a Director of the Company on 1 July 2024. He is currently the Chairman of the Audit Committee, and a member of the Remuneration Committee and Nomination Committee of the Company. He has more than 30 years of experience principally covering banking. Prior to joining United Overseas Bank (M) Bhd ("UOB"), he was attached with Kuala Lumpur Mutual Fund Board as Investment Officer and Southern Bank Berhad as Trainee Officer. His last position held in UOB was Executive Director, Head of Oil and Gas segment (Commercial Banking Division I). Before that, he was Executive Director Head Commercial Banking 1 covering the Construction and Real Estate segments. He does not hold any directorship in public companies or listed issuers other than the Company. He does not have any family relationship with other directors and/or major shareholders of the Company. He has no conflicts of interest with the Company or its subsidiaries and does not hold any shares in the Company and its subsidiaries. He has no convictions of any offenses within the past 5 years (other than traffic offenses, if any), nor has he had any public sanctions or penalties imposed by regulatory bodies during the financial year. He attended 3 out of the 6 Board meetings of the Company held during the financial year ended 31 December 2024 after his appointment to the Board on 1 July 2024.

KEY SENIOR MANAGEMENT

The Key Senior Management of Pesona Metro Holdings Berhad (“PMHB”) consists of two key personnel, namely the Chief Financial Officer and the Chief Operating Officer who are assisting the Managing Director in all operating matters of the Group.

CHONG KIEN ENG

Chief Financial Officer

Gender	Male	Gender	Male
Age	53 years old	Age	36 years old
Nationality	Malaysian	Nationality	Malaysian

Mr Chong Kien Eng brings with him 16 years of expertise in accounting and finance before joining PMHB as the Chief Financial Officer in September 2012.

He is a member of the Malaysian Institute of Accountants (“MIA”) and The Malaysian Institute of Certified Public Accountants (“MICPA”). Prior to joining PMHB, Mr Chong Kien Eng held senior position in public listed companies namely Melewar Industrial Group Berhad, Mithril Berhad and The Media Shoppe Berhad with principal responsibilities in accounting, finance and corporate restructuring.

He is currently tasked with the responsibility to oversee the accounting and finance functions of the Group.

He does not hold any directorship in public companies and listed issuers. He does not have any family relationship with any Directors and/or major shareholders of the Company. He has no conflict of interest with the Company or its subsidiaries and does not hold any shares in the Company and its subsidiaries. He has no conviction of any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

WIE JAY SERN

Chief Operating Officer

Mr Wie Jay Sern has more than 10 years of experience in project management. He began his career with a property valuation company before joining Pesona Metro Sdn Bhd, a wholly-owned subsidiary of PMHB, as a Project Engineer in 2013. He serves as the Chief Operating Officer of Lumayan Metro Sdn Bhd, a 100%-owned subsidiary of PMHB before he was appointed as Chief Operating Officer of PMHB on 1 September 2024.

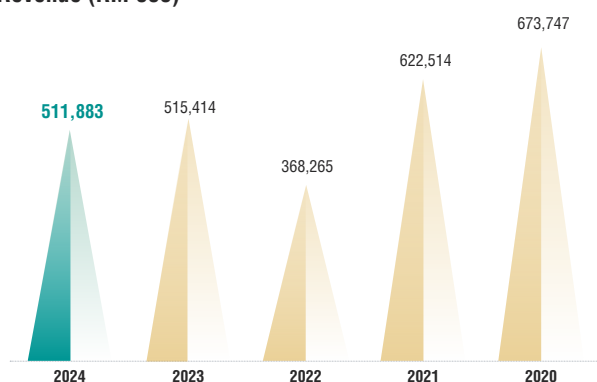
His qualifications include Master in Property Finance from University of Westminster and Bachelor Degree of Civil Engineering of University of Manchester.

He does not hold any directorship in public companies or listed issuers. He is the son of Mr Wie Hock Kiong, the Non-Independent Non-Executive Chairman of PMHB, and also the nephew of Mr Wie Hock Beng, the Managing Director of PMHB. Both Mr Wie Hock Kiong and Mr Wie Hock Beng are the major shareholders of PMHB through Kombinasi Emas Sdn Bhd and Sincere Goldyear Sdn Bhd, respectively. He has no conflict of interest with the Company or its subsidiaries and does not hold any shares in the Company and its subsidiaries. He has no conviction of any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

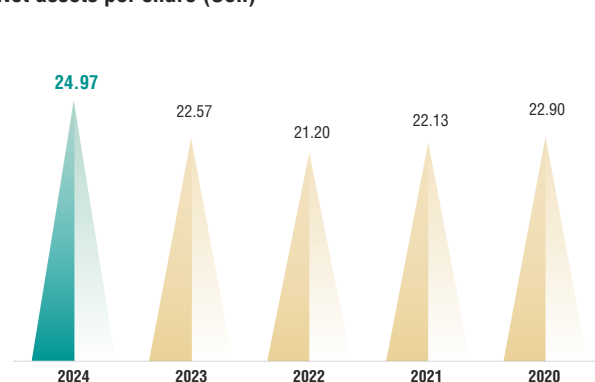
FINANCIAL HIGHLIGHTS

In RM'000 (Except otherwise indicated)	2024	2023	2022	2021	2020
Revenue	511,883	515,414	368,265	622,514	673,747
Profit/(Loss) before tax	25,228	14,358	(3,552)	(1,907)	(12,805)
Profit/(Loss) after tax	22,311	12,389	(2,980)	(2,090)	(14,020)
Total assets	785,418	654,198	569,607	662,634	704,838
Share capital	194,032	194,032	194,032	194,032	194,032
Total equity attributable to owners of the parent	173,522	156,848	147,342	153,779	159,146
No. of shares ('000) (Unit)	694,987	694,987	694,987	694,987	694,987
Earnings/(Loss) per share (Sen)	2.90	1.37	(0.93)	(0.77)	(2.45)
Net assets per share (Sen)	24.97	22.57	21.20	22.13	22.90
Dividend (Sen)	0.75	0.50	-	-	-

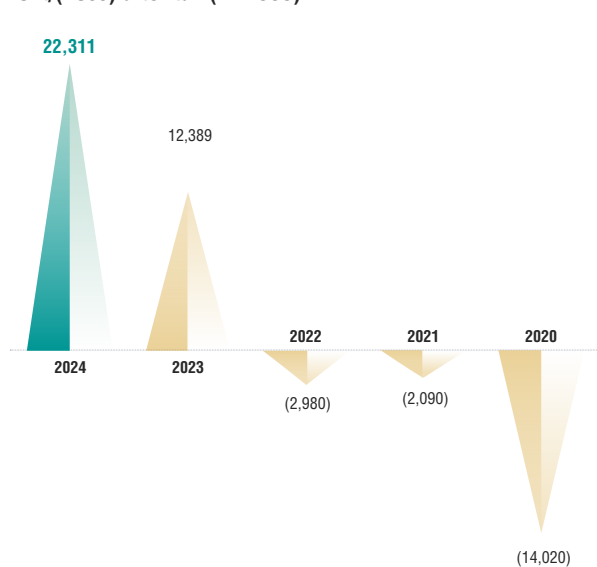
Revenue (RM'000)



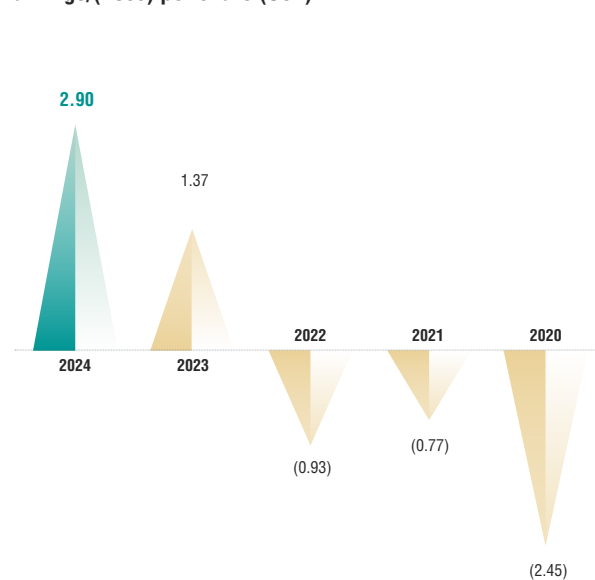
Net assets per share (Sen)



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



Earnings/(Loss) per share (Sen)



MANAGEMENT DISCUSSION & ANALYSIS

“

DEAR VALUED SHAREHOLDERS,



PESONA METRO HOLDINGS BERHAD (“PMHB” OR “THE GROUP”) DELIVERED A COMMENDABLE FINANCIAL PERFORMANCE IN 2024, MAINTAINING STABLE REVENUE WHILE ACHIEVING STRONGER PROFITABILITY THROUGH BETTER PROFIT MARGINS. THE CONSTRUCTION SECTOR’S RECOVERY, SUPPORTED BY STABILISING MATERIAL PRICES AND INCREASED PROPERTY DEVELOPMENT ACTIVITIES, CREATED FRESH OPPORTUNITIES, ENABLING US TO SECURE SUBSTANTIAL NEW CONTRACTS THAT STRENGTHENED OUR ORDER BOOK AND WILL PROVIDE A STEADY PIPELINE OF FUTURE REVENUE. OUR CONCESSIONAIRE DIVISION CONTINUED TO PROVIDE STEADY INCOME, REINFORCING THE GROUP’S FINANCIAL STABILITY. ADDITIONALLY, WE EXPANDED INTO PROPERTY DEVELOPMENT THROUGH A STRATEGIC ACQUISITION, DIVERSIFYING OUR REVENUE BASE AND POSITIONING THE GROUP FOR LONG-TERM GROWTH.

THIS MANAGEMENT DISCUSSION AND ANALYSIS OUTLINES PMHB’S OPERATIONAL AND FINANCIAL PERFORMANCE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (“FY2024”), ALONG WITH INSIGHTS INTO OUR STRATEGIC DIRECTION AND FUTURE OUTLOOK.

OVERVIEW OF THE GROUP’S BUSINESSES

PMHB operates as an investment holding entity with three key business divisions – Construction, Concessionaire, and Property Development.

Our **Construction Division**, led by Pesona Metro Sdn Bhd (“PMSB”), remains the Group’s primary revenue driver. PMSB undertakes a diverse range of projects, including high-rise residential developments, commercial buildings, healthcare facilities, and infrastructure works such as highways, irrigation systems, and river rehabilitation. In FY2024, PMSB contributed RM477.4 million or 93% of the Group’s revenue. Additionally, PMSB secured RM941.4 million in new construction contracts during the year, strengthening our market position and expanding our outstanding order book to RM2.3 billion, ensuring a steady pipeline of projects over the next three years. This expansion aligns with our strategy to sustain a strong project pipeline and capitalise on infrastructure growth opportunities in Malaysia.



Our **Concessionaire Division** provides a stable and recurring income stream, reinforcing the Group’s financial resilience. Since acquiring a 70% equity stake in SEP Resources (M) Sdn Bhd (“SEP”) in FY2017, we have strengthened our presence in the concessionaire sector through the long-term management of student hostels at Universiti Malaysia Perlis (“UniMAP”). The concessionaire model provides predictable, long-term income, shielding the Group from cyclical fluctuations in the construction sector. In FY2024, the division contributed RM26.0 million or 5.1% of the Group’s revenue, underscoring its role as a reliable income generator through asset management and maintenance services. We continue to explore opportunities to expand this division, leveraging our expertise in facilities management.

Our newly formed **Property Development Division** was formally established with the acquisition of a 51% equity interest in property development company, Gaya Kuasa Sdn Bhd (“Gaya Kuasa”), on 18 October 2024 for RM40.8 million in cash. This strategic move expands our business portfolio, creating new revenue streams and enhancing long-term value creation. With Malaysia’s growing demand for affordable housing and the increasing need for sustainable urban development, this acquisition positions us to capitalise on emerging opportunities in the sector. For FY2024, the Group’s financial performance was further supported by two months of revenue and profit contribution from this newly acquired subsidiary, and we expect stronger contributions in the coming years as project pipelines are rolled out.

MANAGEMENT DISCUSSION & ANALYSIS

IN FY2024, PMSB CONTRIBUTED RM477.4 MILLION OR 93% OF THE GROUP'S REVENUE. ADDITIONALLY, PMSB SECURED RM941.4 MILLION IN NEW CONSTRUCTION CONTRACTS DURING THE YEAR, STRENGTHENING OUR MARKET POSITION AND EXPANDING OUR OUTSTANDING ORDER BOOK TO RM2.3 BILLION.

**STRATEGIC OBJECTIVES**

Our strategic objectives focus on driving sustainable growth across the Group's three business divisions while strengthening operational efficiencies and expanding market opportunities. These strategies are deeply embedded in our operations, integrating value creation with our sustainability objectives. We remain committed to excellence through outstanding performance, unified teamwork, ethical business practices, and steadfast customer satisfaction, ensuring long-term value for stakeholders.

In the Construction Division, we remain committed to optimising costs, improving profit margins, and enhancing project execution. By streamlining processes, reducing waste, and minimising errors, we aim to raise construction quality while ensuring on-time project delivery. To support this, we have enhanced our employee development initiatives, integrating peer-to-peer learning, internal training, and external programmes to build workforce competency. Our goal is to maintain high construction standards with a targeted QCLASSIC score of 73% or higher. The adoption of digital construction workflows, set for rollout by mid-2025, is expected to improve efficiency, project tracking, and cost management.

For the Concessionaire Division, we continue to focus on ensuring the efficient management and maintenance of assets under the UniMAP concession, providing stable long-term income. This segment remains a key contributor to the Group's financial sustainability, offering a buffer against market volatility. We are actively assessing additional concession-based opportunities to further expand recurring income streams.

The Property Development Division will now serve as the Group's third key growth driver, positioning us to capitalise on the increasing demand for affordable housing. The move into this sector aligns with our diversification strategy, enabling us to capture new market segments while leveraging synergies with our construction expertise. We are actively identifying and securing strategic landbank opportunities to support future developments and enhance our market presence.

To future-proof our operations, we have entered into a five-year agreement to implement construction workflow software (by mid-2025), alongside a three-year agreement for property development software to enhance project oversight and operational efficiency. Despite macroeconomic challenges such as inflation and rising interest rates, we remain focused on securing construction contracts while maintaining stringent cost controls to mitigate risks and ensure timely project completion.

To sustain our growth momentum in FY2025, we will focus on strengthening our domestic market presence while refining our business strategies. Additionally, a Group-wide compensation review is underway to ensure a competitive remuneration framework that attracts and retains top talent. By staying agile, innovative, and financially disciplined, we are well-positioned to capitalise on emerging opportunities and create long-term value for our stakeholders.



MANAGEMENT DISCUSSION & ANALYSIS



THE YEAR IN REVIEW

A Stable Operating Environment

Malaysia's economy recorded stronger growth of 5.1% in 2024, up from 3.6% in 2023, driven by resilient domestic demand, higher household spending, and a strong rebound in investment activity. Growth was further supported by favourable labour market conditions, improved consumer confidence, and policy measures that sustained momentum across key sectors. Despite external headwinds, the economy remained on a firm and stable growth path.¹

In 2024, the construction sector registered double-digit growth of 17.5% (2023: 6.1%) – its highest growth in a decade, consistent with the strong rise in investment activity.² The sector remained stable, supported by government policies that fostered a conducive operating environment. Measures such as diesel subsidy rationalisation, minimum wage adjustments, and Employee Provision Fund contribution revisions led to adjustments for businesses and consumers. However, these had minimal impact on PMHB's cost structure, allowing our operations to continue running efficiently.



IN FY2024, THE DOMESTIC PROPERTY MARKET RECORDED ITS STRONGEST PERFORMANCE IN A DECADE WITH TOTAL TRANSACTION VALUE RISING BY

18.0% TO RM232.3 BILLION

The construction sector's strong recovery in 2024 was driven by increased property development launches that created more job opportunities and improved the project pipeline. The total value of construction work done in 2024 rose 20.2% to RM158.8 billion, with growth across all sub-sectors. Special trade activities recorded the highest expansion at 35.9%, followed by residential buildings at 24.5%, non-residential buildings at 15.5%, and civil engineering at 17.3%. The private sector accounted for 64.2% of construction activity in the fourth quarter of 2024, led by demand for special trade services and residential projects. Meanwhile, the public sector contributed 35.8%, driven by investments in residential and specialised construction services. Improved project implementation, ongoing infrastructure developments, and steady demand strengthened the sector's overall performance.³

Material prices stabilised and trended downward due to a global supply surplus and macroeconomic conditions, creating a favourable cost environment for project execution. This enabled the Group to manage costs effectively and ensure efficient project delivery.

The property sector experienced steady growth in 2024, supported by stable economic conditions and infrastructure expansion. According to the National Property Information Centre ("NAPIC"), the domestic property market recorded its strongest performance in a decade, with transaction volume rising by 5.4% to 420,545 transactions and total transaction value increasing by 18.0% to RM232.3 billion. Growth was broad-based across all sub-sectors, reflecting economic stability and sustained market confidence.

The residential market remained a key driver, as improved consumer sentiment and homeownership incentives spurred demand, particularly in the affordable and mid-range segments. This segment accounted for 62.0% of total transactions, with volume increasing by 4.0% and value by 5.9%. Demand was particularly strong in the below RM500,000 price range, which comprised over 75% of transactions, driven by first-time homebuyer incentives and stable lending conditions. The commercial segment saw notable growth, with transaction volume rising by 13.6% and value surging by 51.6%, reflecting increased demand for prime office spaces and vacant commercial plots. The industrial sector continued its upward trajectory, with a 7.7% rise in transactions and 16.4% growth in value, bolstered by logistics and warehousing expansion.⁴

Overall, the property market demonstrated resilience, benefiting from stable lending policies and strong domestic demand. While external economic pressures persisted, the property sector's positive trajectory underscored confidence among developers and investors, positioning it for sustained growth.

GROUP FINANCIAL PERFORMANCE

Against the backdrop of a recovering construction sector, steady property market expansion, and stable cost conditions, PMHB experienced a positive operating environment in FY2024. These factors strengthened project execution and enhanced business prospects, positioning us for continued growth.

MANAGEMENT DISCUSSION & ANALYSIS

Statement of Comprehensive Income	FY2024 RM'000	FY2023 RM'000	Variance RM'000	% Change
Revenue	511,883	515,414	(3,531)	(1%)
Gross Profit	53,577	39,728	13,849	35%
Other Income	2,356	1,687	669	40%
Administrative Expenses	22,153	18,140	4,013	22%
Finance Costs	8,552	8,917	(365)	(4%)
Profit Before Tax	25,228	14,358	10,870	76%

In FY2024, PMHB maintained stable revenue at RM511.9 million, a marginal 1% decline from the previous year's RM515.4 million. Despite this, gross profit rose by 35% to RM53.6 million, driven by improved project execution and cost management on the construction front. The Concessionaire Division continued to deliver consistent revenue by managing and maintaining UniMAP's assets, while the Property Development Division contributed two months of revenue following its acquisition. Other income increased by 40% to RM2.4 million, further strengthening earnings. Meanwhile, administrative expenses rose by 22% to RM22.2 million due to the one-off ASEAN Sustainability SRI Sukuk Wakalah issuance fees and expenses of RM3.0 million, while finance costs declined slightly by 4% to RM8.6 million.

For the year under review, the Group achieved a 76% increase in profit before tax ("PBT"), reaching RM25.2 million compared to RM14.4 million in FY2023. This significant growth was primarily attributable to enhanced project margins and improved operational efficiencies, underscoring PMHB's ability to drive profitability amidst an evolving market landscape.

Statement of Financial Position	FY2024 RM'000	FY2023 RM'000	Variance RM'000	% Change
Non-current Assets	287,086	261,964	25,122	10%
Current Assets	498,331	392,234	106,097	27%
Equity	201,990	181,212	20,778	11%
Non-current Liabilities	197,689	119,708	77,981	65%
Current Liabilities	385,738	353,278	32,460	9%

In FY2024, we continued to strengthen our financial position, driven by stable operational performance and strategic expansion. Non-current assets grew 10% to RM287.1 million, primarily due to the consolidation of our newly acquired property development subsidiary, Gaya Kuasa. Current assets increased 27% to RM498.3 million, reflecting improved liquidity and cash flow, largely driven by the inclusion of property development costs from the acquisition. Equity rose 11% to RM202.0 million, further reinforcing our financial stability.

Meanwhile, non-current liabilities surged 65% to RM197.7 million, mainly due to the issuance of the ASEAN Sustainability SRI Sukuk Wakalah during FY2024. Current liabilities increased 9% to RM385.7 million, reflecting our ongoing financial commitments, particularly from the consolidation of Gaya Kuasa into the Group.

As of 31 December 2024, PMHB maintained a robust outstanding construction order book of RM2.3 billion, comprising 10 ongoing projects set to drive revenue in FY2025. With the Concessionaire Division providing stable recurring income, the Group continues to benefit from consistent cash flow. The expansion into property development through the acquisition of Gaya Kuasa further strengthens our long-term revenue diversification.

To support future growth, we have approved RM13.9 million in capital commitments for the acquisition of property, plant, and equipment, positioning PMHB for sustained expansion and enhanced operational capabilities.

Given the Group's stronger financial performance, improved cash position, and positive industry outlook, the Board declared a 0.75 sen final single-tier dividend in April 2025 in respect of FY2024, reflecting our commitment to delivering value to shareholders. This dividend, amounting to RM5.2 million, represents a 23% payout ratio of the Group's net profits for FY2024, underscoring the Board's confidence in the Group's growth trajectory and long-term sustainability. The decision reflects our appreciation for our shareholders' continued trust while ensuring a balanced approach to rewarding stakeholders and reinvesting in future opportunities.

MANAGEMENT DISCUSSION & ANALYSIS



CURRENT ASSETS INCREASED

27% TO RM498.3 MILLION

NON-CURRENT ASSETS INCREASED

10% TO RM287.1 MILLION

PERFORMANCE OF THE BUSINESS SEGMENTS

CONSTRUCTION DIVISION

In FY2024, the Group's Construction Division, led by PMSB, remained PMHB's primary revenue driver, contributing significantly to the Group's overall performance. PMSB registered total construction revenue of RM477.4 million compared to RM491.5 million in FY2023. The year saw PMSB focusing its efforts on executing ongoing projects and securing new contracts, further strengthening its order book.

Two high-value contracts were secured during the year. In May 2024, PMSB was awarded a RM410.5 million contract from Gaya Kuasa (before its acquisition by PMHB) for main building works on a high-rise residential project in Bukit Jalil, Kuala Lumpur. The project, which comprises two blocks of 52-storey residential units, began in June 2024 and will run for 31 months.

In September 2024, PMSB secured a RM321.1 million contract from Sime Darby Property (Golfhome) Sdn Bhd for superstructure works on three condominium blocks comprising 150 units in Bukit Kiara, Kuala Lumpur. The project, which commenced in October 2024, is to run for 27 months.

In December 2024, PMSB secured a RM181.8 million contract from Lakefront Residence Sdn Bhd, a subsidiary of Avaland Berhad, for sub-structure and main building works on a residential development in Cyberjaya, Selangor. The project, which comprises two high-rise condominium blocks, commenced in mid-December 2024 and is currently progressing on schedule with a 40-month construction timeline.

At the end of FY2024, PMHB was actively managing 10 projects with a total contract value of RM3.28 billion, ensuring a healthy pipeline of secured work. The ongoing projects are expected to drive earnings growth and enhance net assets over the near to mid-term, reinforcing the division's resilience in a highly competitive market.

Moving forward, PMSB will continue leveraging technology and digital solutions to enhance project execution and cost efficiency. The adoption of online construction workflow systems will play a key role in streamlining processes, optimising resource management, and improving project delivery. The ongoing use of Building Information Modelling or BIM technology will remain integral to ensuring strategic project management and optimised resource planning.



With a strong order book and positive industry outlook, PMSB remains committed to securing new projects, strengthening its market position, and ensuring long-term value creation. Capitalising on the recovering construction industry, the Group will pursue both public and private sector opportunities while potentially expanding its portfolio with a new affordable residential development in the Klang Valley.

CONCESSIONAIRE DIVISION

The Concessionaire Division remains a stable and reliable income contributor, reinforcing PMHB's strategy of maintaining diversified and recurring revenue streams. This segment is anchored by PMHB's 70% interest in SEP, which oversees the development, management, and maintenance of student hostels at UniMAP. Since its inception, the UniMAP concession has provided long-term financial stability, validating PMHB's strategic expansion into concession-based businesses.

In FY2024, the division's revenue increased to RM26 million from RM23 million in FY2023, reflecting steady and predictable growth from its asset management and maintenance services. Meanwhile, PBT declined to RM11.6 million from RM15.2 million in the previous year, mainly due to the one-off ASEAN Sustainability SRI Sukuk Wakalah issuance fees and expenses of RM3.0 million. Despite this, the division remains a key pillar of stable earnings, with a long-term concession in place until 2036, ensuring consistent cash flow and providing a buffer against cyclical fluctuations in the construction and property markets.

Looking ahead, PMHB remains committed to strengthening and expanding its Concessionaire Division. The Group continues to focus on optimising operational efficiencies under the existing concession while exploring additional concession-based opportunities that align with its long-term strategy of enhancing recurring income streams.

PROPERTY DEVELOPMENT DIVISION

PMHB's expansion into property development gained traction in FY2024 with the completion of the Gaya Kuasa acquisition in October 2024. This newly acquired subsidiary contributed two months of revenue totalling RM8.5 million, signifying the division's initial contribution to the Group's earnings.

MANAGEMENT DISCUSSION & ANALYSIS

With strong demand for affordable housing, as highlighted in the NAPIC's "Property Development Market Report 2024", where over 75% of residential property transactions in 2024 were in the below RM500,000 price range, PMHB is strategically positioning itself to capture growth opportunities in this segment. In line with our long-term expansion strategy, the division is set to launch a new affordable residential development in the Klang Valley, addressing both market demand and sustainable urban development needs.⁵

The acquisition of Gaya Kuasa strengthens PMHB's business diversification, ensuring a broader revenue base while reinforcing our commitment to delivering high-quality and accessible housing. With a growing project pipeline, we anticipate stronger financial contributions from this division in the coming years, further solidifying the Group's position in the property development sector.

BUSINESS RISKS AND MITIGATION STRATEGIES

We remain committed to safeguarding the Group's operations, performance, financial position, and liquidity from any unforeseen adverse material impacts. To achieve this, we uphold stringent risk management practices, underpinned by our dedication to sustainability. Our approach entails proactively identifying, assessing, and mitigating potential risks through the strategic implementation of informed decision-making and effective measures, as outlined in the table below:

Key Risk	Description	Mitigation	Measures
Operational	Over-dependence on a single business segment (i.e. the Construction Division).	The Group's reliance on its Construction Division poses a financial risk if the sector experiences a downturn due to market or economic conditions.	We continue to explore opportunities to strengthen and expand our Concessionaire and Property Development Divisions to cushion the impact of potential fluctuations in the construction industry.
Operational	Unsatisfactory performance by subcontractors.	Delays, unplanned abortive work, and additional costs may arise from inadequate planning and coordination by subcontractors.	PMSB's architectural, civil, and structural project team closely monitors and supervises work quality and progress. This includes intensifying Quality Assurance ("QA") and Quality Control ("QC") audits, issuing warning letters for non-compliance, and enforcing back-charges where necessary. Weekly discussions with subcontractors are conducted to resolve site issues early, ensuring seamless project execution. On-site induction courses for workers and subcontractors are also held.
Operational	Shortage of construction materials.	Temporary shutdowns at manufacturing plants for maintenance purposes may lead to shortages of critical materials, including steel bars and cement.	A centralised procurement monitoring system is in place to track material availability and delivery weekly, ensuring proactive supply chain management, thus preventing disruptions.
Operational	Risk of personal injuries and accidents at construction sites.	High-rise construction requires enhanced safety measures due to the nature of the work.	In line with the Project Occupational Safety and Health ("POSH") Plan, daily "safety toolbox" meetings are conducted before work begins to reinforce adherence to safety guidelines. All critical tasks undergo a Hazard Identification Risk Assessment and Risk Control ("HIRARC") process before commencement, with ongoing risk reassessments conducted throughout the project to ensure compliance with safety protocols. A minimum of two Health and Safety personnel are stationed at each site for continuous monitoring, audits, and inspections. Weekly safety training sessions and monthly safety audits are conducted as per the POSH Plan to ensure compliance.

MANAGEMENT DISCUSSION & ANALYSIS

Key Risk	Description	Mitigation	Measures
External	Volatile raw material prices affecting cost management.	Fluctuating material costs could impact financial performance and profit margins.	Daily monitoring of material prices ensures timely bulk purchases for cost efficiency. A “Price Fluctuation Clause” is included in tender contracts to safeguard against sudden market price hikes.



UPHOLDING RESPONSIBLE CORPORATE PRACTICES

As a responsible corporate entity, PMHB is deeply committed to operating in a manner that protects and enhances both our human and physical assets. This commitment drives us to implement strategies that ensure the long-term sustainability of our business operations. Our approach includes strengthening the well-being of our workforce, upholding stringent safety standards, and investing in the development and maintenance of our physical infrastructure. Through these efforts, we safeguard employee welfare while contributing positively to the broader community and environment.

GOOD GOVERNANCE AND ROBUST RISK MANAGEMENT

The Group remains steadfast in upholding high standards of corporate governance, reinforcing our reputation as a transparent and reliable industry player. We continue to implement robust risk management practices and enforce stringent internal controls across the organisation, ensuring the long-term resilience of our business. Comprehensive details on our “Board Charter”, as well as the “Terms of Reference for the Audit, Remuneration, and Nomination Committees”, alongside our “Whistleblowing Policy and Anti-Bribery & Corruption Policy”, are available on our official website (www.pesona.com.my).

UPHOLDING THE AGENDA OF SUSTAINABILITY

We remain committed to advancing the agenda of sustainability across the Group to ensure the long-term viability of our operations. We continuously refine our processes and construction techniques to minimise our environmental and social impacts, with a strong focus on reducing our carbon footprint. For a detailed overview of our sustainability initiatives, please refer to the Sustainability Statement within this Annual Report.

RECOGNISED FOR OUR COMMITMENT TO EXCELLENCE

PMHB’s commitment to delivering exceptional construction quality has been consistently recognised by authoritative regulatory bodies such as BuildQAS Consulting Singapore (“BuildQAS”) and the Construction Industry Development Board (“CIDB”). These endorsements affirm our unwavering dedication to excellence. Achieving high scores from these esteemed organisations underscores our strategic focus on stringent quality control, effective project management, and continuous improvement in construction practices.

MANAGEMENT DISCUSSION & ANALYSIS

MOVING FORWARD INTO FY2025 AND BEYOND

Global growth in 2025 was initially projected to ease slightly to between 2.8% and 3.3% (2024: 3.2%), supported by moderating inflation, healthy labour markets, and looser monetary policies across major economies. However, the United States' announcement of a reciprocal tariff policy in April 2025 has introduced fresh uncertainty, raising concerns over potential disruptions to global trade and supply chains. While the full impact is yet to unfold, this development may weigh on investment and consumer sentiment worldwide.⁶

Bank Negara Malaysia originally forecasted Malaysia's economy to grow between 4.0% and 5.0% in 2025. However, in light of emerging external headwinds, this may moderate slightly. Even so, strong domestic fundamentals – including resilient consumer demand, steady employment, and targeted Government support – are expected to help sustain the nation's growth momentum. A gradual recovery in exports and ongoing infrastructure investments should provide further lift.⁷

The construction sector was earlier estimated to grow by 11% in 2025, moderating from the strong 17.5% growth recorded in 2024. Expansion is anticipated to be supported by continued activity in the non-residential, special trade, and residential subsectors. The non-residential segment is expected to remain resilient, driven by industrial and commercial developments. Growth in the special trade segment will be supported by small-scale projects under Budget 2025 and final works on major infrastructure projects. The residential segment will benefit from new housing launches, particularly in the affordable segment, aided by government incentives such as tax relief for first-time homebuyers. Meanwhile, the civil engineering segment is anticipated to grow at a slower pace as large infrastructure projects approach completion. However, these projections may be subject to change should there be shifts in the broader economic landscape.⁸

Similarly, the property sector is projected to benefit from improving economic conditions, including higher civil servant wages, increased minimum wages, and stronger employment prospects following the commencement of foreign direct investments approved since 2022. Malaysia's robust GDP growth is expected to create a supportive environment for property development, with industrial properties, retail complexes, and the hospitality sector expected to perform well amid rising consumer spending and increased business activities. Meanwhile, major infrastructure projects are anticipated to stimulate growth in strategic property markets, reinforcing long-term stability in the real estate sector. Additionally, the stabilisation of construction material costs and the halt in interest rate hikes are expected to ease pressures on property developers, particularly those catering to the middle-income housing market.⁹

Notwithstanding potential shifts in the broader economic landscape, PMHB is strategically positioning itself to capitalise on the anticipated growth in the construction and property sectors. The Construction Division will focus on replenishing its project portfolio, strengthening the order book, and ensuring sustained revenue streams. Concurrently, efforts to expand the Concessionaire Division are underway, with a focus on long-term projects that offer stable returns. Recognising the rising demand for affordable housing, the Property Development Division plans to launch a new residential development in the Klang Valley, targeting the middle-income market segment.

As we step into FY2025, PMHB approaches the future with cautious optimism, aiming for a robust performance despite prevailing uncertainties. Our Board and Management remain steadfast in their commitment to creating value for stakeholders through strategic growth, operational efficiency, and prudent decision-making. By aligning our business strategies with evolving market dynamics, PMHB is well-positioned to navigate challenges, capture new opportunities, and ensure sustainable long-term growth.



MANAGEMENT DISCUSSION & ANALYSIS

ACKNOWLEDGEMENTS

On behalf of the Group, I extend our heartfelt appreciation to all who have supported us throughout the year. We are especially grateful to our Management Team and the dedicated employees across our subsidiary and associated companies for their unwavering diligence, commitment to excellence, and relentless pursuit of progress. Our sincere gratitude also goes to PMHB's Board of Directors for their steadfast leadership and wise counsel, which have been instrumental in guiding the Group toward a stronger future.

To our valued shareholders, customers, clients, bankers, government entities, vendors, and suppliers, we extend our deepest appreciation for your continued trust and confidence in the Group. Your steadfast support has been the foundation of our resilience and growth.

We wish to acknowledge the invaluable contributions of Dato' Sri Lee Tuck Fook and Mr. Loh Kong Fatt, who have faithfully served the Group with dedication and integrity for 12 years. Their leadership, experience, and strategic insights have been pivotal to PMHB's success, and we are deeply grateful for their service.

At the same time, we warmly welcome two new Independent Directors, Dr. Yong Mun Ching and Mr. Yeong Yok Hoong, who joined the Board on 1 July 2024. Dr. Yong brings a strong corporate advisory and financial background, with extensive experience in auditing, consulting, and corporate management. Mr. Yeong, a seasoned finance professional, brings over three decades of expertise in banking, financial reporting, and commercial lending, with a distinguished career spanning key leadership roles in the financial sector. Their wealth of knowledge and industry experience will further strengthen the Board as we navigate the opportunities and challenges ahead.

