

GROMUTUAL

Annual

REPORT

2024

To Improve
The Lifestyle of Communities

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 22nd Annual General Meeting of Gromutual Berhad ("the Company") will be held at **Austin 18, Jalan Austin Perdana 3, Taman Austin Perdana, 81100, Johor Bahru, Johor, Malaysia** on **Monday, 26 May 2025** at **10.00 a.m.** to transact the following businesses :

AGENDA

Resolution / Explanatory Note

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2024 and the Reports of the Directors and Auditors thereon. **(Note 1)**
2. To approve the payment of Directors' fees of RM360,000 for the financial year ended 31 December 2024. **Resolution 1 / Note 2**
3. To approve the payment of Directors' benefits at the capping amount of RM40,000 for the period commencing from the date immediately after the 22nd Annual General Meeting up to date of the next 23rd Annual General Meeting of the Company to be held in 2026. **Resolution 2 / Note 2**
4. To re-elect the following Directors who retire by rotation pursuant to Clause 76(3) of the Company's Constitution ("Constitution"):
4.1 Mr. Teo Yu Hong
4.2 YH Dato' Chong Keap Thai @ Cheong Keap Tai
4.3 Mr. Teo Yu Yang **Resolution 3 / Note 3
Resolution 4 / Note 3
Resolution 5 / Note 3**
5. To re-appoint BDO PLT as Auditors of the Company for the financial year ending 31 December 2025 and to authorise the Directors to fix their remuneration. **Resolution 6 / Note 4**

AS SPECIAL BUSINESS:

To consider and if thought fit, to pass the following Resolutions with or without modifications: -

6. **ORDINARY RESOLUTION 1:
AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016** **Resolution 7 / Note 5**

"THAT pursuant to Sections 75 and 76 of the Companies Act, 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approval of the relevant regulatory authorities, where such approval is required, the Directors 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 and for such purpose and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued during the preceding twelve (12) months does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being AND THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued from Bursa Malaysia Securities Berhad AND THAT such authority shall continue to be in force until conclusion of the next annual general meeting of the Company 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 earlier, unless such approval is revoked or varied by the Company at a general meeting."

NOTICE OF ANNUAL GENERAL MEETING (continued)

7. **ORDINARY RESOLUTION 2:
CONTINUITY OF THE INDEPENDENT DIRECTOR WHO HAS SERVED THE
COMPANY FOR CUMULATIVE TENURE OF MORE THAN NINE (9) YEARS –
MR WONG WEN TAK**

Resolution 8 / Note 6

“THAT Mr Wong Wen Tak who has served as an Independent Non-Executive Director of the Company for a cumulative tenure of more than nine (9) years, be hereby recommended and approved to continue to act as an Independent Non-Executive Director of the Company, via single tier voting process.”

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

BY ORDER OF THE BOARD

GROMUTUAL BERHAD

WONG CHEE YIN (f) (MAICSA 7023530)

(SSM Practicing Certificate No. 202008001953)

THAM YAP MEY (f) (MIA29389)

(SSM Practicing Certificate No. 202008001870)

Company Secretaries

Johor Bahru

25 April 2025

NOTICE OF ANNUAL GENERAL MEETING (continued)

NOTES:

1. For the purpose of determining who shall be entitled to attend this Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at **19 May 2025**. Only a member whose name appears on this Record of Depositors shall be entitled to attend this Annual General Meeting or appoint a proxy to attend, speak and vote on his/her/its behalf.
2. A member entitled to attend and vote at this Annual General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his/her/its 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 an Annual General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the Annual General Meeting.
4. Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (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 Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
6. Where a member 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.
7. The appointment of a proxy may be made in a hard copy form or by electronic form. In the case of appointment made in hardcopy form, the proxy form must be deposited with the Registered Office of the Company at L2-02, 1 Medini Hub, Persiaran Medini Utara 3, Medini Iskandar, 79000 Nusajaya, Johor, Malaysia. In the case of electronic appointment, the proxy form must be deposited via TIH Online at <https://tiih.online>. Please follow the procedure as set out in the Administrative Guide for the electronic lodgement of proxy form. All proxy form submitted must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting or adjourned Annual General Meeting at which the person named in the appointment proposes to vote.
8. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Registered Office of the Company situated at L2-02, 1 Medini Hub, Persiaran Medini Utara 3, Medini Iskandar, 79000 Nusajaya, Johor, Malaysia not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting or adjourned Annual 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 this proxy form are completed, signed and dated accordingly.
10. Last date and time for lodging this proxy form is **Saturday, 24 May 2025 at 10.00 a.m.**
11. 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).
12. For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in this proxy form if this has not been lodged at the Company's registered office earlier.
13. Shareholders are advised to check the Company's website at www.gromutual.com and announcements from time to time for any changes to the administration of the 22nd AGM that may be necessitated by changes to the directives, safety and precautionary requirements and guidelines prescribed by the Government of Malaysia, the Ministry of Health, the Malaysian National Security Council, Securities Commission Malaysia and/or other relevant authorities.

NOTICE OF ANNUAL GENERAL MEETING (continued)

EXPLANATORY NOTES:

ORDINARY BUSINESS :

1. **AGENDA ITEM 1:**
AUDITED FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED 31 DECEMBER 2024

This Agenda item is meant for discussion only as an approval from shareholders for the Audited Financial Statements is not required pursuant to the provisions of Section 248(2) and 340(1) of the Companies Act, 2016. Hence, this item is not put forward for voting by shareholders of the Company.

2. **AGENDA ITEMS 2 AND 3 RESPECTIVELY**
RESOLUTION 1: PAYMENT OF DIRECTORS' FEES
RESOLUTION 2: PAYMENT OF DIRECTORS' BENEFITS

In compliance with Section 230(1) of the Companies Act 2016, the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

The Ordinary Resolutions 1 and 2 are proposed to seek shareholders' approval for the payment of Directors' fees for financial year ended 31 December 2024 and Directors' benefits for the period commencing from the conclusion of the 22nd AGM until the next 23rd AGM of the Company to be held in 2026 (estimated period is 12 months) to the Directors of the Company. In the event the proposed amount for Directors' benefits is insufficient, approval will be sought at the next 23rd AGM for the shortfall, if any.

3. **AGENDA ITEM 4**
RESOLUTIONS 3, 4, AND 5: RE-ELECTION OF DIRECTORS

Under Clause 76(3)

Mr. Teo Yu Hong, YH Dato' Chong Keap Thai @ Cheong Keap Tai and Mr. Teo Yu Yang are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 22nd Annual General Meeting. The Board has through the Nominating Committee, had considered and assessed the retiring Directors and agreed that they meet the qualification of Directors as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Securities and have the character, experience, integrity, competence and time to effectively discharge their roles as Directors.

4. **AGENDA ITEM 5**
RESOLUTION 6: RE-APPOINTMENT OF AUDITORS

The Board has through the Audit Committee, considered the re-appointment of BDO PLT as the 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 22nd Annual General Meeting are disclosed in the Audit Committee Report of the 2024 Annual Report.

SPECIAL BUSINESSES :

5. **AGENDA ITEM 6**
RESOLUTION 7: AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016

For the purpose of granting a renewal of the general mandate and if passed, would provide flexibility to the Directors to undertake fund raising activities, including but not limited to further placement of shares for the purpose of funding current and/or future investment project(s), working capital, repayment of bank borrowings, acquisitions and/or for allotment of shares as settlement of purchase consideration, by the issuance of shares in the Company to such persons at any time as the Directors may deem fit provided that the aggregate number of shares issued pursuant to the mandate does not exceed 10% of the total number of issued shares of the Company for the time being, without having to convene a general meeting. 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 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 earlier.

As at the date of this notice, the Company did not implement its proposal for new allotment of shares under the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 which was approved by the shareholders at the 21st AGM held on 27 May 2024 and will lapse at the conclusion of the 22nd AGM to be held on 26 May 2025. As at the date of this notice, there is no decision to issue new shares. Should there be a decision to issue new shares after the general mandate is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

NOTICE OF ANNUAL GENERAL MEETING (continued)

6. **AGENDA ITEM 7**

RESOLUTION 8: CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board has assessed the independence of Mr Wong Wen Tak, who has served as an Independent Non-Executive Director of the Company for a cumulative tenure of more than nine (9) years, and has recommended that he continues to act as an Independent Non-Executive Director of the Company based on the following justifications:

- i. He has fulfilled the criteria under the definition of Independent Director pursuant to paragraph 1.01 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- ii. He has actively participated in Board deliberations, judged in an independent and unfettered manner, discharged his duties with reasonable care, skill and diligent; brought independent thought and experience and provided objectivity in decisions making;
- iii. The length of his services did not interfere with his ability and exercise of independent judgement as he is always independent in character, independent of management and free from any relationships or circumstances which would likely affect or appear to affect his judgment; and
- iv. He exercised due care in all undertakings of the Company and had carried out his fiduciary duties in the interest of the Company and of the minority shareholders.

Therefore, the Board has recommended and supported him to continue to act as an Independent Non-Executive Director of the Company for Shareholders' approval at the forthcoming 22nd AGM via single tier voting process.

The Resolution 8, if passed, will enable Mr Wong Wen Tak to continue serving as an Independent Non-Executive Director of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

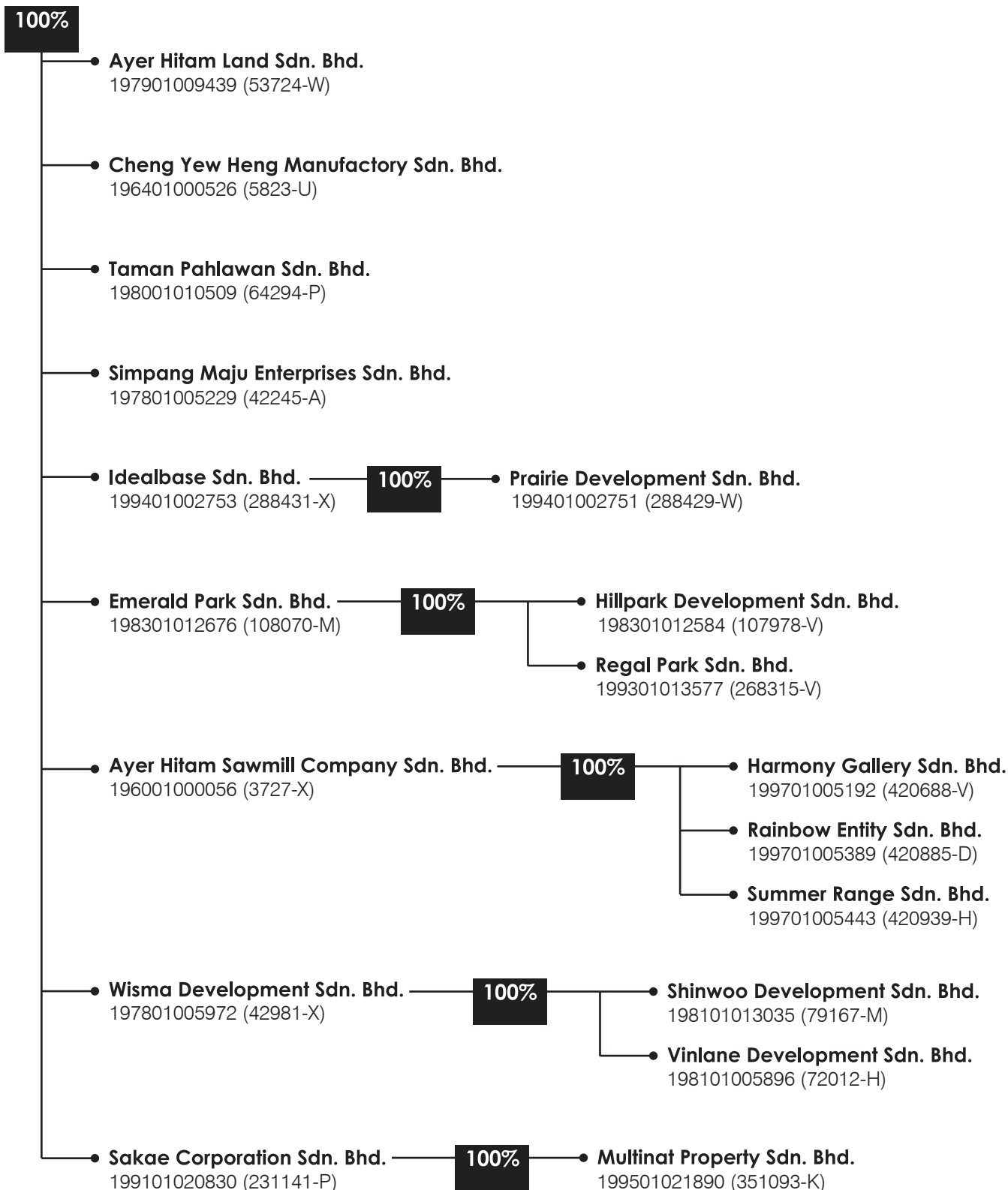
Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

There is no person seeking election as Director of the Company at this Annual General Meeting.