Additionally, we are pleased to announce the re-designation of Mr. Wie Hock Kiong as PMHB's Non-Independent and Non-Executive Chairman, effective 1 July 2024. As a long-serving member of the Board, his extensive experience, strategic acumen, and deep understanding of the Group's operations will play a crucial role in steering PMHB forward.

As we step into FY2025, we do so with a renewed sense of purpose and ambition. With expanded business streams, a strengthened leadership team, and a clear strategic vision, we remain focused on driving operational excellence, capitalising on emerging opportunities, and navigating market challenges. Together, we will continue to build on our successes, create sustainable value, and drive PMHB toward greater heights.

WIE HOCK BENG

Managing Director

Pesona Metro Holdings Berhad

Endnotes

¹ Extracted from p. 22 of Bank Negara Malaysia's ("BNM") "Economic and Monetary Review 2024" published on 24 March 2025 – refer to https://www.bnm.gov.my/documents/20124/17523401/emr2024_en_book.pdf

² Extracted from p. 29 of BNM's "Economic and Monetary Review 2024" as above

³ Adapted from an article on the Department of Statistics Malaysia ("DOSM") website titled "Construction Statistics, Fourth Quarter 2024" published on 10 February 2025 – refer to <https://www.dosm.gov.my/portal-main/release-content/construction-statistics-fourth-quarter-2024>

⁴ Extracted from the NAPIC's "Property Market Report 2024" published in 2024 – refer to https://www.jpoh.gov.my/myebook/V1/ebook/Laporan_Pasaran_Harta_2024/#page=

⁵ Extracted from the NAPIC's "Property Market Report 2024" as above

⁶ Extracted from pp. 43-44 of BNM's "Economic and Monetary Review 2024" as above

⁷ As per note 6 above

⁸ Extracted from p. 51 of BNM's "Economic and Monetary Review 2024" as above

⁹ Extracted from the NAPIC's "Property Market Report 2024" as above, and an article on the Business Times' website titled "Local property market poised for growth amid global inflation, economic uncertainty" published on 15 January 2025 – refer to <https://www.nst.com.my/property/2025/01/1161182/local-property-market-poised-growth-amid-global-inflation-economic>

SUSTAINABILITY STATEMENT



OUR SUSTAINABILITY COMMITMENT

Pesona Metro Holdings Berhad (“PMHB”) is steadfast in its commitment to sustainable growth, embedding environmental, social, and governance (“ESG”) principles at the core of its operations. We recognise that long-term business success is intrinsically linked to creating lasting value for stakeholders while safeguarding environmental and societal well-being. To this end, our structured sustainability framework strengthens resilience, enhances operational efficiencies, and upholds the highest standards of corporate integrity. By adopting a forward-looking and responsible approach, PMHB remains dedicated to driving sustainable progress while fostering economic, social, and environmental stewardship.

SUSTAINABILITY STATEMENT



COMMITTED TO CREATING SUSTAINABLE VALUE

Pesona Metro Holdings Berhad (“PMHB”) is a diversified investment holding company listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) under the Construction sector. The Group’s capabilities encompass civil engineering, building construction, river rehabilitation and beautification, concessionaire ventures, and the trading of construction-related materials.

Guided by a long-term vision, PMHB integrates sustainability at the heart of its business strategy to ensure that growth is both responsible and resilient. By embedding ESG principles into its operations, the Group drives efficiency, enhances stakeholder confidence, and strengthens its competitive position. This strategic approach enables PMHB to deliver sustainable value, foster industry leadership, and contribute meaningfully to economic and social progress.



SCOPE AND BOUNDARY OF THIS STATEMENT

This document represents PMHB’s ninth Sustainability Statement and provides a comprehensive account of the Group’s key Economic, Environmental, and Social (“EES”) initiatives throughout the 2024 financial year. In maintaining the highest levels of transparency and accountability, PMHB has actively engaged with a diverse range of stakeholders, both internal and external, to ensure that its sustainability efforts align with evolving expectations and industry best practices.

Reporting Period

1 January 2024 – 31 December 2024.

Reporting Cycle

Annually.

Business Entity Covered

This Statement centres on Pesona Metro Sdn Bhd (“PMSB”), the Group’s principal subsidiary and the cornerstone of its Construction Division which contributes 95% of the Group’s annual revenue. It highlights key issues pertinent to PMSB’s core operations while excluding activities related to other PMHB subsidiaries. The Group maintains a primary focus on the construction of commercial and residential developments across Peninsular Malaysia.

Guidelines

This Statement is prepared in accordance with the Sustainability Reporting Guide (3rd Edition) issued by Bursa Securities.

Statement Content

This Sustainability Statement highlights significant key issues which are relevant to the stakeholders of PMHB and has been prepared in accordance with the regulatory requirements of local authorities. It should be read alongside the Group’s 2024 Annual Report, which provides a broader overview of both financial and non-financial aspects of the Group’s businesses. While this Statement has not yet undergone external assurance, it is aligned with PMHB’s ongoing efforts to enhance its sustainability data management and oversight processes. Moving forward, the Group plans to seek external verification to further reinforce its commitment to transparency and accountability in its sustainability initiatives.

Methodology

The key aspects and issues highlighted in this Statement have been identified through deliberations by the Group’s Executive Committee, in line with PMHB’s established governance practices. Upon endorsement by the Board of Directors, the Working Committee has overseen the implementation of the Statement’s recommendations, ensuring alignment with the Group’s strategic priorities and sustainability objectives.

PMHB’s Sustainability Journey

Since its establishment in 1996, PMHB has remained committed to growth while upholding its responsibilities as a corporate entity. In 2016, in response to Bursa Securities’ introduction of Sustainability Reporting, the Group developed and incorporated a Sustainability Framework into its business model. This framework serves as a guide for PMHB’s business practices and operations, ensuring a focus on sustainable outcomes while reinforcing the Group’s long-term commitment to sustainability and value creation for its stakeholders.

The Group is committed to embedding sustainability into its business strategies, ensuring compliance with industry standards while driving operational efficiency, cost optimisation, revenue expansion, and innovation. This integrated approach strengthens long-term resilience and fosters sustainable growth.

SUSTAINABILITY STATEMENT

SUSTAINABILITY THEMES

The Group has established key sustainability themes across its operations to ensure consistency and alignment in its sustainability initiatives:

HEALTH & SAFETY



PMHB prioritises the safety and well-being of its employees and the communities surrounding its operations. Recognising our responsibility to uphold high health and safety standards at our construction sites, we continuously enhance our equipment and operational practices to not only comply with but surpass regulatory requirements for safety, health, and environmental protection.

ENVIRONMENT



As a responsible contractor, PMHB is highly conscious of the potential environmental impact of its projects. Given the nature of our work, which directly interacts with natural elements such as soil, vegetation, air, water, and wildlife, we recognise the importance of operating with care and accountability. We view it as our duty to manage these finite resources responsibly, as they are vital to human well-being. With this in mind, the Group remains committed to addressing environmental concerns with the utmost priority, striving to minimise any negative impact on both people and the natural environment.

LABOUR PRACTICES



The Group is dedicated to cultivating an inclusive workplace that upholds fairness and equity for all employees, irrespective of their employment status, nationality, race, religion, or gender. The Group also champions the importance of a balanced work-life environment, recognising it as essential for the overall well-being of its team members, including their physical, mental, and emotional health.

PROFITABILITY



The Group is dedicated to driving profitability and creating lasting value as part of our aim to sustainably expand our ventures as a conscientious corporate entity. Our focus remains on delivering high-quality projects within budget and on schedule, while continuously serving the public with excellence and responsibility.

SUSTAINABILITY GOVERNANCE

The Group's sustainability reporting is conducted and monitored in accordance with the highest standards of governance. To uphold this commitment, PMHB has established a governance framework that ensures accuracy, accountability, and transparency are maintained throughout every phase of the reporting process:

BOARD OF DIRECTORS

Chairman of Audit Committee



EXECUTIVE COMMITTEE

Senior Management chaired by the Managing Director ("MD")



SUSTAINABILITY WORKING COMMITTEE

- Health and Safety (Head of Health & Safety)
- Environment (Head of Environment)
- Labour Practices (Head of Human Resources)
- Profitability (MD)

The Board of Directors and its respective committees have defined roles and responsibilities, which are outlined as follows:

GOVERNANCE BODY	ROLES AND RESPONSIBILITIES
Board of Directors	Guide and Support
Executive Committee	Strategise and Standardise
Sustainability Working Committee	Plan and Execute

- The Board of Directors is committed to upholding the highest standards of corporate governance and robust internal controls while strategically integrating sustainability considerations into the Group's planning.
- The Executive Committee manages the creation and refinement of the sustainability framework for PMHB, which includes overseeing the preparation of the Sustainability Statement and Policy.
- The Sustainability Working Committee is responsible for tracking PMHB's progress in meeting its sustainability goals. It conducts quarterly reviews on sustainability findings, identifies any discrepancies between established targets and actual outcomes, and implements the necessary adjustments to ensure alignment with the Group's objectives.

SUSTAINABILITY STATEMENT



The Board is committed to upholding corporate governance best practices and sound internal controls in its evaluation and incorporation of relevant sustainable material matters into the Group's business strategy.

Board of Directors

PMHB's Board of Directors, which encompasses seasoned professionals with diverse expertise and experience, remains steadfast in guiding the organisation towards strong EES sustainability practices. Their commitment is centred on fostering sustainable, long-term shareholder value by prioritising investments that drive the continued advancement of the Group's business ventures.

Beyond its role in governance, the Board ensures the diligent oversight and seamless execution of EES initiatives across the Group. This includes refining the Company's strategic direction while maintaining strict adherence to corporate governance excellence and embedding sustainability considerations into key decision-making processes. Additionally, the Board plays an instrumental role in shaping planning frameworks that reinforce PMHB's dedication to transparency, integrity, and accountability across all levels of its operations and management.



The Executive Committee has oversight for the processes related to studying, formulating and strategising the sustainability framework for the Group. It is also responsible for the development of the Sustainability Statement and Policy.

Executive Committee

The development, evaluation, and strategic direction of PMHB's sustainability framework are overseen by the Executive Committee, which includes the Chief Financial Officer ("CFO") and Chief Operating Officer ("COO"). Under the leadership of the MD, the committee provides regular updates to the Board on the progress of sustainability initiatives. Additionally, the committee is tasked with preparing the Sustainability Statement and Policy, ensuring alignment with the Group's overall sustainability strategy. Their responsibilities extend to setting sustainability targets, engaging with key stakeholders, and identifying the most significant EES factors relevant to sustainability reporting.



The Sustainability Working Committee is tasked with closely monitoring and achieving the Group's sustainability targets. Its findings are shared at quarterly reviews where any gaps between the targets and the results are subsequently finetuned.

Sustainability Working Committee

The Sustainability Working Committee plays a crucial role in ensuring that the Group's sustainability targets align with PMHB's company-wide policies and best practices. Committee members are selected based on their relevance to the Group's key sustainability priorities, and they meet quarterly to review progress and address any discrepancies between established targets and actual performance.

The Group remains committed to continuously evaluating and, where necessary, strengthening its sustainability governance framework to enhance the effectiveness of strategic planning, implementation, and reporting. For more information on the Group's corporate governance and risk management frameworks, please refer to the Statement on Corporate Governance and the Statement on Risk Management and Internal Control in this Annual Report.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement remains a fundamental aspect of the Group's sustainability strategy, as we continue to strategically expand and enhance our operations and market presence. Our aim of strengthening stakeholder relationships is in line with our commitment to placing their interests at the core of our business. Through consistent interactions, we proactively address the needs and expectations of our stakeholders, ensuring that our engagement strategies evolve in tandem with the various stages of our projects.

In order to methodically evaluate and address stakeholder concerns effectively, we employ a structured and systematic approach. This includes identifying key stakeholders and categorising them based on their level of influence on, and impact from, our operations and supply chain. Our framework for assessing and responding to stakeholder expectations, along with our communication methods, is outlined in the Stakeholder Engagement Matrix.

SUSTAINABILITY STATEMENT

STAKEHOLDER ENGAGEMENT

STAKEHOLDER	STAKEHOLDER EXPECTATIONS	ENGAGEMENT METHODS	HOW WE MEET OUR STAKEHOLDER'S EXPECTATIONS
Clients	- Project to be completed on time, within budget and good quality. - Full compliance with authorities' rules and regulations with minimal penalties or summons. - Zero fatalities. - Proper project management and communications.	- Progress meeting (fortnightly). - Site walk with client (ad hoc). - Client satisfaction survey (upon completion of the project).	- QLASSIC score of 73% and above. - Submission of monthly progress reports on time. - Achieve a minimum 80% client satisfaction rate. - All correspondences to be answered within 24-48 hours. - Designate a dedicated point of contact for clients, such as a Project Manager or Contract Manager, to ensure clear communication and efficient project coordination.
Authorities and Regulators	Compliance with rules and regulations.	- Site inspections. - Audits. - Accreditation. - Training sessions.	- Implement weekly internal site meeting and site inspection on health, safety and environment ("HSE") issues, 5S methodology, GBI matters to ensure compliance. - Regularly attend training sessions/seminars/conferences/discussions to improve work methods and get updates on new regulations.
Employees	- Attractive pay-out and job security. - Career development and progression. - Good HSE practices. - Fair and equal treatment.	- Annual Staff Survey. - Annual Appraisal. - Staff activities.	- Organise Corporate Social Responsibilities ("CSR") activities to encourage off-site relationships with stakeholders. - Implement a transparent and equitable reward system that recognises and incentivises performance based on merit. - Provide regular updates on Group-related news and progress via the Group intranet. - Respond to feedback on the matters raised by staff via all the engagement activities to assure them that the Group cares and will act upon the requests /concerns which are deemed right for the Group.
Business Partners (Suppliers and Sub-contractors)	- Timely payment. - Fair and transparent procurement processes. - Safe work sites.	- Safety toolbox meetings. - Weekly meetings. - Transparent tender processes. - Suppliers and sub-contractors evaluation.	- Achieve a minimum of 75% in Grade C and above rating for supplier evaluations. - Achieve a 75% in Grade B- and above rating for sub-contractor evaluations. - Organise factory/warehouse visits.
Media	Timely and transparent financial and corporate information.	- Press conferences. - Corporate website. - Press releases.	- Organise meetings with the Media after the Annual General Meeting. - Upload press releases on the website for easy access by the Media.

SUSTAINABILITY STATEMENT



STAKEHOLDER PRIORITISATION

The Group undertakes a yearly assessment to prioritise stakeholders, ensuring their interests and concerns are addressed in a structured and effective manner.

This process enables the Group to allocate resources and attention strategically across various stakeholder groups. As part of this assessment, stakeholders are categorised into two primary groups based on their level of dependence on the Group and their ability to influence its operations. The findings from the latest assessment are presented in the following table:

STAKEHOLDER GROUP	DEPENDENCY ON THE COMPANY 1 = LOWEST DEPENDENCY 4 = HIGHEST DEPENDENCY	INFLUENCE ON THE COMPANY 1 = LEAST INFLUENCE 4 = STRONG INFLUENCE
Employees	4	4
Sub-contractors	4	4
Consultants	2	4
Clients	3	4
Government/Local Authorities	2	4
Suppliers	3	3
Competitors	1	4
Bankers	2	2
Media	1	1
Community	1	1

SUSTAINABILITY STATEMENT

The Group's Stakeholder Prioritisation Matrix was developed through a structured analysis of data collected during the stakeholder prioritisation process. Stakeholders were categorised based on the extent to which their perspectives and insights influence the Group's growth and strategic direction. From this assessment, the seven most influential stakeholders were classified under the High Dependency-High Influence category due to their significant impact on the Group. Meanwhile, other stakeholders were placed in the Low Dependency-High Influence category, as outlined in this Statement.

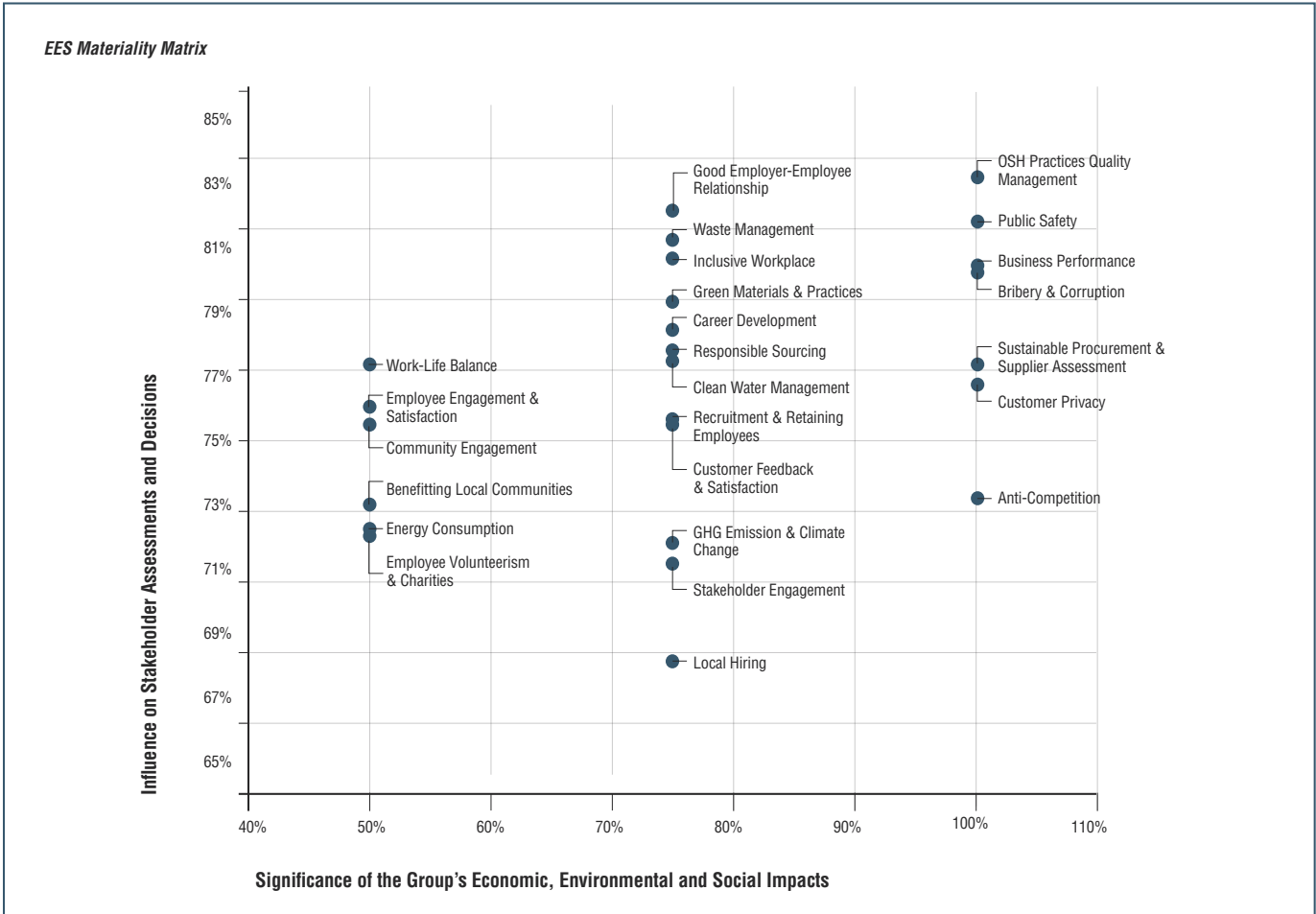
STAKEHOLDERS DEPENDENCY	High Dependency	CONSULT/ INVOLVE		COLLABORATE/ EMPOWER (Maximum Attention)	
					1) Employee 2) Sub-contractors
	Low Dependency	KEEP INFORMED (Minimal Effort)		INFORM/ ENGAGE	
			1) Competitors 2) Media		1) Consultants 2) Clients 3) Government/ Local Authorities 4) Bankers 5) Suppliers
		No Influence	Low Influence	Some Influence	Formal Power/High Influence
STAKEHOLDER INFLUENCE ON THE ORGANISATION					

MATERIAL MATTERS

STAKEHOLDERS	PARAMETERS
Clients	Existing and past clients who have engaged the Company in jobs - both private and public organisations.
Authorities and Regulators	Governments, local councils, the Construction Industry Development Authority or CIDB, SIRIM, the Fire Department, and the regulators for Green Building Index or GBI certification.
Consultants	Professionals who have a direct influence on the Company's operations including architectural, structural, electrical, mechanical, and landscaping professionals.
Employees	Permanent, contractual and interns; locals and foreign workers.
Business Partners (Suppliers and Sub-contractors)	Product and service providers.
General Public and Community	People living/working within a 5 km radius of our workplaces; Other non-governmental organisations ("NGOs") with influence.
Bankers/Financiers	Financing bodies that conduct monetary transactions with the Company.

SUSTAINABILITY STATEMENT

PMHB’s current Materiality Matrix is derived from the findings of these assessments. As the nature of our business and operational landscape has remained largely consistent, apart from the impacts of the Pandemic, the insights from the previous survey continue to be relevant and applicable. Additionally, this matrix served as a reference framework for developing the 2024 Sustainability Roadmap.



UPHOLDING GOOD ECONOMIC PRACTICES

STRATEGIC DIRECTION

The Group’s strategy remains centred on strengthening our core businesses to ensure long-term sustainable growth. By continuously refining our strategic approach, we strive to maintain progress and enhance our adaptability in responding to shifting market and economic landscapes. For a detailed overview of our strategic direction, along with insights into our financial and operational performance, please refer to the Management Discussion and Analysis section of our Annual Report.

SUSTAINABILITY STATEMENT

2024 Sustainability Roadmap (Targets and Achievements)

Health & Safety		Labour Practices		Environment		Product Quality	
Target	Achievements	Target	Achievements	Target	Achievements	Target	Achievements
Zero Fatality	1 fatal, not achieved	Annual Staff Survey	Achieved	Allowable Construction Waste	Achieved	QLASSIC 73%	No assessment in 2024
Zero Lost Time	1 LTI, not achieved	3 Major Festive Celebrations	Achieved	i) Steel 7% ii) Concrete 5% iii) Timber 10%	5% 5% 7%	80% Customer Satisfaction	Achieved (93.3%)
Zero Stop Work Orders	Achieved	Minimum 14 hour/staff Training	Not Achieved	Zero Environmental Summons/ Notices	Achieved	75% Sub-Contract Grade B	Achieved (95.0%)
Zero Dengue Cases	Achieved	4 CSR activities	Achieved			75% Supplier Grade C and above	Achieved (100%)
		Internship	Not Achieved				
		i) 10 HQ ii) 25 Site	i) 0 HQ ii) 13 Site				
		8 Scholarships	Not Achieved				

For a more comprehensive understanding of the sustainability themes outlined above, please refer to the relevant sections of this Sustainability Statement.

STRENGTHENING THE MARKET ECOSYSTEM

PMHB is dedicated to fostering strong relationships throughout its supply chain, from suppliers to customers, with a strong emphasis on market engagement. As a key player in Malaysia's construction industry, the Group actively cultivates partnerships that drive sustainable growth and contribute to the sector's overall development. Through its commitment to long-term, sustainable projects, PMHB aims to create a lasting positive impact on the communities and industries it serves. Leading these initiatives is its principal subsidiary, PMSB, which continues to play a vital role in supporting the nation's economic progress.

Since its establishment in 1996 with a workforce of just 20 employees, PMHB has grown into a significant force in the Malaysian construction industry, now employing approximately 400 staff across permanent and contract roles. The Group values a diverse and skilled workforce, supporting both local and international employment to ensure access to specialised expertise, including carpenters, electricians, and other essential construction professionals.

PMHB also prioritises the local economy by hiring domestically and exclusively sourcing key construction materials, such as cement, steel, and timber, from local suppliers. This approach not only strengthens growth opportunities for local businesses but also reduces dependence on foreign imports, thereby mitigating exposure to global economic fluctuations while reinforcing its contribution to Malaysia's economy. Additionally, the Group remains committed to fair procurement practices and continuously integrates innovative construction methods and technologies to further enhance its role in the country's construction sector.

SUPPLY CHAIN MANAGEMENT		2022	2023	2024
Proportion of spending on local suppliers	Percentage	100%	100%	100%

SUSTAINABILITY STATEMENT

TRANSPARENT MARKETPLACE PRACTICES

The safety and well-being of our employees remain paramount, given the inherent risks associated with the construction industry. PMHB maintains strict compliance with Malaysia's regulatory framework, operating in accordance with the guidelines set by the Construction Industry Development Board ("CIDB") and undergoing regular audits by SIRIM. As a publicly listed company, we also adhere to Bursa Securities' Main Market Listing Requirements ("MMLR"), upholding the highest standards of transparency, governance, and ethical business conduct.

Our unwavering stance against bribery and corruption is reinforced through well-established policies and practices. Introduced in 2019, the PMHB Induction Programme serves as a fundamental initiative in educating new employees about our zero-tolerance approach to white-collar crime, reinforcing a culture of integrity from the outset. Complementing this is the Zero Tolerance Policy, embedded within the Group Employee Handbook, which underscores our commitment to eradicating unethical practices.



To further strengthen our governance framework, PMHB has implemented the following policies:

- **Code of Conduct:** Defines our commitment to business ethics and upholding integrity across all levels of the organisation.
- **Corporate Governance Overview Statement:** Included in the Annual Report, this section details the roles and responsibilities of the Board of Directors and its committees, with the Board Charter accessible on our website.
- **Open Tender Policy:** Ensures fairness and transparency in subcontractor selection. At least three out of five committee members must be present during Tender Box openings, with one member from a different department to ensure impartiality.
- **Whistleblowing Policy:** Provides employees with a secure platform to report financial irregularities, compliance breaches, or other forms of misconduct. This policy is detailed in the Employee Handbook and is publicly accessible on our website at www.pesona.com.my.

PMHB is committed to maintaining a robust and up-to-date governance framework, working closely with regulatory bodies to meet stringent compliance standards. The Board actively assesses risks and enforces compliance measures, particularly in response to Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009, which took effect on 1 June 2020. Additionally, PMHB has incorporated Anti-Corruption and Anti-Bribery Policy and Procedures into its Code of Conduct, ensuring alignment with Bursa Securities' MMLR and compliance with MACC's regulations.

COMMON INDICATORS	UNIT	2022	2023	2024
Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	100%	100%	100%
Executive	Percentage	100%	100%	100%
Non-executive/Technical Staff	Percentage	0%	0%	0%
General Workers	Percentage	0%	0%	0%
Percentage of operations assessed for corruption-related risks	Percentage	0%	0%	0%
Confirmed incidents of corruption and action taken	Number	0	0	0

OUR COMMITMENT TO EXCELLENCE

PMHB remains committed to upholding excellence across its operations and continues to be recognised for its high standards. A detailed summary of the awards and accolades received by PMHB over the past year can be found in the Social: Occupational Health and Safety section of this Statement.

SUSTAINABILITY STATEMENT

UPHOLDING GOOD ENVIRONMENTAL PRACTICES

EDUCATION AND AWARENESS PROGRAMMES

Reducing the environmental footprint of our operations remains a core priority for PMHB. To achieve this, we continuously implement strategic initiatives that strengthen our commitment to environmental sustainability and conservation. Central to this effort is cultivating a culture of environmental responsibility across the organisation. Through comprehensive training and awareness programmes, we actively engage employees, subcontractors, and suppliers, ensuring alignment with our broader sustainability goals and fostering a shared commitment to environmental stewardship.

Green 5S Practices

As part of our commitment to a more sustainable and structured operational framework, PMHB was among the first construction firms in Malaysia to implement the 5S methodology, setting a benchmark for industry best practices. This initiative has been instrumental in maintaining the highest standards of cleanliness and safety across our project sites, contributing to a significant reduction in incident rates. Since its adoption, all PMHB projects have undergone stringent audits by the SIRIM Green 5S team to ensure continuous compliance with Green 5S protocols. A key milestone was achieved in 2017 when The Mews project site became the first to receive a Zero Non-Conformance Report following a SIRIM Green 5S Audit.

Throughout the year under review, PMHB reinforced its commitment to this methodology by conducting 40 5S Awareness training across all project sites and hosting 12 training sessions at its Headquarters. Further supporting this initiative, the Company organised 94 weekly 5S Site Coordination and Surveillance sessions, complemented by an annual 5S audit at Headquarters.

The SIRIM Green 5S Audits serve as a formal validation of PMHB's dedication to upholding the 5S principles, tracking our ongoing efforts to achieve Zero Non-Conformance at project sites. Our continued commitment to this structured approach not only enhances operational sustainability but also strengthens PMHB's standing as a reliable and responsible construction firm within the industry.

Seven -Year SIRIM 5S External Audit Results

YEAR OF AUDIT	PROJECT SITES	NUMBER OF NON-CONFORMANCE REPORTS	NUMBER OF ISSUES UNDER OBSERVATION
2018	UniSZA, Terengganu	0	5
2019	Eaton Residences, Kuala Lumpur	0	10
	Lot 15 SJCC, Selangor	3	17
	Conlay 301, Kuala Lumpur	0	18
2020	Conlay 301, Kuala Lumpur	0	3
2021	* -	0	0
2022	TNB Gold, Bangsar	0	2
2023	MKR, Bon Kiara	0	1
2024	LFR3, Cyberjaya	1	11

*There were no site audits carried out in 2021 due to the COVID-19-induced operational restrictions.

Environmental Talks

To advance the Group's objective of becoming a more environmentally conscious organisation, PMHB rigorously adheres to environmental regulations through robust systems that guide our strategic direction and underscore our commitment to exceptional environmental stewardship. This framework is reinforced by quarterly updates and regular knowledge-sharing sessions with project teams, ensuring a comprehensive approach to our internal checks and balances.

PMHB's consistent success in Green 5S is a testament to the disciplined application of environmental and 5S protocols across its project sites. The accompanying table provides an overview of the frequency of environmental education sessions conducted for staff between 2022 and 2024, reflecting the Group's ongoing commitment to sustainability training and awareness.

SUSTAINABILITY STATEMENT

	2022	2023	2024
Environmental Talks during Environmental Management Systems (“EMS”) Internal Audits at Project	19	19	40
Environmental Talks during EMS Internal Audits at HQ	12	12	12
Induction Programme (EMS Session) – introduced in Nov 2018	1	1	3

At PMHB, we recognise that fostering a strong environmental culture begins with our employees. As part of our onboarding process, new team members are introduced to our corporate values and sustainability commitments, with a particular emphasis on the principles of Reduce, Reuse, and Recycle. They are encouraged to take an active role in company-wide environmental initiatives, including the Styrofoam Food Packaging Campaign, which remained in force throughout FY2024. This initiative strictly prohibits the use of plastic and polystyrene food and beverage containers across all workplaces and project sites. By promoting the adoption of reusable alternatives over single-use plastics, we strive to minimise non-biodegradable waste and cultivate a culture of environmental responsibility across the organisation.

MATERIALS MANAGEMENT

In line with our commitment to waste reduction, PMHB has implemented a comprehensive materials management programme across all construction sites. This initiative has consistently yielded positive results by minimising waste-generating processes and optimising resource use. Through careful planning and efficient utilisation of construction materials, wastage has been significantly reduced. This approach not only enhances resource efficiency but also leads to substantial cost savings by limiting the volume of waste sent to landfills.

RAW MATERIALS MANAGEMENT

To strengthen our commitment to waste reduction, PMHB emphasises the local sourcing of raw materials while ensuring that procurement budgets are aligned with the scale of ongoing projects. This Statement highlights the three key construction materials that collectively account for approximately 80% of the Group's total raw material consumption.

	2022	2023	2024
Steel Bar (tonnes)	10,110	19,310	13,618
Concrete (m ³)	86,597	155,767	168,594
Timber (tonnes)	553	922	893

PMHB has established specific thresholds for acceptable material wastage to enhance the efficient use of construction resources. The table below details the waste generated from the Group's ongoing projects in the financial year 2024, reflecting a reduction compared to the previous year.

	TARGET/ ALLOWED WASTAGE	ACTUAL WASTAGE
Steel Bars	7%	5%
Concrete	5%	5%
Timber (with a 4-time lifecycle)	10%	7%



As the Group continues to make significant progress in resource conservation, we remain committed to further refining and enhancing our materials management programme to drive even more effective outcomes. The programme's success thus far can be attributed to meticulous oversight of construction material waste, the dedication of our site management teams, and proactive efforts to lower the overall waste management percentage. Moving forward, we will sustain close collaboration with our teams to implement targeted strategies that further minimise wastage, ensuring optimal resource utilisation and reinforcing our commitment to sustainable construction practices.

SUSTAINABILITY STATEMENT

UTILITIES MANAGEMENT

In alignment with our commitment to environmental sustainability, PMHB prioritises the optimisation of construction materials and key utilities, including diesel, petrol, water, and electricity, across all project sites. By implementing stringent monitoring measures, we aim to enhance resource efficiency while actively mitigating our carbon footprint.

Water conservation remains a fundamental aspect of our sustainability strategy, with rainwater harvesting systems integrated into our project sites to support environmentally responsible operations. The harvested water is repurposed for essential site activities such as cleaning and washing, thereby reducing dependence on treated water sources. Water consumption is meticulously regulated, taking into account workforce size at each site, with a continuous focus on achieving year-on-year reductions. The recorded increase in water usage at our project sites in 2024 is directly attributed to the rise in ongoing projects throughout the year, reflecting the Group's expanding operational footprint.

Water Usage (Megalitres³)

	2022	2023	2024
Project Sites	100	131	162
HQ	2	1	1

Diesel serves as the primary energy source for on-site machinery during the initial phases of construction, sustaining operations until a stable electricity supply is established. As projects advance and electrical infrastructure is fully implemented, dependence on diesel naturally declines. In 2024, the Group recorded a notable increase in both diesel and electricity consumption, a direct result of the rise in ongoing construction projects throughout the year.

Diesel Usage (litres)

	2022	2023	2024
Project Sites	89,571	110,527	100,906
HQ	7,501	7,374	9,717

Electricity Usage (kWh)

	2022	2023	2024
Project Sites	1,947,840	2,401,133	2,991,754
HQ	124,247	120,707	125,664

Petrol is primarily utilised for transporting workers and employees between the Group's headquarters and project sites. Given its specific application, its consumption remains relatively lower compared to other utilities. However, recognising its contribution to our carbon footprint, petrol usage is carefully monitored and accounted for in this Statement. Throughout 2024, the Group placed a strong emphasis on reducing petrol consumption, aligning with our long-term sustainability objectives and commitment to minimising environmental impact.

Petrol Usage (litres)

	2022	2023	2024
Project Sites	52,778	46,641	42,813
HQ	71,278	76,574	71,886

In 2024, the Group's total energy use increased by 108%, a rise which was largely due to the higher number of ongoing projects during the year in review.

Energy Management	UNIT	2022	2023	2024
Total energy consumption	Megawatt	2,072	2,522	5,258 ¹

¹ The figures reported for previous years in this year's Statement have been restated to reflect a revised calculation methodology. The updated totals incorporate petrol, diesel, and electricity as part of the Group's overall energy consumption, providing a more comprehensive and accurate representation of our energy use.

SUSTAINABILITY STATEMENT



WASTE MANAGEMENT

The Group's efforts to reduce general waste accumulation are guided by a comprehensive waste management programme that encompasses various aspects of its operations. This structured approach is designed to enhance efficiency and sustainability while minimising environmental impact. The programme focuses on the following key objectives:

- Reducing formwork wastage by recycling materials or utilising alternative non-traditional, recyclable formworks.
- Minimising packaging waste generated from procured products.
- Limiting rework to reduce unnecessary costs, material consumption, time, and effort.
- Preventing material damage caused by negligence.
- Reducing the quantity of unused or incorrectly ordered materials that cannot be returned or repurposed due to specification constraints.

The following initiatives have been implemented to support these objectives in a sustainable and effective manner:

Waste Management Targets and Programmes

Minimising Formwork Wastage

To address the substantial timber waste generated from traditional formwork production and usage, the Group has adopted alternative recyclable formwork solutions. Currently, we utilise table-forms, jump-forms, aluminium forms, and proprietary system formworks, all of which provide extended reusability and contribute to waste reduction. However, for project structures with specialised requirements that necessitate greater flexibility, the use of timber formworks remains essential.

Optimising Formwork Usage

The Group has successfully upheld a benchmark standard since 2019 by consistently achieving a 90% utilisation rate of system formworks across all project sites. This achievement underscores our commitment to minimising dependence on timber formworks through strategic investments in durable, reusable system formworks as fixed assets.

Minimising Packaging Waste

Aligned with our long-term strategy and sustainability objectives, the Group places strong emphasis on recycling waste from protective packaging to significantly reduce the volume of construction waste sent to landfills, which accounts for approximately 60% of total site waste. Materials such as timber pallets, crates, cardboard boxes, plastic wrappers, and metal strips are repurposed for temporary installations, including wall systems, pathways, fencing, and barriers at construction sites, ensuring more efficient waste management and resource utilisation.

Minimising Rework

The Group prioritises minimising construction rework through comprehensive reviews conducted during the project planning phase. By leveraging advanced technologies such as Building Information Modelling ("BIM") and Virtual Design and Construction ("VDC"), we proactively identify and resolve potential issues before construction begins. This forward-thinking approach mitigates risks, optimises costs, and enhances efficiency by conserving both time and resources. The implementation of these processes is closely managed by our dedicated BIM team, ensuring effective oversight and integration throughout the construction lifecycle.

Minimising Instances of Damaged Materials

The implementation of the 5S system across the Group's construction sites ensures the safe and efficient organisation of materials while significantly reducing costs by minimising material damage. This structured approach incorporates key practices, including:

- Using prefabricated steel frames to store steel bar bundles, preventing direct contact with moist ground to protect against corrosion.
- Designating clearly defined storage areas for scaffolding components such as joint pins, swivel clamps, jack bases, u-heads, cross bracing, catwalk platforms, and frames. To ensure easy returns and prevent misplacement, boxes for smaller unused components are made available on every floor.
- Marking fragile materials for careful handling and storing items with expiry dates in a first-in, first-out sequence to optimise usage and minimise waste.

By maintaining strict adherence to the 5S principles, PMHB ensures streamlined operations, improved material management, and greater overall efficiency across its project sites.

Recycling Efforts

The Group remains committed to environmental sustainability, carrying its waste reduction efforts into the financial year 2024. This includes ongoing collaborations with non-governmental organisations to manage recyclable waste generated both at our headquarters and from employees' homes. Beyond promoting effective waste management, this initiative encourages a culture of recycling responsibility among our staff. Additionally, our construction sites continue to adopt responsible recycling practices by repurposing construction debris and directing recyclable materials to designated recycling facilities.

SUSTAINABILITY STATEMENT

Results of 2024 Recycling Efforts (kg)

	Headquarters			All Project Sites		
	2022	2023	2024	2022	2023	2024
Carton Boxes/Cardboard	2,770	741	3,213	30,167	28,902	35,041
Plastics & PVC	34	55	68	2,394	2,130	4,761
Metal/Aluminium/Iron	3	21	4	925	814	1,120
Others (shredded paper, glass, unused film)	-	-	-	3,553	3,198	3,859

POLLUTION CONTROL AND MANAGEMENT

In addition to its recycling initiatives, the Group remains committed to managing its carbon footprint by assessing potential carbon emissions for each project before construction begins. To ensure compliance with Environmental Management Plan (“EMP”) requirements, we collaborate with a sustainability consultant who oversees the implementation of the EMP. This includes a structured monthly monitoring system that tracks water quality, air quality, noise levels, and vibrations, in accordance with the Department of Environment Malaysia’s regulations.

PMHB also strives to improve environmental performance in construction by integrating sustainable and contamination-prevention measures. These include the use of metal drip trays to capture oil leaks, the installation of grease and oil interceptors in canteens and kitchens, proper maintenance of Imhoff tanks for waste management, the use of water browsers to minimise airborne particles, and the implementation of water jets and wash troughs for cleaning lorries and vehicle tires.

OUR COMMITMENT TO IMPLEMENTING GOOD ENVIRONMENTAL MANAGEMENT SYSTEMS

The Group’s commitment to environmental excellence is reflected in the integration of the ISO 14001:2015 standard into its environmental management framework. Led by its principal subsidiary, PMSB, these efforts focus on embedding key environmental management processes to minimise ecological impact while aligning with international sustainability practices. The following core principles guide our approach:

- **Strategic environmental management planning:**
PMSB emphasises proactive planning to mitigate risks and capitalise on opportunities related to environmental concerns, regulatory compliance, and stakeholder expectations.
- **Risk-based thinking:**
A structured, risk-focused approach enables us to systematically reduce our environmental footprint.
- **Leadership:**
Designated leaders within PMSB drive environmental management initiatives, ensuring alignment between the leadership team and the Group’s environmental management system (EMS) objectives.
- **Environmental protection:**
Our commitment extends to pollution prevention and the sustainable management of natural resources.



- **Process-driven approach:**
Our focus goes beyond EMS implementation to achieving measurable environmental outcomes.
- **Environmental performance:**
In addition to demonstrating our environmental commitments, we actively implement measures to reduce emissions, effluents, and carbon footprint.
- **Lifecycle perspective:**
We continuously seek to enhance the environmental efficiency of our products and services across their entire lifecycle, from raw material sourcing and design to production, delivery, and disposal.
- **Integration with business processes:**
EMS objectives are embedded across various business functions, including procurement, subcontractor management, construction execution, asset management, and human resources, ensuring alignment with sustainability goals and regulatory compliance.

This balanced approach demonstrates our dedication to environmental stewardship and sustainable business practices, following globally recognised standards.

SUSTAINABILITY STATEMENT

UPHOLDING GOOD SOCIAL PRACTICES

SOCIAL: LABOUR AND DECENT WORKPLACE PRACTICES

At PMHB, we are committed to fostering a workplace culture built on respect, inclusivity, and equal opportunity for all employees, regardless of race, background, gender, or age. Our fair and equal opportunity policy, embedded within the Employee Handbook, serves as a cornerstone of our human resource management strategy. As a progressive organisation, we strive to be an employer of choice, welcoming individuals from diverse cultures, religions, races, and nationalities who share a common commitment to excellence and growth.

COMPOSITION OF THE BOARD

In 2024, PMHB reinforced its commitment to board diversity and inclusive leadership through key changes to its Board composition. The Group appointed Dr. Yong Mun Ching, a qualified accountant, as an Independent Non-Executive Director, replacing a male Independent Director. This strategic appointment is aligned with Bursa Securities' guideline of achieving at least 30% female participation on the Board, further strengthening its commitment to gender diversity and equitable representation in leadership.

Alongside Dr. Yong, Mr. Yeong Yok Hoong also joined the Board as an Independent Non-Executive Director, bringing with him extensive experience in the banking industry, particularly in construction financing. Their combined expertise complements the existing leadership and enhances the Board's overall effectiveness in governance and strategic oversight.

Additionally, the continued presence of Puan Salwa Binti Shamshuddin, who serves as an Independent Non-Executive Director and member of the Audit Committee, adds further depth and continuity. Her contributions further reinforce the Group's commitment to effective governance and independent oversight.

PMHB'S WORKFORCE

PMHB's continued success is driven by the dedication and expertise of our skilled workforce. As of December 2024, the Group comprises 263 employees from diverse backgrounds, reflecting our commitment to inclusivity and talent development. In alignment with our focus on employee growth and adherence to the latest standards set by Bursa Securities, we have provided a detailed overview of our workforce composition and its evolution over the past three years. This analysis highlights our proactive approach to workforce management and ongoing efforts to cultivate a dynamic and resilient team.

The composition and changes in our workforce over the past three years are outlined in the table below:

Summary of PMHB's Workforce

	2022	2023	2024
Total Number of Employees	254	288	263
Gender (Gender Equality):			
Male	74%	73%	72%
Female	26%	27%	28%
Age (Inclusivity):			
> 50 years old	18%	15%	20%
30 – 50 years old	60%	59%	60%
< 30 years old	22%	26%	20%
Race (Diversity):			
Malay	52%	58%	60%
Chinese	38%	34%	33%
Indian	7%	7%	6%
Others	2%	1%	1%

	2022	2023	2024
Type of Employment (Fair Employment Policy):			
Permanent	49%	39%	40%
Contractual	51%	61%	60%
Nationality (Local Labour Employment):			
Malaysian	100%	100%	100%
Non-Malaysian	0%	0%	0%
Skills (Product Quality):			
Technical	77%	79%	78%
Non-technical	23%	21%	22%
Years of Service (Talent Attraction & Retention):			
< 1 year	11%	25%	14%
1 – 3 years	8%	11%	21%
> 3 – 6 years	25%	16%	13%
> 6 – 10 years	31%	24%	20%
> 10 years	25%	24%	33%
Staff Turnover Rate	28%	22%	29%
Health & Safety:			
Worked Manhours	5,727,975	7,442,338	8,663,494
Fatal Accidents	1	0	1
Lost Time Injury Accidents	0	0	1
Accident Frequency Rate/ Million Hours	0	0.214	0.115

SUSTAINABILITY STATEMENT

	2022		2023		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
Total Number of Employees	254	51%	288	41%	263	41%
Total Number of General Workers	244	49%	419	59%	382	59%
Total	498	100%	707	100%	645	100%
Gender						
Management Male	55	21%	59	20%	56	21%
Management Female	9	3%	7	2%	10	4%
Executive Male	52	20%	56	19%	58	22%
Executive Female	30	12%	40	14%	38	14%
Non-executive/Technical Male	81	32%	96	33%	75	29%
Non-executive/Technical Female	27	11%	30	11%	26	10%
Total	254	99%	288	99%	263	100%
General Workers Male	243	99%	418	100%	381	100%
General Workers Female	1	1%	1	0%	1	0%
Total	244	100%	419	100%	382	100%
Age						
Management Under 30	4	2%	3	1%	0	0%
Management Between 30-50	40	16%	42	15%	43	16%
Management Above 50	20	8%	21	7%	23	9%
Executive Under 30	18	7%	24	8%	22	8%
Executive Between 30-50	53	21%	62	22%	62	24%
Executive Above 50	11	4%	10	3%	12	5%
Non-executive/Technical Under 30	34	13%	46	16%	29	11%
Non-executive/Technical Between 30-50	59	23%	65	23%	57	22%
Non-executive/Technical Above 50	15	6%	15	5%	15	6%
Total	254	100%	288	100%	263	100%
General Workers Under 30	82	34%	186	45%	160	42%
General Workers Between 30-50	162	66%	232	55%	221	58%
General Workers Above 50	0	0%	1	0%	1	0%
Total	244	100%	419	100%	382	100%
Percentage of Directors (Gender & Age)						
Male Directors	4	80%	4	80%	3	60%
Female Directors	1	20%	1	20%	2	40%
Total Directors	5	100%	5	100%	5	100%
Directors Under 30	0	0%	0	0%	0	0%
Directors Between 30-50	2	40%	1	20%	1	20%
Directors Above 50	3	60%	4	80%	4	80%
Total Directors	5	100%	5	100%	5	100%

Dedicated to progress, PMHB actively promotes female participation within its workforce, challenging the traditionally male-dominated construction sector. Our gender ratio reflects this ongoing commitment, reinforcing our efforts to cultivate a more diverse and inclusive workplace.

In addition to gender diversity, we place strong emphasis on racial representation, ensuring a balanced and inclusive workforce. While Malay and Chinese employees form the majority of our team, we continue to uphold significant representation from Indian and other ethnic groups, reflecting our commitment to fostering a workplace that values multicultural inclusivity.

SUSTAINABILITY STATEMENT

Employee Race (Diversity)	2022		2023		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
Malay	136	53%	168	58%	159	60%
Chinese	96	38%	97	34%	86	33%
Indian	18	7%	20	7%	15	6%
Others	4	2%	3	1%	3	1%
Total	254	100%	288	100%	263	100%

In 2024, our staff turnover rate rose to 30% from 23% in the previous year. We view this turnover as a constructive development that contributes to the Company's long-term sustainability by introducing fresh ideas and perspectives. This dynamic shift supports a culture of innovation and continuous growth, creating opportunities for younger employees to step into roles vacated by departing senior staff. By fostering this cycle of renewal, we ensure a workplace that remains agile, progressive, and adaptable to industry changes.

Total Number of Employees/General Workers that Resigned	2022	2023	2024
Management	14	6	8
Executive	37	27	27
Non-executive/ Technical	25	28	46
Total	76	61	81
General Workers	88	25	37
Total	88	25	37

Employee Type of Employment	2022		2023		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
Permanent	125	49%	112	39%	105	40%
Contractual	129	51%	176	61%	158	60%
Total	254	100%	288	100%	263	100%
Employee Nationality						
Malaysian	254	100%	288	100%	263	100%
Non-Malaysian	0	0%	0	0%	0	0%
Total	254	100%	288	100%	263	100%
Employee Type of Skills						
Technical	195	77%	228	79%	206	78%
Non-Technical	59	23%	60	21%	57	22%
Total	254	100%	288	100%	263	100%
Employee Year of Service						
< 1 year	29	11%	72	25%	36	14%
1 - < 3 years (1-3)	20	8%	32	11%	54	21%
3 - < 6 years (4-6)	64	25%	45	16%	33	13%
6 - < 10 years (7-10)	78	31%	69	24%	53	20%
> 10 years	63	25%	70	24%	87	32%
Total	254	100%	288	100%	263	100%

	2022	2023	2024
	Percentage	Percentage	Percentage
Employee Turnover Rate	28%	23%	30%
General Worker Turnover Rate	31%	8%	9%

SUSTAINABILITY STATEMENT

Despite the comprehensive safety measures and precautions implemented, the Group deeply regrets to report one fatality in 2024. We are profoundly grieved by this loss, and our heartfelt condolences go out to the family and all those affected. This incident underscores the critical importance of workplace safety, and we remain steadfast in our commitment to strengthening our safety protocols to create an even safer working environment for all our employees. For further details on our ongoing health and safety initiatives, please refer to the “Occupational Health and Safety” section within the Social segment of this Statement.

HUMAN RIGHTS

PMHB is unwavering in its commitment to upholding and safeguarding the rights of all employees and workers. To this end, the Group enforces stringent measures to promote their well-being and ensure that on-site workers are provided with a safe, dignified, and comfortable living and working environment. These measures include:

- Maintaining separate sanitary facilities for male and female workers to uphold privacy and hygiene.
- Providing a designated cooking area equipped with fire extinguishers and wash stations to maintain cleanliness and safety in shared meal spaces.
- Allocating a dedicated worship space within workers' accommodations to allow them to practice their faith in a respectful setting.
- Establishing an entertainment area with a television for workers to use during breaks.
- Ensuring access to clean, potable water through a water dispenser.
- Providing resting areas with beds to support adequate recovery and well-being.
- Implementing structured break schedules, with a 30-minute break after every 1.5 to 2 hours of work and a dedicated 60-minute lunch break.

In line with our steadfast commitment to human rights, PMHB maintains a zero-tolerance stance on forced labour, modern slavery, and child labour across all operations. We are committed to ensuring that all workers are treated with fairness and dignity, free from discrimination based on nationality, gender, or age. Our hiring practices adhere strictly to legal requirements, with all workers holding a valid CIDB Green Card issued by the Construction Industry Development Board of Malaysia.

For office-based employees, PMHB's policies on fair and equal treatment, as well as the range of benefits provided, are comprehensively detailed in the Employee Handbook.

WORK-LIFE INTEGRATION

Recognising the physically and mentally demanding nature of the construction industry, we are committed to fostering a workplace environment that prioritises the well-being of our employees. We understand that a healthy and supported workforce is fundamental to the long-term success and operational efficiency of our business. As such, we actively implement initiatives designed to enhance both physical and mental well-being, reinforcing our dedication to creating a sustainable and supportive work environment.

SPORTS FOR PHYSICAL AND MENTAL WELLBEING

Recognising the demanding nature of construction work, the Group remains committed to prioritising the well-being of our workforce. We acknowledge that the physical and mental health of our employees is integral to both their personal growth and the long-term success of our organisation. To this end, we have implemented various initiatives aimed at fostering a positive and supportive work environment.

Promoting a healthy work-life balance is a key focus, and we actively encourage our employees to prioritise both their physical and mental well-being. As part of this commitment, we facilitate regular recreational sports activities at our headquarters and project sites, including weekly futsal, bowling, and badminton sessions. Additionally, employees have access to a fitness centre near our headquarters, featuring a fully equipped gym, heated showers, and group fitness classes.

In FY2024, we successfully organised 95 physical activities, further reinforcing our dedication to promoting an active and healthy lifestyle among our workforce.



SUSTAINABILITY STATEMENT



EDUCATION AND PERSONAL DEVELOPMENT

PMHB remains committed to supporting Malaysia's economic growth by fostering the next generation of industry professionals through structured undergraduate internship programmes. These initiatives provide students with hands-on experience at both our construction sites and corporate offices, equipping them with practical knowledge essential for their academic and professional development. During the year in review, we continued this effort, ensuring that students gain meaningful exposure to real-world construction and business operations, better preparing them for future careers.

Internship Programme

In FY2024, we welcomed 13 interns, strategically placed across our construction sites to immerse them in practical, industry-relevant experiences. This programme is part of our ongoing sponsorship collaboration with Universiti Tunku Abdul Rahman ("UTAR"), reinforcing our commitment to nurturing young talent and providing them with valuable workplace exposure.

	2022	2023	2024
Interns at HQ	5	2	0
Interns at Project Sites	9	13	13
Total	14	15	13

Training and Development

In FY2024, the Group significantly enhanced its commitment to employee development, with each employee completing an average of 19.02 training hours, more than double the 8.26 hours recorded in the previous year. This substantial improvement underscores our dedication to fostering a culture of continuous learning and professional growth. The training sessions covered a diverse range of topics, equipping our workforce with the necessary skills and knowledge to drive both individual and organisational excellence.

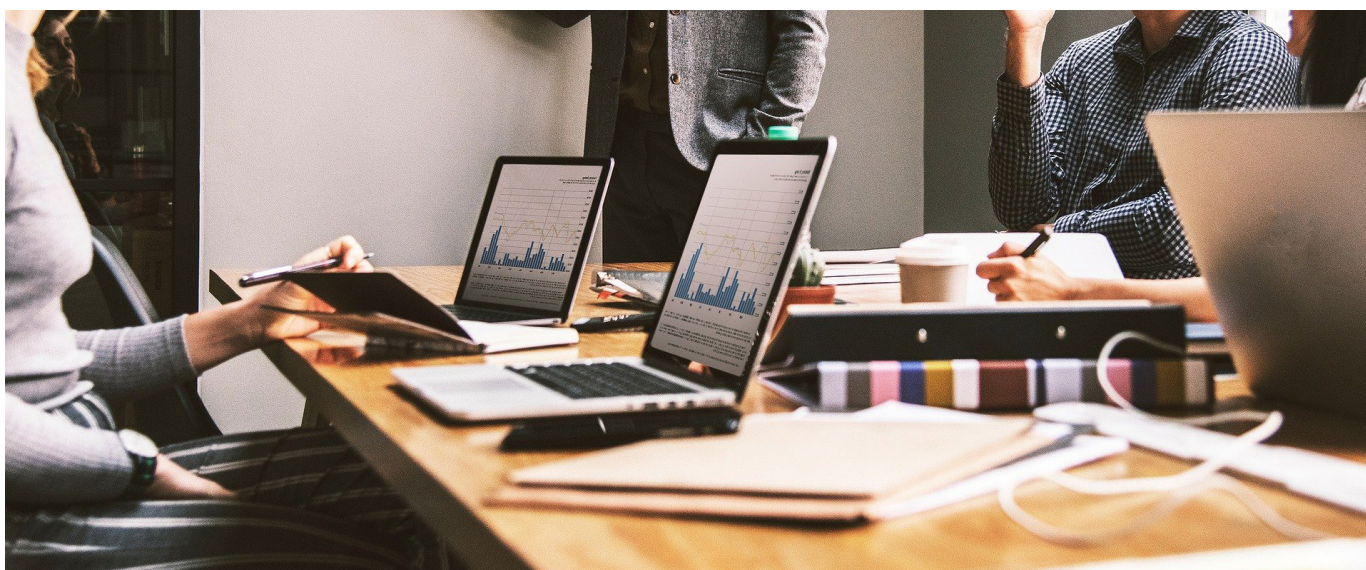
Training Modules	2022	2023	2024
Health and Safety	3	10	8
Quality and Technical	15	34	34
Environmental	2	3	4
Corporate Governance	0	0	0
Total Training Hours	6	8	19

Total Hours of Training per Employee Category	2022	2023	2024
Management	569	1,087	2,140
Executive	546	814	1,504
Non-executive/Technical	490	478	1,360
Total	1,605	2,379	5,004
General Workers	0	0	0
Total	0	0	0

SUSTAINABILITY STATEMENT

The Group recorded a total of one Lost Time Incident Rate (“LTIR”) in 2024. This incident serves as a critical reminder of the importance of workplace safety and reinforces our commitment to further strengthening our health and safety measures. In response, we are intensifying our efforts to enhance preventive strategies, implement stricter safety protocols, and foster a culture of accountability to ensure the well-being of all employees.

HEALTH AND SAFETY	Unit	2022	2023	2024
Lost Time Incident Rate (“LTIR”)	Rate	0	0	1
Number of Employees Trained on Health and Safety Standards	Number	65	26	50



EMPLOYEE REWARD AND RECOGNITION PRACTICES

The Group remains dedicated to recognising and rewarding employees for their commitment, diligence, and contributions to the organisation. We prioritise acknowledging exceptional performance and achievements at the end of each fiscal year, ensuring that outstanding employees receive the recognition they deserve. These initiatives reflect PMHB's commitment to fostering a positive workplace culture and strengthening our position as an employer of choice, allowing us to attract and retain top-tier talent.

EMPLOYEE RECOGNITION AWARDS

PMHB has introduced a range of awards to recognise and celebrate the dedication, loyalty, and exceptional performance of our employees. The following awards serve to reinforce our appreciation for individuals and teams who go above and beyond in contributing to the Group's success:

- The PMHB Good Action Award acknowledges employees or project teams whose proactive efforts have enhanced work efficiency, leading to improved productivity and superior customer deliverables.
- The PMHB HSE Excellence Award is presented to employees who demonstrate a strong commitment to health, safety, and environmental standards, ensuring compliance with industry best practices.
- The PMHB Good Attendance Award recognises employees who have maintained perfect attendance, punctuality, and have not taken sick leave throughout the year.
- The 10-Year and 20-Year Long Service Awards honour employees who have demonstrated long-term dedication, marking milestones of 10 and 20 years of service with the Group.
- The PMHB Green 5S Award is given to employees and project sites that have successfully implemented 5S practices, promoted engagement through clear communication, and established a well-structured 5S system in the workplace.

After a temporary pause in previous years due to insufficient data, the Long Service Awards were reinstated in FY2024.

SUSTAINABILITY STATEMENT

Annual Appraisal

PMHB recognises that employee development extends beyond awards and accolades. To support career growth, the Group conducts comprehensive performance reviews to guide employees along their professional journeys. At the end of each fiscal year, employees are evaluated based on their performance, competencies, and personal attributes, with rewards granted accordingly.

This structured assessment process not only acknowledges individual achievements but also identifies areas for improvement, enabling the Group to implement targeted training and development programmes. By maintaining this approach, PMHB remains committed to fostering professional growth, ensuring employees are equipped with the necessary skills to advance their careers while aligning their aspirations with the Group's long-term objectives.

EMPLOYEE WELFARE AND BENEFITS

PMHB provides a comprehensive range of employee benefits designed to support the well-being and professional needs of our workforce. Standard benefits include general health insurance, medical claims, paid and special leave, as well as travel and outstation allowances. Beyond these, the Group extends additional welfare benefits to further enhance employee satisfaction and workplace conditions, including the following:

- Housing accommodation for employees from overseas and outstation locations.
- Equal access to medical benefits and group health insurance for all employees, irrespective of job grade.
- Sanitary toilet facilities installed on alternate floors of high-rise construction sites for worker convenience.
- Full provision of masks and Personal Protective Equipment ("PPE") to safeguard on-site workers from construction hazards.

These benefits are equitably distributed to all employees, reinforcing PMHB's commitment to fairness, inclusivity, and non-discriminatory practices. To ensure new hires are well-integrated into the organisation, all employees undergo a mandatory Employee Induction Programme within their first month. This programme introduces them to PMHB's work culture, employee benefits, health and safety protocols, quality and environmental standards, and the Group's commitment to fairness and equality.

Employees are also required to uphold the highest professional and ethical standards by adhering to the Employee Code of Conduct, outlined in the Employee Handbook. This includes compliance with the Group's policies on workplace ethics, anti-corruption, and anti-bribery practices.

In an effort to foster continuous engagement and enhance workplace satisfaction, PMHB conducted its sixth company-wide employee survey in FY2024, gathering valuable insights from 106 responses across our 263 employees.

EMPLOYEE ENGAGEMENT

PMHB acknowledges that clear and consistent communication is fundamental to organisational success. To foster a more engaged and connected workforce, the Group actively cultivates opportunities for employee interaction. These include corporate social responsibility initiatives, sports activities, festive celebrations, and the Group's Annual Dinner, each playing a pivotal role in reinforcing trust, collaboration, and communication between management and employees.

Beyond these events, PMHB remains committed to enhancing workplace culture through a range of engagement initiatives designed to strengthen team cohesion and foster a supportive, inclusive work environment. These efforts are integral to maintaining a motivated and unified workforce, ensuring that employees feel valued and aligned with the Group's vision.

Annual Employee Survey

To reinforce our commitment to workforce development, PMHB administered its sixth organisation-wide employee survey in FY2024. Open to all employees on the Group's payroll, the survey achieved a satisfactory response rate, meeting our minimum benchmark of 25% with 106 submissions. This initiative forms part of our broader strategy to cultivate a responsive and inclusive workplace by gaining meaningful insights into employee experiences and expectations, thereby supporting continuous organisational improvement.

Greater Use of Technology Platforms

To facilitate continuous and effective communication with our diverse stakeholders, the Group leverages modern digital platforms. Employees have access to real-time data exchange tools such as WhatsApp, which enhances project monitoring and operational efficiency. Additionally, PMHB utilises an internal intranet platform, eBoard, which serves as a centralised hub for corporate announcements, project updates, and information on group-wide initiatives. This structured approach to communication strengthens collaboration across the organisation, ensuring that employees remain informed and engaged with the Group's ongoing developments.

SUSTAINABILITY STATEMENT

SOCIAL: OCCUPATIONAL HEALTH AND SAFETY

RECOGNISED FOR GOOD HEALTH AND SAFETY MEASURES

Launched in 2019, the Monthly Safety Reward and Recognition Programme formally recognises employees who excel in upholding and enhancing safety practices on our project sites. In 2024, this initiative continued to reflect PMHB's commitment to fostering a culture of diligence, accountability, and exemplary workplace conduct. By integrating a structured rewards and recognition framework, the programme reinforces our dedication to prioritising safety within our operations.

In ensuring strict adherence to health and safety protocols at our project sites, PMHB complies with the Safety and Health Assessment System in Construction ("SHASSIC System"), as established by the CIDB's Construction Research Institute of Malaysia ("CREAM").

CONTINUING TO UPHOLD STRINGENT HEALTH AND SAFETY STANDARDS

The Group remains steadfast in upholding the highest standards of occupational health and safety ("OSH") across all its operations. Our commitment to best practices is exemplified through the adoption of ISO 45001:2018, an internationally recognised standard that sets the benchmark for workplace safety and health management. A key aspect of this updated standard is the heightened involvement of leadership, reinforcing the responsibility of our management teams to embed effective OSH measures within procurement and operational processes. This proactive approach underscores our dedication to fostering a safer and healthier work environment across the organisation.

OUR HEALTH AND SAFETY POLICY

PMHB places the utmost importance on health and safety, continuously working towards fostering a proactive and preventive work environment. We enforce stringent health and safety regulations across all operations, ensuring full compliance from our workforce. By clearly defining these guidelines, we enhance our employees' awareness of their responsibilities while cultivating a culture of safety across the Group.

TARGET	ACTUAL	REMARKS/REASONS
A minimum of one Safety Health Officer ("SHO") and two Site Safety Supervisors ("SSS") at each project site.	Achieved	All sites complied with the minimum requirements.
A minimum of one on-the-job coaching session for workers every week.	Achieved	On-the-job training was conducted every Wednesday with the aim of educating workers on how to deal with high-risk situations in their work. The coaching conducted sought to train employees to reduce the possibility of a situation by avoiding potential hazards. All project sites have complied with this requirement since 2018.
A minimum of one OSH training session on a half-yearly basis for employees and a minimum of one OSH training session per annum for sub-contractor staff.	Achieved	In 2024, all the employees and sub-contractors complied.
Not more than two medical treatment cases for every 1,000,000 man-hours worked.	Achieved	In 2024, there were only three medical treatment cases over 8,663,494 man-hours worked.
A minimum of one recordable audit per month per site.	Achieved	Every site-walk was followed by a meeting where all matters raised from the audit were discussed and rectified immediately to make the workplace safer for employees.
Set key performance indicators ("KPIs") for tasks incorporated into the Occupational Health and Safety Assessment Series	Achieved	Monthly KPIs were set in line with the OHSAS 18001 and POSH Plan. On top of this, the HSE team was tasked with adhering to a daily To-Do List.
Set KPIs for tasks incorporated into the Occupational Health and Safety Assessment Series	Achieved	Monthly KPIs were set in line with the OHSAS 18001 and POSH Plan. On top of this, the HSE team was tasked with adhering to a daily To-Do List.

SUSTAINABILITY STATEMENT

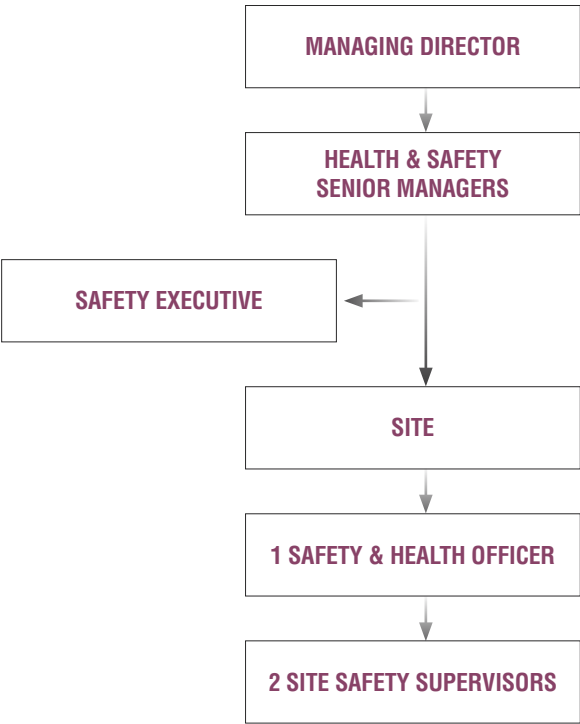
TARGET	ACTUAL	REMARKS/REASONS
Emergency Response Planning drills on a quarterly basis.	Achieved	-
Safety inspections and maintenance on plant, accessories and equipment per week per site.	Achieved	Safety inspections were carried out as scheduled on a weekly basis at all sites. These inspections covered welding sets, power tools, air compressors, mobile and tower cranes.
Achieve 100% passes for CIDB credential programme for Site Supervisors.	Achieved	In 2024, 100% of our Site Supervisors passed as compared to the 60% passing rate we achieved last year.
A minimum of two training sessions per annum under the Continuous Education Programme for safety staff by an external training provider.	Achieved	All SHOs attended external courses/training sessions in 2024, while SSS attended external courses/training sessions in the same year.
A minimum of two larviciding sessions/week/site	Achieved	-
A minimum of one fogging session per week, on every site.	Achieved	-

To further reinforce workplace safety, PMHB has implemented a standardised health and safety workflow, designed to ensure that all tasks are executed safely, legally, and in adherence to best practices. This structured approach not only mitigates potential risks to employees and assets but also reflects our unwavering commitment to maintaining a secure and compliant work environment.

The chart below illustrates the standard organisational structure governing health and safety matters within the Group:



A TYPICAL HEALTH & SAFETY ORGANISATIONAL CHART FOR PROJECT SITES



SUSTAINABILITY STATEMENT

SAFETY EFFORTS

To uphold high OSH standards across the Group, PMHB continued implementing key safety initiatives at our project sites in FY2024. These efforts focused on improving workplace safety, reducing risks, and ensuring compliance with industry regulations. The following activities were carried out as part of our ongoing OSH commitment:

Training

For FY2024, the Group continued to implement targeted training sessions tailored to the specific needs of our workers and construction projects. These sessions were designed to strengthen workplace safety practices and reduce the risk of accidents caused by human error. The training initiatives included:

- **On-the-Job Training:** Conducted by specialised safety personnel, including Safety Officers and Site Safety Supervisors, this training equips employees working in high-risk environments with the necessary skills and knowledge for their roles.
- **Internal Training:** Led by senior management, including the Senior Safety and Health Manager and the Safety and Health Officer, this programme ensures that employees and safety teams are well-versed in the Group's safety protocols and HIRARC procedures.
- **External Training:** Focused on employees involved in high-risk tasks, this training combines theoretical instruction with hands-on application, ensuring a thorough understanding of essential safety practices.

Through these structured training initiatives, PMHB reinforces its commitment to maintaining a safe and well-informed workplace.

Inspections

During the year in review, our headquarters conducted regular weekly site visits to ensure that all KPIs were being met across project locations. These comprehensive inspections focused on verifying adherence to health and safety protocols at every site. The assessments covered the operation of heavy machinery, including tower and mobile cranes, passenger hoists, air compressors, oxy-tanks, forklifts, and bobcats. Additionally, smaller power tools such as welding equipment, fire extinguishers, and ladders were meticulously reviewed to confirm compliance with the Group's rigorous safety standards.

Internal Audit

To uphold PMHB's stringent safety standards across all construction sites, the Group's Head of Department ("HOD"), specifically the Senior Safety and Health Manager, conducts quarterly internal audits at each project site. These audits comprehensively assess safety records, documentation, and on-site practices to ensure full compliance with established protocols. Additionally, proven training and safety initiatives are routinely implemented at both headquarters and all PMHB work locations, reinforcing the Group's unwavering commitment to workplace safety and operational excellence.