GROUP STRUCTURE

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FINANCIAL HIGHLIGHTS

	31 Dec 2020	31 Dec 2021	31 Dec 2022	31 Dec 2023	31 Dec 2024
Key Results (RM)					
Revenue	67,854,685	53,629,789	54,190,660	78,870,046	51,738,639
EBITDA ¹	18,097,199	17,905,060	14,478,551	22,967,278	26,996,584
Profit Before Tax ("PBT")	16,006,889	16,287,480	12,981,902	21,518,157	23,743,473
Profit After Tax ("PAT")/NPAEH ²	9,806,845	12,492,828	9,110,334	15,690,444	17,643,807
Other Key Data (RM)					
Total Assets	452,519,953	451,334,189	483,919,791	494,136,470	539,101,958
Total Borrowings	59,896,673	60,791,615	79,797,545	70,933,106	94,661,053
Shareholders' Equity	365,789,415	374,526,164	381,758,458	394,208,435	409,974,202
Financial Ratios					
Return on Total Assets (%)	2.17	2.77	1.88	3.18	3.27
Return on Equity (%)	2.68	3.34	2.39	3.98	4.30
Gearing Ratio (%) ³	16.37	16.23	20.90	17.99	23.09
Interest Coverage ⁴ (times)	5.98	8.43	6.66	9.34	8.74
Share Information					
Earnings Per Share (Sen)	2.61	3.33	2.43	4.18	4.70
Net Dividend Per Share (Sen)	0.50	1.00	0.50	1.00	0.50
Net Assets Per Share (RM)	0.97	1.00	1.02	1.05	1.09
Net Dividend Yield (%) ⁵	2.00	3.28	1.75	3.28	1.75
Share Price as at 31 December (RM)	0.250	0.305	0.285	0.305	0.285
Price Earning Ratio ("PE") ⁶	9.58	9.16	11.73	7.30	6.06

¹ Earnings Before Interest, Taxes, Depreciation and Amortisation

² PAT Attributable to Equity Holders

³ Total Debts/Shareholders' equity

⁴ PBT/Interest Charges

⁵ Net Dividends Per Share/Price Per Share

⁶ Price Per Share/Earnings Per Share

CORPORATE INFORMATION

BOARD OF DIRECTORS

Teo Yu Yin	Non-Executive Chairman
Teo Yu Hong	Managing Director
Chew Kwee Hiok (f)	Deputy Managing Director Cum Chief Executive Officer
YH Dato' Chong Keap Thai @ Cheong Keap Tai	Non-Independent Non-Executive Director
Teo Yu Yang	Non-Independent Non-Executive Director
Tan Chia Hon (f)	Non-Independent Non-Executive Director
Wong Wen Tak	Independent Non-Executive Director
Chan Chong Wey	Independent Non-Executive Director
SR Hj Abdul Khalid Bin Abdul Rahman	Independent Non-Executive Director

AUDIT COMMITTEE

Wong Wen Tak	Chairman
YH Dato' Chong Keap Thai @ Cheong Keap Tai	Member
Chan Chong Wey	Member
SR Hj Abdul Khalid Bin Abdul Rahman	Member

NOMINATING COMMITTEE

Chan Chong Wey	Chairman
YH Dato' Chong Keap Thai @ Cheong Keap Tai	Member
SR Hj Abdul Khalid Bin Abdul Rahman	Member

REMUNERATION COMMITTEE

YH Dato' Chong Keap Thai @ Cheong Keap Tai	Chairman
Tan Chia Hon (f)	Member
Teo Yu Yin	Member

CORPORATE INFORMATION (continued)

REGISTERED OFFICE

L2-02, 1 Medini Hub,
Persiaran Medini Utara 3,
Medini Iskandar, 79000 Nusajaya,
Johor, Malaysia
Tel No. : 607-8180350
Email: info@my.tricorglobal.com

BUSINESS OFFICE

PH1, Austin 18
Jalan Austin Perdana 3,
Taman Austin Perdana
81100 Johor Bahru
Johor Darul Takzim
Tel No. : 607-2121333
Fax No. : 607-2121222
Website : www.gromutual.com

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.
197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel No. : 603-27839299
Fax No.: 603-27839222

COMPANY SECRETARIES

Wong Chee Yin (f) (MAICSA 7023530)
(SSM Practicing Certificate No. 202008001953)
Tham Yap Mey (f) (MIA 29389)
(SSM Practicing Certificate No. 202008001870)

AUDITORS

BDO PLT (201906000013 (LLP0018825-LCA & AF 0206)
Suite 18-04, Level 18, Menara Zurich
15, Jalan Dato' Abdullah Tahir
80300 Johor Bahru
Johor Darul Takzim
Tel No. : 607-3319815
Fax No.: 607-3319817

PRINCIPAL BANKERS

AmBank (M) Berhad
CIMB Bank Berhad
Malayan Banking Berhad
Public Bank Berhad
Hong Leong Bank Berhad
RHB Bank Berhad

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad (Bursa Securities)
Main Market

PROFILE OF THE BOARD OF DIRECTORS

Teo Yu Yin (Male), aged 54, Malaysian, was appointed as a Non-Independent Non-Executive Director of Gromutual on 25 May 2015 and re-designated as Non-executive Chairman on 30 June 2022. He graduated with a Bachelor of Science from Latrobe University, Australia in 1993. He joined Jones Lang Wootton in Johor Bahru as a property consultant until 1997. Presently, he is the Managing Director of Securityhub Corporation Sdn. Bhd.

Teo Yu Hong (Male), aged 46, Malaysian, was appointed as an Executive Director of Gromutual on 29 November 2010 and re-designated as Managing Director on 1 June 2017. He graduated from the University of Melbourne with a Bachelor of Civil Engineering in 2001. After graduation, he joined a concrete product company as sales engineer and later joined Gromutual in 2004 as project manager. In 2008, he had been promoted to be the Business Development Manager responsible for exploring business venture and opportunity of the group. Currently, he is responsible for the overall operations, business development and strategic direction of Gromutual Group.

Chew Kwee Hiok (Female), aged 61, Malaysian, was appointed as an Executive Director of Gromutual on 23 November 2004. She was appointed as Deputy Managing Director of Gromutual on 1 January 2010 and was re-designated as Deputy Managing Director cum Chief Executive Officer on 25 May 2015. She completed her Diploma in Building from Tunku Abdul Rahman College in 1988. Upon graduation, she joined one of the leading developers in Johor Bahru as a marketing executive and later joined Idealbase Sdn. Bhd. in 1995 as a Director. Currently, she oversees the business operations and activities of Gromutual Group. She is also a Registered Real Estate Agent since 1997.

Teo Yu Yang (Male), aged 40, Malaysian, was appointed as a Non-Independent Non-Executive Director of Gromutual on 1 October 2019. He graduated with a Bachelor of Automotive Engineering from University of Sunderland, Sunderland, UK. After graduation, he worked as Part Executive at Auto Bavaria Penang from 2008 until 2010 and later as Service Consultant at Cycle and Carriage Johor until 2012. Presently, he is the General Manager and Executive Director of Vermi Industries Sdn. Bhd.

Tan Chia Hon (Female), aged 49, Malaysian, was appointed as a Non-Independent Non-Executive Director of Gromutual on 1 June 2022. She graduated from Monash University, Australia with Bachelor of Commerce majoring Accounting and Finance in 1997. She is a Chartered Accountant of Malaysia Institute of Accountants, a licensed tax agent, a member of the Chartered Tax Institute of Malaysia and a member of Australian Society of Certified Practising Accountants. Upon graduation, she worked in Deloitte KassimChan Tax Services for 4 years and later worked in Gromutual as Finance Manager for 8 years. Subsequently she joined her family firm and become Audit Partner in 2017.

YH Dato' Chong Keap Thai @ Cheong Keap Tai (Male), aged 76, Malaysian, was appointed as an Independent Non-Executive Director of Gromutual on 23 November 2004 and re-designated as Non-Independent Non-Executive Director on 1 June 2015. He graduated from the University of Singapore with Bachelor of Accountancy. He is a Chartered Accountant of Malaysian Institute of Accountants, a Member of the Malaysian Institute of Certified Public Accountants, member of Chartered Tax Institute of Malaysia and a Member of the Institute of Chartered Secretaries and Administrators. He is also a licensed tax agent. He was the Executive Director and Partner of Coopers & Lybrand and upon its merger with Price Waterhouse, he was the Executive Director and Partner of PricewaterhouseCoopers and Chairman of the Governance Board of the firm until his retirement in December 2003. Currently, he is a Director of Tanah Makmur Berhad.

Wong Wen Tak (Male), aged 43, Malaysian, was appointed as an Independent Non-Executive Director of Gromutual on 25 May 2015. He graduated from the University of Oxford with a Bachelor of Economics and Management in 2001. After graduation, he joined PwC London under Audit and Assurance where he worked for almost 4 years. Subsequently he joined G4S plc, then listed on the London Stock Exchange as a Senior Internal Auditor from 2007 to 2009. In April 2009, he joined the family firm, M.S. Wong & Co. and the firm subsequently merged with the Johor operations of Grant Thornton Malaysia PLT in 2018. Presently, he is the Chief Executive Officer of the Johor office of Grant Thornton Malaysia PLT. He is a Chartered Accountant and member of Malaysian Institute of Accounting and Fellow Member of Institute of Chartered Accountants in England and Wales.

PROFILE OF THE BOARD OF DIRECTORS (continued)

Chan Chong Wey (Male), aged 50, Malaysian, was appointed as an Independent Non-Executive Director of Gromutual on 1 June 2022. He graduated from Royal Melbourne Institute of Technology University, Australia, with a Bachelor of Business (Accountancy). Upon graduation, he was attached to a Big 4 Accounting Firm in Malaysia for more than 22 years. Currently, he is managing his own audit practice. He is a qualified Chartered Accountant and a member of Malaysian Institute of Accountants and fellow member of CPA Australia. Presently, he is a Director of Harn Len Corporation Berhad.

SR Hj Abdul Khalid Bin Abdul Rahman (Male), aged 58, Malaysian, was appointed as an Independent Non-Executive Director of Gromutual on 30 December 2022. He graduated from University Technology of Malaysia with Bachelor of Surveying (Property Management) in 1989. He joined Colliers, Jordan Lee & Jaafar (JH) Sdn. Bhd. in 1991 as Valuation and Research Officer and become Head of Research Division in 1994. Upon he obtaining his registration with the Board of Valuer, Appraisers & Estate Agent in 1998, he was appointed as the Associate Director and in 2009 as an Executive Director of the same company, which was later changed to Asettz Sdn. Bhd. He was often appointed by Johor Bahru High Court as Assessor. His experience and skills in valuation are well diversified in all sectors covering the scope from retail to corporate inclusive for listing purpose mainly in landed properties, development, plantation, plant and machinery as well as property management. He is among the pioneers in doing the land acquisition in Johor and also for the oil palm plantations. In 2016, he founded Asian Pullprop Sdn. Bhd.