BEHAVIOUR BASED SAFETY PROGRAMME

The Behaviour-Based Safety ("BBS") programme is a proactive initiative designed to instil a culture of safety excellence across PMHB's project teams, irrespective of their roles or expertise. Spearheaded by the Head of Project at each site, the programme encourages frontline supervisors to strengthen their leadership in overseeing safety compliance, fostering teamwork, and reinforcing accountability.

Key elements of the BBS programme include:

- Identifying gaps in the project team's understanding of safety protocols.
- Conducting one-on-one coaching sessions tailored to address specific safety concerns.
- Providing targeted coaching to rectify identified deficiencies.
- Observing practical training to assess hazard awareness and mitigation.
- Demonstrating correct safety procedures through safety professionals when necessary.
- Recognising and rewarding employees who consistently adhere to safety standards.
- Identifying and correcting at-risk behaviours to establish long-term safety habits.

Through this initiative, PMHB reaffirms its commitment to embedding a safety-first culture and driving continuous improvement across its operations.

SAFETY REWARD AND RECOGNITION PROGRAMME

The Group introduced its first-ever Monthly Safety Reward and Recognition Programme to recognise employees who demonstrate exceptional commitment to enhancing workplace safety back in 2019. This initiative underscores our dedication to cultivating a culture of accountability, diligence, and proactive safety practices through a structured system of rewards and recognition. However, due to unforeseen circumstances during the reviewed financial year, the programme has been temporarily suspended, with plans for reinstatement when conditions permit. This decision reflects our unwavering commitment to prioritising employee well-being while maintaining stringent safety standards across all operational sites.

SUSTAINABILITY STATEMENT

DATA PRIVACY AND SECURITY

PMHB places great importance on data privacy and protection, recognising their critical role in safeguarding sensitive information, maintaining stakeholder trust, and ensuring compliance with legal requirements. By enforcing stringent security measures, the Group mitigates risks associated with unauthorised access and potential cyber threats, preserving the integrity of both client and employee data. This commitment underscores PMHB's responsibility as a reliable and ethical organisation, fostering a security-conscious culture that supports sustainable business practices and reinforces stakeholder confidence.

DATA PRIVACY & SECURITY	Unit	2022	2023	2024
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0

SOCIAL: COMMUNITY/SOCIETY

The Group remains committed to enhancing the well-being of communities within our areas of operation, striving to contribute to a more prosperous Malaysia through meaningful CSR initiatives. Our efforts have traditionally included organising CSR activities such as visits to charitable organisations and managing scholarship programmes, fostering a culture of compassion and social responsibility among our employees.

However, due to the unique operational challenges faced in 2024, we were unable to continue these contributions during the year. Despite this, our commitment to community engagement remains steadfast, and we look forward to resuming these initiatives when circumstances allow.

SCHOLARSHIP PROGRAMME				
	2022	2023	2024	
Total Annual Scholarship Amount	RM 75,000	RM25,000	RM9,500	
Number of New Scholars	-	-	1	

SOCIAL: PRODUCT RESPONSIBILITY

In line with the Group's commitment to sustainable business growth, maintaining the highest quality in our products and services remains a cornerstone of our value proposition. To uphold this standard, the Group continuously implements rigorous certification processes, reinforcing our dedication to delivering long-term value to stakeholders.

To ensure that all projects meet industry benchmarks and client expectations, PMHB adopts the QLASSIC system for independent project assessment. This system evaluates workmanship and finishes, with our Quality Assurance and Control team setting a minimum QLASSIC score of 73% for all projects. By adhering to this standard, we enhance our reputation for excellence and ensure the timely delivery of high-quality developments.

Our structured approach to quality management includes:

- Conducting internal QLASSIC induction training to familiarise teams with assessment criteria.
- Establishing a dedicated QLASSIC Corner or Museum at each site to raise awareness and enhance learning.
- Performing quarterly QLASSIC audits on ongoing projects to monitor compliance and progress.
- Carrying out a final QLASSIC audit and postmortem assessment upon project completion.

In FY2024, the QLASSIC assessment was not conducted. Nevertheless, PMHB remains steadfast in its commitment to maintaining high-quality standards across all projects, ensuring excellence, innovation, and adherence to industry best practices.

SUSTAINABILITY STATEMENT

CUSTOMER SATISFACTION

PMHB adopts a meticulous approach to evaluating the quality of its products and services, ensuring that customer satisfaction remains a priority in our operations. Our customer satisfaction standards serve as a key performance benchmark, reflecting our dedication to excellence. With a targeted Customer Satisfaction Score of 80%, derived from direct client feedback, we assess multiple critical aspects:

- **Overall project quality:** A comprehensive evaluation of construction outcomes to ensure they align with our rigorous quality benchmarks and industry best practices.
- **Responsiveness to customer needs:** A proactive approach to addressing client expectations, ensuring timely resolutions to any concerns that may arise during project execution.
- **Expertise and technical competence:** A continuous emphasis on upskilling our workforce to enhance technical proficiency, ensuring that our teams remain at the forefront of industry advancements.

To uphold transparency and facilitate seamless collaboration, we conduct structured fortnightly site meetings with clients and consultants. These sessions serve as a platform for monitoring project progress, pre-emptively identifying and resolving potential issues, and ensuring that all instructions and decisions are thoroughly documented. This disciplined approach strengthens accountability and reinforces PMHB's commitment to delivering projects that meet and exceed client expectations.

	2022	2023	2024
Less than 50%	-	-	-
50% to less than 80%	Lot 15 SJCC project: 75.6%	Tria Seputeh project: 73.3%	-
	MCT LakeFront Residence project: 68.9%		
	Ativo Suites project: 77.8%		
80% and above	0%	-	Ativo Annexe: 93.3%

Over the course of FY2024, the Group achieved a customer satisfaction rating of 93.3% for the Ativo Annexe project.

SUBCONTRACTOR EVALUATION

In 2024, PMHB continued to maintain exceptional quality standards across all facets of its operations, extending this dedication to its subcontractors, who play a crucial role in the Group's success. Acknowledging the value these partners bring, PMHB has refined its evaluation framework to ensure that subcontractors meet the Company's stringent quality expectations. Upon the completion of each project, subcontractor performance is rigorously assessed through structured dialogue sessions that evaluate all aspects of their work processes.

To uphold accountability, subcontractors are graded using a letter-based system, with a minimum acceptable rating set at 'B-'. Those receiving a Grade C are granted a one-year period to enhance their performance through targeted training initiatives. First-time underperformers are issued formal warnings, with continued failure to meet PMHB's standards resulting in termination.

To sustain and elevate quality standards across its subcontractor network, PMHB actively refreshes its pool of service providers, striving for at least 75% of subcontractors to achieve a Grade B or higher. As part of this initiative, PMHB is strengthening its subcontractor selection process, implementing more stringent assessments of skills and experience. Additionally, the Group is set to conduct various training sessions, including technical meetings and structured induction programmes, to further develop subcontractors' competencies. These measures reaffirm PMHB's commitment to fostering a culture of excellence and continuous improvement across its value chain.

Sub-Contractor Evaluation Results

	2022	2023	2024
% of Sub-contractors with B-category and above	Lot 15 SJCC: 89.3%	Tria Seputeh 51.7%	Ativo Annexe: 95%
	Ativo Suites: 100%		

SUSTAINABILITY STATEMENT

SUPPLIER EVALUATION

PMHB carries out a thorough yearly evaluation of its suppliers to assess their performance, ensuring they meet the Group’s standards for quality, reliability, and timely delivery. This rigorous evaluation process enables PMHB to identify and discontinue engagements with suppliers that fail to meet the required standards, reinforcing the Group’s commitment to maintaining a reliable and high-calibre supply chain.

Mirroring the subcontractor evaluation framework, PMHB’s supplier assessment mandates a minimum performance rating of Grade C for continued collaboration. Suppliers receiving a Grade D will be removed from PMHB’s approved panel for the following year, ensuring that only those who uphold the Group’s quality benchmarks remain part of its procurement ecosystem.

	2022	2023	2024
Grade A	5%	3%	0%
Grade B	95%	92%	100%
Grade C	0%	5%	0%
Grade D	0%	0%	0%

In FY2024, the Group recorded a 100% achievement rate of Grade B among its suppliers. This reflects our ongoing commitment to fostering long-term partnerships by supporting our suppliers in their continuous pursuit of higher standards with the goal of delivering mutually beneficial outcomes across our value chain.

QUALITY, ENVIRONMENT, AND OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT STANDARDS

PMHB has fully updated its ISO 9001 and ISO 14001 certifications to comply with the 2015 standards, reinforcing its commitment to quality management and environmental responsibility. Additionally, PMHB is currently in the process of transitioning from OHSAS 18001:2007 to the ISO 45001:2018 standard, a shift that aligns with the latest global benchmarks for occupational health and safety. This upgrade is expected to be completed within the designated three-year timeframe.

MOVING FORWARD INTO 2025

Looking ahead, the Group remains dedicated to fostering sustainable growth by upholding excellence in product and service delivery. Our commitment to continuous improvement is deeply rooted in sustainability, ensuring responsible environmental management and positive community impact. Simultaneously, we strive to enhance operational efficiency, strengthen organisational capabilities, and create lasting value for both our stakeholders and the broader industry.

STATEMENT OF ASSURANCE

This Sustainability Statement has not been subject to external assurance, as the Group remains focused on refining its Sustainability Strategic Framework in alignment with the latest standards set by Bursa Securities. PMHB is committed to enhancing its sustainability reporting practices and will consider incorporating an assurance process in future disclosures.

SUSTAINABILITY STATEMENT

SUSTAINABILITY PERFORMANCE DATA TABLE

	MEASUREMENT UNIT	FY 2022	FY 2023	FY 2024
BURSA (ANTI-CORRUPTION)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	100%	100%	100%
Executive	Percentage	100%	100%	100%
Non-executive/Technical Staff	Percentage	0%	0%	0%
General Workers	Percentage	0%	0%	0%
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0%	0%	0%
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
BURSA (COMMUNITY/SOCIETY)				
Bursa C2(a) Total amount invested in the community	MYR	RM75,000	RM351,000	RM129,500
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	8	253	100
BURSA (DIVERSITY)				
Bursa C3(a) Percentage of employees by gender and age group, for each category				
Gender Group by Employee Category				
Management Male	Percentage	21%	20%	21%
Management Female	Percentage	3%	2%	4%
Executive Male	Percentage	20%	19%	22%
Executive Female	Percentage	12%	14%	14%
Non-executive/Technical Male	Percentage	32%	33%	29%
Non-executive/Technical Female	Percentage	11%	11%	10%
General Workers Male	Percentage	99%	100%	100%
General Workers Female	Percentage	1%	0%	0%
Age Group by Employee Category				
Management Under 30	Percentage	2%	1%	0%
Management Between 30-50	Percentage	16%	15%	16%
Management Above 50	Percentage	8%	7%	9%
Executive Under 30	Percentage	7%	8%	8%
Executive Between 30-50	Percentage	21%	22%	24%
Executive Above 50	Percentage	4%	3%	5%
Non-executive/Technical Under 30	Percentage	13%	16%	11%
Non-executive/Technical Between 30-50	Percentage	23%	23%	22%
Non-executive/Technical Above 50	Percentage	6%	5%	6%
General Workers Under 30	Percentage	34%	45%	42%
General Workers Between 30-50	Percentage	66%	55%	58%
General Workers Above 50	Percentage	0%	0%	0%

SUSTAINABILITY STATEMENT

SUSTAINABILITY PERFORMANCE DATA TABLE

	MEASUREMENT UNIT	FY 2022	FY 2023	FY 2024
BURSA (DIVERSITY)				
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	80%	80%	60%
Female	Percentage	20%	20%	40%
Under 30	Percentage	0%	0%	0%
Between 30-50	Percentage	40%	20%	20%
Above 50	Percentage	60%	80%	80%
BURSA (ENERGY MANAGEMENT)				
Bursa C4(a) Total energy consumption	Megawatt	2,072	2,522	5,258
BURSA (HEALTH & SAFETY)				
Bursa C5(a) Number of work-related fatalities	Number	1	0	1
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0	0	1
Bursa C5(c) Number of employees trained on health and safety standards	Number	65	26	50
BURSA (LABOUR PRACTICES & STANDARDS)				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	569	1,087	2,140
Executive	Hours	546	814	1,504
Non-executive/Technical	Hours	490	478	1,360
General Workers	Hours	0	0	0
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	51%	61%	61%
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	14	6	8
Executive	Number	37	27	27
Non-executive/Technical	Number	25	28	46
General Workers	Number	88	25	37
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
BURSA (SUPPLY CHAIN MANAGEMENT)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100%	100%	100%
BURSA (DATA PRIVACY AND SECURITY)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
BURSA (WATER)				
Bursa C9(a) Total volume of water used	Megalitres	102	132	162

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

THE BOARD OF DIRECTORS (“BOARD”) IS COMMITTED TOWARDS ADOPTING THE PRINCIPLES AND BEST PRACTICES OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE (“CODE”) AS WELL AS THE MAIN MARKET LISTING REQUIREMENTS (“MMLR”) OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”).

THIS STATEMENT GIVES AN OVERVIEW AS TO HOW THE GROUP HAS APPLIED THE PRINCIPLES AND BEST PRACTICES OF THE CODE DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (“FY 2024”) AS WELL AS ITS KEY FOCUS AREA AND FUTURE PRIORITIES IN RELATION TO THE CORPORATE GOVERNANCE PRACTICES. THE DETAILED APPLICATION OF EACH BEST PRACTICE AS SET OUT IN THE CODE DURING FY 2024 IS DISCLOSED IN THE CORPORATE GOVERNANCE REPORT (“CG REPORT”) WHICH CAN BE VIEWED ON THE COMPANY’S WEBSITE AT WWW.PESONA.COM.MY AS WELL AS THE WEBSITE OF BURSA SECURITIES.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES

The Board acknowledged that a well-defined corporate structure is essential for the effective execution of strategies and business plans, vigilant performance monitoring, and prudent management of risks. The Board guides and monitors the affairs of the Group on behalf of the shareholders and retains full and effective control over the Group. The key matters reserved for the Board’s approval include but not limited to setting overall Group strategy and direction, approving major corporate plans, approving quarterly and annual financial statements, as well as monitoring financial and operational performance of the Group.

The Board is guided by the Board Charter which defines matters that are specifically reserved for the Board and certain authorities and discretion delegated to the Managing Director. This formal structure of delegation is further cascaded by the Managing Director to the Senior Management team within the Group.

To enhance oversight in specific responsibility areas, the Board has instituted three Board Committees namely, Audit Committee (“AC”), Nomination Committee (“NC”) and Remuneration Committee (“RC”). They operate within their clearly defined terms of reference. They support the Board in certain functions and provide recommendations and advice. The ultimate responsibility for final decisions on all matters lies with the Board.

At each Board Meeting, the Chairman of the relevant Board Committees presents reports and minutes of Board Committees meetings to keep the Board informed and updated on the key matters deliberated by the Board Committees.

The Board provides stewardship to the Group’s strategic direction and operations so as to deliver sustainable value to its stakeholders. The Board acknowledged the importance of sustainability and its underlying environmental, social and governance, hence, the Board has also integrated the sustainability considerations in the Company’s strategy, governance and decision making.

2. CODE OF CONDUCT AND ETHICS

The Company had established a Directors’ Code of Conduct & Ethics which applies to Directors, Management and employees of the Company and its subsidiaries (“Group”). Directors are expected to act in good faith and in the best interest of the Company and exercise due diligence when discharging their duties as Director.

In addition, the Company had also established a Conflict of Interest Policy to identify and manage any actual, potential and perceived conflict of interest situations between the employees (including Directors) and the Group.

The Directors are aware that they have to declare their interests in transactions with the Group and abstain from deliberation and voting in respect of such transactions at Board or general meetings convened to consider the matter. The AC reviews all related party transactions and conflict of interest situation which arise within the Group that may challenge the Group’s integrity. For the Group’s employees, the code of conduct is defined in the human resource policies and procedures.

The Directors’ Code of Conduct & Ethics is available on the Company’s website at www.pesona.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

3. WHISTLEBLOWING POLICY

A Whistleblowing Policy was established which creates an avenue where legitimate concerns about potential irregularities can be lodged by employees and stakeholders without fear of reprisal or intimidation, objectively investigated and addressed. During the FY 2024, there has been no reported incident of human rights violation.

The Whistleblowing Policy was last reviewed by the AC on 18 April 2024 and is available on the Company's website at www.pesona.com.my.

4. ANTI-BRIBERY AND CORRUPTION POLICY

In accordance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 on corporate liability, the Board had adopted the Anti-Bribery and Corruption Policy to provide guidance to the Group, all its personnel and business associates in order to promote better governance culture and ethical behaviour within the Group and to prevent the occurrence of corrupt practices. The Management will carry out regular assessment on the policy to ensure that it continues to remain relevant, appropriate and effective.

The Anti-Bribery and Corruption Policy was last reviewed by the AC on 18 April 2024 is available on the Company's website at www.pesona.com.my.

5. STRATEGIES PROMOTING SUSTAINABILITY

The Board continues to place great emphasis on corporate sustainability through workplace, community and environment.

To ensure the Board is equipped with the required competencies to address the sustainability risks and opportunities and make informed decisions on the Group's sustainability strategies, the Board continuously keep themselves abreast with and understanding the sustainability agendas and relevant sustainability developments by way of formal training, presentation of updates, structured reading and discussions.

A report on the sustainability activities covering the sustainability strategies, priorities and targets as well as performance against these targets is set out in the Sustainability Report in this Annual Report.

6. ACCESS TO INFORMATION AND ADVICE

The Board have full and unrestricted access to any information pertaining to the Group. The agenda and reports encompassing qualitative and quantitative information are furnished to the Board members prior to each of the meetings to allow the Directors to have sufficient time to peruse the papers for effective discussion and decision-making during meetings. The Board also have direct access to the Management and unrestricted access to any information relating to the Group to enable them to discharge their duties.

The Board may seek independent professional advice at the Company's expenses in furtherance of their duties.

7. QUALIFIED AND COMPETENT COMPANY SECRETARIES

The Board has independent and unrestricted access to the advice and the services of the suitably qualified and competent Company Secretaries in ensuring the effective functioning of the Board.

The Company Secretaries provide support to the Board in fulfilling its fiduciary duties and play an advisory role particularly with regards to the Company's Constitution, Board policies and procedures and its compliance with regulatory and statutory requirements, codes, guidance and legislations as well as corporate governance matters. The Company Secretaries also attend all Board and Board Committees meetings and ensure the meetings are properly convened and all deliberations and decisions made by the Board and Board Committees are accurately minuted, recorded and kept.

The Company Secretaries continuously attend relevant development and training programmes to keep themselves abreast with the regulatory changes and corporate governance development.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**8. BOARD CHARTER**

The Board is guided by the Board Charter which serves to ensure all Board members are fully aware of their roles and responsibilities. The Board Charter clearly sets out the roles and responsibilities of the Board, Chairman, Managing Director, the Executive and Non-Executive Directors, the Senior Independent Director and Independent Directors, individual Directors and Company Secretaries, including a formal schedule of matters reserved to the Board for consideration and decision.

The Board Charter is reviewed in accordance with the needs of the Company and new regulations that have impact the discharge of the Board's duties and responsibilities. The Board Charter is accessible via www.pesona.com.my.

9. BOARD COMPOSITION

Dato' Sri Lee Tuck Fook and Mr Loh Kong Fatt who have served as Independent Non-Executive Directors ("INEDs") of the Company for a cumulative period of more than 11 years had decided to step down as INEDs of the Company effective from 28 June 2024 in line with the enhanced MMLR of Bursa Securities which limit the tenure of an Independent Director to not more than 12 years. The Board had then on 1 July 2024 appointed Dr. Yong Mun Ching and Mr Yeong Yok Hoong as INEDs of the Company.

The Board currently has 5 members, comprising 1 Non-Independent Executive Director (being the Managing Director), 1 Non-Independent Non-Executive Director (being the Board Chairman) and 3 INEDs which is in compliance with Paragraph 15.02(1) of the MMLR and the Code. The Board opines that its current size is commensurate with the Group's existing scope and scale of the business operations, with a diversified mix of qualifications, skills and experience. None of the Board members are active politicians.

A brief profile of each Director is presented on pages 18 to 20 of this Annual Report. The Board members have diverse professional and entrepreneurial background, varied skills and experiences for effective oversight of the Group. Moreover, the INEDs have extensive experience and exercise due care in carrying out their duties. They provide the necessary checks and balances, and bringing their independent perspectives and objective judgements to the Board's deliberation and decision-making.

There is a clear distinction and separation of duties between the Chairman of the Board and the Managing Director to ensure a balance of power, authority and accountability and that no individual has unfettered powers of decision and control. The Managing Director is primarily responsible for the effective implementation of the Company's strategic plan and policies established by the Board, managing the daily conduct of business to ensure its smooth operations, supervision and management of the Company.

The Chairman of the Board, who is a Non-Independent Non-Executive Director, provides leadership for the Board so that the Board can perform its responsibilities effectively.

10. APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Company had on 29 June 2022 established a Directors' Fit and Proper policy to enhance the governance of the Company in relation to the Board's quality and integrity. The Board and the NC shall conduct the fit and proper assessment prior to the appointment of any candidate as Director, or making recommendation for the re-election of retiring Director(s).

The appointment of a new Director and the criteria used for selection is a matter for consideration and decision by the Board collectively upon appropriate recommendation by the NC. New Directors are expected to have such expertise so as to qualify them to make positive contribution to the Board, perform their duties and to give sufficient commitment, time and attention to the affairs of the Company.

The Company Secretaries have the responsibility of ensuring that relevant procedures relating to the appointment of new Directors are properly executed.

In accordance with the Company's Constitution, all newly appointed Directors shall retire from office but shall be eligible for re-election at the next Annual General Meeting ("AGM") subsequent to their appointment. The Constitution further provides that at least one-third of the Directors for the time being including the Managing Director shall retire by rotation at each AGM at least once in every three years but shall be eligible for re-election. The NC will, upon the review and evaluation of the Directors' performance and contribution to the Board, if satisfactory, submit its recommendation to the Board for approval before tabling the same to the shareholders for approval at the AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

10. APPOINTMENT AND RE-ELECTION OF DIRECTORS (CONT'D)

Mr Wie Hock Kiong along with the two (2) INEDs namely Dr. Yong Mun Ching and Mr Yeong Yok Hoong who were appointed on 1 July 2024 are subject to retirement at the AGM. Their profiles are disclosed on pages 18 and 20 of this Annual Report. The Directors, being eligible, have offered themselves for re-election at the forthcoming AGM.

11. NOMINATION COMMITTEE

During the year under review, there was a change in the committee members. New members came on board on 1 July 2024.

The NC consists entirely of Non-Executive Directors, a majority of whom are independent, and is chaired by an Independent Non-Executive Director.

The Terms of Reference of the NC was last reviewed on 30 November 2022 and is available on the Company's website at www.pesona.com.my.

The NC will assist the Board in overseeing the selection of Directors, matters relating to succession planning, boardroom diversify, training programmes for Directors as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director.

Directors' Fit and Proper Policy is to guide the NC and the Board in their review and assessment of the candidates who are to be appointed to the Board as well as Directors who are seeking for re-election in complying the MMLR.

Any candidate for new appointment as Director, and Directors who are due for retirement and subject to re-election at the AGM are required to make the fit and proper declaration via a self-declaration form. The NC will assess if such candidate has good standing based on the fit and proper criteria, before making recommendation to the Board for consideration or approval.

The NC adopts a structured, transparent and thorough approach for appointing new Directors, ensuring the nominations align with the Company's strategic direction, with emphasis on diversity, whilst meeting leadership requirements and skills required for effectiveness of the Board. The following factors, among others will be considered by the NC during the recruitment process:-

- (i) skills, knowledge, expertise and experience, professionalism, character, integrity, reputation and competence;
- (ii) commitment (including time commitment);
- (iii) boardroom diversity including gender, age, ethnicity, cultural background and skills; and
- (iv) in the case of candidates for the position of Independent Directors, the NC shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Directors. The candidates' ability to act independently of management should also be considered.

In identifying candidates for the Board, the NC obtains recommendation of potential candidates from the existing Board members, major shareholders or seek professional advice and/or conduct search by utilising a variety of independent sources.

During FY 2024, the NC met to perform the following activities in the discharge of its duties:

- recommended the appointment of new directors;
- assessed the effectiveness and the required mix of skills and experience and other qualities, including core competencies of the Board as a whole, the Board Committees and the contribution of each individual Director and recommended the findings to the Board thereafter;
- reviewed the independence of the Independent Directors based on the criteria set out in the MMLR and other criteria pursuant to the Code;
- reviewed the terms of office and performance of the AC and each of its members;
- reviewed the size and composition of the Board and Board Committees;
- reviewed and recommended to the Board the re-election of Directors who are due to retire at the AGM; and
- reviewed the trainings attended by the Directors and determined their training needs.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

11. NOMINATION COMMITTEE (CONT'D)

On 26 February 2025, the NC carried out an annual evaluation on the performance of the Board, Board Committees and individual Directors, reported its findings and recommended the required actions to the Board. This annual exercise requires the Directors and/or members of the NC to complete a set of evaluation forms individually or collectively. The results were collated by the Company Secretaries and a summary of the findings was presented to the NC for deliberation.

The Board, through the NC annual evaluation, concluded that the performance of the Board as a whole and Board Committees as well as the contribution of each Director are satisfactory. The Board has the right mix of skills, competencies and experiences to discharge its duties effectively. The current size and composition are appropriate for its purpose and fairly reflects the interest of minority shareholders within the Group.

The NC also reviewed the results of the assessment and evaluation of the Directors who are due for retirement at the 14th AGM, taking into consideration their fit and proper declaration, skill sets, experience, professional qualifications, contribution to the Company and time commitment before recommending their re-elections to the Board for approval. Mr Wie Hock Kiong, Dr. Yong Mun Ching and Mr Yeong Yok Hoong are due to retire by rotation at the 14th AGM. All Directors had given their consent for re-election at the forthcoming AGM.

The Company has adopted a Diversity Policy with the objective to ensure that the Board has the diversity of perspectives, experience and skills necessary for effective oversight of the Group. Diversity includes, but not limited to gender, age and ethnicity. The Board comprises 2 female directors out of the 5 Board members, representing 40% of the total Board members. The Company seeks to maintain a Board comprising talented, experienced and dedicated directors with a diverse mix of expertise, skills and backgrounds which suits the nature of the business environment in which the Group operates. The NC is delegated with the overall responsibility for implementation, monitoring and periodic review of the Board Diversity Policy.

The breakdown of the Board by gender, age and ethnicity as at 31 December 2024 are as follows:-

GENDER		AGE		ETHNICITY	
Male	3	40 – 49	1	Malay	1
Female	2	50 – 59	2	Chinese	4
		Above 60	2	Indian	-

12. INDEPENDENT DIRECTORS

INEDs play a leading role in Board Committees. The Board had, through NC conducted an annual assessment of Independent Director and was of the view that they fulfilled the criteria of “Independence” as defined under the MMLR of Bursa Securities and other criteria in the Code. The Board also concluded that the Independent Directors have demonstrated independence throughout the meetings and provided Management and Board with objective challenge and independent judgement.

At present, the Company does not have any INED who has served in that capacity for more than nine (9) years.

13. TIME COMMITMENT

The Directors are aware of the time commitment expected of them to attend to matters of the Group. An annual meeting calendar is planned and agreed with the Directors and reviewed on quarterly basis. The Board was satisfied with the time commitment given by the Directors in discharging their duties for FY2024. All Directors have given their commitment in fulfilling their duties and had attended all the Board meetings held during FY2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

13. TIME COMMITMENT (CONT'D)

The details of the attendance of each Board member are as follows:-

NAME OF DIRECTOR	DESIGNATION	DIRECTORSHIP	ATTENDANCE OF MEETINGS
Wie Hock Kiong	Chairman	Non-Independent and Non-Executive	6/6
Dato' Sri Lee Tuck Fook*	Chairman	Independent and Non-Executive	3/3
Wie Hock Beng	Managing Director	Non-Independent and Executive	6/6
Loh Kong Fatt*	Director	Senior Independent and Non-Executive	3/3
Salwa Binti Shamshuddin	Director	Independent and Non-Executive	6/6
Dr. Yong Mun Ching#	Director	Independent and Non-Executive	3/3
Yeong Yok Hoong#	Director	Independent and Non-Executive	3/3

Notes:

* Resigned on 28 June 2024

Appointed on 1 July 2024

14. DIRECTORS' TRAINING

In addition to the Mandatory Accreditation Program, Board members are also encouraged to attend training programmes conducted by highly competent professionals that are relevant to the Company's operations and business. The Directors will continue to attend other relevant training programmes to keep abreast with developments on a continuous basis in compliance with the MMLR.

During the financial year under review, the Directors had attended the following professional development programmes:-

NAME OF DIRECTOR	LIST OF PROGRAMMES
Wie Hock Kiong	(1) Implementation of construction management system (2) Implementation of property development system
Wie Hock Beng	(1) Implementation of construction management system (2) Webinar on E-Invoicing
Salwa Binti Shamshuddin	(1) Sustainability (ESG) Leadership Programme for Senior Executives – Champion purposeful change in business (2) ESG applied practical training
Dr. Yong Mun Ching	(1) "Where is Malaysia going towards and Malaysia's outlook by 2050" (2) Audit Committee Conference 2024- Embracing Strategic Oversight and the Future of Audit Committees (3) Mandatory Accreditation Programme (MAP) Part I – New Directors' training (4) Board Ethics : Growing Concerns From New Technology, Stakeholder Interests & Conflict of Interest (5) Empowering Businesses through Integrated Reporting: Incorporating IFRS S1 & S2
Yeong Yok Hoong	Mandatory Accreditation Programme (MAP) Part I – New Directors' training

In addition, the Board is also regularly updated on new developments pertaining to the laws and regulations, changing commercial risks and sustainability issues which may affect the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

15. REMUNERATION COMMITTEE

The Board had established a RC consisting of the following Directors, a majority of whom are Independent Directors:

NAME OF DIRECTOR	DESIGNATION	DIRECTORSHIP
Dr. Yong Mun Ching#	Chairperson	Independent Non-Executive Director
Mr Wie Hock Kiong	Member	Non-Independent Non-Executive Director
Puan Salwa Binti Shamshuddin	Member	Independent Non-Executive Director
Mr Yeong Yok Hoong#	Member	Independent Non-Executive Director
Loh Kong Fatt*	Chairman	Senior Independent and Non-Executive
Dato' Sri Lee Tuck Fook*	Member	Independent and Non-Executive Director

Notes:

* Resigned on 28 June 2024

Appointed on 1 July 2024

The RC reviews the remuneration packages, reward structure and fringe benefits applicable to the Managing Director, Executive Director and Senior Management on an annual basis and makes recommendations to the Board. The Board as a whole determines the remuneration of the Managing Director and the Executive Director with each individual Director abstaining from decision in respect of his own remuneration.

In establishing the level of remuneration for the Managing Director, Executive Director and Senior Management, the RC has regard to packages offered by comparable companies to ensure that it is comparable to market peers. The RC may obtain independent advice if need arises.

The remuneration package for the Managing Director comprises a fixed salary and allowances whilst the remuneration for the Non-Executive Directors comprises annual fees, meeting allowance and reimbursement of expenses for their services in connection with attending Board and Board Committees meetings.

Meetings of the RC are held as and when necessary, and at least once a year. The RC met twice during the financial year and all the members registered full attendance.

The Terms of Reference of the RC was last reviewed on 18 April 2024 and is available at www.pesona.com.my.

16. DIRECTORS' REMUNERATION

The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Company successfully, taking into consideration all relevant factors including the function, the level of responsibilities, skills, expertise and experience required. The level of remuneration for the Managing Director is determined by the RC after giving due consideration to the compensation levels for comparable positions among other similar Malaysian public listed companies.

The Board had adopted the Remuneration Policy and Procedures for Directors and Senior Management which aims to attract, develop and retain high performing and motivated Directors and Senior Management with a competitive remuneration package.

The Remuneration Policy and Procedures for Directors and Senior Management was last reviewed on 18 April 2024 and is available at the Company's website at www.pesona.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

16. DIRECTORS' REMUNERATION (CONT'D)

The details of the remuneration of each individual director for FY2024 are as follows:

NAME OF DIRECTOR	SALARY/ FEES RM'000	BONUS & EPF RM'000	OTHER BENEFITS RM'000	TOTAL RM'000
Executive				
Wie Hock Beng	624	250	16	890
Non-Executive				
Wie Hock Kiong	90	-	4	94
Yeong Yok Hoong	48	-	2	50
Salwa Binti Shamshuddin	66	-	4	70
Dr. Yong Mun Ching	36	-	2	38
Dato' Sri Lee Tuck Fook*	42	-	3	45
Loh Kong Fatt*	30	-	3	33

* Resigned on 28 June 2024

17. SENIOR MANAGEMENT'S REMUNERATION

Remuneration paid to the Senior Management during the year in bands of RM50,000 is as follows:

	SENIOR MANAGEMENT
From RM300,001 to RM350,000	1
From RM350,001 to RM400,000	1
From RM400,001 to RM450,000	1
From RM450,001 to RM500,000	1
From RM700,001 to RM750,000	1

Due to confidentiality and privacy issues, the Board is not in favour of disclosing the Senior Management personnel's names and the various remuneration components (salary, bonus, benefits in-kind, other emoluments).

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT**1. AUDIT COMMITTEE**

The Company has an AC comprising 4 Non-Executive Directors, a majority of whom are Independent Directors. The AC is tasked by the Board to review matters relating to financial report of the Group, ensuring the objectivity and effectiveness of the Group's internal audit function and external audit processes, overseeing related party transactions and conflict of interest situations, and ensuring the adequacy and effectiveness of the Group's internal control and risk management framework.

Further details on the AC and its activities can be found in the AC Report in this Annual Report.

2. COMPLIANCE WITH APPLICABLE FINANCIAL REPORTING STANDARDS

In presenting the annual financial statements and quarterly results to the shareholders, the Board aims to present a balanced and clear assessment of the Group's financial positions and prospects. Before the financial statements were drawn up, the Directors have taken the necessary steps to ensure all the applicable accounting policies are applied consistently, and that the policies are supported by reasonable and prudent judgement and estimates. All accounting standards, which the Board considers to be applicable, have been followed. The role of the AC in the review and reporting of the financial information of the Group is outlined in the AC Report in this Annual Report.

3. ASSESSMENT OF SUITABILITY AND INDEPENDENCE OF EXTERNAL AUDITORS

The AC reviews the appointment, performance and remuneration of the External Auditors before recommending to the Board and shareholders for approval on the re-appointment of the External Auditors of the Company at the AGM.

The AC also convened meetings with the External Auditors without the presence of the Executive Director and Management twice during FY2024 to allow discussion of any issues arising from the course of audit.

During the financial year, the AC had assessed the performance and independence of the External Auditors and was satisfied with the suitability and independence of UHY Malaysia PLT as External Auditors of the Company. The External Auditors had also confirmed their independence in accordance with their firm's policies prior to the commencement of audit.

4. SOUND FRAMEWORK TO MANAGE RISKS

The Company had established a robust framework for the oversight and management of material business risks. As required by the Board, the Management has devised and implemented appropriate risk management systems coupled with internal control and reports to the Board and Senior Management. The Management is charged with monitoring the effectiveness of risk management systems and is required to report to the AC on any significant risk exposure on a quarterly basis.

The risk management framework is presented in the Statement on Risk Management and Internal Control in this Annual Report.

5. INTERNAL CONTROL FUNCTION

To maintain total independence in the management of the internal control environment and remain in compliance with the MMLR, the Company has outsourced the Group's internal audit function to Resolve IR Sdn. Bhd.

The outsourced Internal Auditors report independently and directly to the AC in respect of the internal audit function of the Group. The AC together with the Internal Auditors agreed on the scope and planned internal audit activity annually and all audit findings arising therefrom are reported to the AC at least 3 audit visits in FY2024. The AAC met with the Internal Auditors without the presence of the Executive Director and the Management once during the FY 2024 to allow discussion of any issues arising from the course of internal audit.

Further details of the activities of the internal audit function are set out in the Statement on Risk Management and Internal Control in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

1. CORPORATE DISCLOSURE POLICY

The Company is fully committed in maintaining a high standard for the dissemination of relevant and material information on the development of the Group. The Company also places strong emphasis on the importance of timely and equitable dissemination of information to shareholders.

The annual report contains comprehensive information pertaining to the Group, while various disclosures on quarterly and annual results provide investor with financial information. The Group's investor relations activities are aimed at developing and maintaining a positive relationship with the stakeholders through active two-way communication, and to promote and demonstrate a high standard of integrity and transparency through timely, accurate and full disclosure and to enhance the stakeholders' understanding of the core businesses and operations of the Group, thereby enabling investors to make informed decision in valuing the Company's shares.

The Managing Director and Senior Management meet with analysts, institutional shareholders and investors. At general meetings, the Board encourages shareholders' participation and responds to their questions. Shareholders can also leave written questions for the Board to respond prior to and during the general meetings.

The primary contact for investor relations matters is:

WIE HOCK BENG

Managing Director

Telephone Number : 03-8941 0818

Email : wiehb@pesona.com.my

2. LEVERAGE ON INFORMATION TECHNOLOGY FOR EFFECTIVE DISSEMINATION OF INFORMATION

The Company uses a number of formal channels for effective dissemination of information to the shareholders and stakeholders particularly through the annual report, announcements to Bursa Securities, media releases, Company websites and investor relations.

Apart from the mandatory public announcements through Bursa Securities via Bursa LINK, the Company's website at www.pesona.com.my also provides corporate, financial and non-financial information.

3. ENGAGEMENT WITH SHAREHOLDERS

The Board recognises that the AGM is an important platform for its engagement with the shareholders of the Company. The Notice of the 13th AGM ("the Notice") and the Annual Report were circulated to shareholders at least 28 days before the meeting. The additional time given to the shareholders allows them to make the necessary preparations to attend, speak and vote at the AGM. More importantly, it provides shareholders sufficient time to go through the annual report and information supporting the resolutions proposed.

The Company provides sufficient information to the shareholders for the AGM, including the entitlement to vote and the right to appoint a proxy. Every shareholder can vote in person or by appointing a proxy to attend and vote on his/her/its behalf.

The Notice contains information such as the date, time and venue of the AGM, the shareholders' right to appoint a proxy and details of the resolutions that will be tabled at the AGM. The resolutions set out in the Notice will be voted by poll and an independent scrutineer will be appointed to validate the votes in pursuance to the MMLR of Bursa Securities.

At the 13th AGM and Extraordinary General Meeting ("EGM") of the Company held during the financial year, the shareholders were encouraged to pose questions where the Chairman and the Chief Financial Officer had addressed all the questions and comments raised by shareholders and proxies.

All resolutions set out in the Notice of the 13th AGM and EGM both held on 28 June 2024 and 8 October 2024 were put to vote by poll and were duly passed. The outcomes of general meetings were announced to Bursa Securities on the same day of the meeting. The complete minutes of the 13th AGM and EGM were published on the Company's website on 9 August 2024 and 15 November 2024 respectively i.e. within 30 business days after the general meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRIORITIES FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2025

The Board also acknowledged the importance of succession planning and would ensure that it aligns with the human resource policies and strategies of the Group. Only high calibre personnel with the relevant skills and experience are expected to be appointed to the Board and key management positions in the Group.

With the growing awareness and need to address environmental and social challenges, the Board will continue its focus in embracing environmental, social and governance ("ESG") into the Group's daily operations and work towards to report the achievements of the Company in ESG to the stakeholders.

This Corporate Governance Overview Statement was approved by the Board on 18 April 2025.

AUDIT COMMITTEE REPORT

THE BOARD OF DIRECTORS (“BOARD”) IS PLEASED TO PRESENT THE AUDIT COMMITTEE (“AC”) REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (“FY2024”).

THE AC WAS ESTABLISHED TO ASSIST THE BOARD IN FULFILLING ITS RESPONSIBILITIES RELATING TO THE FINANCIAL STATEMENTS AND REPORTING PRACTICES, SYSTEM OF RISK MANAGEMENT AND INTERNAL CONTROL, INTERNAL AND EXTERNAL AUDIT PROCESSES, THE PROCESS OF MONITORING COMPLIANCE, CONFLICT OF INTEREST SITUATIONS AND RELATED PARTY TRANSACTIONS AS WELL AS COMPLIANCE MATTERS. THE AC IS GOVERNED BY A CLEARLY DEFINED TERMS OF REFERENCE WHICH IS AVAILABLE ON THE CORPORATE WEBSITE AT WWW.PESONA.COM.MY. THE TERMS OF REFERENCE WAS LAST REVIEWED BY THE AC ON 28 FEBRUARY 2024.

MEMBERS OF THE AUDIT COMMITTEE

The AC comprises four Non-Executive Directors, with the majority represented by Independent Directors, as follows:

DESIGNATION	NAME OF AC MEMBERS
Chairman	Yeong Yok Hoong Independent Non-Executive Director (Appointed as the Chairman of the AC on 1 July 2024)
	Loh Kong Fatt Senior Independent Non-Executive Director (Resigned as the Chairman of the AC on 28 June 2024)
Members	Dato’ Sri Lee Tuck Fook Independent Non-Executive Director (Resigned as the Member of the AC on 28 June 2024)
	Wie Hock Kiong Non-Independent Non-Executive Director
	Salwa Binti Shamshuddin Independent Non-Executive Director
	Dr. Yong Mun Ching Independent Non-Executive Director (Appointed as the Member of the AC on 1 July 2024)

Dato’ Sri Lee Tuck Fook ceased to be a Member of the AC on 28 June 2024. On 1 July 2024, Mr Yeong Yok Hoong was appointed as the Chairman of the AC along with Dr. Yong Mun Ching who is a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. The AC therefore meets the requirement of Paragraph 15.09(1)(c)(i) of the MMLR of Bursa Securities which requires at least one member of the AC to be a qualified accountant. In line with the requirement of Paragraph 15.09(2) of the MMLR of Bursa Securities, no alternate director was appointed as member of AC.

All members of the AC are financially literate and possess a wide range of skills and knowledge and have sufficient understanding of the Company’s business and matters under the purview of the AC. None of the members were former key audit partners of the Company’s existing External Auditors.

MEETINGS

The AC held five meetings during the FY2024 which were attended by all members, as shown below:-

AUDIT COMMITTEE MEMBERS	MEETINGS ATTENDED	PERCENTAGE OF ATTENDANCE
Loh Kong Fatt (Chairman) * Resigned on 1 July 2024	3/3	100%
Dato’ Sri Lee Tuck Fook	3/3	100%
Wie Hock Kiong	6/6	100%
Salwa Binti Shamshuddin	6/6	100%
Yeong Yok Hoong (Chairman) * Appointed on 1 July 2024	3/3	100%
Dr. Yong Mun Ching * Appointed on 1 July 2024	3/3	100%

AUDIT COMMITTEE REPORT

The AC meets at least once in every quarter. The Managing Director and Chief Financial Officer were invited to all AC meetings to facilitate direct communication related to the Group's financial results and clarifying matters raised in relation to operations. The representatives of External and Internal Auditors were also invited to attend the meetings to present their audit plans, audit findings and reports. The Chairman of the AC reports to the Board on matters discussed at every AC meeting subsequently as well as the AC's recommendation, as and when relevant for the consideration of the Board. All deliberations during the AC meetings, including issues tabled and rationale adopted for decisions were properly recorded.

SUMMARY OF WORK PERFORMED BY THE AUDIT COMMITTEE

Summary of work carried out by the AC in discharging its duties and responsibilities for FY2024 included the following:-

- (a) Reviewed the unaudited quarterly financial results of each quarter and made recommendations to the Board for approval and release to Bursa Securities. The review includes the assessment on the appropriateness of the accounting policies applied and significant adjustments resulting from audit. The AC sought explanations from the Managing Director and Chief Financial Officer on material changes in financial performance, trade receivables and other key components of financial position. The AC also discussed pertinent issues of the Group that could significantly impact the Group's results and cash flows.
- (b) Reviewed the financial statements for FY2024 and recommended the same to the Board for approval. The AC communicated with the External Auditors, with particular focus on significant matters highlighted including financial reporting issues, significant judgements made by Management, going concern assumption, completeness of disclosures and compliance with the applicable approved accounting standards and other legal and regulatory requirements.
- (c) Reviewed the External Auditors' audit plan for FY2024, covering scope of work, materiality thresholds, audit methodology, areas of audit emphasis and audit timeline to ensure the work carried out is adequate.
- (d) Reviewed the External Auditors' report in relation to key audit matters with regard to the relevant disclosures in the annual audited accounts for FY2024. The External Auditors also shared with the AC their observations and areas for improvement.
- (e) Reviewed the audit fees and non-audit fees and services provided by the External Auditors for FY2024.
- (f) Met privately with the External Auditors at the AC meetings to ensure there were no restrictions on the scope of audit for FY2024 and to discuss material issues that arose during their course of audit. There were no major concerns from the External Auditors and they had been receiving full co-operation from Management during their course of audit.
- (g) Reviewed the internal audit reports presented by the Internal Auditors, deliberation of major findings and Management's responses together with Internal Auditors' recommendations.
- (h) Reviewed the follow-up reports issued by the Internal Auditors and the status of mitigating measures taken by Management to ensure all key risks and control weaknesses are properly addressed.
- (i) Met privately with the Internal Auditors at the AC meeting held on 30 May 2024 to discuss material issues that arose during the course of internal audit. There were no major concerns from the Internal Auditors and they had been receiving full co-operation from Management.
- (j) Reviewed any related party transactions to ensure that the transactions are at all times carried out on arm's length basis and not to the detriment of the minority shareholders.
- (k) Reviewed the conflict of interest situation that arose or persisted or may arise during FY2024.
- (l) Reviewed the acquisition of a 51% equity interest in Gaya Kuasa Sdn. Bhd., a company which certain directors have interests.
- (m) Reviewed diversification of the existing principal activities of the Company and its subsidiaries to include property development.
- (n) Reviewed the quarterly progress reports on risk management prepared by Management.
- (o) Reviewed the Statement on Risk Management and Internal Control, AC Report, Management Discussion and Analysis, Corporate Governance Overview Statement and Corporate Governance Report and recommended the same to the Board for inclusion in the 2024 Annual Report.
- (p) Reviewed the Terms of Reference of AC. Reviewed the Anti-Bribery and Corruption Policy and Whistleblowing Policy.

AUDIT COMMITTEE REPORT

The AC conducted an assessment on the performance, competency and independence of the External Auditors for FY2023 based on the following criteria:-

- quality and scope of work of the External Auditors and how the External Auditors maintain or update the audit plan to respond to changing risks and circumstances;
- quality of reports provided to the AC;
- amount of non-audit fees paid or payable to the External Auditors or a firm affiliated to them;
- competency and resources of the audit firm;
- level of understanding on Group's business; and
- communication to the AC about new and applicable accounting practices and auditing standards and the impact on the Company's financial statements.

Based on the assessment conducted, the AC was satisfied that Messrs UHY Malaysia PLT continued to possess the competency, independence, experience and resources required to fulfil their duties effectively. Messrs UHY Malaysia PLT has also reported to the AC that, in their professional judgement, they are independent within the meaning of regulatory and professional requirements, and the objectivity of the audit engagement partner and audit staff is not impaired.

The Board, based on the recommendation of the AC, would be tabling the re-appointment of Messrs UHY Malaysia PLT as External Auditors of the Company at the 14th Annual General Meeting for shareholders' approval.

INTERNAL AUDIT FUNCTION

The internal audit function, which reports directly to the AC, is outsourced to Resolve IR Sdn Bhd. The Internal Auditors have developed an annual audit plan to support and execute internal control reviews.

Activities carried out by the Internal Auditors during FY2024 included the following:-

- (a) Performed audit work in accordance with the pre-approved internal audit plan, which principally focused on the construction activities of the main subsidiary, Pesona Metro Sdn Bhd. The internal audit was conducted using a risk-based approach and was guided by the International Professional Practice Framework.
- (b) Carried out reviews on the systems of internal control of the Group to ensure proper safeguarding of assets, maintaining accurate records and transactions, compliance with relevant laws and regulations, adherence to established policies and procedures as well as management efficiency.
- (c) Made audit recommendations to Management for improvements to the existing system of internal controls and work processes where necessary.
- (d) Reviewed and commented on the effectiveness and adequacy of the existing internal control policies and procedures.
- (e) Followed up on the implementation of corrective action plans to ensure satisfactory actions have been taken to address previous internal audit findings.

The AC reviewed the adequacy of the scope, functions, competency and resources of the internal audit function for FY2024 to ensure its effectiveness and efficiency. Based on the assessment conducted, the AC was satisfied with the competency and independence of the outsourced Internal Auditors in carrying out their scope of work during the financial year.

The cost incurred for the internal audit function for FY2024 was RM69,000 (FY2023: RM68,000).

For more information on the internal audit function, please refer to the Statement on Risk Management and Internal Control in the 2024 Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

1. INTRODUCTION

The Board of Directors ("Board") of Pesona Metro Holdings Berhad is pleased to present the Statement on Risk Management and Internal Control ("SORMIC") for the financial year ended 31 December 2024 ("FY 2024"), issued in compliance with Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

2. BOARD RESPONSIBILITY

The Board acknowledges that it is their overall responsibility to establish and maintain a sound risk management framework and internal control system to cover all aspects of the Group's business and to safeguard the interest of its shareholders. This responsibility requires Directors to establish procedures, controls and policies and to seek continuous assurance that the system is operating satisfactorily in respect of the strategic direction, financial, operational, compliance and risk management policies and procedures for the period under review.

The Board is also aware that a sound internal control system provides reasonable and not absolute assurance that the Company will not be hindered in achieving its business objectives in the ordinary course of business. It should also be appreciated that the whole system of internal control is designed to manage and control risks appropriately rather than a definitive system designed for the total avoidance of risks or for eliminating the risk of failure. For the FY 2024, the Company has undertaken processes to review its risk management framework.

In the meantime, the Board maintains full control over strategic, financial, organisational and compliance issues and has put in place a structure with formal lines of responsibility.

3. CONTROL STRUCTURE & RISK MANAGEMENT FRAMEWORK

The Group has established a Risk Assessment, Monitoring and Reporting Framework to proactively identify, evaluate and manage key risk areas. The framework aims to provide an integrated and organised approach entity-wide. In addition, it has established a formal database of risk areas and mitigating measures? are clearly captured in the risk registers. The key risk areas, their exposures, existing controls and the actions taken or mitigation factors are summarised and presented to the Audit Committee on quarterly basis.

The day-to-day operations is monitored by the Managing Director. This control is exercised through Senior Management in respect of commercial, financial and operational aspects of the Company. The Managing Director and Senior Management meet regularly in respect of such matters during its management meetings.

Risk management is regarded by the Board to be an integral part of managing the Company's business operations. There is an on-going process of identifying the major risks that could potentially and significantly impact the Group's business objectives and the Company has assigned the respective Heads of Department to manage the risks within their departments. Significant risks identified and the corresponding internal controls implemented are discussed at the management meetings.

The Board and Senior Management also acknowledge that the development of an effective internal control system is an ongoing process and to this end maintains a continuous commitment to strengthen the existing internal control environment of the Group.

The Board has assumed the following specific responsibilities in respect of internal control function in the Company with the assistance of the Internal Auditors:-

- a) Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks through internal audit review; and
- b) Reviewing the adequacy and integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

4. INTERNAL AUDIT FUNCTION

In a desire to maintain total independence in the management of the internal control environment and remain in compliance with the MMLR of Bursa Securities, the Company has appointed Resolve IR Sdn Bhd ("Resolve") to manage the Company's internal audit function on an outsourced basis.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

4. INTERNAL AUDIT FUNCTION (CONT'D)

The Internal Auditors report independently and directly to the Audit Committee in respect of the internal audit function. The Audit Committee together with the Internal Auditors agree on the scope and planned internal audit activity annually and all audit findings arising therefrom are reported to the Audit Committee on a periodic basis.

The Internal Auditors are allowed complete and unrestricted access to all documents and records of the Group deemed necessary in the performance of its function and independently review the risk identification procedures and control processes implement by the Management. It also reviews the internal controls in the key activities of the Group's business based on the risk profiles of the business units in the Group. In addition, the Internal Auditors carry out periodic assignments to ensure the policies and procedures established by the Board are complied with by the Management. All reports and findings arising from these reviews are discussed primarily with the respective process custodians prior to a formal report being presented to the Audit Committee.

As an additional function to the Group, the internal audit also provides business improvement recommendations for the consideration of the Management and the Board to assist in the continuous development of a more efficient and comprehensive internal control environment.

In the year under review and based on the Audit Plan 2024, the following areas are the internal audit compliance reviews undertook by the Internal Auditors:

- 1) Post construction root cause assessment;
- 2) Project tender and
- 3) Construction management.

The findings arising from the above reviews have been reported to the Management for their response and subsequently for Audit Committee's review and deliberation.

5. OTHER KEY INTERNAL CONTROL ELEMENTS

- Clearly defined terms of reference, authorities and responsibilities of the various committees which include the Audit Committee, Nomination Committee and Remuneration Committee.
- Well defined organisational structure with clear lines for the segregation of duties, accountability and the delegation of responsibilities to Senior Management and the respective division heads including appropriate authority limits to ensure accountability and approval responsibility.
- Budgets are prepared annually for the business/operating units and approved by the Board. The budgets include operational, financial and capital expenditure requirements and performance are monitored on a monthly basis and the business objectives and plans are reviewed in the monthly management meetings attended by division and business unit heads. The Managing Director meets regularly with Senior Management to consider the Group's financial performance, business initiatives and other management and corporate issues.
- There are regular Board meetings and Board papers are distributed in advance to all Board members who are entitled to receive and access all relevant information. Decisions of the Board are only made after the required information is made available and deliberated on by the Board. The Board maintains complete and effective control over the strategies and direction of the Group.
- The Audit Committee is tasked to review the effectiveness of the Group's system of internal control. The Audit Committee comprises of non-executive members of the Board, who are Independent Directors. The Audit Committee is not restricted in any way in the conduct of its duties and has unrestricted access to the Internal and External Auditors of the Company and to all employees of the Group. The Audit Committee is also entitled to seek other third party independent professional advice deemed necessary in the performance of its responsibility.
- The Audit Committee reviews all the internal control issues identified by the External and Internal Auditors and action taken by the Management in respect of the findings arising therefrom. Findings are communicated to the Management and the Audit Committee with recommendations for improvement and subsequently follow up to ensure all agreed recommendations are implemented. The internal audit plan is structured on a risk-based approach and is reviewed and approved by the Audit Committee.
- Review of all proposals for material capital and investment opportunities by the Senior Management and approval for the same by the Board prior to expenditure being committed.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

5. OTHER KEY INTERNAL CONTROL ELEMENTS (CONT'D)

- There are sufficient reports generated in respect of the business and operating units to enable proper review of the operational, financials and regulatory environment. Management Accounts are prepared timely and on a monthly basis and is reviewed by the Managing Director and Senior Management.
- The professionalism and competency of staff are enhanced through a structured training and development programme. A performance appraisal system is in place with established key performance indicators to measure and review staff performance on an annual basis.
- The decision of the Board in appointing Resolve IR Sdn Bhd to manage the internal audit function of the Group on an outsourced basis will ensure greater independence and accountability.

6. CONCLUSION

For the FY2024, the Board is of the opinion that there is no significant weakness in the system of internal control, contingencies, or uncertainties that could result in material loss and adversely affect the Group. The Group continues to take necessary measures to strengthen its internal control structure and the management of risks.

7. REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement for inclusion in the Annual Report for the FY2024 and nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

DIRECTORS' RESPONSIBILITY STATEMENT

The Companies Act 2016 ("Act") requires the Directors to present the financial statements of the Company and the Group in accordance with the Act and approved accounting standards and that they give a true and fair view of the results of the business and the state of affairs of the Group and the Company at the end of the financial year.

The Directors have placed reliance on the system of internal control within the Company and the Group to form a basis of reasonable grounds that the accounting systems and records maintained by the Company and the Group provide a true and fair view of the current state of affairs of the Company and the Group.

The Directors have further responsibility of ensuring that accounting records are kept with reasonable accuracy which enable the Company to provide a true and fair view of the financial results. In addition, the annual audited financial statements have been prepared based on relevant and appropriate policies and with usage of reasonable and prudent judgement and estimates.

The Director have also a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

In compliance with the several responsibilities of the Directors, the Directors present the financial statements of the Company and the Group for the financial year ended 31 December 2024 as set out on pages 82 to 162 of this Annual Report.

ADDITIONAL INFORMATION

AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable by the Group and the Company to the External Auditors for the financial year ended 31 December 2024 are as follows:-

	GROUP (RM)	COMPANY (RM)
Audit fees	162,500	42,000
Non-audit fees	13,000	13,000

RECURRENT RELATED PARTY TRANSACTIONS (“RRPTs”)

The recurrent related party transactions of a revenue or trading nature of the Group conducted pursuant to the shareholders’ mandate during the financial year ended 31 December 2024 are as follows:

NO.	NATURE OF TRANSACTION	TRANSACTIONING PARTIES	INTERESTED RELATED PARTIES	AGGREGATE VALUE (RM'000)
1.	Provision of construction services for the main building, mechanical and electrical services, external works, within lot boundary, landscape and ancillary works for “Cadangan Pembangunan 2 Blok Pangsapuri 52 Tingkat (1,260 unit) di atas PT 50023, Jalan Impian, Mukim Petaling, Bukit Jalil, Kuala Lumpur” for Residensi Renaisans Bukit Jalil (also known as Ren Residence) awarded by Gaya Kuasa Sdn. Bhd., for a total contract sum of RM410,500,685.64.	Pesona Metro Sdn. Bhd. or other subsidiaries of Pesona Metro Group	Wie Hock Kiong Wie Hock Beng Chin May Yong	37,430

MATERIAL CONTRACTS INVOLVING THE INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS

Save as disclosed below, Pesona Metro Group has not entered into any contracts which are or may be material (not being contracts entered into in the ordinary course of business of Pesona Metro Group) during the 2 years immediately preceding the date of this Circular:

- Share Sale Agreement between Chin May Yong and the Company dated 11 July 2024 for the acquisition of 32.0% equity interest in GKSB; and
- Share Sale Agreement between AM Anugerah Sdn. Bhd. and the Company dated 11 July 2024 for the acquisition of 19.0% equity interest in GKSB,

collectively for a total cash consideration of RM40,800,000, subject to adjustment, satisfied wholly in cash.



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DIRECTORS' REPORT

The Directors of Pesona Metro Holdings Berhad hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

Principal Activities

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year other than as disclosed in Note 7.

Financial Results

The results of the Group and of the Company for the financial year are as follows:

	Group RM	Company RM
Profit for the financial year	22,310,781	9,134,486
Attributable to:		
Owners of the Parent	20,148,907	9,134,486
Non-controlling interests	2,161,874	-
	<u>22,310,781</u>	<u>9,134,486</u>

In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

Dividends

In respect of the financial year ended 31 December 2023, the Directors declared a single tier final dividend of 0.5 sen per ordinary share, paid on 15 May 2024, amounting to RM3,474,933.

In respect of the financial year ended 31 December 2024, the Directors declared a single tier final dividend of 0.75 sen per ordinary share on 18 April 2025, amounting to RM5,212,400.

The financial statements for the current financial year do not reflect the dividends declared/proposed on 18 April 2025. Such dividends will be accounted for in equity as an appropriation of retained earnings for the financial year ending 31 December 2025.

Issue of Shares and Debentures

There was no issuance of shares or debentures during the financial year.

Share Options

No options were granted to any parties by the Company during the financial year to take up unissued share.

DIRECTORS' REPORT

Directors

The Directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Wie Hock Beng*	
Wie Hock Kiong*	
Salwa Binti Shamshuddin*	
Yeong Yok Hoong	(Appointed on 1 July 2024)
Dr. Yong Mun Ching	(Appointed on 1 July 2024)
Dato' Sri Lee Tuck Fook	(Resigned on 28 June 2024)
Loh Kong Fatt	(Resigned on 28 June 2024)

* Director of the Company and of its subsidiary companies

Directors of Subsidiary Companies

The following is a list of Directors of subsidiary companies (excluding Directors who are also Directors of the Company) in office during the financial year and during the period from the end of the financial year to the date of this report are:

Maszeallan bin Mohamad	
Datuk Hj Subhi Bin Dziyauddin	
Wie Jay Sern	(Appointed on 10 October 2024)

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

Directors' Interests in Shares

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

Interests in the Company	Number of ordinary shares		
	At 1.1.2024	Acquired	Disposed
			At 31.12.2024
Direct interests:			
Wie Hock Beng	8	-	-
			8
Indirect interests:			
Wie Hock Beng ¹	117,419,900	2,580,100	-
Wie Hock Kiong ¹	288,738,910	1,261,100	-
			120,000,000
			290,000,010

¹ Deemed interest held pursuant to Section 8 of the Companies Act 2016 via their family companies, Sincere Goldyear Sdn. Bhd. and Kombinasi Emas Sdn. Bhd.

None of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' REPORT

Directors' Benefits

Since the end of the previous financial year, none of the Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors and shown in Note 33(c) to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 33(b) to the financial statements.

Neither during nor at the end of the financial year, was the Company or any of its subsidiary companies a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

The details of the Directors' remuneration paid/payable to Directors of the Group and of the Company during the financial year are as follows:

	Group RM	Company RM
Salary and other emoluments	811,500	16,000
Directors' fees	330,000	312,000
Defined contribution plans	93,600	-
	<u>1,235,100</u>	<u>328,000</u>

Indemnity and Insurance Costs

There was no indemnity given to or insurance effected for any Directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act, 2016 in Malaysia.

No indemnity was given to or insurance effected for auditors of the Company.

Other Statutory Information

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
 - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

DIRECTORS' REPORT

Other Statutory Information (Cont'd)

(c) At the date of this report, there does not exist:

- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(d) In the opinion of the Directors:

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

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 7 to the financial statements.

Auditors' Remuneration

The details of the auditors' remuneration for the financial year are as follows:

	Group RM	Company RM
Auditors' Remuneration		
- Statutory audit	140,722	42,000
- Non-statutory audit:		
- UHY Malaysia PLT	13,000	13,000
	<u>153,722</u>	<u>55,000</u>

Auditors

The Auditors, UHY Malaysia PLT have indicated their willingness to continue in office.

UHY Malaysia PLT (LLP0041391-LCA & AF 1411) was registered on 19 December 2024 and with effect from that date, UHY Malaysia (Formerly known as UHY) (AF 1411), a conventional partnership was converted to a limited liability partnership.

Signed on behalf of the Board, as approved by the Board in accordance with a resolution of the Directors dated 18 April 2025.

WIE HOCK BENG

KUALA LUMPUR

WIE HOCK KIONG

STATEMENT BY **DIRECTORS**

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

The Directors of Pesona Metro Holdings Berhad, state that, in their opinion, the accompanying financial statements are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2024 and of the financial performance and the cash flows of the Company for the financial year ended on that date.

Signed in accordance with a resolution of the Directors dated 18 April 2025.

WIE HOCK BENG

KUALA LUMPUR

WIE HOCK KIONG

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

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

I, Chong Kien Eng @ Teo Kien Eng (MIA Membership No: CA 16812) being the Officer primarily responsible for the financial management of Pesona Metro Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

CHONG KIEN ENG @ TEO KIEN ENG

Subscribed and solemnly declared by the abovenamed Chong Kien Eng @ Teo Kien Eng at Kuala Lumpur, this 18 April 2025,

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PESONA METRO HOLDINGS BERHAD

[Registration No.: 201101029741 (957876-T)] (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Pesona Metro Holdings Berhad., which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policies information, as set out on pages 90 to 162.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
Recognition of revenue and costs from construction contract and property development cost Refer to Note 2(c) (Significant accounting judgements, estimates and assumptions), Note 3(p) (Revenue recognition), Note 11 (Contract assets/liabilities) and Note 25 (Revenue) to the financial statements. A significant proportion of the Group's revenues and profits are derived from long-term construction contracts and property development which span more than one accounting period. The Group uses the input method to measure the progress towards complete satisfaction of performance obligations. The progress is determined based on the certified work-to-date corroborated by the level of completion of the construction and property development based on actual costs incurred to-date over the total estimated costs. We focused on this area because management applies significant judgement in determining the stage of completion, the extent of contract costs incurred, the estimated total contract revenue and costs.	Our audit procedures performed in this area included, amongst others: • Understood the Group's procedures of reviews and approval over contract costs allocation, budgets setting and monitoring of actual costs to assess the reliability of budgets; • Reviewed management's workings on the computation of percentage-of-completion, compared the quantity surveyors' reports and sub-contractors' claims and certificate against the stage of completion of the contracts, to ascertain the reasonableness of the stage of completion recognised in the profit or loss; • Performed recalculation on the percentage of completion at the reporting date for mathematical accuracy; • Evaluated the reasonableness of the estimated total construction costs and property development costs in light of supporting evidence such as budget, letters of award, contracts, approved purchase orders, quotations, sub-contractors' tender documents and any variation orders; • Agreed samples of costs incurred to date to invoices and/or progress claims and assessed the adequacy of accruals of costs made; and • Assessed the adequacy and reasonableness of the disclosures in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PESONA METRO HOLDINGS BERHAD

[Registration No.: 201101029741 (957876-T)] (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PESONA METRO HOLDINGS BERHAD

[Registration No.: 201101029741 (957876-T)] (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (Cont'd)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

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

UHY Malaysia PLT
202406000040 (LLP0041391-LCA) & AF1411
Chartered Accountants

TEOH WEI YEIN
Approved Number: 03655/04/2026 J
Chartered Accountant

KUALA LUMPUR

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	43,456,729	47,027,652	-	-
Investment properties	5	10,979,121	10,280,000	-	-
Intangible assets	6	78,388,488	42,716,603	-	-
Investments in subsidiary companies	7	-	-	247,854,500	207,054,500
Concession receivables	8	116,984,940	121,415,691	-	-
Trade receivables	9	37,277,042	40,523,702	-	-
Total non-current assets		287,086,320	261,963,648	247,854,500	207,054,500
Current assets					
Property development costs	10	100,101,697	-	-	-
Contract assets	11	59,139,138	12,685,914	-	-
Concession receivables	8	4,430,751	3,919,542	-	-
Trade receivables	9	197,209,698	282,553,088	-	-
Other receivables	12	33,087,809	32,959,069	5,000	5,000
Amounts due from subsidiary companies	13	-	-	221,950	13,966,489
Amount due from an associated company	14	-	-	-	-
Tax recoverable		2,504,636	1,213,440	1,143	2,617
Fixed deposits with licensed banks	15	50,652,980	34,237,940	-	-
Cash and bank balances	16	51,204,756	24,665,458	178,482	110,266
Total current assets		498,331,465	392,234,451	406,575	14,084,372
Total assets		785,417,785	654,198,099	248,261,075	221,138,872

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
EQUITY					
Share capital	17	194,031,751	194,031,751	194,031,751	194,031,751
Reverse acquisition reserve	18	(91,000,000)	(91,000,000)	-	-
Retained earnings		70,490,393	53,816,419	12,608,559	6,949,006
Equity attributable to owners of the Company		173,522,144	156,848,170	206,640,310	200,980,757
Non-controlling interests		28,468,301	24,364,246	-	-
Total equity		201,990,445	181,212,416	206,640,310	200,980,757
LIABILITIES					
Non-current liabilities					
Trade payables	19	16,249,220	18,728,667	-	-
Sukuk liabilities	20	170,000,000	90,000,000	-	-
Bank borrowings	21	1,394,643	628,746	-	-
Lease liabilities	22	516,662	98,276	-	-
Deferred tax liabilities	23	9,528,987	10,251,985	-	-
Total non-current liabilities		197,689,512	119,707,674	-	-
Current liabilities					
Contract liabilities	11	33,242,248	12,235,372	-	-
Trade payables	19	219,870,454	250,618,811	-	-
Other payables	24	68,212,337	17,803,480	121,585	158,115
Amount due to subsidiary companies	13	-	-	26,499,180	-
Sukuk liabilities	20	15,000,000	15,000,000	-	-
Bank borrowings	21	48,672,407	55,164,093	15,000,000	20,000,000
Lease liabilities	22	200,650	1,458,013	-	-
Tax Payable		539,732	998,240	-	-
		385,737,828	353,278,009	41,620,765	20,158,115
Total liabilities		583,427,340	472,985,683	41,620,765	20,158,115
Total equity and liabilities		785,417,785	654,198,099	248,261,075	221,138,872