Family Relationship of Directors

Teo Yu Yang is the son of Teo Ah Bah @ Teo Chuang Kwee (Substantial Shareholder). Save as disclosed herein, none of the Directors has any family relationship with any Directors and/or major shareholders of the Company.

Conflict of Interest

Save as disclosed in the directors' profile, none of the directors has any conflict of interest with the Company.

Conviction of Offence

None of the directors has conviction for any offences within the past 5 years (other than traffic offences, if any) and there was no sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Securities Holdings

The particulars of the directors' shareholdings are set out in page 122 of this Annual Report.

PROFILE OF KEY SENIOR MANAGEMENT

The management team is headed by the Managing Director, Teo Yu Hong and Deputy Managing Director cum Chief Executive Officer, Chew Kwee Hiok. They are the Key Senior Management and their profiles are set out in the Profile of the Board of Directors on page 10 of this Annual Report.

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors of Gromutual Berhad ("Gromutual" or "the Company"), I am pleased to present to you the 2024 Annual Report of the Company and the Financial Statements of the Group and of the Company for the financial year ended 31 December 2024 ("FY2024").

FINANCIAL PERFORMANCE

The Malaysian property market remained challenging in year 2024. Developers are still grappling with stringent compliance costs and rising material expenses. In FY2024, Gromutual recorded a revenue of RM51.7 million, a decrease from RM78.9 million in FY2023. Nevertheless, profit before tax stood at RM23.7 million compared to RM21.5 million in FY2023.

Basic earnings per share increased to 4.70 sen in FY2024 as compared to 4.18 sen in the preceding year.

The financial position of Gromutual remained strong with total assets of RM539.1 million as at end of FY2024, compared to RM494.1 million as at end of FY2023. Net assets per share for FY2024 is at RM1.09 per share, compared to RM1.05 per share for FY2023.

A more detailed review of the Group's performance is covered under the section on "Management Discussion and Analysis" in this Annual Report.

DIVIDEND

The Board had paid out an interim single-tier dividends of 0.50 sen per share during the financial year. The dividend pay-out of RM1.9 million was distributed to shareholders on 20 December 2024. The dividend declared represented approximately 11% of the Group's FY2024 net profit.

The Board is not proposing any final dividend in respect of FY2024.

APPRECIATION

On behalf of our Board, I would like to express my sincere appreciation to the management and employees of our Group for their commitment and contributions over the financial year.

I also thank our shareholders, associates, clients, bankers, contractors, suppliers and agencies for your long-standing support and kind co-operation to the Group.

Lastly, I would like to acknowledge my fellow Board members for their invaluable guidance and strategic insights in steering us forward.

Teo Yu Yin
Non-Executive Chairman
Date: 10 March 2025

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

OUR HISTORY AND BUSINESS OVERVIEW

Gromutual Berhad was listed on the Main Board of Bursa Securities in the year 2004. It is the intermediate holding/immediate holding company for 18 subsidiary companies whose activities are mainly in property development and property management.

The Gromutual Group of Companies ("Gromutual" or "the Group") have grown steadily over the years and have undertaken property development in Melaka and Johor States. The development products range from landed residential, commercial buildings, high rise versatile business suites and industrial parks.

The Group has also strengthened its income base by investing in investment properties that provide steady stream of recurring rental income. The investment portfolio includes student/worker apartments at Melaka, industrial buildings at Kulai and commercial units at Austin 18, Johor Bahru.

Despite the challenging business environment, property development remains the mainstay of the Group's business, contributing to approximately 80% of the Group's revenue in 2024. This is underpinned by the Group's business strategy of supplying affordable home within the reach of the median income population and supplying commercial and industrial property development for entrepreneurs.

Apart from property development, the property management contributed about 16% of the Group's total earnings. The remaining 4% of the Group's revenue is generated from small scale business operations such as oil palm plantation.

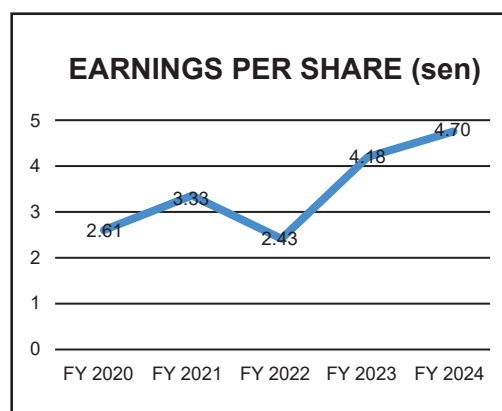
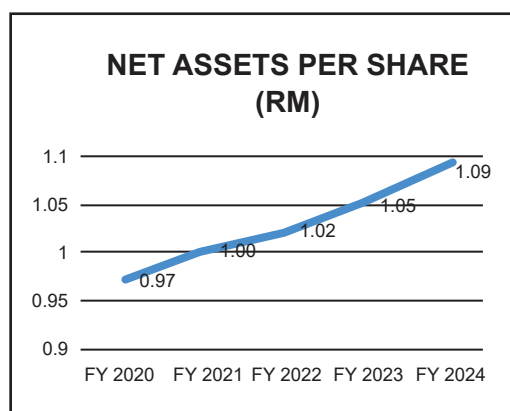
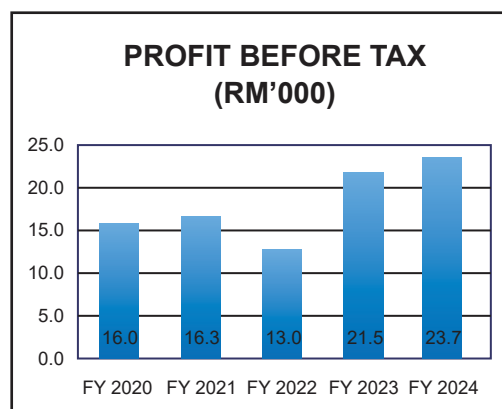
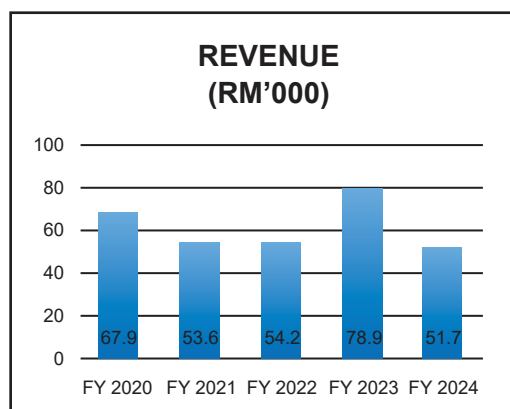
FINANCIAL REVIEW

For the year ended 2024, the Group registered a revenue of RM51,738,639, a drop of 34% or RM27,131,407 from the previous year's revenue of RM78,870,046. The fall of revenue was primarily due to the decrease of 42% or RM28,138,691 in sales generated from property development to RM39,241,278 from RM67,379,969 in 2023, as a result of the timing of the new property launched and softer demand from the completed residential houses. Nevertheless, the profit attributable to owners of the Group increased by approximately 12% or RM1,953,363 from RM15,690,444 in year 2023 to RM17,643,807 in year 2024, as a result of the higher contribution from the industrial projects, the gain on disposal of an investment property of RM979,000 as well as the recognition of fair value gain in total of RM10,522,814 on the asset held for sale and investment properties.

The Group's overall financial performance for 2024 remained profitable and sustainable. While the property sector will continue to face various challenges but the Group's long term growth prospects will remain positive as the Group has always been strategic in developing and launching affordable to mid-priced properties.

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

(continued)



Liquidity, Capital Resources and Capital Expenditure

The Group's capital expenditure and working capital requirements were financed by firstly, cash generated from operations and secondly, long-term debt financing and working capital financing provided by the financial institutions.

As at end of 2024, current assets were recorded at 2.9 times the value of current liabilities which was slightly lower than that of 3.0 times as at end of 2023. The Group remained good in financial strength.

The cash and bank balances of the Group decreased by 4% or RM2,173,560 to RM58,973,892 in 2024 as compared to RM61,147,452 in 2023. Additionally, cash and cash equivalents dropped by 26% or RM10,395,181 to RM29,280,930 as at 31 December 2024 from RM39,676,111 as at 31 December 2023. The decrease was mainly due to the lower receipts from customers and payments for land acquisitions in year 2024.

Gearing Ratio

The gearing ratio (long-term and short-term bank borrowings over total equity) of the Group is sustained at 0.23 times as at 31 December 2024 compared to 0.18 times in the last financial year. The Group has a healthy cash flow position which will enable the Group to achieve its strategic objectives of value creation in the coming years.

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

(continued)

REVIEW OF OPERATING ACTIVITIES

The Group has two (2) core operating segments comprised of Property Development and Property Management:-

(i) Property Development

With over 30 years of experience in property development, the Group has carved out a niche in the residential, commercial and industrial development. The Group has gained good reputation of being a trustworthy developer for timely delivery of quality properties. The long-term prospect of the Group remains positive.

In the coming years, Gromutual plans to launch more affordable properties in Melaka and Johor states. Industrial properties will be developed for our Tropika Industrial Park ("TIP") in Plentong and Ayer Hitam Industrial Park ("AHIP") in Ayer Hitam as well as the industrial lands at Senai Airport City ("SAC").

The Group will continue to focus in developing more affordable to mid-range properties for growing middle income ("M40") population where the demand for the property development projects remains good.

At the same time, the Group will continue to lease out its unsold commercial/industrial inventories to entrepreneurs for setting up and expanding their businesses. The short-term recurring rental income will complement the earnings for property development.

The Group actively seeks opportunities to acquire more land banks, in places where Gromutual has presence such as in Johor and Melaka. The Group is committed to develop property with hassle-free design concept and layout coupled with good environment and amenities where the buyer can envision and find joy in living and working there.

(ii) Property Management

Gromutual has been engaged in the student apartments rental business since 2001. The Group owned and managed one block of serviced apartments in Melaka to meet the demand of students for well organised and secured accommodation. The apartments are mainly occupied by the students from Multimedia University, Melaka Campus ("MMU"). As at end of 2024, the occupancy rate for the service apartment rented for student accommodation was 41%.

Additionally, since 2022, the Group has operated three blocks of workers' accommodation for rental and plans to convert its last student apartment block into workers' accommodation in 2025. Currently, the workers' accommodation houses approximately 1,800 occupants, with the planned conversion set to increase capacity by 1,100. Besides managing the residential properties, the Group also leases its industrial buildings in Kulai to manufacturers and commercial units located at the ground floor of Austin 18 in 2024.

KEY RISK FACTOR EXPOSURE

The outlook for the property market remains challenging in the year ending 31 December 2025. It is essential for Gromutual to remain competitive in order to secure and maintain its position in the market. Gromutual will remain prudent and cautious in planning its development projects to meet the market demand and providing quality services to our customers and tenants. The Group adopts an effective sales and marketing approach to maximise the profit margin.

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

(continued)

OUR FUTURE OUTLOOK

(i) Property Development

The property development sector is expected to face increasing challenges due to rising compliance costs (including ESG requirements), construction cost inflation, minimum wage adjustments, and energy subsidy rationalization. Nevertheless, the development of residential and industrial properties is expected to continue and be profitable in year 2025 for the Group.

The Management will be vigilant to ensure that the existing operations are well managed. In addition, Gromutual will be prudent and cautious in any investment and potential development projects.

Looking ahead, Gromutual is optimistic about its long-term growth, with plans for mixed-use developments incorporating residential, industrial, commercial, lifestyle, and entertainment components. These projects will support the Group's resilience and sustained profitability.

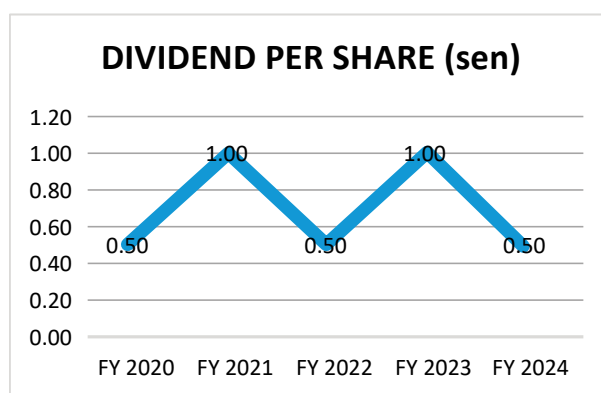
(ii) Property Management

The Group's property management segment will continue to contribute recurring income for the Group and will complement the earnings from the property development activities.

Gromutual's property management team in Melaka is committed to continuously enhance and improve the environment and to provide conducive services to its residents. In addition, the Group will continue to seek suitable investment for stable and recurring rental income.

DIVIDEND

The Board does not maintain fixed dividend pay-out ratio. The Board declares dividend as and when it deems fit after taking into account of the liquidity position and investment needs of the Group.



This statement is made in accordance with a resolution of the Board dated 10 March 2025.

SUSTAINABILITY STATEMENT

OUR SUSTAINABILITY STATEMENT

The Board of Directors of Gromutual Berhad and its group of companies ("Gromutual" or "the Group") acknowledge that our business is judged not solely on our financial performance but also on our long-term strategies and conduct in respect of achieving good governance, economically positive, environmental and socially responsibility to sustain our business and maintain its profitability in this challenging environment so as to create value to our stakeholders in the long term.

Gromutual would like to present our Annual Sustainability Statement ("SS") or ("this Statement") for 2024. This Statement provides an overview of the Group's sustainability efforts and performance during the period of 1 January 2024 to 31 December 2024 ("Y2024"), unless stated otherwise.

OUR SCOPE

This Statement covers the sustainability performance in the key business operations, namely property development ("PD") and property management ("PM") of the subsidiaries as outlined in the Group Structure of this Annual Report. The small-scale business operations such as oil palm plantation is excluded from our reporting scope as it has the minimal contribution to overall Group's revenue and operational manpower involved, and minor impact on the Group's operational risk and opportunities.

We remain active in Johor and Melaka and target to strive for a profitable position and constant expansion in residential, commercial and industrial field for PD.

OUR REPORTING FRAMEWORK

This Statement presents the information, initiative and performance overview in anchoring the Group's key sustainability pillars: Economic, Environmental, Social and Governance ("ESG") during the financial year ended 31 December 2024 ("FYE2024") in compliance to Bursa Malaysia Listing Requirements and to Bursa Malaysia Sustainability Reporting Guide (3rd Edition).

OUR LIMITATIONS, ASSURANCE AND FEEDBACK

We are aware of the limitations of this Statement, which relate only to the sustainability performance of the key business operations and internal evaluation mechanisms. The ESG performance data table included in this Statement has been sourced internally and has only been verified by our internal Sustainability Coordinator. This Statement has not been subjected to an assurance process. The Group is committed to continuous improvement in terms of comprehensiveness and transparency in materiality assessment, data sourcing and monitoring and tracking of disclosure.

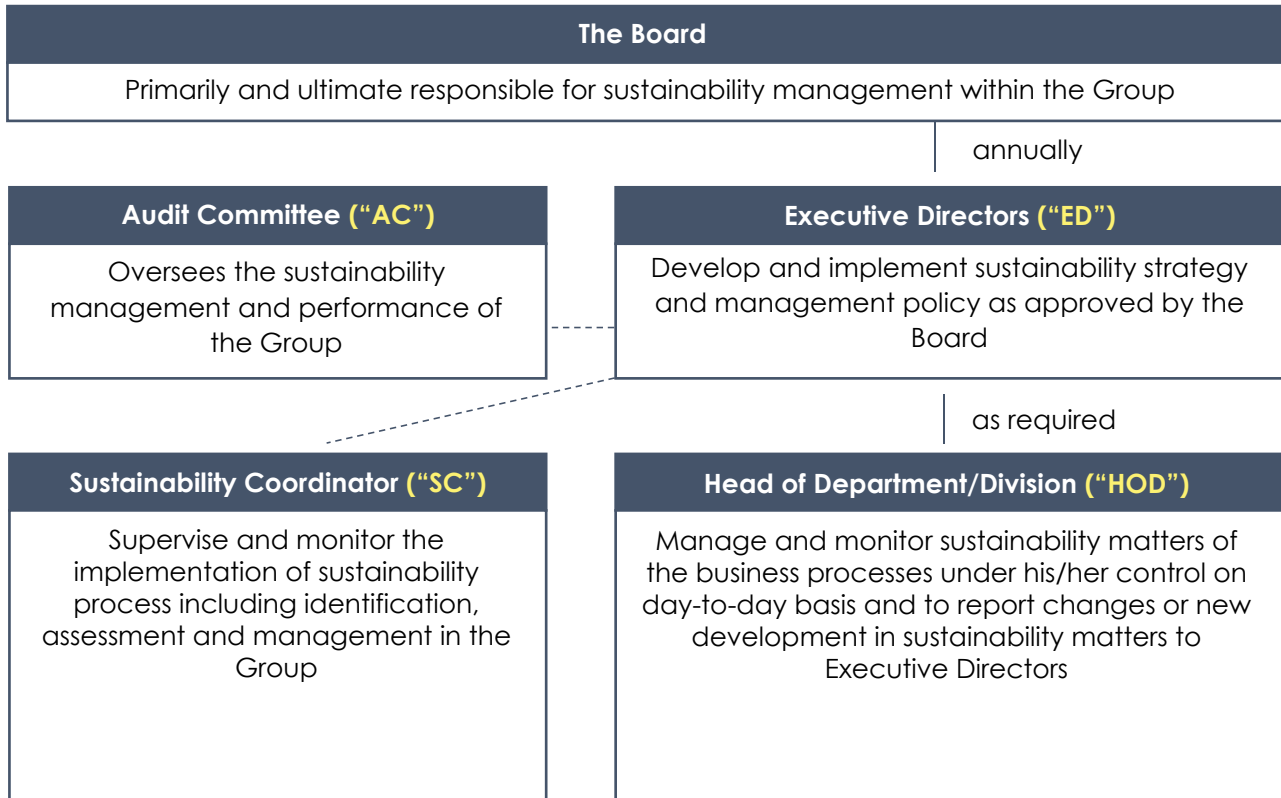
Marching forward, Gromutual remains vigilant of the operational and strategical risks and opportunities.

We recognize the importance of sustainable development, hence committed to provide a fair platform in our dealings and welcome feedback, enquiries and/or recommendations from all Gromutual's stakeholders. We can be reached at gromutualbhd@gromutual.com.

SUSTAINABILITY STATEMENT (continued)

OUR SUSTAINABILITY GOVERNANCE STRUCTURE

The sustainability governance structure of the Group is established in the following manner:



SUSTAINABILITY STATEMENT (continued)

OUR STAKEHOLDERS ENGAGEMENT

The main objective of Gromutual is to deliver value to respective stakeholders and satisfying their diverse needs. Thus, engaging stakeholders through various channels of communications and encourage participation are central for the Group efforts in implementing the sustainability strategy and achieving its objective.

The sustainability engagement approach carried out on a formal or informal basis is tabulated as below:

Stakeholders	Matter of Concern	Engagement Objective	Engagement Approach
Employees (High)	<ul style="list-style-type: none"> ● Human and labour rights ● Career development and growth ● Discrimination in race, gender and religion ● Remuneration commensurate with job responsibilities ● Training opportunities and job security ● Occupational Safety & Health ● Employee healthcare insurance 	To retain/attract competent employees	<ul style="list-style-type: none"> ● Official letter of engagement ● Telephone and face-to-face conversation ● Electronic mail system ● Education reward ● Employees training programme ● Knowledge sharing platform ● Online and offline meeting ● Internship programme
Customers (High)	<ul style="list-style-type: none"> ● Value for money ● Accessibility ● Product & Service quality ● Timeliness ● Sustainable design ● Environmental friendly 	To improve customer's satisfaction	<ul style="list-style-type: none"> ● Official letter ● Telephone and face-to-face conversation ● Electronic mail system ● Online customer enquiry system ● Marketing event and promotion ● Customer satisfaction survey ● Social media engagement
Government & Regulators (Moderate)	<ul style="list-style-type: none"> ● Compliance with law and regulations 	To ensure full compliance with relevant laws and regulations	<ul style="list-style-type: none"> ● Official document submission and official letter ● Public dialogue involving government officials and public announcement ● Telephone and face-to-face conversation ● Electronic mail system ● Web appointment ● Site inspection and site visit
Contractors & Suppliers (Low)	<ul style="list-style-type: none"> ● Payment practice ● Purchasing practices ● Business sustainability 	To ensure supply of quality services and materials	<ul style="list-style-type: none"> ● Letter of award, letter of engagement and tender/quotation process ● Site meeting and progress report ● Telephone and face-to-face conversation ● Electronic mail system
Investors (Least)	<ul style="list-style-type: none"> ● Long term sustainable growth ● Diversification ● Risk management ● Group governance 	To ensure continuous financial support from investors	<ul style="list-style-type: none"> ● Group website ● Public announcement ● Annual reports ● Annual general meeting ● Quarterly financial result
Media (Least)	<ul style="list-style-type: none"> ● Environmental and social issues ● New service/product launch 	To convey information timely	<ul style="list-style-type: none"> ● Group website ● Public announcement ● Annual reports ● Quarterly financial result ● Social media platform ● Press release

SUSTAINABILITY STATEMENT (continued)

OUR MATERIALITY ASSESSMENT

Gromutual sustainable efforts and the assessment of the significance of each sustainability matters are based on their impact and influences to the Group and is based on the Group's internal rating criteria, judgement and assessment. The major sustainability matters focused are as below:

VISION & MISSION			
To Improve the Lifestyle of Communities			
SUSTAINABILITY MATTERS			
ECONOMIC	ENVIRONMENT	SOCIAL	GOVERNANCE
Supply Chain Management	Climate Change (Energy & Emission Management)	Occupational Safety & Health	Anti-corruption
Indirect Economic Impact	Water Management	Diversity	Data Privacy and Security
	Waste Management	Labour Practices & Human Rights	
		Community / Society	

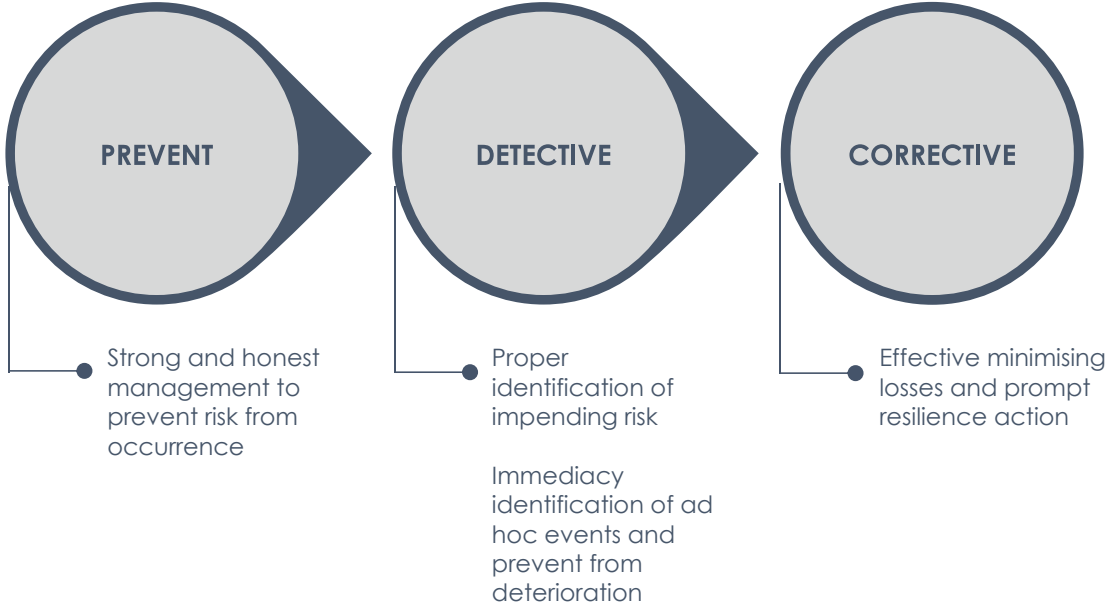
With a track record of over 40 years' experience in the real estate field, Gromutual had earned a niche in residential, commercial and industrial development. Our vision and mission had been to conform with the requirements and good practices of sustainability. In that the Group had strengthened the efforts to ease and satisfy the concert of the communities and where possible had tailored the Group's strategics towards by identifying, categorizing, assessing and prioritizing such matters after consider the risk and opportunities to the Group.