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Revenue from contract with customer		485,817,829	497,511,508	-	-
Concession finance income		16,346,928	16,799,154	-	-
Revenue from property development		8,460,102	-	-	-
Revenue from other sources		1,258,208	1,102,890	10,607,132	481
Total Revenue	25	511,883,067	515,413,552	10,607,132	481
Construction costs		(434,436,818)	(461,098,421)	-	-
Property development cost		(5,951,730)	-	-	-
Assets and facilities management and maintenance services		(4,315,336)	(2,470,948)	-	-
Changes in inventories of finished goods and work in progress		(2,862,214)	(1,131,521)	-	-
Other income		2,355,511	1,842,861	-	17
Employee benefit expenses		(9,065,096)	(8,811,423)	(328,000)	(281,000)
Depreciation and amortisation expenses		(14,285,334)	(14,619,782)	-	-
Other expenses		(9,541,982)	(5,849,942)	(1,120,996)	(605,569)
Net (loss)/gain on impairment of financial instruments		-	-	(22,000)	(18,100)
Finance costs	26	(8,552,159)	(8,916,891)	-	-
Profit/(Loss) before tax	27	25,227,909	14,357,485	9,136,136	(904,171)
Taxation	28	(2,917,128)	(1,968,486)	(1,650)	-
Profit/(Loss) for the financial year, representing total comprehensive income/(loss) for the financial year		22,310,781	12,388,999	9,134,486	(904,171)
Profit/(Loss) attributable to:					
Owner of the Parent		20,148,907	9,505,709	9,134,486	(904,171)
Non-controlling interest		2,161,874	2,883,290	-	-
		22,310,781	12,388,999	9,134,486	(904,171)
Total comprehensive profit/(loss) attributable to:					
Owner of the Parent		20,148,907	9,505,709	9,134,486	(904,171)
Non-controlling interest		2,161,874	2,883,290	-	-
		22,310,781	12,388,999	9,134,486	(904,171)
Earnings per share:					
- Basic and diluted earnings per share (sen)	29	2.90	1.37		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Group	Note	Attributable to Owners of the Parent				Non-Controlling Interests RM	Total Equity RM
		Share Capital RM	Non-Distributable	Distributable	Total RM		
			Reverse Acquisition Reserve RM	Retained Earnings RM			
At 1 January 2024		194,031,751	(91,000,000)	53,816,419	156,848,170	24,364,246	181,212,416
Profit for the financial year, representing total comprehensive income for the financial year		-	-	20,148,907	20,148,907	2,161,874	22,310,781
Transaction with owners:							
Acquisition of subsidiary company		-	-	-	-	1,942,181	1,942,181
Dividend on ordinary shares	31	-	-	(3,474,933)	(3,474,933)	-	(3,474,933)
Total transactions with owners		-	-	(3,474,933)	(3,474,933)	1,942,181	(1,532,752)
At 31 December 2024		194,031,751	(91,000,000)	70,490,393	173,522,144	28,468,301	201,990,445
At 1 January 2023		194,031,751	(91,000,000)	44,310,710	147,342,461	21,480,956	168,823,417
Profit for the financial year, representing total comprehensive income for the financial year		-	-	9,505,709	9,505,709	2,883,290	12,388,999
At 31 December 2023		194,031,751	(91,000,000)	53,816,419	156,848,170	24,364,246	181,212,416

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Company	Share Capital RM	Distributable	Total Equity RM
		Retained Earnings RM	
At 1 January 2024	194,031,751	6,949,006	200,980,757
Profit for the financial year, representing total comprehensive income for the financial year	-	9,134,486	9,134,486
Transaction with owners:			
Dividends on ordinary shares	-	(3,474,933)	(3,474,933)
At 31 December 2024	194,031,751	12,608,559	206,640,310
At 1 January 2023	194,031,751	7,853,177	201,884,928
Loss for the financial year, representing total comprehensive loss for the financial year	-	(904,171)	(904,171)
At 31 December 2023	194,031,751	6,949,006	200,980,757

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash Flows From Operating Activities				
Profit/(loss) before tax	25,227,909	14,357,485	9,136,136	(904,171)
Adjustments for:				
Amortisation of concession right	3,106,662	3,106,663	-	-
Depreciation of property, plant and equipment	11,178,672	11,513,119	-	-
Fair value adjustment on investment properties	-	(179,371)	-	-
(Gain)/loss on disposal of:				
- property, plant and equipment	(485,988)	(299,016)	-	-
- investment properties	(29,275)	131,736	-	-
Impairment loss on amount due from subsidiary companies	-	-	22,000	18,100
Interest expenses	8,552,159	8,916,891	-	-
Interest income	(1,714,962)	(1,536,842)	(7,132)	(481)
Dividend income	-	-	(10,600,000)	-
Property, plant and equipment written off	55,851	38,399	-	-
Redemption premium on Sukuk Wakalah	1,617,300	-	-	-
Operating profit/(loss) before working capital changes	47,508,328	36,049,064	(1,448,996)	(886,552)
Changes in working capital:				
Property development cost	(6,175,878)	-	-	-
Contract assets	(29,360,923)	3,029,430	-	-
Concession receivables	3,919,542	3,467,316	-	-
Trade and other receivables	104,295,238	(108,097,387)	-	7,274
Contract liabilities	21,006,876	(7,185,296)	-	-
Trade and other payables	(96,959,758)	81,497,341	(36,530)	(9,148)
	(3,274,903)	(27,288,596)	(36,530)	(1,874)
Cash generated from/(used in) operations	44,233,425	8,760,468	(1,485,526)	(888,426)
Tax refunded	75,199	4,463,707	-	-
Tax paid	(5,481,603)	(1,792,846)	(176)	(225)
	(5,406,404)	2,670,861	(176)	(225)
Net cash from/(used in) operating activities	38,827,021	11,431,329	(1,485,702)	(888,651)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Cash Flows From Investing Activities					
Interest received		1,533,725	1,837,680	7,132	481
Dividend received		-	-	10,600,000	-
Purchases of property, plant and equipment	4(a)	(6,688,992)	(7,216,482)	-	-
Purchases of investment properties		(1,589,121)	(283,532)	-	-
Repayment from subsidiary companies		-	-	40,221,719	955,771
Proceeds from disposals of property, plant and equipment		821,545	312,251	-	-
Proceeds from disposals of investment properties		919,275	717,000	-	-
Acquisition of a subsidiary company	7(b)	(36,202,130)	-	(40,800,000)	(99,900)
Changes in fixed deposits pledged with licensed banks		(19,415,039)	(1,918,011)	-	-
Changes in pledged cash and bank balances		172,276	(1,689,707)	-	-
Net cash (used in)/from investing activities		(60,448,461)	(8,240,801)	10,028,851	856,352
Cash Flows From Financing Activities					
Interest paid		(6,295,634)	(8,895,425)	-	-
Repayment of lease liabilities		(1,492,977)	(5,045,063)	-	-
Issuance of sukuk liabilities		185,000,000	-	-	-
Repayment of sukuk liabilities		(105,000,000)	(15,000,000)	-	-
Redemption premium on Sukuk Wakalah		(1,617,300)	-	-	-
Changes in bank borrowings		(21,786,141)	17,719,205	(5,000,000)	-
Dividend paid	31	(3,474,933)	-	(3,474,933)	-
Net cash generated from/(used in) financing activities		45,333,015	(11,221,283)	(8,474,933)	-
Net changes in cash and cash equivalents		23,711,575	(8,030,755)	68,216	(32,299)
Cash and cash equivalents at the beginning of the financial year		17,812,730	25,843,485	110,266	142,565
Cash and cash equivalents at the end of the financial year		41,524,305	17,812,730	178,482	110,266
Cash and cash equivalents at the end of the financial year comprises:					
Fixed deposits with licensed banks		50,652,980	34,237,940	-	-
Cash and bank balances		51,204,756	24,665,458	178,482	110,266
		101,857,736	58,903,398	178,482	110,266
Less: Fixed deposits pledged with licensed banks		(50,652,979)	(31,237,940)	-	-
Less: Pledged cash and bank balances		(86,192)	(9,690)	-	-
Less: Restricted cash and bank balances		(9,594,260)	(9,843,038)	-	-
		41,524,305	17,812,730	178,482	110,266

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

1. Corporate Information

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

The principal place of business and registered office of the Company are located at No. 39, Jalan SB Indah 1/19, Taman Sungai Besi Indah, 43300 Seri Kembangan, Selangor Darul Ehsan.

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of those activities of the Company and its subsidiary companies during the financial year.

2. Basis of Preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policies below.

Adoption of amended standards

During the financial year, the Group and the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Definition of Accounting Estimates

The adoption of the new standards and amendments to standards did not have any significant impact on the financial statements of the Group and of the Company.

Standards issued but not yet effective

The Group and the Company have not applied the following amendments to MFRSs that have been issued by MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107	Annual Improvements to MFRS Accounting Standards Volume 11	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability Disclosure	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

The Group and the Company intend to adopt the above MFRSs and amendments when they become effective.

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current year and prior year financial statements of the Group and the Company.

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency. All financial information is presented in RM and has been rounded to nearest RM, unless otherwise stated.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

The following are the judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Satisfaction of performance obligation in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations:

The Group recognises revenue over time in the following circumstances:

- (a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (b) the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and
- (c) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

Revenue from construction contracts

Construction revenue and costs are recognised over the period of the contract in the profit or loss by reference to the progress towards complete satisfaction of that performance obligation.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Revenue from construction contracts (Cont'd)

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

The progress towards complete satisfaction of performance obligation is measured based on the physical proportion of contract work-to-date certified by professional consultants. Significant judgement is required in determining the progress based on the certified work-to-date corroborated by the level of completion of the construction based on actual costs incurred to-date over the total estimated construction costs. The total estimated construction costs are based on approved budgets, which require assessments and judgments to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, the Group evaluates based on past experience, the work of specialists and a continuous monitoring mechanism.

The contract assets and contract liabilities of the Group arising from construction contracts are disclosed in Note 11.

Revenue from property development contracts

Property development costs comprise all costs that are directly attributable to the development activities including costs associated with the acquisition of land, costs related directly to a specific property development activity and costs attributable to the development activities in general can be allocated to the project.

Property development revenue comprises the selling price agreed in the sale and purchase agreement and any additional revenue due to variation in development work.

When the development and construction activities have commenced and the financial outcome of the development activities can be reliably estimated, property development revenue is recognised for the development units sold and determined by reference to the stage of completion of the development activity at the end of the reporting year. Stage of completion is determined based on the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

When the outcome of a property development activity cannot be estimated reliably, property development revenue is recognised only to the extent of the property development costs incurred that it is probable will be recoverable, and the associated property development costs on the development units sold are recognised as expense in the year in which they are incurred.

Any expected loss on a specific property development activity is recognised as an expense immediately (including any further costs expected to be incurred over the defects liability period).

Property development revenue and expenses recognised are immediately written back as soon as rescission or revocation of sale occurs.

Where revenue recognised in the statement of comprehensive income exceeds billings to purchasers, the balance is shown as accrued billings under trade receivables (within current assets). Where the billings to purchasers exceed revenue recognised in the statement of comprehensive income, the balance is shown as progress billings under trade payables (within current liabilities).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. Material Accounting Policies

The Group and the Company apply the material accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation**(i) Subsidiary companies**

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Acquisition method

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed off in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at fair value at the subsequent acquisition date and the resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(k)(i) to the financial statements on impairment of non-financial assets.

Reverse acquisition method

In connection with its initial public offering, the Company acquired the entire equity interest in Pesona Metro Sdn. Bhd. via the issuance of ordinary shares and became the legal holding company of the subsidiary company. The Company's continuing operations and executive management are those of the subsidiary company. Accordingly, the substance of the business combination was that the subsidiary company acquired the Company in a reverse acquisition and hence the directors adopted the reverse acquisition accounting as the basis of consolidation in order to give a true and fair view of the business combination. The application of the reverse acquisition method under MFRS 3 Business Combination resulted in the subsidiary company being identified as the acquirer of the Group for accounting purposes and accordingly the pre-acquisition reserve of the subsidiary company was accounted for as reverse acquisition reserve.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. Material Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(ii) Changes in ownership interests in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid or received and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiary companies

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date's fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (i.e. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequently when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(k)(i) to the financial statements on impairment of non-financial assets.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(k)(i).

(i) Measurement basis

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of an asset.

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the asset will flow to the Group and to the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

Depreciation is recognised in the profit or loss on straight-line basis to write off the cost of each asset over its estimated useful life. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for its intended use.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. Material Accounting Policies (Cont'd)**(b) Property, plant and equipment (Cont'd)****(ii) Subsequent costs (Cont'd)**

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Building	50 years
Motor vehicles	5 years
Office equipment	5 years
Furniture and fittings	5 years
Plant and machineries	10 years
Computers	3 ¹ / ₃ - 10 years
Renovation	5 years

The useful lives and depreciation method are reviewed at each reporting period end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in property, plant and equipment.

(c) Leases**(i) Group as a lessee**

- Right-of-use assets**

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land and building	Over the remaining lease period
Motor vehicles	5 years
Plant and machineries	10 years

- Lease liabilities**

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

- Short term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(d) Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequently, investment properties are measured at fair value which reflects market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment properties are recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. Material Accounting Policies (Cont'd)

(d) Investment properties (Cont'd)

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are valued by independent professionally qualified valuers, having appropriate recognised professional qualifications and recent experience in the locations and segments of the investment properties valued. The management team reviewed and discussed the valuations, including valuation processes, performed by the independent valuers for financial reporting purposes.

Investment properties are derecognised when either they are disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the profit or loss in the reporting period of retirement or disposal.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

(e) Intangible assets

(i) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair values at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(ii) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

See accounting policy Note 3(k)(i) to the financial statements on impairment of non-financial assets for intangible assets.

(f) Financial assets

Initial recognition and measurement

Financial assets of the Group are classified, at initial recognition, and subsequently measured at amortised cost and fair value through profit or loss whilst all financial assets of the Company are measured at amortised cost.

The Group's and the Company's financial assets at amortised cost and fair value through profit and loss are disclosed in Note 35(a).

The Group's financial assets at fair value through profit or loss includes investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. Material Accounting Policies (Cont'd)**(f) Financial assets (Cont'd)**Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group has performed its assessment based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. In making this assessment, the Group also takes into consideration that it would maintain its name as the registered owner of the properties until full settlement is made by the purchasers or the purchasers' end-financiers.

(g) Financial liabilitiesInitial recognition and measurement

Financial liabilities of the Group and the Company are classified, at initial recognition, as financial liabilities at amortised cost.

The Group's and the Company's financial liabilities at amortised cost are disclosed in Note 35(a).

(h) Property development costs and completed properties

Property under development consists of the costs of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities, including common costs such as the cost of constructing mandatory infrastructure and amenities and other related costs. The asset is subsequently recognised as an expense in profit or loss when and as the control of the asset is transferred to the customer.

Property development costs attributable to unsold properties, upon completion, are transferred to completed properties held for sale.

The cost of completed properties includes costs of land and related development cost or its purchase costs are incident cost of acquisition. Cost is determined on a specific identification basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable selling expenses.

(i) Contract assets and contract liabilities

Contract assets is the right to consideration for goods or services transferred to the customers. The Group's contract asset is the excess of revenue recognised over the billings to date and deposits or advances received from customers.

Where there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. The Group's contract liability is the excess of the billings to-date over the revenue recognised. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. Material Accounting Policies (Cont'd)

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, deposits with banks and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(k) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories, contract assets and investment property measured at fair value) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(ii) Financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. Material Accounting Policies (Cont'd)**(k) Impairment of assets (Cont'd)****(ii) Financial assets (Cont'd)**

For trade receivables, other receivables, contract assets and inter-company balances, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(l) Share capital**(i) Ordinary shares**

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(ii) Distribution of non-cash assets to owners of the Company

The distribution of non-cash assets to owners is recognised as dividend payable when the dividend was approved by shareholders. The dividend payable is measured at the fair value of the assets to be distributed. At the end of the reporting period and on the settlement date, the Company reviews the carrying amount of the dividend payable, with any changes in the fair value of the dividend payable recognised in equity. When the Company settles the dividend payable, the difference between the carrying amount of the dividend distributed and the carrying amount of the dividend payable is recognised as a separate line item in profit or loss.

(m) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group and the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

(i) Warranties

Provisions for the expected cost of warranty obligations are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Group's obligation. The Group does not provide such service-type warranties on products.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. Material Accounting Policies (Cont'd)

(m) Provisions (Cont'd)

(ii) Onerous Contract

Provision for onerous contracts are recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

(n) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensation absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(o) Revenue recognition

(i) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised good or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Groups recognises revenue from the following major sources:

(a) Revenue from construction contracts

A construction contract is a contract specifically negotiated for the construction of an assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use. Hence, it is accounted for as a single performance obligation.

Revenue and profit for construction contracts are recognised over time arising from the fulfillment of the following criteria:

- (i) The customer of the construction contracts simultaneously receives and consumes the benefits provided as the construction service progress.
- (ii) The construction service relates to the creation or enhancement of an asset or a combination of assets which the customer controls.
- (iii) The construction service does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. Material Accounting Policies (Cont'd)**(o) Revenue recognition (Cont'd)****(i) Revenue from contracts with customers (Cont'd)****(a) Revenue from construction contracts (Cont'd)**

Revenue is recognised over the period of the contract using the input method to measure the progress towards complete satisfaction of the performance obligations under the construction contract by reference to the actual cost incurred for work performed to-date, i.e. based on the level of completion of the physical proportion of contract work to-date certified by professional accountants over the estimated total costs for each contract.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the reporting date. The state of completion of a construction contract is determined based on the proportion that the contract cost incurred for work performed to-date bear to the estimated total cost for the contract.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agree in the contract and variations in the contract work and claims that can be measured reliably. A variation or a claim is only included in contract revenue when it is probable that the customer will approve the variation or negotiations have reached an advanced stage such that it is probable that the customer will accept the claim. Variation claim gives rise to variable consideration which is estimated at either the expected value or most likely amount and included in revenue to the extent that it is highly probable that the revenue will not be reversed. No element of financing is deemed present as the payment schedule and credit term as disclosed as it to the financial statements are consistent with the market practice.

The customer pay according to the progress claim submitted to them based on the progress of the construction measured over time. If the construction services rendered by the Group exceed the payments, a contract asset is recognised. If the payments exceed the construction services rendered, a contract liability is recognised. Further details on the accounting policy of contract assets and contract liabilities are disclosed in Note 3(i) to the financial statements.

(b) Revenue from property development

The Group recognises revenue from property development over time when control over the property has been transferred to the customers. The properties have no alternative use to the Group due to contractual restriction and the Group has an enforceable right to payment for performance completed to-date. Revenue from property development is measured at the fixed transaction price agreed under the sales and purchase agreement

Revenue is recognised over the period of the contract using input method to measure the progress towards complete satisfaction of the performance obligations under the sale and purchase agreement, i.e. based on the proportion of property development costs incurred for work performed up to the end of the reporting period as a percentage of the estimated total costs of development of the contract.

The Group becomes entitled to invoice customers for construction of promised properties based on achieving a series of performance-related milestones (i.e. progress billing). The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the progress billing exceeds the revenue recognised to-date, the Group recognises a contract liability for the difference. There is not considered to be a significant financing component in contracts with customers as the period between the recognition of revenue and the progress billing is always less than one year.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. Material Accounting Policies (Cont'd)

(o) Revenue recognition (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

(b) Revenue from property development (Cont'd)

Revenue from sale of completed properties is recognised at a point in time, being when the control of the properties has been passed to the purchasers. And, it is probable that the Group will collect the considerations to which it will be entitled to in exchange for the properties sold.

The Group provides warranties for general repairs of defects as required by law. These assurance-type warranties are accounted for under MFRS 137 *Provision, Contingent Liabilities and Contingent Assets*.

(c) Sale of goods

The Group manufactures and trading of polyurethane products and construction materials. Revenue from sale of goods is recognised at the point in time upon control of the products has transferred, being the products are delivered to the customer.

Following delivery of the goods to the customers, the customers have full discretion over the goods, and bears the risks of obsolescence and loss in relation to the goods.

Revenue is recognised based on the price specified in the contract net of the rebates, discounts and taxes. Under the standard contract terms, customers have a right of return within 30 days. At the point of sale, a refund liability and a corresponding adjustment to revenue are recognised for those product expected to be returned. At the same time, it has a right to recover the product when customers exercise their right of return, so consequently recognises a right to returned goods asset and a corresponding adjustment to the cost of inventories recognised in profit or loss. The Group does not have such contract terms with its customers on right of return.

A receivable is recognised by the Group when the goods are delivered as this represents the point in time at which the right to consideration is unconditional, because only the passage of time is required before payment is due. No element of financing is deemed present as the revenue recognised with a credit term of 30 to 120 days which is consistent with market practice.

Revenue from maintenance and management services in relation to the concession is recognised based on monthly fixed fee (at point in time) during the period of concession.

(d) Concession finance income

Concession finance income in relation to the concession is recognised over the concession period based on the Concession Agreement with the Government of Malaysia.

(e) Rental income

Rental income is accounted for on a straight-line basis over the lease terms.

(f) Commission income

Commission income is recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided and has a present right to payment for the services.

(ii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. Material Accounting Policies (Cont'd)**(o) Revenue recognition (Cont'd)**Significant financing component

The Group receives short-term advances from its customers. Using the practical expedient in MFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that goods or service will be one year or less.

(p) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(q) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period, except for investment properties carried at fair value model. Where investment properties measured using fair value model, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying amounts at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. Material Accounting Policies (Cont'd)

(r) Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

(s) Service concession arrangements

The Group recognises the consideration received or receivable as a financial asset to the extent that it has an unconditional right to receive cash or another financial asset for the construction services. Financial assets are accounted for in accordance with the accounting policy set out in Note 3(h) to the financial statements.

When the Group has contractual obligations that it must fulfill under the agreement:

- (i) to maintain the infrastructure to a specified standard; or
- (ii) to restore the infrastructure when the infrastructure has deteriorated below a specified condition.

The Group recognises and measures these contractual obligations in accordance with the accounting policy for provisions in Note 3(q) to the financial statements. Repairs and maintenance and other expenses that are routine in nature are expensed and recognised in profit or loss as incurred.

(t) Fair value measurement

Fair value of an asset or a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer of the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

4. Property, Plant and Equipment

	At Cost					
	At 1 January RM	Additions RM	Acquisitions through business combination RM	Disposals RM	Written off RM	Reclassification RM
Group						
2024						
Freehold land	3,358,392	-	-	-	-	-
Building	151,808	-	-	-	-	-
Long term leasehold land and building						
- ROU	7,609,349	-	-	-	-	-
Motor vehicles						
- Owned	9,548,930	23,321	-	(1,738,200)	-	436,700
- ROU	436,700	827,871	-	-	-	(436,700)
Office equipment	3,672,123	60,732	106,011	(158,650)	(32,175)	-
Furniture and fittings	354,684	1,300	1,105	-	-	-
Plant and machineries						
- Owned	120,060,798	6,353,666	-	(751,428)	(76,473)	12,924,757
- ROU	13,528,237	-	-	-	-	(12,924,757)
Computers	2,785,477	76,102	60,250	-	(1,180)	-
Renovation	1,829,777	-	944,798	-	-	-
	163,336,275	7,342,992	1,112,164	(2,648,278)	(109,828)	-
						169,033,325

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

4. Property, Plant and Equipment (Cont'd)

	Accumulated depreciation						Carrying amount
	At 1 January RM	Acquisitions through business combination RM	Disposals RM	Charge for the financial year RM	Written off RM	Reclassification RM	At 31 December RM
Group							
2024							
Freehold land	-	-	-	-	-	-	3,358,392
Building	45,034	-	-	3,036	-	-	103,738
Long term leasehold land and building							
- ROU	752,687	-	-	92,304	-	-	6,764,358
Motor vehicles							
- Owned	9,506,902	-	(1,728,879)	28,466	(25,875)	422,144	42,118
- ROU	422,144	-	-	41,238	-	(422,144)	786,633
Office equipment	3,349,300	62,064	(158,650)	201,090	-	-	220,112
Furniture and fittings	353,169	92	-	1,418	-	-	2,410
Plant and machineries							
- Owned	90,726,174	-	(425,192)	10,679,560	(26,923)	6,385,108	31,172,593
- ROU	6,586,268	-	-	60,348	-	(6,385,108)	341,972
Computers	2,737,168	9,243	-	39,719	(1,179)	-	135,698
Renovation	1,829,777	384,600	-	31,493	-	-	528,705
	116,308,623	455,999	(2,312,721)	11,178,672	(53,977)	-	43,456,729

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

4. Property, Plant and Equipment (Cont'd)

	At Cost						
	At 1 January RM	Additions RM	Disposals RM	Written off RM	Reclassification RM	Transfer to investment property RM	At 31 December RM
Group							
2023							
Freehold land	3,358,392	-	-	-	-	-	3,358,392
Building	151,808	-	-	-	-	-	151,808
Long term leasehold land and building							
- ROU	9,105,967	-	-	-	-	(1,496,618)	7,609,349
Motor vehicles							
- Owned	9,603,121	47,310	(281,501)	-	180,000	-	9,548,930
- ROU	616,700	-	-	-	(180,000)	-	436,700
Office equipment	3,791,928	51,446	(135,651)	(35,600)	-	-	3,672,123
Furniture and fittings	355,145	-	-	(461)	-	-	354,684
Plant and machineries							
- Owned	93,352,553	7,102,166	(418,000)	(43,396)	20,067,475	-	120,060,798
- ROU	33,595,712	-	-	-	(20,067,475)	-	13,528,237
Computers	2,769,917	15,560	-	-	-	-	2,785,477
Renovation	1,829,777	-	-	-	-	-	1,829,777
	158,531,020	7,216,482	(835,152)	(79,457)	-	(1,496,618)	163,336,275

NOTES TO THE FINANCIAL STATEMENTS

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4. Property, Plant and Equipment (Cont'd)

	Accumulated depreciation						
	At 1 January RM	Charge for the financial year RM	Disposals RM	Written off RM	Reclassification RM	Transfer to investment property RM	At 31 December RM
Group							
2023							
Freehold land	-	-	-	-	-	-	-
Building	41,998	3,036	-	-	-	-	45,034
Long term leasehold land and building							
- ROU	995,307	92,303	-	-	-	(334,923)	752,687
Motor vehicles							
- Owned	9,591,280	53,123	(281,501)	-	144,000	-	9,506,902
- ROU	478,804	87,340	-	-	(144,000)	-	422,144
Office equipment	3,242,646	253,397	(122,416)	(24,327)	-	-	3,349,300
Furniture and fittings	352,399	1,230	-	(460)	-	-	353,169
Plant and machineries							
- Owned	72,403,203	9,552,784	(418,000)	(16,271)	9,204,458	-	90,726,174
- ROU	14,358,578	1,432,148	-	-	(9,204,458)	-	6,586,268
Computers	2,699,410	37,758	-	-	-	-	2,737,168
Renovation	1,829,777	-	-	-	-	-	1,829,777
	105,993,402	11,513,119	(821,917)	(41,058)	-	(334,923)	116,308,623

NOTES TO THE FINANCIAL STATEMENTS

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4. Property, Plant and Equipment (Cont'd)

	Accumulated depreciation			Carrying amount	
	At 1 January RM	Impairment for the year RM	Disposals RM	At 31 December RM	At 31 December RM
Group					
2023					
Freehold land	-	-	-	-	3,358,392
Building	-	-	-	-	106,774
Long term leasehold land and building					
- ROU	-	-	-	-	6,856,662
Motor vehicles					
- Owned	-	-	-	-	42,028
- ROU	-	-	-	-	14,556
Office equipment	-	-	-	-	322,823
Furniture and fittings	132,366	-	(132,366)	-	1,515
Plant and machineries					
- Owned	4,128,003	-	(4,128,003)	-	29,334,624
- ROU	-	-	-	-	6,941,969
Computers	10,908	-	(10,908)	-	48,309
Renovation	78,322	-	(78,322)	-	-
	4,349,599	-	(4,349,599)	-	47,027,652

(a) The long term leasehold land and building's remaining period of lease term is 67 (2023: 68) years.

(b) Assets held under finance leases arrangement

Included in the property, plant and equipment of the Group under finance leases arrangement with carrying amount are as follows:

	Group	
	2024 RM	2023 RM
Plant and machineries	341,972	6,941,969
Motor vehicles	786,633	14,556
	1,128,605	6,956,525

The leased assets are pledged for the related financing facilities as disclosed in Note 21 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

4. Property, Plant and Equipment (Cont'd)

- (c) The aggregate additional cost for property, plant and equipment of the Group during the financial year acquired under finance lease arrangement and cash payment are as follows:

	Group	
	2024 RM	2023 RM
Aggregate costs	7,342,992	7,216,482
Less: Lease financing (Note 22)	(654,000)	-
Cash payments	6,688,992	7,216,482

5. Investment Properties

	Freehold land and buildings RM	Leasehold land and buildings RM	Capital work-in progress RM	Total RM
Group				
2024				
At 1 January	6,600,000	3,680,000	-	10,280,000
Additions	1,354,378	-	234,743	1,589,121
Disposal	(890,000)	-	-	(890,000)
At 31 December	7,064,378	3,680,000	234,743	10,979,121
2023				
At 1 January	7,453,944	1,634,606	415,588	9,504,138
Transfer from property, plant and equipment	-	1,161,695	-	1,161,695
Additions	-	-	283,532	283,532
Recalssification	-	699,120	(699,120)	-
Change in fair value recognised in profit and loss	(5,208)	184,579	-	179,371
Disposal	(848,736)	-	-	(848,736)
At 31 December	6,600,000	3,680,000	-	10,280,000

- (a) Investment properties under leases

Investment properties of a subsidiary company refer to three lots of freehold land and buildings and two lots of leasehold land and buildings that are leased to third companies. Each of the leases is subsequently renewed and negotiated with the lessee on an average renewal period of 2 years. No contingent rents are charged.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

5. Investment Properties (Cont'd)

(b) Fair value basis of investment properties

The investment properties are re-measured annually at fair value based on market values determined by independent qualified valuers amounting to RM10,979,121 (2023: RM10,280,000). The independent professional qualified valuers hold recognised relevant professional qualifications and have recent experience in the locations and segment of the investment properties valued. There was no material transfer between Level 1, Level 2 and Level 3 during the current financial year.

	Level 2 RM	Total RM
Group		
2024		
Commercial properties	10,979,121	10,979,121
2023		
Commercial properties	10,280,000	10,280,000

Level 2 fair value

The fair values have been derived using the sales comparison approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as location and property size. The most significant input into this valuation approach is price per square foot of comparable properties.

(c) Income and expenses recognised in profit or loss

The following are recognised in profit or loss in respect of investment properties:

	Group 2024 RM	2023 RM
Rental income	376,203	321,210
Direct operating expenses:		
- income generating investment properties	38,649	21,185

(d) Investment properties under construction

Investment properties under construction which are stated at cost comprise service apartments under construction in Malaysia. Management concludes that due to the nature and amount of remaining projects risks, the fair value cannot be reliably determined.

(e) Investment property of the Group amounting to RM2,549,121 (2023: RM1,850,000) has been charged to secure banking facilities granted as disclosed in Note 21 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

6. Intangible Assets

	Goodwill on Consolidation RM	Concession Right RM	Total RM
Group			
2024			
Cost			
At 1 January	3,034,543	62,133,241	65,167,784
Acquisition of a subsidiary company [Note 7(b)]	38,778,547	-	38,778,547
At 1 January/31 December	41,813,090	62,133,241	103,946,331
Accumulated amortisation and impairment losses			
At 1 January	3,034,543	19,416,638	22,451,181
Amortisation for the financial year	-	3,106,662	3,106,662
At 31 December	3,034,543	22,523,300	25,557,843
Carrying Amount			
At 31 December	38,778,547	39,609,941	78,388,488
Group			
2023			
Cost			
At 1 January/31 December	3,034,543	62,133,241	65,167,784
Accumulated amortisation and impairment losses			
At 1 January	3,034,543	16,309,975	19,344,518
Amortisation for the financial year	-	3,106,663	3,106,663
At 31 December	3,034,543	19,416,638	22,451,181
Carrying Amount			
At 31 December	-	42,716,603	42,716,603

(a) Goodwill on consolidation

Acquisition of Gaya Kuasa Sdn. Bhd. ("GKSB")

Goodwill on consolidation has been allocated to the Group's cash generating unit ("CGU") identified according to the business segment as property development.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

6. Intangible Assets (Cont'd)**(a) Goodwill on consolidation (Cont'd)**Acquisition of Gaya Kuasa Sdn. Bhd. ("GKSB")(Cont'd)

The recoverable amount of the CGU is determined based on value-in-use calculation using cash flow projections approved by the management covering the three-year property development period. The key assumption used for value-in-use calculation is based on future projections of the Group in Malaysia as follows:

	Growth Rate %	Discount Rate %
2024		
Gaya Kuasa Sdn. Bhd.	(i)	9.16

(i) Growth rate : Not applicable for property development segment as the cash flow projections made is for a period of 3 years, in accordance with the expected life cycle of the CGU.

(ii) Discount rate (pre-tax) : The pre-tax discount rate reflects specific risks relating to the relevant CGU.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources. The management believes that a reasonably possible change in the key assumptions on which management has based on its determination of the CGU's recoverable amount would not cause the CGU's carrying amount to exceed its recoverable amount.

Sensitivity test

The management believes that a reasonably possible change in the above key assumptions on which management has based on its determination of the CGU's recoverable amount would not cause the CGU's carrying amount to exceed its recoverable amount.

(b) Concession right

This is a 20-year concession (expected to expire in 2037) granted by the Government of Malaysia to Budaya Positif Sdn. Bhd., a wholly-owned subsidiary company of SEP Resources (M) Sdn. Bhd. in which 70% owned subsidiary company of the Company, for design, development and maintenance of the Student's Residential Building Blocks ("Student Hostel") of Universiti Malaysia Perlis ("UNIMAP") in Padang Siding, Perlis Indera Kayangan, as disclosed in Note 8 to the financial statements.

The concession right is amortised over the concession period and of an average remaining amortisation period of 12 years (2023: 13 years).

Impairment testing for concession right

No impairment assessment was performed on the concession right as there was no indication of impairment during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

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7. Investments in Subsidiary Companies

	Company	
	2024 RM	2023 RM
In Malaysia		
Unquoted shares, at cost	210,070,798	209,970,898
Addition	40,800,000	99,900
Less: Accumulated impairment loss	(3,016,298)	(3,016,298)
	247,854,500	207,054,500

Movement in the allowance for impairment losses of investments in subsidiary companies are as follows:

	Company	
	2024 RM	2023 RM
At 1 January/31 December	3,016,298	3,016,298

The impairment loss was recognised due to impairment indicators noted, where the subsidiary companies reported continuous losses. The impairment loss was recognised in expenses in the statements of profit or loss and other comprehensive income.

Details of the subsidiary companies are as follows:

Name of company	Place of business/ country of incorporation	Effective interest		Principal activities
		2024 %	2023 %	
Pesona Metro Sdn. Bhd.	Malaysia	100	100	Engage in construction work
Pesona Asset Management Sdn. Bhd.	Malaysia	100	100	Building maintenance services
Megah Mestika Sdn. Bhd.	Malaysia	100	100	Investment holding
SEP Resources (M) Sdn. Bhd.	Malaysia	70	70	Investment holding
Lumayan Metro Sdn. Bhd.	Malaysia	100	100	Property development and construction work
Gaya Kuasa Sdn. Bhd.	Malaysia	51	-	Real property development
Held through Pesona Metro Sdn. Bhd.:				
Imej Mayang Sdn. Bhd.	Malaysia	100	100	Trading and supply of ready-mixed concrete and to carry on business as insurances brokers and agents
Insamewah Sdn. Bhd.	Malaysia	100	100	Trading in construction materials
Ratus Syabas Sdn. Bhd.	Malaysia	100	100	Property investment holding and construction works

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

7. Investments in Subsidiary Companies (Cont'd)

Details of the subsidiary companies are as follows: (Cont'd)

Name of company	Place of business/ country of incorporation	Effective interest		Principal activities
		2024 %	2023 %	
<i>Held through Megah Mestika Sdn. Bhd.:</i>				
Awana Infra Sdn. Bhd.	Malaysia	100	100	Investment holding
<i>Held through SEP Resources (M) Sdn. Bhd.:</i>				
Budaya Positif Sdn. Bhd.	Malaysia	70	70	Development of facilities through private finance initiatives

(a) Material partly-owned subsidiary companies

Set out below are the Group's subsidiary companies that have material non-controlling interests:

Name of Company	Proportion of ownership interests and voting rights held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
	2024 %	2023 %	2024 RM	2023 RM	2024 RM	2023 RM
SEP Resources (M) Sdn. Bhd. and its subsidiary company ("SEP" Group)	30	30	1,645,268	2,883,290	26,009,514	24,364,246

Name of Company	Proportion of ownership interests and voting rights held by non- controlling interests	Profit allocated to non-controlling interests	Accumulated non-controlling interests
	2024 %	2024 RM	2024 RM
Gaya Kuasa Sdn. Bhd. ("GKSB")	49	516,006	2,458,787

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

7. Investments in Subsidiary Companies (Cont'd)

(a) Material partly-owned subsidiary companies (Cont'd)

Summarised financial information for each subsidiary company that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company elimination.