The objective of Gromutual on all sustainability matters is to ensure all strategies implemented bolsters operations across the core business through internal and external sources in line with Gromutual Sustainability Policy after respective mitigation measurements.

The Group also embarks on proper implementation of strategies, constant monitoring and regular review in both financial and non-financial aspects of all matters to ensure an effective performance. When risks are identified, the Group undertake actions to mitigate the impact. Risk and opportunities on sustainability matters identified are disclosed in Our Risk Management section on page 23.

SUSTAINABILITY STATEMENT (continued)

OUR MATERIALITY ASSESSMENT (continued)



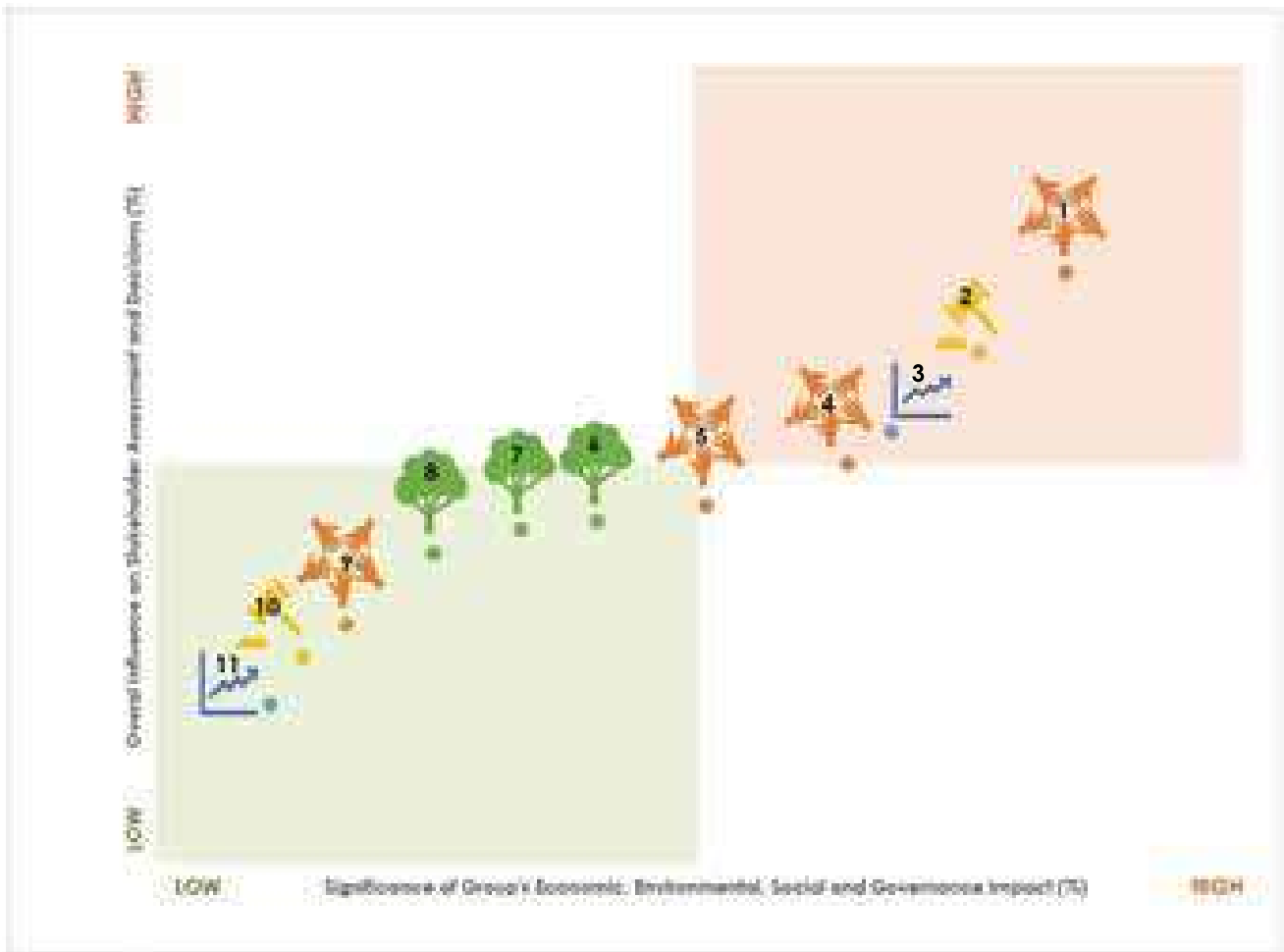
We recognize the limitations of the data in this Statement and committed to continuous monitoring of all sustainability matters identified to ensure their values and relevance. The Group recognized eleven (11) sustainability matters in accordance with the significance on the Group's major pillars towards influence by the stakeholders' decision. We remain prioritized and positioned its utmost concern on the Occupational Safety and Health issue, and firmly convinced that the welfare of workforce will bring along a significant positive impact to the operation and reflects the risk and opportunity in achieving successful results.



Taman Pegoh Damai (Phase 2)

SUSTAINABILITY STATEMENT (continued)

GROMUTUAL MATERIALITY MATRIX FYE2024



1 Occupational Safety & Health	2 Anti-bribery & Anti-corruption	3 Supply Chain Management	4 Labour Practices and Human Rights	5 Diversity
6 Climate Change (Energy & Emission Management)	7 Waste Management	8 Water Management	9 Community / Society	10 Data Privacy and Security
11 Indirect Economic Impact				

■ Economic
 ■ Environmental
 ■ Social
 ■ Governance

The Group further extend its directions and performance review from assessment of measurement in the section of Our Sustainability Management.

SUSTAINABILITY STATEMENT (continued)

OUR RISK MANAGEMENT

The Group strives to manage the risks in the below actions and also at the same time try to discover and identify opportunities available:







Sustainability Matters	Risks	Opportunities
Occupational Safety & Health	<ul style="list-style-type: none"> Affect health and wellbeing Penalties Reputational damage 	<ul style="list-style-type: none"> Improve employee's wellbeing and productivity Maintain corporate reputation
Anti-Corruption	<ul style="list-style-type: none"> Impact on financial performance Tarnish corporate image 	<ul style="list-style-type: none"> Improve financial performance Enhance corporate image and reputation
Supply Chain Management	<ul style="list-style-type: none"> Impact on financial and compliance with local authorities Business disruption Corporate image as reliable developer/service provider 	<ul style="list-style-type: none"> Attract and retain credible and skilled contractors and reliable suppliers
Labour Practices & Human Rights	<ul style="list-style-type: none"> Unjust or prejudicial treatment affect employee's motivation and performance Impact employee's retention 	<ul style="list-style-type: none"> Attract and retain the competent employees Reinforce reputation as a responsible employer
Diversity	<ul style="list-style-type: none"> Discrimination Damage corporate reputation 	<ul style="list-style-type: none"> Attract competent employees Gather range of viewpoints
Climate Change (Energy & Emissions Management)	<ul style="list-style-type: none"> Carbon emission Financial penalties Finance loss Business disruption, ie: <ul style="list-style-type: none"> <u>Floods</u> * disrupt supply chain * increased development costs as deploy additional resources <u>Rising temperature</u> * impact workers' health and productivity <u>Draught</u> * operational delay 	<ul style="list-style-type: none"> Enable business continuity Promote energy efficiency Cost savings for operations and reduce carbon footprint Increased demand for green features, goods and services
Waste Management	<ul style="list-style-type: none"> Hazardous waste Penalties 	<ul style="list-style-type: none"> Costs savings for operations
Water Management	<ul style="list-style-type: none"> Drought Flood Poor waste water discharge 	<ul style="list-style-type: none"> Cost savings for operations Promote water conservation behaviour
Community / Society	<ul style="list-style-type: none"> Affects corporate image Failure to meet social responsibility 	<ul style="list-style-type: none"> Strengthen relationship with the local communities
Data Privacy & Security	<ul style="list-style-type: none"> Leakage of data lead to loss of customer trust and reputational harm 	<ul style="list-style-type: none"> Maintain trust on the corporate
Indirect Economic Impact	<ul style="list-style-type: none"> Poor financial performance Business continuity 	<ul style="list-style-type: none"> Create job opportunities Attract investors Deliver long-term values for all stakeholders

SUSTAINABILITY STATEMENT (continued)

ECONOMIC SUSTAINABILITY



Supply Chain Management

How we define 	Spending on local suppliers at significant location of operations
What we target for 	<ul style="list-style-type: none"> Directing at least 90% of procurement spend to local suppliers
How we manage 	<ul style="list-style-type: none"> Operational risk control in local engagement to reduce possibilities of delivery delay due to acute shortage, overseas freight outbreaks, weather, or political reasons Systematic and transparent procurement practice according to the Company's standard operation procedures to ensure selection of right resources Contractors and suppliers' financial background screening through Credit Tip-Off Service ("CTOS") checking; qualification validation via Construction Industry Development Board ("CIDB") license verification and other work permits issued by relevant regulatory bodies; and workforce strength by assessing company profile on experience background Material adoption review and selection process to ensure the local-made materials sought certified and approved by relevant government authorities and agencies such as CIDB and Standard Industrial Research Institute of Malaysia ("SIRIM") Centralize engagement practice enhance continuous monitoring and control of awarding process. The preferred engagement of contractor and suppliers, and standardization of materials sourcing were recorded, archived and reviewed annually
Our performance 	<ul style="list-style-type: none"> 100% engagement on local suppliers and local contractors in FYE2024 100% local materials adopted valid certificates issued under relative board of regulatory and/or utility service providers: CIDB, SIRIM, SPAN (Suruhanjaya Perkhidmatan Air Negara), etc.





Falling short on meeting target.
The Group shall review and reassess in necessary with consecutive year's performance

Moderate meeting the target.
The Group shall remain monitor and readjust in necessary with consecutive year's performance

On track to meeting set target.
The Group shall identify enhancement needs in the consecutive year's performance

SUSTAINABILITY STATEMENT (continued)

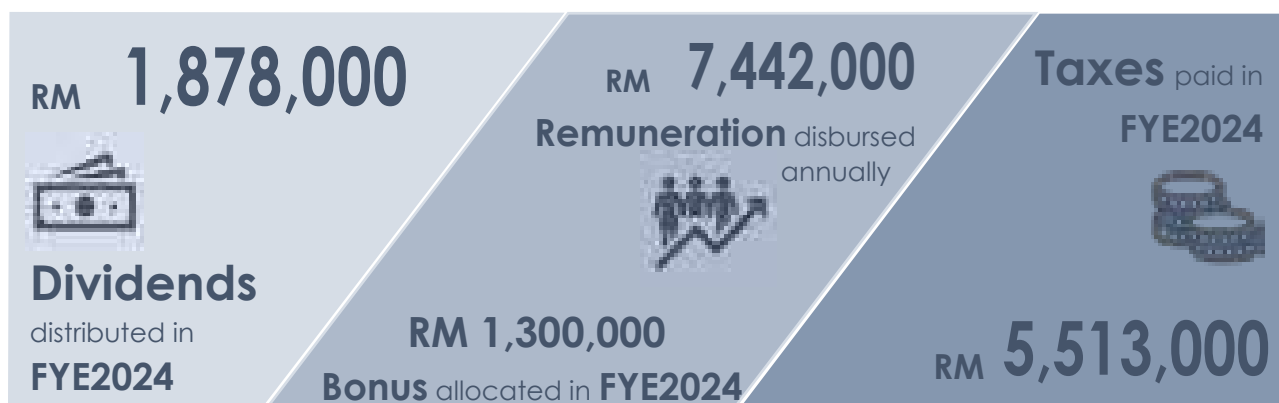
Indirect Economic Impact

<p>How we define</p> 	<p>Additional consequences of the indirect impact of financial transactions and the flow of money between an organization and its stakeholders</p>
<p>What we target for</p> 	<ul style="list-style-type: none"> • To pay dividends annually to shareholders • To promote local employment • To remunerate employees commensurate with job performance
<p>How we manage</p> 	<ul style="list-style-type: none"> • Financial outcome distributed to hasten the resilience of local socio-economic performance, envisage local infrastructure expansion and foster concrete foundation of the Company's materiality management • In FY2024, Gromutual had achieved 100% of local recruitment. Through this local recruitment policy, the Group gains better knowledge and understands the local communities' needs as well the local authority's regulations, continue providing valuable information for sustainable development, adequate management, proper marketing planning and effective strategies identification • Besides schedule remuneration, job performance credit issued had vitalized the employees to retain and enhance employees' sense of security built on agile economic expansion pace, hence in return, remain the Company's competitiveness in aerated market trends • The Group remains its position to provide adequate and quality houses in the PD sector. 216 units of mid-range residential houses below RM500,000 constructed in FY2024 target to benefit local communities especially for category M40 (middle 40% of incoming groups, varies across the state in Malaysia and annual national economy performance) population
<p>Our performance</p> 	<ul style="list-style-type: none"> • Total 1.878 million distributed to the shareholders FYE2024 • 100% local employee engagement

Falling short on meeting target
The Group shall review and reassess in necessary with consecutive year's performance

Moderate meeting the target
The Group shall remain monitor and readjust in necessary with consecutive year's performance

On track to meeting set target
The Group shall identify enhancement needs in the consecutive year's performance



SUSTAINABILITY STATEMENT (continued)

	FYE 2022 RM '000	FYE2023 RM'000	FYE2024 RM'000
Economic Value Generated			
• Revenue and other income	56,056	79,725	65,589
Economic Value Distributed			
• Directors' remuneration and staff cost	7,881	7,426	7,442
• Dividends distributed	1,878	3,756	1,878
• Payment to government (e.g. taxes)	4,746	6,693	5,513
• Finance cost paid	1,872	2,300	2,459

MID-RANGE PRICING PROPERTIES CONSTRUCTED IN FYE2024



Taman Pegoh Damai (Phase 1)

106 units single storey terrace house

16 units single storey semi-detached

under-construction in **FYE2024**



Taman Pegoh Damai (Phase 2)

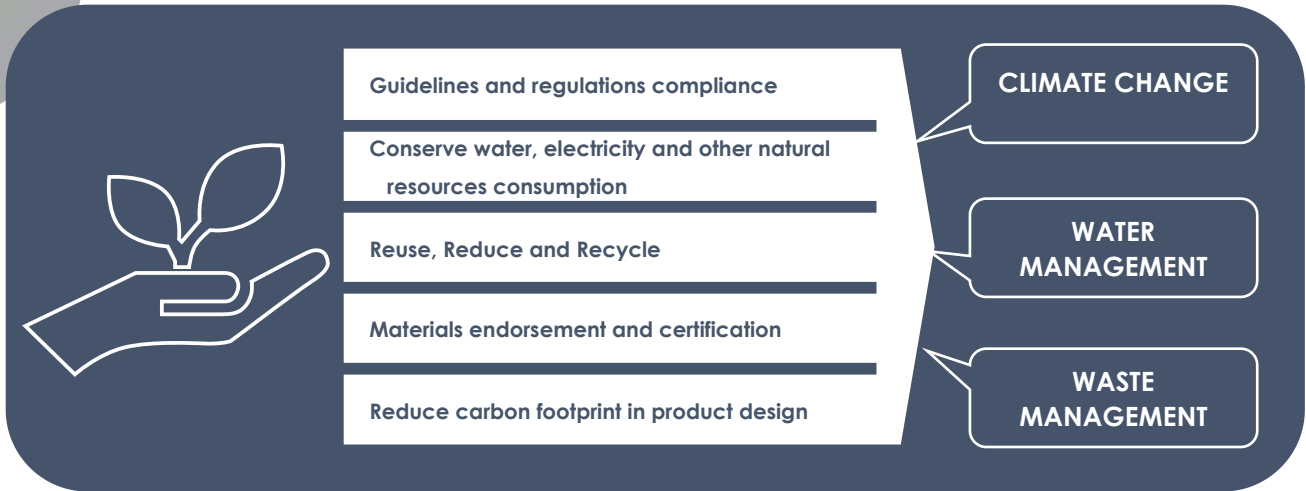
94 units single storey Semi-detached

under-construction in **FYE2024**




*Detail information of the above properties can be obtained from Gromutual official website

SUSTAINABILITY STATEMENT (continued)

ENVIRONMENTAL SUSTAINABILITY



Climate Change (Energy & Emission Management)

<p>How we define</p> 	<p>Climate change cover efficient use and consumption of electricity of offices; and emissions refer to the discharge of environmentally hazardous substances into the atmosphere</p>
<p>What we target for</p> 	<ul style="list-style-type: none"> • Saving in electricity usage (kwh) for office compared to previous year
<p>How we manage</p> 	<ul style="list-style-type: none"> • The Group commence to encourage standardization of air conditioner temperature control at 24oC minimum at all sales offices. Putting in efforts for direct energy savings and emission reduction, reminders were presented to nurture employees on switching off the lights and air-con while away from work place • Unique and attractive building are provided to buyers by providing adequate opening as such promote optimum natural light and natural ventilation in every building design concept • Gromutual in FY2024 had constantly replaced its lighting at all offices to energy saving Light-emitting Diode ("LED") lights and inverter type of air conditioner to further enhance energy savings and reduce emissions to the environment. The condition of mechanical ventilations, electrical fittings and cablings were checked to ensure performance efficiency • Solar street lightings at greenery area of the project sites are implemented progressively. In FY2024, 20% from total on-going development projects had commenced on implementation of renewable resources installation • Kick starts of project with Green Building Index (GBI) and electrical vehicles charger for industrial project in FY2024 benchmarked a new milestone and leverage the Group's operational opportunities by reputation and prolonged business sustainability. Green materials were adopted with proper control of all energy usage at the target project site • The Group's management commence implementing project meetings and progress viewing via web call and/or electronic reporting system, had significantly reduced the carbon footprint and time-consume due to business travel to the project sites

SUSTAINABILITY STATEMENT (continued)

Our performance



- The Group had strived in energy saving management in FY2024 and had consumed a total of 172.72 megawatt electricity across all 8 operation offices. Detail supervision and enhancing implementation of the climate change policy at all offices will be carried out, and performance of energy consumption will continue be monitoring in the year ahead
- 85.39 metric tonnes of carbon emission in Scope 1, 133.69 metric tonnes in Scope 2 and 101.06 in Scope 3 had been observed in FY2024. All emission-due activities will remain record and file through structure and proper manner for improving comprehensiveness and detail monitoring in the coming Y2025

Falling short on meeting target

The Group shall review and reassess in necessary with consecutive year's performance

Moderate meeting the target

The Group shall remain monitor and readjust in necessary with consecutive year's performance

On track to meeting set target

The Group shall identify enhancement needs in the consecutive year's performance

1. Scope 1 and Scope 3 emission factors are derived from the Greenhouse Gas Management Institute (GHG Protocol) updated in Mar 2024 retrieved from https://ghgprotocol.org/sites/default/files/2024-05/Emission_Factors_for_Cross_Sector_Tools_V2.0_0.xlsx.
2. Scope 1 data includes CO2 emission of all company-owned vehicles (fuel consumption) with assumption made where by the usage of ehicles are duly utilized for company or job-related activities only. Emission factors for Scope 1 were extracted from the 'Mobile Combustion-Fuel Use' spreadsheet, 'Other' region based on Motor Gasoline/Petrol and On-Road Diesel Fuel.
3. Scope 3 emission date were collected from all work-related business traveling and staff commuting activities, where by below assumptions were made:

Staff Commuting

- All staffs are assumed report to work consistently at the same office
- Cross-branch commuting occurrence is negligible
- All staffs' vehicles are assumed average size car or motorcycle consuming petrol only
- Occasionally change in made of travel is negligible
- Home location is assumed to be consistent along the reporting year
- All rest days and public holidays are opted out, applied leaves are sporadic and infrequent, hence data is not drawn out
- All data are analyzed using average-method, 10km range is adopted for a better computation
- Furthest distance was taken not more than 85.50km

Business Travel

- Only project staffs from the Project Development sector are assumed involving business travel
- Site visit of the administrative sales and marketing staffs from the Project Development sector is minimal, hence the data is excluded
- Site visit of the Property Management sector's staffs is negligible
- All business travels to project sites are assumed to be consistent from the same office and frequencies according to working days along reporting year
- All vehicles are assumed average size car/motorcycle consuming petrol only
- Occasionally change in made of travel is negligible
- All rest days and public holidays are opted out, applied leaves are sporadic and infrequent, hence data is not drawn out
- All data are analysed using average-method, 10km range is adopted for a better computation
- Furthest distance was taken not more than 85.50km