(i) Summarised statements of financial position

	SEP Group		GKSB
	2024 RM	2023 RM	2024 RM
Non-current assets	117,612,866	121,416,635	620,882
Current assets	138,206,946	46,944,141	138,866,110
Non-current liabilities	(170,394,049)	(90,000,000)	(22,601)
Current liabilities	(28,627,313)	(29,407,616)	(134,446,459)
Net assets	56,798,450	48,953,160	5,017,932

(ii) Summarised statements of profit or loss and other comprehensive income

	SEP Group		GKSB
	2024 RM	2023 RM	2024 RM
Revenue	32,214,322	29,933,346	8,460,102
Profit for the financial year, representing total comprehensive income for financial year	7,845,290	11,972,029	1,054,297

(iii) Summarised statements of cash flows

	SEP Group		GKSB
	2024 RM	2023 RM	2024 RM
Net cash from/(used in) operating activities	17,914,946	22,556,828	(743,372)
Net cash (used in)/from investing activities	(83,468,905)	5,575,174	(1,440)
Net cash from/(used in) financing activities	66,892,119	(28,051,477)	449,521
Net changes in cash and cash equivalents	1,338,160	80,525	(295,291)

(b) Acquisition of subsidiary companies

During the financial year

On 18 October 2024, the Company completed the acquisition of 51% equity interest in Gaya Kuasa Sdn. Bhd. ("GKSB"). The total cash consideration was RM40,800,000.

NOTES TO THE FINANCIAL STATEMENTS

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7. Investments in Subsidiary Companies (Cont'd)

(b) Acquisition of subsidiary companies (Cont'd)

During the financial year (Cont'd)

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	2024 RM
Identifiable assets acquired and liabilities assumed	
Property, plant and equipment (Note 4)	656,165
Property development costs (Note 10)	93,925,819
Contract assets (Note 11)	17,092,301
Trade receivables	11,384,273
Others receivables, deposits and prepayment	4,268,418
Tax recoverable	6,027
Fixed deposits with licensed financial institution	877,575
Cash and bank balances	3,720,295
Trade payables	(38,636,390)
Other payables and accrued liabilities	(73,220,051)
Deferred tax liabilities (Note 23)	(22,601)
Bank borrowings	(16,088,197)
	<u>3,963,634</u>
Net cash outflows arising from acquisition of a subsidiary company	
Purchase consideration settled in cash	40,800,000
Less: Cash in hand of subsidiary acquired	(4,597,870)
Net cash outflows arising from acquisition of subsidiary	<u>36,202,130</u>
Goodwill arising from acquisition	
Fair value of consideration transferred	40,800,000
Non-controlling interest, based on their proportionate interest in the recognised amounts of the assets of the acquiree	1,942,181
Fair value of identifiable assets acquired	<u>(3,963,634)</u>
	<u>38,778,547</u>

In previous financial year

On 30 January 2023, Lumayan Metro Sdn. Bhd. ("LMSB"), a wholly owned subsidiary company of the Company increased its paid-up capital from RM100 to RM100,000 by issuance of 99,900 new ordinary shares. Consequently, the Company has subscribed for additional 99,900 shares in LMSB for a total cash consideration of RM99,900. Hence, LMSB remains as a wholly-owned subsidiary of the Company.

NOTES TO THE FINANCIAL STATEMENTS

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8. Concession Receivables

	Group	
	2024 RM	2023 RM
Concession receivables:		
- Non-current	116,984,940	121,415,691
- Current	4,430,751	3,919,542
	<u>121,415,691</u>	<u>125,335,233</u>

In 2013, a subsidiary company, Budaya Positif Sdn Bhd had entered into a Concession Agreement ("CA") with the Government of Malaysia and UNIMAP for the design, development and maintenance of Student Hostel for UNIMAP in Padang Siding, Perlis Indera Kayangan through Public Private Partnership ("the Project"). The construction period of the Project is 2.5 years, thereafter, followed by maintenance of the Project for a period of 20 years ("Concession Period").

In consideration of the subsidiary company completed and making available the Student Hostel, and subject to the terms and conditions of the CA, UNIMAP shall pay a sublease rental and asset management service charges on a monthly basis until the end of the Concession Period, at rates which are stipulated in the CA.

The movement of the concession receivables during the financial year are as follows:

	Group	
	2024 RM	2023 RM
Concession receivables:		
At 1 January	125,335,233	128,802,549
Transferred to trade receivables	(20,266,470)	(20,266,470)
Concession finance income (Note 25)	16,346,928	16,799,154
At 31 December	<u>121,415,691</u>	<u>125,335,233</u>

9. Trade Receivables

	Group	
	2024 RM	2023 RM
Non-current		
Retention sums		
- third parties	37,277,042	35,114,264
- related parties	-	5,409,438
(b)	<u>37,277,042</u>	<u>40,523,702</u>

NOTES TO THE FINANCIAL STATEMENTS

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9. Trade Receivables (Cont'd)

	Group	
	2024 RM	2023 RM
Current		
Trade receivables		
- third parties	153,160,341	216,149,276
- related parties	-	9,759,120
(a)	153,160,341	225,908,396
Retention sums		
- third parties	44,049,357	46,644,692
- related parties	-	10,000,000
(b)	44,049,357	56,644,692
	197,209,698	282,553,088
	234,486,740	323,076,790

(a) Trade receivables

Trade receivables are recognised at amount stated on their original certificate of claims which represent their fair value on initial recognition.

The Group's normal trade credit terms are from 30 days to 90 days (2023: 30 days to 90 days). Other credit terms are assessed and approved on a case by case basis.

(b) The retention sums of the Group relating to construction work-in-progress are unsecured, interest-free and are expected to be collected as follows:

	Group	
	2024 RM	2023 RM
Within one year	44,049,357	56,644,692
After one year	37,277,042	40,523,702
	81,326,399	97,168,394

NOTES TO THE FINANCIAL STATEMENTS

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10. Land Held for Property Development and Property Development Cost

	Group 2024 RM
Leasehold land, at cost	
At beginning of financial year	-
Acquisition through business combination	19,978,323
At end of financial year	19,978,323
Cumulative property development costs	
At beginning of financial year	-
Acquisition through business combination	375,666,066
Recognised during the year	12,127,608
At end of financial year	387,793,674
Total land cost and development expenditure	407,771,997
Cumulative cost recognised in profit or loss	
Less: Cost recognised in profit or loss	
At beginning of financial year	-
Acquisition through business combination	301,718,570
Recognised during the year	5,951,730
At end of financial year	307,670,300
Carrying amount	
At end of financial year	100,101,697

Leasehold land of the Group amounting to RM19,978,323 has been charged to secure banking facilities granted as disclosed in Note 21 to the financial statements.

11. Contract Assets/(Liabilities)

		Group 2024 RM	2023 RM
Contract assets			
Construction activities	(a)	36,612,343	12,685,914
Property development activities	(b)	22,526,7945	-
		59,139,1378	12,685,914
Contract liabilities			
Construction activities	(a)	(33,242,248)	(12,235,372)
Property development activities	(b)	-	-
		(33,242,248)	(12,235,372)

NOTES TO THE FINANCIAL STATEMENTS

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11. Contract Assets/(Liabilities) (Cont'd)

(a) Construction activities

	Group	
	2024 RM	2023 RM
Contract costs incurred to date	957,408,158	527,001,286
Add: Attributable profits	33,363,477	9,407,574
	990,771,635	536,408,860
Less: Progress billings	(987,401,540)	(535,958,318)
	3,370,095	450,542
Presented as:		
Contract assets	36,612,343	12,685,914
Contract liabilities	(33,242,248)	(12,235,372)
	3,370,095	450,542

The contract assets primarily relate to the Group's rights to consideration for work completed on construction contracts but not yet billed at the reporting date. Typically, the amount generally will be billed within 90 days and payment is expected within 60 days.

The contract liabilities primarily relate to the advance consideration received from a customer for a construction contract, which revenue is recognised over time during the construction. The contract liabilities as expected to be recognised as revenue over a period of 90 days.

The transaction price allocated to the performance obligations that are unsatisfied (or partially satisfied) as at 31 December 2024 is RM3,039,494,771 (2023: RM1,008,329,665) where the Group expects to recognise it as revenue over the next 3 (2023: 3) years.

(b) Property development activities

	2024 RM
Property development revenue recognised to date	
At beginning of financial year	-
Acquisition through business combination	51,598,716
Recognised during the year	8,460,102
At end of financial year	60,058,818
Less: Progress billings	
At beginning of financial year	-
Acquisition through business combination	(34,506,415)
Recognised during the year	(3,025,608)
At end of financial year	(37,532,023)
Presented as:	
Contract assets	22,526,795

NOTES TO THE FINANCIAL STATEMENTS

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11. Contract Assets/(Liabilities) (Cont'd)

(b) Property development activities (Cont'd)

Contract assets in relation to property development activities represent the excess of revenue recognised in profit or loss over billings to purchasers as at the reporting date. This unbilled amount for work completed will be transferred to trade receivables when the right to bill becomes unconditional.

The costs incurred to date on construction contracts include the following charges made during the financial year:

		Group	
	Note	2024 RM	2023 RM
Short-term leases:			
- Plant and machineries		6,314,057	3,333,319
- Premises		146,280	105,400
Secondment of staff	30	2,957,058	2,551,135
Staff costs:			
- Salaries and other emoluments	30	30,309,886	22,885,541
- EPF contribution	30	1,547,171	1,115,542

12. Other Receivables

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other receivables	27,749,132	29,337,915	4,500	4,500
Deposits	4,542,952	3,227,295	500	500
Prepayments	795,725	393,859	-	-
	33,087,809	32,959,069	5,000	5,000

Included in the Group's other receivables are advances to sub-contractors amounting to RM22,622,822 (2023: RM27,523,234) and advance payments made to acquire property, plant and equipment amounting to RM1,753,986 (2023: RM738,651).

13. Amount Due from/(to) Subsidiary Companies

	Company	
	2024 RM	2023 RM
Amount due from subsidiary companies	427,370	14,149,909
Less: Accumulated impairment losses	(205,420)	(183,420)
	221,950	13,966,489
Amount due to subsidiary companies	(26,499,180)	-

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13. Amount Due from/(to) Subsidiary Companies (Cont'd)

Non-trade balances are unsecured, interest-free advances and are repayable on demand.

Movement in the allowance for impairment losses of amount due from subsidiary companies are as follows:

	Company	
	2024 RM	2023 RM
Company		
Credit impaired		
At 1 January	183,420	165,320
Impairment loss recognised	22,000	18,100
At 31 December	205,420	183,420

Amount due from subsidiary companies that are individually determined to be impaired at the reporting date relate to receivables that are in significant financial difficulties and have defaulted on payments.

14. Amount Due from an Associated Company

	Group and Company	
	2024 RM	2023 RM
Amount due from an associated company	2,300,000	2,300,000
Less: Accumulated impairment loss	(2,300,000)	(2,300,000)
	-	-

Non-trade balance is unsecured, interest-free advances and is repayable on demand.

There is no movement in the allowance for impairment losses on amount due from an associated company during the financial year.

15. Fixed Deposits with Licensed Banks

The fixed deposits of the Group amounting to RM50,652,980 (2023: RM34,237,940) are pledged to licensed banks as security for banking borrowings and sukuk liabilities granted to the Group as disclosed in Note 20 and 21 to the financial statements.

The interest rates of fixed deposits of the Group range from 2.25% to 3.72% (2023: 1.55% to 3.50%) per annum and mature with range from 1 month to 12 months (2023: 1 month to 12 months).

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16. Cash held under Housing Development Accounts and Cash and Bank Balances

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	50,446,346	24,665,458	178,482	110,266
Housing Developments Accounts	758,410	-	-	-
	51,204,756	24,665,458	178,482	110,266

Cash held under the Housing Development Accounts are not freely available or use represent monies received from purchasers of residential properties less payments or withdrawals in accordance with the Housing Development (Controls and Licensing) Act, 1966, as amended by the Housing Developers (Housing Development Account) (Amendment) Regulations, 2002.

The interest rates of cash held under Housing Development Accounts at the reporting date bearing interest ranging from 1.30% to 1.47% per annum.

Included in cash and bank balances is an amount of RM86,192 (2023: RM9,690) pledged to Sukuk liabilities issued by a subsidiary company as disclosed in Note 20 to the financial statement and an amount of RM9,594,260 (2023: RM9,843,038) is cash restricted for payment of concession project.

17. Share Capital

	Group and Company			
	Number of shares Units		Amount	
	2024	2023	2024	2023
Issued and fully paid				
At 1 January/ 31 December	694,986,660	694,986,660	194,031,751	194,031,751

The holders of ordinary shares are entitled to receive dividends as declared from time to time and entitled to one vote per share at meetings of the Company. All ordinary shares carry rank equally with regard to the Company's residual assets.

18. Reverse Acquisition Reserve

	Group	
	2024 RM	2023 RM
Issued and paid up share capital of the Company (legal holding) after reverse acquisition of Pesona Metro Sdn. Bhd.	96,000,000	96,000,000
Reversal of PMSB's share capital pursuant to reverse acquisition exercise	(5,000,000)	(5,000,000)
Reverse acquisition reserve	91,000,000	91,000,000

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19. Trade Payables

	Group	
	2024 RM	2023 RM
Non-current		
Retention sum on contracts	16,249,220	18,728,667
Current		
Trade payables	151,890,310	168,695,995
Trade accruals	31,059,532	47,969,360
Retention sum on contracts	36,920,612	33,953,456
	219,870,454	250,618,811
	236,119,674	269,347,478

Included in trade accruals is mainly the provision for costs to complete the construction of projects.

The normal trade credit terms granted to the Group range from 30 to 60 days (2023: 30 to 60 days). Other credit terms are assessed and approved on a case by case basis.

20. Sukuk Liabilities

	Group	
	2024 RM	2023 RM
Sukuk Wakalah		
- Non-current	170,000,000	90,000,000
- Current	15,000,000	15,000,000
	185,000,000	105,000,000

On 20 December 2019, a subsidiary company ("Issuer") entered into Subscription Agreement ("SA") with MIDF Amanah Investment Bank Berhad and Public Investment Bank Berhad ("Subscribers") in relation to the issuance of up to RM150,000,000 in nominal value of Sukuk Wakalah for a tenure of up to 11 years.

The Sukuk Wakalah comprises eleven (11) Tranches of the Sukuk Wakalah amounting to RM105,000,000 (2023: RM120,000,000) issued by the subsidiary company.

On 27 December 2019, a subsidiary company issued the following:

- the first tranche of RM10,000,000 in nominal value of Sukuk Wakalah which is due in financial year ending 31 December 2020. The Sukuk Wakalah bears a profit rate of 4.30% per annum payable semi-annually in arrears;
- the second tranche of RM10,000,000 in nominal value of Sukuk Wakalah which is due in financial year ending 31 December 2022. The Sukuk Wakalah bears a profit rate of 4.35% per annum payable semi-annually in arrears;
- the third tranche of RM10,000,000 in nominal value of Sukuk Wakalah which is due in financial year ending 31 December 2023. The Sukuk Wakalah bears a profit rate of 4.40% per annum payable semi-annually in arrears;

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20. Sukuk Liabilities (Cont'd)

On 27 December 2019, a subsidiary company issued the following: (Cont'd)

- d. the fourth tranche of RM15,000,000 in nominal value of Sukuk Wakalah which is due in financial year ending 31 December 2023. The Sukuk Wakalah bears a profit rate of 4.45% per annum payable semi-annually in arrears;
- e. the fifth tranche of RM15,000,000 in nominal value of Sukuk Wakalah which is due in financial year ending 31 December 2024. The Sukuk Wakalah bears a profit rate of 4.50% per annum payable semi-annually in arrears;
- f. the sixth tranche of RM15,000,000 in nominal value of Sukuk Wakalah which is due in financial year ending 31 December 2025. The Sukuk Wakalah bears a profit rate of 4.55% per annum payable semi-annually in arrears;
- g. the seventh tranche of RM15,000,000 in nominal value of Sukuk Wakalah which is due in financial year ending 31 December 2026. The Sukuk Wakalah bears a profit rate of 4.60% per annum payable semi-annually in arrears;
- h. the eighth tranche of RM15,000,000 in nominal value of Sukuk Wakalah which is due in financial year ending 31 December 2027. The Sukuk Wakalah bears a profit rate of 4.65% per annum payable semi-annually in arrears;
- i. the ninth tranche of RM15,000,000 in nominal value of Sukuk Wakalah which is due in financial year ending 31 December 2028. The Sukuk Wakalah bears a profit rate of 4.70% per annum payable semi-annually in arrears;
- j. the tenth tranche of RM15,000,000 in nominal value of Sukuk Wakalah which is due in financial year ending 31 December 2029. The Sukuk Wakalah bears a profit rate of 4.75% per annum payable semi-annually in arrears; and
- k. the eleventh tranche of RM15,000,000 in nominal value of Sukuk Wakalah which is due in financial year ending 31 December 2030. The Sukuk Wakalah bears a profit rate of 4.80% per annum payable semi-annually in arrears.

The Sukuk Wakalah is issued under the Shariah principle of Wakalah Bi Al-Istithmar, which is a Shariah Principle and concept approved by the Shariah Advisory Council of the Securities Commission Malaysia.

The Sukuk Wakalah is secured by the followings:

- (i) Charge by SEP Resources (M) Sdn. Bhd. ("SEP") over its shareholding in Budaya Positif Sdn. Bhd. ("Budaya Positif");
- (ii) Charge by Pesona Metro Holdings Berhad ("Pesona Metro"), over their shareholdings in SEP;
- (iii) An assignment and charge by SEP over dividends and distributions from Budaya Positif (Dividends Assignment);
- (iv) An assignment and charge by SEP over receivables from Budaya Positif including Murabahah Stocks;
- (v) A charge over the Murabahah Stocks (secured by a charge over Budaya Positif's Designated Accounts and a debenture over its assets);
- (vi) A first-ranking assignment and charge over the SEP's Designated Accounts;
- (vii) A debenture by SEP creating first fixed and floating charges over all its present and future assets; and
- (viii) Corporate guarantee by the Company.

On 26 September 2024, the Company early redeemed the existing Sukuk Wakalah of RM105,000,000 and issued new Islamic medium term notes up to RM185,000,000 in nominal value based on the Shariah principle of Wakalah Bi Al-Istithmar ("ASEAN Sustainability SRI Sukuk Wakalah"), to be guaranteed by the Guarantor vide a corporate guarantee.

The new Sukuk Wakalah comprises twelve (12) Tranches as follows:

- (i) the first tranche of RM15,000,000 in nominal value of Sukuk Wakalah which is due on 26 September 2025. The Sukuk Wakalah bears a profit rate of 4.50% per annum payable semi-annually in arrears;
- (ii) the second tranche of RM15,000,000 in nominal value of Sukuk Wakalah which is due on 25 September 2026. The Sukuk Wakalah bears a profit rate of 4.55% per annum payable semi-annually in arrears;
- (iii) the third tranche of RM15,000,000 in nominal value of Sukuk Wakalah which is due on 24 September 2027. The Sukuk Wakalah bears a profit rate of 4.60% per annum payable semi-annually in arrears;
- (iv) the fourth tranche of RM15,000,000 in nominal value of Sukuk Wakalah which is due on 26 September 2028. The Sukuk Wakalah bears a profit rate of 4.65% per annum payable semi-annually in arrears;
- (v) the fifth tranche of RM15,000,000 in nominal value of Sukuk Wakalah which is due on 26 September 2029. The Sukuk Wakalah bears a profit rate of 4.70% per annum payable semi-annually in arrears;

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20. Sukuk Liabilities (Cont'd)

The new Sukuk Wakalah comprises twelve (12) Tranches as follows: (Cont'd)

- (vi) the sixth tranche of RM15,000,000 in nominal value of Sukuk Wakalah which is due on 26 September 2030. The Sukuk Wakalah bears a profit rate of 4.75% per annum payable semi-annually in arrears;
- (vii) the seventh tranche of RM15,000,000 in nominal value of Sukuk Wakalah which is due on 26 September 2031. The Sukuk Wakalah bears a profit rate of 4.80% per annum payable semi-annually in arrears;
- (viii) the eighth tranche of RM15,000,000 in nominal value of Sukuk Wakalah which is due on 24 September 2032. The Sukuk Wakalah bears a profit rate of 4.85% per annum payable semi-annually in arrears;
- (ix) the ninth tranche of RM15,000,000 in nominal value of Sukuk Wakalah which is due on 26 September 2033. The Sukuk Wakalah bears a profit rate of 4.90% per annum payable semi-annually in arrears;
- (x) the tenth tranche of RM15,000,000 in nominal value of Sukuk Wakalah which is due on 26 September 2034. The Sukuk Wakalah bears a profit rate of 4.95% per annum payable semi-annually in arrears;
- (xi) the eleventh tranche of RM15,000,000 in nominal value of Sukuk Wakalah which is due on 26 September 2035. The Sukuk Wakalah bears a profit rate of 5.0% per annum payable semi-annually in arrears; and
- (xii) the twelfth tranche of RM20,000,000 in nominal value of Sukuk Wakalah which is due on 26 September 2036. The Sukuk Wakalah bears a profit rate of 5.05% per annum payable semi-annually in arrears.

21. Bank Borrowings

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Secured				
Invoice financing	16,045,724	12,577,504	-	-
Bankers' acceptance	-	11,987,317	-	-
Revolving credit	32,129,000	30,342,028	15,000,000	20,000,000
Term loan	1,892,326	885,990	-	-
	50,067,050	55,792,839	15,000,000	20,000,000
Analysed as:				
Non-current				
Term loan	1,394,643	628,746	-	-
Current				
Invoice financing	16,045,724	12,577,504	-	-
Bankers' acceptance	-	11,987,317	-	-
Revolving credit	32,129,000	30,342,028	15,000,000	20,000,000
Term loan	497,683	257,244	-	-
	48,672,407	55,164,093	15,000,000	20,000,000
	50,067,050	55,792,839	15,000,000	20,000,000

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21. Bank Borrowings (Cont'd)

(a) Term loans

The term loans are secured by the following :

- (i) first party charged over the investment property of the Group as disclosed in Note 5 to the financial statements; and
- (ii) corporate guarantee by the Company;

(b) Invoice financing, revolving credit and bank overdrafts

The invoice financing, revolving credit and bank overdrafts are secured by the following:

- (i) pledge over the Group's fixed deposits with licensed banks as disclosed in Note 14 to the financial statements; and
- (ii) corporate guarantee by the Company;

(c) Included in the revolving credit and term loan are the borrowings for Gaya Kuasa Sdn Bhd ("GKSB") which are secured by the following:

- (i) corporate guarantee by the Company and personal guarantee by a Director;
- (ii) assignment of insurance policy;
- (iii) debenture by GKSB; and
- (iv) fixed party charge over one parcel of a subsidiary company's leasehold land as disclosed in Note 10.

The Group's interest rates per annum are as follows:

	Group		Company	
	2024 %	2023 %	2024 %	2023 %
Invoice financing	5.54% - 5.89%	5.01% - 5.89%	-	-
Bankers' acceptance	-	4.82% - 5.42%	-	-
Revolving credit	5.10% - 5.52%	4.83% - 5.47%	5.22% - 5.30%	4.87% - 5.47%
Term loan	5.20% - 5.43%	4.33% - 5.77%	-	-

22. Lease Liabilities

	Group	
	2024 RM	2023 RM
At 1 January	1,556,289	6,601,352
Additions (Note 4(c))	654,000	-
Payments	(1,492,977)	(5,045,063)
At 31 December	717,312	1,556,289

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22. Lease Liabilities

	Group	
	2024 RM	2023 RM
Presented as:		
Non-current	516,662	98,276
Current	200,650	1,458,013
	<u>717,312</u>	<u>1,556,289</u>

The maturity analysis of lease liabilities of the Group at the end of reporting period:

	Group	
	2024 RM	2023 RM
Within one year	229,706	1,495,051
Between one to two years	146,412	100,136
Between two to five years	416,141	-
	<u>792,259</u>	<u>1,595,187</u>
Less: Future finance charges	(74,947)	(38,898)
Present value of minimum lease payments	<u>717,312</u>	<u>1,556,289</u>

Lease obligations

The finance lease payables are secured by a charge over the leased assets as disclosed in Note 4(b) to the financial statements. The interest rates for the leases are ranging from 2.24% to 3.25% (2023: 2.24% to 3.25%) per annum.

23. Deferred Tax Liabilities

	Group	
	2024 RM	2023 RM
At 1 January	10,251,985	10,997,584
Acquisition of subsidiary company	22,601	-
Recognised in profit or loss	(745,599)	(745,599)
At 31 December	<u>9,528,987</u>	<u>10,251,985</u>

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23. Deferred Tax Liabilities (Cont'd)

The net deferred tax liabilities and assets shown on the statements of financial position after appropriate offsetting are as follows:

	Group	
	2024 RM	2023 RM
Deferred tax liabilities	9,528,987	10,251,985
Deferred tax assets	-	-
	<u>9,528,987</u>	<u>10,251,985</u>

The components and movements of deferred tax liabilities and assets prior to offsetting are as follows:

Deferred tax liabilities

	Property, plant and equipment RM	Concession right RM	Total RM
Group			
2024			
At 1 January	-	10,251,985	10,251,985
Acquisition of subsidiary company	22,601	-	22,601
Recognised in profit or loss	-	(745,599)	(745,599)
At 31 December	<u>22,601</u>	<u>9,506,386</u>	<u>9,528,987</u>
2023			
At 1 January	-	10,997,584	10,997,584
Recognised in profit or loss	-	(745,599)	(745,599)
At 31 December	<u>-</u>	<u>10,251,985</u>	<u>10,251,985</u>

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2024 RM	2023 RM
Unutilised tax losses	6,210,462	6,546,648
Unabsorbed capital allowances	21,634,428	38,073,623
Other temporary differences	40,910,985	49,094,664
	<u>68,755,875</u>	<u>93,714,935</u>

Deferred tax assets have not been recognized in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

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24. Other Payables

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other payables	31,102,134	11,833,992	12,453	1,582
Accruals	24,530,067	5,841,488	109,132	156,533
Deposits received	258,165	128,000	-	-
Amount due to directors	12,321,971	-	-	-
	68,212,337	17,803,480	121,585	158,115

Included in other payables is an amount of RM16,533,417 owing to companies in which a director of the Company has financial interests. These amounts are non-trade in nature, unsecured, non-interest bearing, repayable on demand and are expected to be settled in cash.

25. Revenue

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Revenue from contracts with customers				
Construction contracts	477,303,104	491,472,417	-	-
Property development	8,460,102	-	-	-
Concession finance income (Note 8)	16,346,928	16,799,154	-	-
Sale of goods	-	12,615	-	-
Maintenance and management services	8,441,373	6,006,982	-	-
Commission income	73,352	19,494	-	-
	510,624,859	514,310,662	-	-
Revenue from other sources				
Interest income	1,191,880	1,069,890	7,132	481
Dividend income	-	-	10,600,000	481
Rental income	66,328	33,000	-	-
	1,258,208	1,102,890	10,607,132	481
	511,883,067	515,413,552	10,607,132	481
Timing of revenue recognition				
At a point in time	8,514,725	6,039,091	-	-
Over time	502,110,134	508,271,571	-	-
	510,624,859	514,310,662	-	-

Revenue from contracts with customers recognised for the Group in the current financial year included RM12,235,372 (2023: RM19,420,668) that was included in the contract liabilities at the beginning of the financial year.

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25. Revenue (Cont'd)

Breakdown of the Group's revenue from contract with customers:

	Construction RM	Development RM	Concession RM	Total RM
Group				
2024				
Construction contracts	477,303,104	8,460,102	-	485,763,206
Concession finance income	-	-	16,346,928	16,346,928
Maintenance and management service	-	-	8,441,373	8,441,373
Commission income	73,352	-	-	73,352
	<u>477,376,456</u>	<u>8,460,102</u>	<u>24,788,301</u>	<u>510,624,859</u>
2023				
Construction contracts	491,472,417	-	-	491,472,417
Concession finance income	-	-	16,799,154	16,799,154
Sale of goods	12,615	-	-	12,615
Maintenance and management service	-	-	6,006,982	6,006,982
Commission income	19,494	-	-	19,494
	<u>491,504,526</u>	<u>-</u>	<u>22,806,136</u>	<u>514,310,662</u>

26. Finance Costs

	Group	
	2024 RM	2023 RM
Interest expenses on:		
Trust receipts	-	93,841
Invoice financing and bankers' acceptance	803,011	1,437,239
Revolving credit	1,641,090	1,475,652
Bank overdrafts	49,445	75,786
Sukuk liabilities	5,949,589	5,540,856
Term loan	70,512	78,198
Lease liabilities	38,512	215,319
	<u>8,552,159</u>	<u>8,916,891</u>

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27. Profit/(Loss) Before Tax

Profit/(Loss) before tax is derived at after at charging/(crediting) amongst other, the following items:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Auditors' remuneration				
- statutory audit				
- current year	140,722	127,500	42,000	40,000
- under provision in prior year	-	10,500	-	7,000
- non-statutory audit				
- current year	82,000	68,000	13,000	5,000
- under provision in prior year	-	5,000	-	5,000
Amortisation of concession right	3,106,662	3,106,663	-	-
Depreciation of property, plant and equipment	11,178,672	11,513,119	-	-
Directors' remuneration				
- Fees	330,000	264,000	312,000	264,000
- Other emoluments	16,000	17,000	16,000	17,000
Property, plant and equipment written off	55,851	38,399	-	-
Short term lease expenses	46,800	113,282	-	-
(Gain)/loss on disposal of:				
- property, plant and equipment	(485,988)	(299,016)	-	-
- investment properties	(29,275)	131,736	-	-
Gain on fair value adjustment of investment properties	-	(179,371)	-	-
Redemption premium on Sukuk Wakalah	1,617,300	-	-	-
Interest income	(1,714,962)	(1,536,842)	(7,132)	(481)
Dividend income	-	-	(10,600,000)	-
Impairment loss on amount due from subsidiary companies	-	-	22,000	18,100
Rental income	(376,203)	(354,810)	-	-

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28. Taxation

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Tax (Credit)/expenses for the financial year:				
Current tax provision	3,591,163	2,715,812	1,650	-
Under/(Over) provision in prior years	71,564	(1,727)	-	-
	3,662,727	2,714,085	1,650	-
Deferred tax: (Note 23)				
Relating to origination and reversal of temporary differences	(745,599)	(745,599)	-	-
	(745,599)	(745,599)	-	-
	2,917,128	1,968,486	1,650	-

The Malaysian income tax is calculated at the statutory tax rate of 24% (2023:24%) of chargeable income of the estimated assessable profit for the financial year.

A reconciliation of income tax expenses applicable to profit/(loss) before tax at the statutory tax rate to income tax expenses at the effective tax rate of the Group and of the Company are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit/(Loss) before tax	25,227,909	14,357,485	9,136,136	(904,171)
Taxation at statutory tax rate of 24% (2023: 24%)	6,054,699	3,445,797	2,192,673	(217,002)
Income not subject to tax	(132,690)	(214,330)	(2,544,000)	(119)
Expenses not deductible for tax purposes	2,243,864	1,071,136	352,977	217,121
Taxable income not included in profit or loss	940,690	832,156	-	-
Deferred tax assets not recognised	152	-	-	-
Utilisation of previously unrecognised deductible expenses	(270,824)	-	-	-
Utilisation of previously unrecognised deferred tax	(5,990,327)	(3,164,546)	-	-
Under/(Over) provision of income tax expense in prior years	71,564	(1,727)	-	-
Tax expense for the financial year	2,917,128	1,968,486	1,650	-

The Group has the following estimated unabsorbed capital allowances and unutilised tax losses available to carry forward to offset against future taxable profit. The said amounts are subject to approval by the tax authorities.

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28. Taxation (Cont'd)

	Group	
	2024 RM	2023 RM
Unutilised tax losses	6,210,462	6,546,648
Unabsorbed capital allowances	21,634,428	38,073,623
	<u>27,844,890</u>	<u>44,620,271</u>

Under the Malaysia Finance Act 2018 which was gazetted on 27 December 2018, the unutilized tax losses of the Group and of the Company will be imposed with a time limit of utilisation. Any accumulated unutilised tax losses brought forward can be carried forward for a maximum period of 7 consecutive years of assessment. With effect from year of assessment 2024, unutilised tax losses that were allowed to be carried forward up to seven consecutive years was extended to a maximum of ten consecutive years of assessment under the current tax legislation. The unabsorbed capital allowances do not expire under current tax legislation.

Pursuant to Section 44(5F) of the Income Tax Act 1967, the unutilised tax losses can only be carried forward until the following years of assessment.

	Group	
	2024 RM	2023 RM
Unutilised tax losses to be carried forward until:		
- Year of assessment 2029	-	54,394
- Year of assessment 2031	4,631,210	4,631,210
- Year of assessment 2032	1,579,252	1,579,252
- Year of assessment 2033	-	281,792
	<u>6,210,462</u>	<u>6,546,648</u>

29. Earnings per Share

The basic earnings per share is calculated based on the consolidated profit for the financial year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial year is disclosed as follows:

	Group	
	2024 RM	2023 RM
Profit for the financial year, attributable to owners of the Parent	20,148,907	9,505,709
Weighted average number of ordinary shares in issue (in units)	694,986,660	694,986,660
Basic earnings per share (sen)	<u>2.90</u>	<u>1.37</u>

The diluted earnings per share of the Group is equal to the basic earnings per share as the Group does not have any dilutive potential ordinary shares in issue.

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29. Earnings per Share (Cont'd)

The weighted average number of ordinary shares in issue is computed as follows:

	Group	
	2024 Units	2023 Units
As at 1 January/31 December	694,986,660	694,986,660

30. Staff Costs

	Note	Group	
		2024 RM	2023 RM
Staff costs		43,238,013	39,424,837
Add:			
Secondment of staff from third party		3,538,287	3,514,963
		46,776,300	42,939,800
Less:			
Capitalised in construction costs	11	(34,814,115)	(26,552,218)
		11,962,185	16,387,582

Included in the staff costs are contributions made to the Employees Provident Fund under a defined contribution plan for the Group amounting to RM899,918 (2023: RM1,204,123).