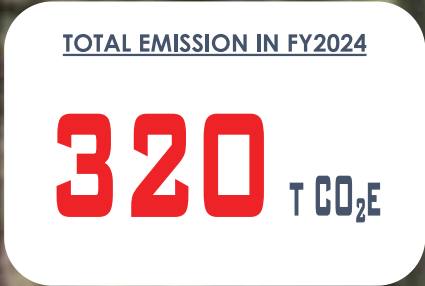
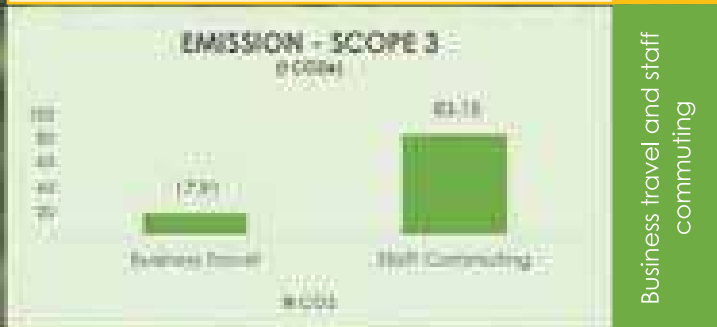
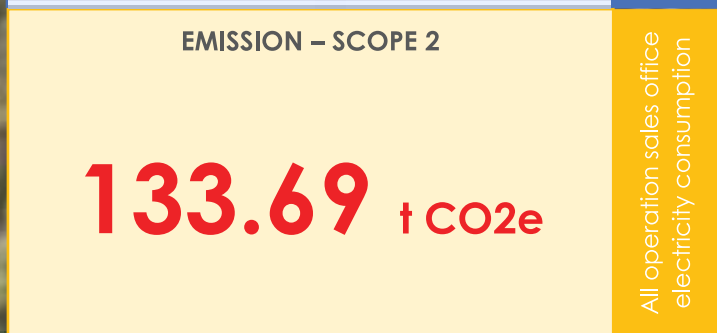
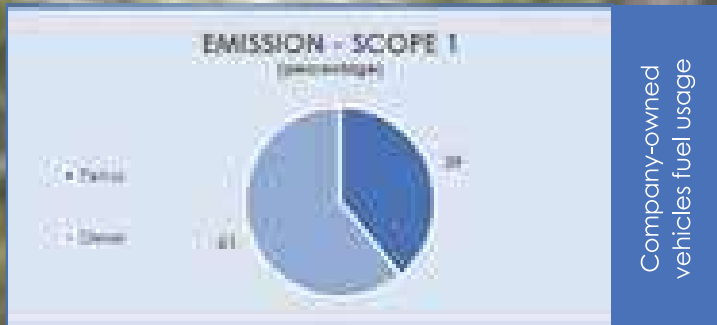
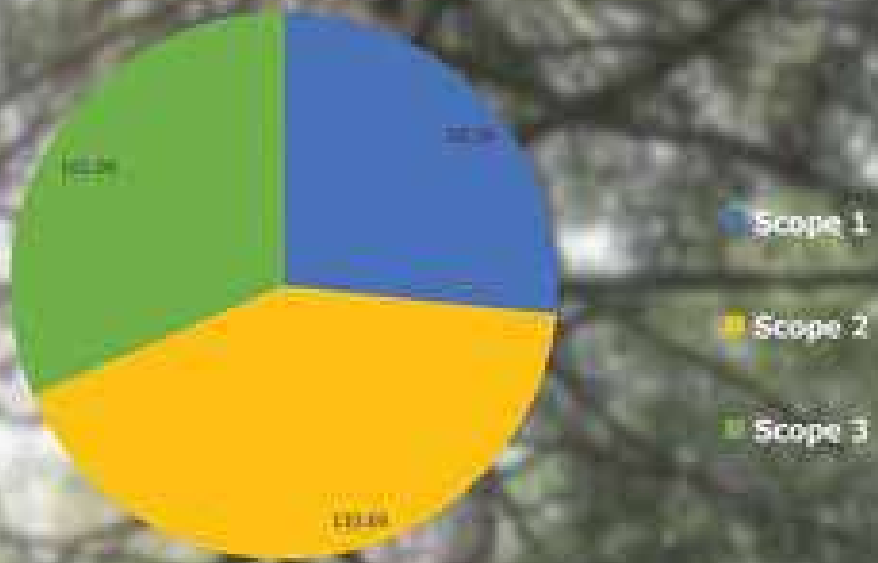
4. Emission factors for Scope 3 were extracted from the 'Mobile Combustion-Distance' spreadsheet, 'Emission Factors for U.K. by Vehicle Distance based on average passenger car and average motorbikes consuming petrol only.
5. Scope 2 emission factors are derived from the Grid Emission Factor (GEF) in Malaysia published in 25th November 2024 by the Malaysia Energy Information Hub (MEIH) the energy statistics from the Suruhanjaya Tenaga (Energy Commission) Malaysia at <https://myenergystats.st.gov.my/documents/d/guest/grid-emission-factor-gef-in-malaysia>, adopting factors in Y2022 of 0.774 Gg CO2e/GWh in Peninsular Malaysia.
6. Scope 2 emission data are collected on recorded based on monthly electricity bill of all operation offices.



Effort on Green Building practice performed in Y2024 in Senai Airport City (SAC) industrial project





SUSTAINABILITY STATEMENT (continued)

EMISSION IN FY2024



SUSTAINABILITY STATEMENT (continued)

Water Management

<p>How we define</p> 	<p>Consumption and efficiency of water usage</p>
<p>What we target for</p> 	<ul style="list-style-type: none"> • Saving in water usage (Liter) for office compared to previous year • Promoting rainwater harvesting units in development projects.
<p>How we manage</p> 	<ul style="list-style-type: none"> • Rain water at construction site is drawn for cleaning, compaction and irrigation purposes • Water saving tips were presented in all sales office to remind and address the importance of water conserving in daily operation and ensured the awareness of all stakeholders across the Group • Rain harvesting system readily installed in its residential and industrial projects, by such efforts, the community conjointly marching towards quotidian sustainability practice
<p>Our performance</p> 	<ul style="list-style-type: none"> • 12 rainwater harvesting units were installed for the completed units FYE2024 • The Group remains its efforts on water saving in FYE2024 with a total consumption of 8.44 ML. The Group will continue record on assessment and pursuing improvement on data collecting, performance monitoring and office water consumption reviewing in year ahead

Falling short on meeting target
The Group shall review and reassess in necessary with consecutive year's performance

Moderate meeting the target
The Group shall remain monitor and readjust in necessary with consecutive year's performance

On track to meeting set target
The Group shall identify enhancement needs in the consecutive year's performance



SUSTAINABILITY STATEMENT (continued)

Waste Management

<p>How we define</p> 	<p>Waste and effluent discharged from operations into public areas</p>
<p>What we target for</p> 	<ul style="list-style-type: none"> • Zero penalty from local authorities (e.g. Department of Environment or Local Council)
<p>How we manage</p>	<ul style="list-style-type: none"> • Employee are encouraged to practice efficient use of resources, such as recycling used paper, double sided printing, and opting environmentally friendly and recyclable consumables for instant ink cartridges to reduce waste and carbon footprints and diminution of deforestation in daily operation • The group practices 'Reuse, Reduce & Recycle' policy in all operation activities, e.g. encourage contractors to minimize wastage during construction, wastage generated from construction sites is recycled for reuse or transported out to designated sites in accordance with relevant authorities' guidelines • All projects are mandatory to equipped with proper wastewater treatment system such as septic tank or sewerage treatment plants hence ensuring effluent being treated well prior to discharge. • The Group remains compliances and zero offense on the regulatory standards and requirements in all construction activities, such as provision of sediment basin and erosion control prior to work commencement to control silt discharge due to land-use change before directed to the external waterway, hence reduce disturbance to ecosystem and vicinity community • Retention pond and other discharge infrastructures had been constantly provided to mitigate storm water effects. Gromutual fosters long-term assurance in municipal planning of drainage system through design of 50-year flood (Average Recurrence Interval, ARI 50) for all main discharge channels • Silt traps and sediment basins are designed and provided during earthwork stage to manage discharge quality to the public waterway ensuring effective reduction in destruction of water ecosystem and contamination of the outflow • All water reticulation and waste water infrastructure material like mild steel ("MS"), unplasticized polyvinyl chloride ("UPVC"), vitrified clay pipe ("VCP"), and other relevant fittings are carefully selected and assurance of environmentally friendly and safeness to the public towards which approved by the regulator: SPAN, SAJ and IWK
<p>Our performance</p> 	<ul style="list-style-type: none"> • In FY2024, 205.19 metric tonnes wastes were generated from two (2) main construction activities and were disposed to approved dumping site. Waste management was positioned as least-impact material to the company. The Group shall pursue improvement in data collection, record and monitoring with reliable measuring approach in upcoming years especially on the waste segregation sector for better control and comprehensive performance review

Falling short on meeting target
The Group shall review and reassess in necessary with consecutive year's performance

Moderate meeting the target
The Group shall remain monitor and readjust in necessary with consecutive year's performance




On track to meeting set target
The Group shall identify enhancement needs in the consecutive year's performance

SUSTAINABILITY STATEMENT (continued)

SOCIAL SUSTAINABILITY



Occupational Safety and Health

<p>How we define</p> 	<p>Anticipation, recognition, evaluation and control of hazards arising in or from the workplace that could impair the health and well-being of workers and stakeholders</p>
<p>What we target for</p> 	<ul style="list-style-type: none"> • Zero Fatalities annually
<p>How we manage</p> 	<ul style="list-style-type: none"> • The Group maintains its highest commitment in compliance to all regulations enacted on safety and health issues by relevant regulator like Occupational Safety and Health Act ("OSHA") 1994 towards an accident-free and disease-free working environment, amongst the assurance, all company staffs entering the construction sites legally masters with safety knowledge and holds a CIDB card • Reminders placed at all work places to ensure the employees are fully aware and adhere to the Company's safe practices policy in all routine operation, for instant, signages and hoarding board installation to prohibit trespassing, notice of Personal Protection Equipment ("PPE") prior to entering the construction area, road cones and traffic management signal man during work conducted at public carriageway • Emergency contact list was displayed at all work place coaching promptly assistance in the case of incidents occurrence • Gromutual voluntarily extends its insurance coverage to all employees including medical and hospitalization over all 58 employees, despite of complying to the national employment protection regulations such as Social Security Organization ("SOCSO") and Employment Insurance System ("EIS") • The Company in Y2024 established OSH policy in addressing and prioritizing healthy and harmony working environment for all employees at workplace. Annually checking at all

SUSTAINABILITY STATEMENT (continued)

- We collaborate the Occupational Safety and Health ("OSH") efforts towards all contractor engaged whereby all building contracts strictly request provision of safety personnel to identify hazards, to control and take precautions to prohibit any accidents, to constant monitor site condition, to maintain safety practice of all site personnel, and to report in the case of accident occurrence

Our performance



- Zero fatalities and injuries reported in FYE2024
- Total four (4) employees had undergone OSH Coordinator training and one (1) employee had completed the CIDB SICW (Safety Induction for Construction Workers) course in FYE2024

Falling short on meeting target.
The Group shall review and reassess in necessary with consecutive year's performance

Moderate meeting the target.
The Group shall remain monitor and readjust in necessary with consecutive year's performance

On track to meeting set target.
The Group shall identify enhancement needs in the consecutive year's performance

Area	Hazard	Risk Level			Controls
		LOW	MEDIUM	HIGH	
Office	Slips, trips and falls				<ul style="list-style-type: none"> • Place non-slip mats at entry points • Clean spills immediately (if any) • Place wet floor signs if needed
Office	Ergonomics				<ul style="list-style-type: none"> • Provide ergonomic chairs • Encourage short breaks during inter-working hours ensuring movement against long posture
Office	Electrical hazards				<ul style="list-style-type: none"> • Regular inspection on cables and outlets • Avoid overload causing power trips
Office	Fire hazards				<ul style="list-style-type: none"> • Install fire extinguisher and smoke detector (if applicable) • Fire safety procedures training
Office	Air quality and ventilation				<ul style="list-style-type: none"> • Maintain air conditioner and mechanical ventilation systems regularly • Ensure proper ventilation
Store	Stock handling and storage				<ul style="list-style-type: none"> • Safe lifting techniques training and/or notice e.g. lift heavy items at waist level
Store	Fire hazards (flammable materials)				<ul style="list-style-type: none"> • Store flammable items in designated, safe location • Install appropriate fire suppression system (if applicable)
Office Store	Security risks				<ul style="list-style-type: none"> • Install security cameras or alarms systems • Restrict access to sensitive areas
Office Store	First aid				<ul style="list-style-type: none"> • Keep a well-stocked first aid kit • Ensure first aid storage location is well aware by all staffs
Office Store	Emergency exits				<ul style="list-style-type: none"> • Regularly inspect and maintain clear emergency exits • Place clear signage for exits
Others	Lighting				<ul style="list-style-type: none"> • Ensure adequate lighting to prevent eye strain and improve visibility
Others	Signage				<ul style="list-style-type: none"> • Place clear warning signs, especially wet floors and fire exits

Gromutual OSH Risk Assessment

SUSTAINABILITY STATEMENT (continued)

Labour Practice and Human Rights

<p>How we define</p> 	<p>Fair treatment of employees and development of employee's skill and knowledge; the right not to be discriminated against, not be enslaved, treated with dignity, right to rest and leisure, and freedom of opinion and expression</p>
<p>What we target for</p> 	<ul style="list-style-type: none"> • Compliance with Employment Act ("EA") 1955 • Zero human rights violations annually
<p>How we manage</p> 	<ul style="list-style-type: none"> • Gromutual exercises equal opportunity in hiring practices and career development with advancement opportunities based on performance and merit. A transparent working environment is provided and fair assessment ensuring job performance are well evaluated without prejudiced towards relative commensurate on remuneration • The Group's zero-tolerance policy on bullying, harassment and discrimination based on race, ethnicity, religion, gender, sexuality, nationality, age or disabilities ensuring all staffs to be treated with dignity and foster strong governance across the organization • Right to rest and leisure including reasonable limitation of working hours, periodic holidays and leaves entitlement were provided to all employees • In FY2024, we addressed the employees' concerns and dignity of woman by means of full adherence to the EA on maternity and paternity leaves enforcement, and extend further to support the parenthood for instant, tolerance on maternity and paternity education rewards to the employee's children with excellent academic results • The Group bolstered inter-communication and promote the right to express and mutual communication by providing platforms and media to received feedbacks such as whistle blowing policy and sharing moment after group meetings • Standing in a competitive market from resilience of economy, Gromutual strives in Y2024 on the employee retention strategy which managed to alleviate the turnover from 12 employees in Y2022, to 4 employees in Y2023 and 6 employees in Y2024 • All employees across the Group are nurtured to incorporate with the Company's policy by strictly prohibit illegal workforce and unhealthy working habits such as child labour, labour without permits and safety protections, and improper treatment of labour ensuring a violation-free working environment
<p>Our performance</p> 	<ul style="list-style-type: none"> • 100% compliance to EA 1955 and the amended version thereof in FYE2024 • Zero human rights violation reported in FYE2024