Included in staff costs is aggregate amount of remuneration and defined benefit contributions received and receivables by the Executive Directors of the Company and of the subsidiary companies during the financial year as below:

	Group	
	2024 RM	2023 RM
Salary and other emoluments	795,500	765,500
Defined benefit contributions	93,600	90,000
	889,100	855,500

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31. Dividends

	Group and Company	
	2024 RM	2023 RM

In respect of the financial year 31 December 2023

A final dividend of RM0.50 per ordinary share, paid on 15 May 2024 3,474,933 -

The Board of Directors recommend the payment of a single tier dividend of 0.75 sen per ordinary share in respect of the current financial year ended 31 December 2024 on 18 April 2025, amounting to RM5,212,400.

The financial statements for the current financial year do not reflect the dividends declared/proposed on 18 April 2025. Such dividends will be accounted for in equity as an appropriation of retained earnings for the financial year ending 31 December 2025.

32. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	At 1 January RM	Financing Cash Flows		Acquisition of subsidiary company (Note 7(b)) RM	Other Changes RM	At 31 December RM
		Drawdown RM	Repayment RM			
2024						
Group						
Sukuk liabilities	105,000,000	185,000,000	(105,000,000)	-	-	185,000,000
Invoice financing	12,577,504	73,283,299	(69,796,579)	-	(18,500)	16,045,724
Bankers' acceptance	11,987,317	-	(12,000,000)	-	12,683	-
Revolving credit	30,342,028	12,429,000	(25,320,000)	14,700,000	(22,028)	32,129,000
Term loan	885,990	3,889,080	(4,270,941)	1,388,197	-	1,892,326
Lease liabilities	1,556,289	654,000	(1,492,977)	-	-	717,312
	162,349,128	275,255,379	(217,880,497)	16,088,197	(27,845)	235,784,362

NOTES TO THE FINANCIAL STATEMENTS

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32. Reconciliation of Liabilities Arising from Financing Activities (Cont'd)

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes: (Cont'd)

	At 1 January RM	Financing Cash Flows		Other Changes (i) RM	At 31 December RM
		Drawdown RM	Repayment RM		
2023					
Group					
Sukuk liabilities	120,000,000	-	(15,000,000)	-	105,000,000
Invoice financing	10,383,384	57,224,707	(55,069,258)	38,671	12,577,504
Bankers' acceptance	-	72,157,000	(60,157,000)	(12,683)	11,987,317
Revolving credit	26,677,407	10,000,000	(6,340,000)	4,621	30,342,028
Term loan	982,233	631,000	(727,243)	-	885,990
Lease liabilities	6,601,352	-	(5,045,063)	-	1,556,289
	164,644,376	140,012,707	(142,338,564)	30,609	162,349,128

	At 1 January RM	Financing Cash Flows		At 31 December RM
		Drawdown RM	Repayment RM	
2024				
Company				
Revolving credit (Note 21)	20,000,000	-	(5,000,000)	15,000,000
2023				
Company				
Revolving credit (Note 21)	20,000,000	-	-	20,000,000

The cash flows from bank borrowings make up the net amount of proceed from or repayments of bank borrowings in the statements of cash flows.

(i) Other changes include unpaid interests.

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33. Related Party Disclosures**(a) Identified related parties**

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

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group and certain members of senior management and chief executive officers of major subsidiary companies of the Group.

The Group and the Company have related party relationships with its subsidiary companies, others related parties and key management personnel.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. In addition to related party balances disclosed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	2024 RM	2023 RM
<u>Related party transactions</u>		
Group		
Other Related Parties*:		
Progress billing received/receivable	37,430,259	30,113,946
Company		
Subsidiary companies:		
Issuance of Ordinary Shares	-	99,900
<u>Year end balances</u>		
Company		
Receivable from related parties:		
- Subsidiary companies	221,950	13,966,489
Payable to related parties:		
- Subsidiary companies	26,499,180	-

* The nature and relationship between the Group and the related parties are those companies in which a Director of the Company has a financial interest.

NOTES TO THE FINANCIAL STATEMENTS

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33. Related Party Disclosures (Cont'd)

(c) Compensation of key management personnel

Information regarding compensation of key management personnel is as follows:

	Group	
	2024 RM	2023 RM
Short-term employee benefits		
- Salaries and other emoluments	4,113,783	3,558,121

Key management personnel include personnel having authority and responsibilities for planning, directing and controlling the activities of the entity, including any Directors of the Company.

34. Segmental Information

For management purposes, the Group is organised into business units based on their products and services, and has three reportable segments as follows:

Construction works	Construct building, infrastructure and project planning cum implementation contractor
Manufacturing and trading of polyurethane	Manufacturing and trading of polyurethane and building system
Concession	Maintenance service of Student Hostel
Investment holding	Investment holding
Property development	Real estate activities with own or leased property

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Information about segment liabilities is neither included in the internal management reports nor provided regularly to the management. Hence, no disclosure is made on segment liabilities.

No geographical segment reporting was made as the Group's activities were carried out within Malaysia.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS

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34. Segmental Information (Cont'd)

	Construction and trading RM	Property Development RM	Concession, maintenance and interest RM	Investment holding RM	Adjustments and eliminations* RM	Per consolidated financial statements RM
2024						
Revenue						
External sales	477,435,652	8,460,102	25,973,049	7,132	-	511,875,935
Inter-segment	9,529,083	-	11,790,026	10,600,000	(31,911,977)	7,132
Total revenue	486,964,735	8,460,102	37,763,075	10,607,132	(31,911,977)	511,883,067
Results						
Segment results	36,582,320	1,363,540	15,578,754	9,151,004	(18,401,890)	44,273,728
Interest income	277,008	188,470	6,581,735	7,132	(5,339,383)	1,714,962
Interest expense	(2,408,901)	(193,669)	(12,190,862)	-	6,241,273	(8,552,159)
Depreciation of property, plant and equipment	(11,106,849)	(36,723)	(35,100)	-	-	(11,178,672)
Other non-cash items	459,412	-	1,617,300	(22,000)	(3,084,662)	(1,029,950)
Profit/(Loss) before tax	23,802,990	1,321,618	11,551,827	9,136,136	(20,584,662)	25,227,909
Taxation	(505,501)	(267,321)	(2,888,255)	(1,650)	745,599	(2,917,128)
Profit/(Loss) before tax	23,297,489	1,054,297	8,663,572	9,134,486	(19,839,063)	22,310,781
Assets						
Additions to non-current assets	8,269,862	1,440	660,811	-	-	8,932,113
Segment assets	445,099,472	132,310,931	394,369,647	248,081,450	(547,738,203)	672,123,297
Unallocated assets	35,820,118	7,174,621	61,188,011	179,625	-	104,362,375
Total assets	489,189,452	139,486,992	456,218,469	248,261,075	(547,738,203)	785,417,785

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

34. Segmental Information (Cont'd)

	Construction and trading RM	Property Development RM	Concession, maintenance and interest RM	Investment holding RM	Adjustments and eliminations* RM	Per consolidated financial statements RM
2024						
Non-cash expenses/(income)						
Property, plant and equipment written off	55,851	-	-	-	-	55,851
Impairment loss on amount due from subsidiary companies	-	-	-	22,000	(22,000)	-
Redemption premium	-	-	(1,617,300)	-	-	(1,617,300)
Amortisation of concession right	-	-	-	-	3,106,662	3,106,662
(Gain)/Loss on disposal of property, plant and equipment	(485,988)	-	-	-	-	(485,988)
Gain on disposals of investment property	(29,275)	-	-	-	-	(29,275)
	(459,412)	-	(1,617,300)	22,000	3,084,662	1,029,950

NOTES TO THE FINANCIAL STATEMENTS

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34. Segmental Information (Cont'd)

	Construction and trading RM	Manufacturing and trading RM	Concession, maintenance and interest RM	Investment holding RM	Adjustments and eliminations* RM	Per consolidated financial statements RM
2023						
Revenue						
External sales	491,537,526	-	23,875,545	481	-	515,413,552
Inter-segment	1,159,961	-	9,563,663	-	(10,723,624)	-
Total revenue	492,697,487	-	33,439,208	481	(10,723,624)	515,413,552
Results						
Segment results	17,437,110	-	19,519,238	(886,552)	(20,732)	36,049,064
Interest income	285,205	-	7,288,226	481	(6,037,070)	1,536,842
Interest expense	(3,376,035)	-	(11,598,657)	-	6,057,801	(8,916,891)
Depreciation of property, plant and equipment	(11,511,092)	-	(2,027)	-	-	(11,513,119)
Other non-cash items	308,252	-	-	(18,100)	(3,088,563)	(2,798,411)
(Loss)/Profit before tax	3,143,440	-	15,206,780	(904,171)	(3,088,564)	14,357,485
Taxation	(145,230)	-	(2,568,855)	-	745,599	(1,968,486)
(Loss)/Profit for the financial year	2,998,210	-	12,637,925	(904,171)	(2,342,965)	12,388,999
Assets						
Additions to non-current assets	7,497,956	-	2,058	-	-	7,500,014
Segment assets	425,293,565	-	275,611,169	221,025,989	(335,349,476)	586,581,247
Unallocated assets	18,890,779	-	41,113,176	112,883	-	60,116,838
Total assets	451,682,300	-	316,726,403	221,138,872	(335,349,476)	654,198,099

NOTES TO THE FINANCIAL STATEMENTS

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34. Segmental Information (Cont'd)

2023	Construction and trading RM	Manufacturing and trading RM	Concession, maintenance and interest RM	Investment holding RM	Adjustments and eliminations* RM	Per consolidated financial statements RM
Non-cash expenses/(income)						
Property, plant and equipment written off	38,399	-	-	-	-	38,399
Impairment loss on amount due from subsidiary companies	-	-	-	18,100	(18,100)	-
Amortisation of concession right	-	-	-	-	3,106,663	3,106,663
Fair value gain on investment properties	(179,371)	-	-	-	-	(179,371)
Loss on disposals of investment property	131,736	-	-	-	-	131,736
(Gain)/Loss on disposal of property, plant and equipment	(299,016)	-	-	-	-	(299,016)
	(308,252)	-	-	18,100	3,088,563	2,798,411

* Inter-segment revenue, profit and transactions are adjusted and eliminated.

NOTES TO THE FINANCIAL STATEMENTS

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35. Financial Instruments

(a) Categories of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At amortised cost				
Financial assets				
Concession receivables	121,415,691	125,335,233	-	-
Trade receivables	234,486,740	323,076,790	-	-
Other receivables	32,292,084	32,565,210	5,000	5,000
Amount due from subsidiary companies	-	-	221,950	13,966,489
Fixed deposits with licensed banks	50,652,980	34,237,940	-	-
Cash and bank balances	51,204,756	24,665,458	178,482	110,266
Total financial assets	490,052,251	539,880,631	405,432	14,081,755
Financial liabilities				
Trade payables	236,119,674	269,347,478	-	-
Other payables	68,212,337	17,803,480	121,585	158,115
Sukuk liabilities	185,000,000	105,000,000	-	-
Lease liabilities	717,312	1,556,289	-	-
Bank borrowings	50,067,050	55,792,839	15,000,000	20,000,000
Total financial liabilities	540,116,373	449,500,086	15,121,585	20,158,115

(b) Financial risk management

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and of the Company's operations whilst managing their credit, liquidity, interest rate risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions.

(i) Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from the individual characteristics of each customer, loans and advances to subsidiary companies and financial guarantee given to banks for credit facilities granted to related companies and third parties. There are no significant changes as compared to prior periods.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

35. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Contract assets*Risk management objectives, policies and processes for managing the risk*

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis via Group's management reporting procedures and action will be taken for stagnant contract assets.

At each reporting date, the Group assesses whether any of the contract assets are credit impaired.

The gross amounts of credit impaired contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, contract assets that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Concentration of credit risk

As at the end of the financial year, the Group has 7 (2023: 5) major contract customers accounted for approximately 95% (2023: 96%) of the total contract assets.

Recognition and measurement of impairment loss

As there are only a few contract customers, the Group assessed the risk of loss of each customer individually based on their financial information and past trend of payments, where applicable. All these customers have low risk of default because there is no history of default from these customers. The Group is of the view that loss allowance is not material and hence, it is not provided for.

The aged analysis of contract assets as at the end of the reporting period:

	Gross amount RM	Allowance for impairment RM	Net balance RM
Group			
2024			
- Current	59,139,137	-	59,139,137
2023			
- Current	12,685,914	-	12,685,914

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

35. Financial Instruments (Cont'd)**(b) Financial risk management (Cont'd)****(i) Credit risk (Cont'd)****Trade receivables***Risk management objectives, policies and processes for managing the risk*

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis via the Group's management reporting procedures and action will be taken for long overdue debts. Majority of the trade receivables are from construction and concession receivables.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

The gross amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables are represented by the carrying amounts in the statement of financial position.

The Group receives collaterals in the form of properties from certain trade receivables in which the Group is permitted to sell the collateral in the absence of default. There are no specific terms and conditions to use the collaterals.

Concentration of credit risk

As at the end of the financial year, the Group has 7 (2023: 6) major customers and accounted for approximately 69% (2023: 75%) of the trade receivables outstanding.

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 30 days. The retention sums are due upon the expiry of the defect liability period stated in the respective construction contracts. The Group's debt recovery process is that when invoices which are exceeded credit terms, the Company will start to initiate a structured debt recovery process which is monitored by sales team.

The Group uses an allowance matrix to measure ECLs for trade receivables for all segments except for construction and development segment. Consistent with the debt recovery process, invoices which are exceeded credit terms will be considered as credit impaired.

Loss rates are based on actual credit loss experience over the past three years. Nevertheless, the Group believes that the forward-looking factors are immaterial for the purpose of calculation impairment for the year.

For construction contracts, as there are only a few contract customers, the Group assessed the risk of loss of each customer individually based on their financial information and past trend of payments, where applicable. All these customers have low risk of default because there is no history of default from these customers. The Group is of the view that loss allowance is not material and hence, it is not provided for.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

35. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at reporting period.

	Gross amount RM	Allowance for impairment RM	Net balance RM
Group			
2024			
Current	127,559,292	-	127,559,292
<i>Past due not impaired</i>			
- Less than 30 days	17,899,970	-	17,899,970
- 31 to 60 days	3,339,853	-	3,339,853
- More than 60 days	85,687,625	-	85,687,625
	106,927,448	-	106,927,448
	234,486,740	-	234,486,740
2023			
Current	152,650,410	-	152,650,410
<i>Past due not impaired</i>			
- Less than 30 days	31,037,706	-	31,037,706
- 31 to 60 days	22,459,980	-	22,459,980
- More than 60 days	116,928,694	-	116,928,694
	170,426,380	-	170,426,380
	323,076,790	-	323,076,790

Cash and cash equivalents

Risk management objectives, policies and processes for managing the risk

The cash and cash equivalents are held in hand and banks and financial institutions. The Group and the Company have a credit policy in place to control credit risk by deposit with banks and financial institutions with good credit rating.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

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31 DECEMBER 2024

35. Financial Instruments (Cont'd)**(b) Financial risk management (Cont'd)****(i) Credit risk (Cont'd)****Cash and cash equivalents (Cont'd)***Recognition and measurement of impairment loss*

These banks and financial institutions have low credit risks. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables*Risk management objectives, policies and processes for managing the risk*

Credit risks on other receivables are mainly arising from advances to sub-contractors and deposits paid for tendering projects. These deposits will be refunded upon unsuccessful in tendering the projects. The Group and the Company manage the credit risk on an ongoing basis via Group and the Company's management reporting procedures and action will be taken for long outstanding debts.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Recognition and measurement of impairment loss

These other receivables have low credit risks. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Inter-company loans and advances*Risk management objectives, policies and processes for managing the risk*

The Group provides secured loans and advances to subsidiary companies. The Group monitors the ability of the subsidiary companies to repay the loans and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Recognition and measurement of impairment loss

Generally, the Company considers loans and advances to subsidiary companies has low credit risk because there is no indicates that any going concern from subsidiary companies. Consequently, the Company is of the view that the loss allowance is not material and hence, it is not provided for.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

35. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Group provides bank guarantees to the third parties in respect of contracts entered into by a subsidiary company. The Company provides corporate guarantees to banks in respect of banking facilities granted to certain subsidiary companies.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk of the Group and of the Company amounting to RM182,121,592 (2023: RM131,320,999) representing the guarantee amount to the third parties and outstanding banking facilities of the subsidiary companies as at the end of the reporting period respectively.

Recognition and measurement of impairment loss

The Group and the Company assumes that there is a significant increase in credit risks when a subsidiary's financial position deteriorates significantly. The Group and the Company considers a financial guarantee to be credit impaired when:

- 1) the subsidiary is unlikely to repay its credit obligation to the bank in full; or
- 2) the subsidiary is continuously loss making and is having a deficit shareholders' fund with no plan to turnaround the business

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

35. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM	1 - 2 years RM	2 - 5 years RM	After 5 years RM	Total Contractual Cash Outflow RM	Total Carrying Amount RM
Group						
2024						
Trade payables	219,870,454	2,404,137	13,845,083	-	236,119,674	236,119,674
Other payables	68,212,337	-	-	-	68,212,337	68,212,337
Leases liabilities	229,706	146,412	416,141	-	792,259	717,312
Sukuk Liabilities	23,668,116	22,989,253	64,851,260	131,132,740	242,641,369	185,000,000
Bank borrowings	48,723,016	717,030	749,106	-	50,189,152	50,067,050
Financial guarantee*	-	-	-	-	-	-
Total undiscounted financial liabilities	360,703,629	26,256,832	79,861,590	131,132,740	597,954,791	540,116,373
2023						
Trade payables	250,605,693	9,402,660	9,339,125	-	269,347,478	269,347,478
Other payables	17,803,480	-	-	-	17,803,480	17,803,480
Leases liabilities	1,495,051	100,136	-	-	1,595,187	1,556,289
Sukuk Liabilities	19,886,630	19,196,281	53,469,021	32,132,877	124,684,809	105,000,000
Bank borrowings	55,205,847	285,017	390,450	-	55,881,314	55,792,839
Financial guarantee*	-	-	-	-	-	-
Total undiscounted financial liabilities	344,996,701	28,984,094	63,198,596	32,132,877	469,312,268	449,500,086

* Based on the maximum amount that can be called for under the financial guarantee contract.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

35. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk (Cont'd)

	On demand or within 1 year RM	1 - 2 years RM	2 - 5 years RM	After 5 years RM	Total Contractual Cash Outflow RM	Total Carrying Amount RM
Company						
2024						
Other payables	121,585	-	-	-	121,585	121,585
Amount due to subsidiary companies	26,499,180	-	-	-	26,499,180	26,499,180
Bank borrowings	15,000,000	-	-	-	15,000,000	15,000,000
Total undiscounted financial liabilities	41,620,765	-	-	-	41,620,765	41,620,765
2023						
Other payables	158,115	-	-	-	158,115	158,115
Bank borrowings	20,000,000	-	-	-	20,000,000	20,000,000
Total undiscounted financial liabilities	20,158,115	-	-	-	20,158,115	20,158,115

All financial liabilities of the Company are assessed as current and correspondingly, no detailed maturity analysis is deemed necessary.

The Group and the Company provides unsecured financial guarantee to banks in respect of credit facilities granted to certain subsidiary companies and monitors on an ongoing basis the performance of the subsidiary companies. At end of the financial year, there was no indication that the subsidiary companies would default on repayment.

Financial guarantee has not been recognised since the fair value on initial recognition was deemed not material.

The maximum amount of the financial guarantees issued to the banks for subsidiary companies' borrowings is limited to the amount utilised by the subsidiary companies, amounting to RM182,121,592 as at 31 December 2024 (2023: RM131,320,999). The earliest period any of the financial guarantees can be called upon by the financial institutions is within the next 12 months. At end of the financial year, there was no indication that the subsidiary companies would default on repayment.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

35. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(iii) Market risks

Market risk is the risk that changes in market prices, such as interest rates and other prices that will affect the Group's financial position or cash flows.

(a) Interest rate risk

The Group's investments in fixed rate deposits with licensed banks and its fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investments in equity securities and short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period are as follows:

	Group	
	2024 RM	2023 RM
Group		
Fixed rate instruments		
Financial asset		
Fixed deposits with licensed banks	50,652,980	34,237,940
Financial liabilities		
Sukuk liabilities	185,000,000	105,000,000
Lease liabilities	717,312	1,556,289
Floating rate instrument		
Financial liability		
Bank borrowings	50,067,050	55,792,839

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

35. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(iii) Market risks (Cont'd)

(a) Interest rate risk

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments

A change of 1% interest rate at the end of the reporting period would have increased/(decreased) the Group's loss before taxation by RM500,671 (2023: RM557,928), arising mainly as a result of lower/higher interest expenses on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(c) Fair value information

The carrying amounts of receivables and payables, cash and cash equivalents and borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

	Fair value of financial instruments carried at fair value		Fair value of financial instruments not carried at fair value		Total fair value RM	Carrying amount RM
	Level 3 RM	Total RM	Level 3 RM	Total RM		
Group						
2024						
Financial assets						
Concession receivables	116,984,940	116,984,940	-	-	116,984,940	116,984,940
Financial liabilities						
Sukuk liabilities	-	-	170,000,000	170,000,000	170,000,000	170,000,000
2023						
Financial assets						
Concession receivables	121,415,691	121,415,691	-	-	121,415,691	121,415,691
Financial liabilities						
Sukuk liabilities	-	-	90,000,000	90,000,000	90,000,000	90,000,000

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

36. Capital Commitment

	Group 2024 RM	2023 RM
Approved and contracted for:		
- Acquisition of property, plant and equipment	13,872,300	-

37. Capital Management

The Group's and the Company's management manages its capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern and maintains an optimal capital structure, so as to maximise shareholders value. The management reviews the capital structure by considering the cost of capital and the risks associated with the capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Total capital managed at Group level, which comprises shareholders' funds, cash and cash equivalents and bank borrowings.

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Total loans and borrowings	235,784,362	162,349,128	15,000,000	20,000,000
Less: Cash and equivalents	(41,524,305)	(17,812,730)	(178,482)	(110,266)
Net debt	194,260,057	144,536,398	14,821,518	19,889,734
Total equity	210,990,445	181,212,416	206,640,310	200,980,757
Gearing ratio	0.96	0.80	0.07	0.10

There were no changes in the Group's and the Company's approach to capital management during the financial year.

38. Date of Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 18 April 2025.

LIST OF PROPERTIES

EXISTING USE	LAND AREA (AS PER LAND TITLE)(SQUARE FEET)	BUILD UP AREA (SQUARE FEET)	TENURE / DATE OF EXPIRY OF LEASE	ADDRESS	DATE OF ACQUISITION (S&P DATE)	APPROXIMATE AGE OF BUILDING	NBV @ 31/12/2024 RM
Shop Office (3 Floors)	2,131.25	5,717.57	Leasehold 99 years expiring on 05.01.2091 (Balance 67 years)	No.19,19A & 19B , Jalan SB Indah 1/18, Taman Sungai Besi Indah, 43300 Seri Kembangan, Selangor Darul Ehsan.	20/8/2003	26 years	1,500,000
Investment Property (1 ½ Floor)	1,668.40	2,142.02	Freehold	No.9 - PT 9078, Jalan Industri Putra 1, Precinct 14, 62050 Putrajaya.	28/8/2007	14 years	1,200,000
Investment Property (1 ½ floor)	1,668.40	2,142.02	Freehold	No.11- PT 9077, Jalan Industri Putra 1, Precinct 14, 62050 Putrajaya.	28/8/2007	14 years	1,200,000
Store	216,171.61	-	Freehold	Lot 4627, Jalan Broga Besar, 71750 Broga, Negeri Sembilan.	3/8/2009	-	1,071,395
Store	215,891.75	-	Freehold	Lot 4628, Jalan Broga Besar, 71750 Broga, Negeri Sembilan.	23/10/2012	-	2,390,735
Investment Property (Shop Office)	1,173.27	2,922.40	Leasehold 99 years expiring on 08.07.2098 (Balance 74 years)	No.7, Jalan MU Empat, Medan Universiti, 02600 Arau, Perlis	26/3/2015	9 years	580,000
Investment Property (Shop Office)	1,173.27	2,922.40	Leasehold 99 years expiring on 08.07.2098 (Balance 74 years)	No.5, Jalan MU Empat, Medan Universiti, 02600 Arau, Perlis	26/3/2015	9 years	580,000
Head Office (3 1/2 Floors)	1,530.94	5,900.52	Leasehold 99 years expiring on 05.01.2091 (Balance 67 years)	No.39, Jalan Sungai Besi Indah 1/19, Taman Sungai Besi Indah, 43300 Seri Kembangan, Selangor Darul Ehsan.	12/7/2016	21 years	3,092,177

LIST OF PROPERTIES

EXISTING USE	LAND AREA (AS PER LAND TITLE)(SQUARE FEET)	BUILD UP AREA (SQUARE FEET)	TENURE / DATE OF EXPIRY OF LEASE	ADDRESS	DATE OF ACQUISITION (S&P DATE)	APPROXIMATE AGE OF BUILDING	NBV @ 31/12/2024 RM
Head Office (3 1/2 Floors)	1,530.94	5,965.14	Leasehold 99 years expiring on 05.01.2091 (Balance 67 years)	No.41, Jalan Sungai Besi Indah 1/19, Taman Sungai Besi Indah, 43300 Seri Kembangan, Selangor Darul Ehsan.	12/7/2016	21 years	3,092,178
Investment Property	1,407.00	2,347.00	Freehold	G-01, Third Avenue, Jalan Teknokrat 3, Cyberjaya 4, 63000 Cyberjaya, Selangor.	15/1/2016	7 years	3,350,000
Investment Property - 1 Serviced Apartment	-	635	Leasehold land 99 years expiring on 1.12.2114 (Balance 90 years)	Parcel No.20-03 (Type A1), Residensi Eaton H.S.(D) 119912, PT78, Seksyen 63, Bandar KL, Daerah KL, Negeri WP KL	6/3/2017	3 years	1,000,000
Investment Property - 1 Condominium	-	764	Leasehold land 99 years expiring on 1.05.2113 (Balance 89 years)	Parcel No.C-22-03A (Type X5), Residensi Tria Seputeh H.S.(D) 52985, Lot 20032, Seksyen 98, Bandar KL, Daerah KL, State of WP KL.	24/7/2019	2 years	600,000
Investment Property - 1 Retail Shop	-	1,937.5	Freehold	Parcel No.01-07 (Retail Shop), Selangorku Pr1ma Lakefront Homes, Persiaran Sepang, Cyber 11, 63000 Cyberjaya, Selangor Geran 339961 Lot 108634 in the Mukim Dengkil, District of Sepang, State of Selangor	29/12/2023	3 years	1,314,378.08
Investment Property (CWIP) - 1 Condominium	-	3,078.48	Freehold	Parcel No.A-30-3, Bon Kiara Geran Mukim & No. of Title GM9659 Lot No.82251 in the Mukim Batu District of Kuala Lumpur State of Kuala Lumpur	2/2/2024	-	234,743.22

ANALYSIS OF SHAREHOLDINGS

AS AT 28 MARCH 2025

Number of Shares Issued	: 694,986,660 ordinary shares
Class of Shares	: Ordinary shares
Voting Right	: One vote per ordinary share
Number of Shareholders	: 11,248

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	TOTAL SHAREHOLDINGS	%
Less than 100 shares	5,857	50,595	0.007
100 – 1,000 shares	2,674	911,477	0.131
1,001 – 10,000 shares	1,418	7,120,914	1.024
10,001 – 100,000 shares	1,042	39,352,565	5.662
100,001 to less than 5% of issued shares	255	237,551,099	34.180
5% and above of issued shares	2	410,000,010	58.993
Total	11,248	694,986,660	100.00

SUBSTANTIAL SHAREHOLDERS

According to the Register of Substantial Shareholders under Section 144 of the Companies Act 2016, the following are the substantial shareholders of the Company:

SHAREHOLDINGS	DIRECT INTEREST		INDIRECT INTEREST	
	NO. OF SHARES	%	NO. OF SHARES	%
Wie Hock Beng	8	*	120,000,000#	17.267
Wie Hock Kiong	-	-	290,000,010^	41.727
Sincere Goldyear Sdn Bhd	120,000,000	17.267	-	-
Kombinasi Emas Sdn Bhd	290,000,010	41.727	-	-

Notes:

* Negligible

Deemed interested by virtue of his interest in Sincere Goldyear Sdn Bhd pursuant to Section 8 of the Companies Act 2016

^ Deemed interested by virtue of his interest in Kombinasi Emas Sdn Bhd pursuant to Section 8 of the Companies Act 2016

DIRECTORS' SHAREHOLDINGS

DIRECTORS	DIRECT INTEREST		INDIRECT INTEREST	
	NO. OF SHARES	%	NO. OF SHARES	%
Wie Hock Kiong	-	-	290,000,010^	41.727
Wie Hock Beng	8	*	120,000,000#	17.267
Salwa Binti Shamshuddin	-	-	-	-
Dr. Yong Mun Ching	-	-	-	-
Yeong Yok Hoong	-	-	-	-

Notes:

* Negligible

Deemed interested by virtue of his interest in Sincere Goldyear Sdn Bhd pursuant to Section 8 of the Companies Act 2016

^ Deemed interested by virtue of his interest in Kombinasi Emas Sdn Bhd pursuant to Section 8 of the Companies Act 2016

ANALYSIS OF SHAREHOLDINGS

30 LARGEST SHAREHOLDERS AS AT 28 MARCH 2025

NO.	SIZE OF SHAREHOLDINGS	NO. OF SHARES	%
1.	KOMBINASI EMAS SDN BHD	290,000,010	41.747
2.	SINCERE GOLDFEED SDN BHD	120,000,000	17.267
3.	ADVANCE HARVEST SDN BHD	23,391,000	3.365
4.	CHIN GUEK HONG	23,191,000	3.336
5.	YEOH CHOOI PHIN	21,594,000	3.107
6.	SHIN KAO JACK	18,333,300	2.637
7.	CONSTANT UPTREND HOLDINGS SDN BHD	15,576,500	2.241
8.	KENANGA NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR MOHAMAD BOLHAIR BIN REDUAN	8,950,000	1.287
9.	WIE HOCK KOW	8,000,000	1.151
10.	KAN FUI MAN	7,515,800	1.081
11.	CHANG YOCK CHAI	5,495,000	0.790
12.	RHB NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR SIAO CHOON PING	4,500,000	0.647
13.	RHB NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR MOHAMED FAROZ BIN MOHAMED JAKEL	4,291,200	0.617
14.	IKATAN GENERASI SDN BHD	3,770,000	0.542
15.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR CHAN HER SIN (MY4490)	2,868,000	0.412
16.	KOK FATT KONG	2,620,100	0.377
17.	LEW MING KIET	2,002,900	0.288
18.	ANG MUI LAN	2,000,000	0.287
19.	CHUNG KEAT LEONG	2,000,000	0.287
20.	CHANG YOCK CHAI	1,870,000	0.269
21.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR YEONG SING ONG (MY0427)	1,800,000	0.258
22.	SU MING YAM	1,604,100	0.230
23.	MAYBANK NOMINEES (TEMPATAN) SDN BHD - ETIQA FAMILY TAKAFUL BERHAD (SHAREHOLDERS)	1,461,500	0.210
24.	LIM YAU CHONG	1,356,100	0.195
25.	LIM CHUN SING	1,333,000	0.191
26.	KENANGA NOMINEES (TEMPATAN) SDN BHD - RAKUTEN TRADE SDN BHD FOR WO SUEE SANG @ WOH SUEE SANG	1,226,000	0.176
27.	BOY SHAN SHAN	1,200,000	0.172
28.	LEE CHIP HWA	1,150,000	0.165
29.	LIM SIEW HEONG	1,100,000	0.158
30.	LAU KIEN HUNG	1,010,000	0.145
TOTAL		581,209,510	83.628

PROXY FORM

CDS Account No.
No. of shares held



PESONA METRO HOLDINGS BERHAD
Registration No. 201101029741 (957876-T)

I/We _____ Tel: _____
[Full name in block, NRIC/Passport/Company No.]
of _____
[Full address]

being member(s) of PESONA METRO HOLDINGS BERHAD, hereby appoint:

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and (if more than one (1) proxy)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the meeting, as my/our proxy/proxies to vote for me/us on my/our behalf at the 14th Annual General Meeting of the Company which will be held at **The Vertical, Connexion Conference & Event Centre, The Zenith (Level M1), Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia** on **Wednesday, 25 June 2025 at 10.30 a.m.** or at any adjournment thereof, and to vote as indicated below:

Description of Resolution	Resolution	For	Against
To approve the payment of Directors' fees of RM384,000.00 for the financial year ending 31 December 2025 to be paid quarterly in arrears.	Ordinary Resolution 1		
To approve the payment of Directors' benefits up to an aggregate amount of RM35,000.00 for the period from 26 June 2025 until the next annual general meeting of the Company.	Ordinary Resolution 2		
To re-elect Mr Wie Hock Kiong as Director.	Ordinary Resolution 3		
To re-elect Dr. Yong Mun Ching as Director.	Ordinary Resolution 4		
To re-elect Mr Yeong Yok Hoong as Director.	Ordinary Resolution 5		
To re-appoint UHY Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	Ordinary Resolution 6		
Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016.	Ordinary Resolution 7		
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	Ordinary Resolution 8		

(Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.)

Signed this _____ day of _____, 2025

Signature*
Member

* Manner of execution:

- (a) If you are an individual member, please sign where indicated.
- (b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- (c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
 - (i) at least two (2) authorised officers, one of whom shall be a director; or
 - (ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

NOTES:

1. For the purpose of determining who shall be entitled to attend, speak and vote at this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 18 June 2025. Only a member whose name appears on this Record of Depositors shall be entitled to attend and vote at this meeting or appoint proxy(ies) to attend, speak and vote on his/her/its behalf.
2. A member of the Company who is entitled to attend, speak and vote at a general meeting may appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, speak and vote in his place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to attend, speak and vote instead of the member at the general meeting.
4. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than 2 proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
6. Where a member, an authorised nominee or an exempt authorised nominee appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment shall not be valid unless he specifies the proportion of his shareholdings to be represented by each proxy.
7. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the 14th Annual General Meeting or adjourned general meeting at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
To be deposited with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia
 - (ii) By electronic means via Tricor TIIH Online website at <https://tiih.online>
Please refer to the procedure as set out in the Administrative Guide of the 14th Annual General Meeting for further information on electronic submission of proxy form via TIIH Online.
8. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the general meeting or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
9. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
10. Last day, date and time for lodging the proxy form is **Monday, 23 June 2025 at 10.30 a.m.**
11. For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please deposit the **ORIGINAL** certificate of appointment executed in the manner as stated in the proxy form with the Share Registrar of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia if this has not been lodged with the Company's Share Registrar earlier.
12. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
 - a. Identity card (NRIC) (Malaysian), or
 - b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
 - c. Passport (Foreigner).
13. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 14th Annual General Meeting will be put to vote by way of poll.

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AFFIX
STAMP

The Share Registrar

Pesona Metro Holdings Berhad
(Registration No. 201101029741) (957876-T)
c/o 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

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www.pesona.com.my

PESONA METRO HOLDINGS BERHAD

(Registration No. 201101029741) (957876-T)

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