Falling short on meeting target
The Group shall review and reassess in necessary with consecutive year's performance

Moderate meeting the target
The Group shall remain monitor and readjust in necessary with consecutive year's performance



On track to meeting set target
The Group shall identify enhancement needs in the consecutive year's performance

SUSTAINABILITY STATEMENT (continued)



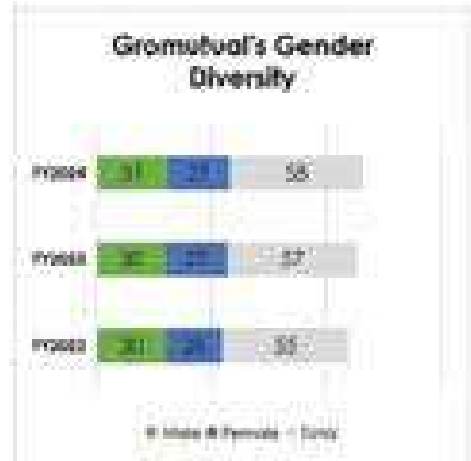
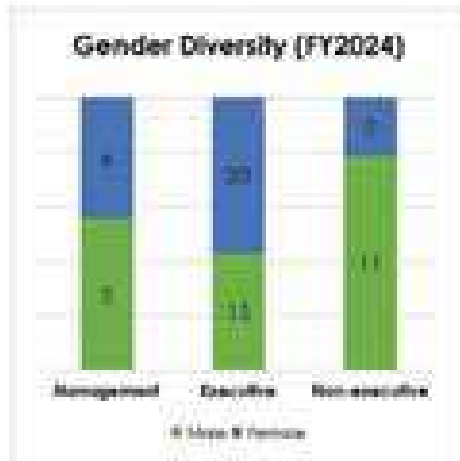
SUSTAINABILITY STATEMENT (continued)

Diversity

<p>How we define</p> 	<p>Diversity, specifically in the workforce, management and the Board is characterized by the gender, age, etc.</p>
<p>What we target for</p> 	<ul style="list-style-type: none"> Establish a Board with gender diversity target of 30% women directors at Gromutual Berhad, a listed Public Listed Company ("PLC")
<p>How we manage</p> 	<ul style="list-style-type: none"> The Group maintains diversity of gender and age in all categories of employee with discrimination-free and equality in opportunities given perpetually Diversity over age and gender of the Board performance are presented in the following: <div style="display: flex; justify-content: space-around;"> <div data-bbox="464 763 922 1223">  <p>Board Diversity by Age</p> <p>Legend: ■ 30-40 years ■ 41-50 years ■ 51+ years</p> </div> <div data-bbox="943 763 1401 1223">  <p>Board Diversity by Gender</p> <p>Legend: ■ Male ■ Female</p> </div> </div> <ul style="list-style-type: none"> The Group acknowledges seniority with mature experience at the helm, and middle-age employees on the execution level leading the youth across challenges In Y2024, the Company emphasizes a strong group of Age-of-Majority in both executive and non-executive level, hence prioritize steady and sustainable development across the financial year <div data-bbox="568 1435 1318 1957">  <p>Age Diversity (FY2024)</p> <p>Legend: ■ 30-40 years ■ 41-50 years ■ 51+ years</p> </div>

SUSTAINABILITY STATEMENT (continued)

- As of job nature across the Group's business, males are widely appointed in executive and non-executive category such as project personnel for PD and security officers for PM, in order to drive the operation smooth; whilst the female were majorly allocated in executive category as administrative staffs to ensure all tasks performed were strictly adhered to proper procedures
- As to the Company's policy on gender equality aspect, ensuring no discrimination and equal participation of each gender group at the decision-making positions, the Group had achieved a balance gender group in Management Level driving the Company ahead swimmingly



Our performance

- 22% women directors FYE2024



Falling short on meeting target

The Group shall review and reassess in necessary with consecutive year's performance

Moderate meeting the target




The Group shall remain monitor and readjust in necessary with consecutive year's performance

On track to meeting set target

The Group shall identify enhancement needs in the consecutive year's performance


SUSTAINABILITY STATEMENT (continued)

Community / Society

<p>How we define</p> 	<p>Voluntary contributions made by an organization to enhance socio-economic benefits and create a positive social impact / the impacts organizations have on society and local communities</p>																		
<p>What we target for</p> 	<ul style="list-style-type: none"> At least 2 charitable engagement activities annually 																		
<p>How we manage</p> 	<ul style="list-style-type: none"> Gromutual remains solid reinforcement on the Group's vision and national slogan 2024 'Malaysia MADANI: Jiwa Merdeka', hence dedicated to the freedom of the Malaysian people from negative elements and emphasizes the spirit of patriotism and love of country, to create a harmonious community and to foster uplifting of society living standard by means of bestowing to the poverty and the less-fortune personnel. In addition, the Group supported the endowment practice and encourages all employees voluntarily exercise donation in building the community. Gromutual employees' donation funds ("Emerald Club") are widely distributed to various external organizations for education, medical and other charitable purposes. In FY2024, a total RM 49,602 were donated to the community. <div data-bbox="461 947 1441 1422" data-label="Figure"> <table border="1"> <caption>Gromutual's Donation FY2024</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>By the Group</td> <td>45%</td> </tr> <tr> <td>By the Employees</td> <td>55%</td> </tr> </tbody> </table> </div> <p>*All figures are rounded to the nearest ones for interpretation purpose</p> <ul style="list-style-type: none"> Detail numbers of beneficiaries' breakdown across the major concern areas in three (3) consecutive years were presented in the following chart <div data-bbox="719 1543 1182 1966" data-label="Figure"> <table border="1"> <caption>Numbers of Beneficiaries</caption> <thead> <tr> <th>Year</th> <th>By the Group</th> <th>By the Employees</th> </tr> </thead> <tbody> <tr> <td>FY2023</td> <td>21</td> <td>18</td> </tr> <tr> <td>FY2023</td> <td>22</td> <td>19</td> </tr> <tr> <td>FY2024</td> <td>23</td> <td>20</td> </tr> </tbody> </table> </div>	Category	Percentage	By the Group	45%	By the Employees	55%	Year	By the Group	By the Employees	FY2023	21	18	FY2023	22	19	FY2024	23	20
Category	Percentage																		
By the Group	45%																		
By the Employees	55%																		
Year	By the Group	By the Employees																	
FY2023	21	18																	
FY2023	22	19																	
FY2024	23	20																	

SUSTAINABILITY STATEMENT (continued)

How we manage



- Total 5 charitable activities had been engaged in FY2024, which were organized by other welfare organizations
- The Group endeavors to provide quality products to customers through progressively enforcement of the Quality Assessment System in Construction ("QLASSIC") assessment and accreditation on its projects
- In order to promote the spirit of harmonious neighborhood environment, the Group strives to provide well planned recreation area within the development area, such as landscapes, walking track, benches, playground and gymnasium facilities to promote a healthy lifestyle with socializing and get-to-know platforms to the community
- Over the year, the Group has complied to the Government's call to build more medium range residential houses. In FY2024, 216 units of residential houses below RM 500,000.00 were under-construction. The detail performance is presented in previous assignment and can be found in the Indirect Economic Impact section

Our performance



- Total RM 49,602 donations made in FYE2024
- 5 charitable activities engaged in FYE2024.

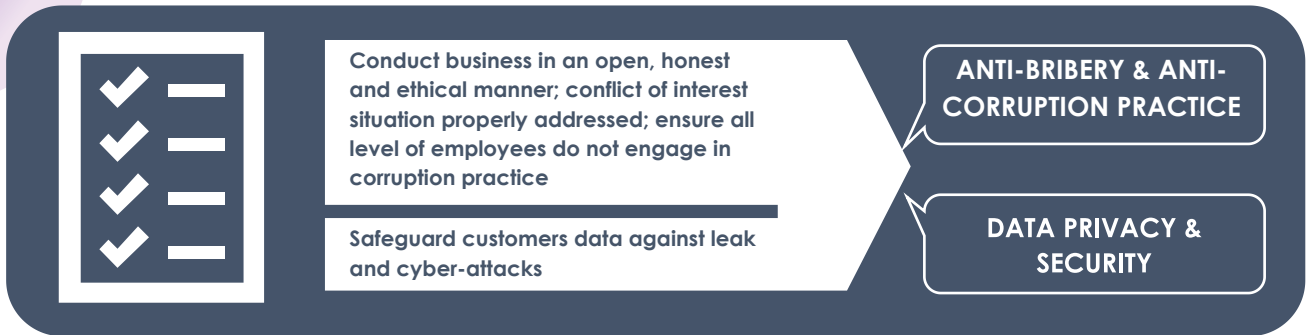
Falling short on meeting target
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Moderate meeting the target
The Group shall remain monitor and readjust in necessary with consecutive year's performance




On track to meeting set target
The Group shall identify enhancement needs in the consecutive year's performance

SUSTAINABILITY STATEMENT (continued)

GOVERNANCE SUSTAINABILITY







Anti-bribery and Anti-corruption Practice

<p>How we define</p> 	<p>Abuse of entrusted power of private gain. This theme discusses activities that promote transparency and guard against various forms of corruption</p>
<p>What we target for</p> 	<ul style="list-style-type: none"> To record zero instances of non-compliance with the anti-bribery and anti-corruption
<p>How we manage</p> 	<ul style="list-style-type: none"> Gromutual strives to maintain the highest standards of integrity, accountability and governance in its daily operations. The Group establishes policies and internal processes with specific guidance areas to ensure compliance at the workplace, for such, Code of Ethics and Conduct in workplace were enacted to guide our management and employees in a structured manner Anti-bribery and Anti-corruption ("ABAC") Policy had been formalized to curb illegal unethical, and improper business conduct to mitigate abuse of power, misuse of assets and fund. In conjunction with the implementation of ABAC policy, Whistle Blowing Policy was introduced to encourage all internal and external stakeholders to raise their concerns without fear of reprisal, discrimination or adverse consequences. All policies listed above are available at the Group's corporate website www.gromutual.com In FY2024, the Group remains updated to the Malaysian Anti-Corruption Commission Act ("MACCA") and assessed its ABAC risk performance for our second core business PM sector. In addition, ABAC refresh training and quiz had been carried out in FY2024 All related stakeholders are requested to peruse and acknowledge their commitments and adherence to the Group's ABAC policy annually. The Group as well ensures stringent enforcement of ABAC policy across all core business activities by enacting related clause in all Letter of Award (LoA) and Letter of Engagement (LoE) issued The Group prohibited all kinds of gifts or endowment to and from the external parties in any attempts to escalate or facilitate the process of operation, neither as individual rewards nor festive gifts without declaration to the Human Resources ("HR") Department

SUSTAINABILITY STATEMENT (continued)

Data Privacy and Security

<p>How we define</p> 	<p>Safeguard customers data against leaks and cyber-attacks and comply with data privacy regulations</p>
<p>What we target for</p> 	<ul style="list-style-type: none"> • Zero breach of customer data
<p>How we manage</p> 	<ul style="list-style-type: none"> • Gromutual is abided by the Personal Data Protection Act ("PDPA") and to incorporate awareness in operational practices in foremost against leaks and cyber-attacks • In full adherence towards regulation governance, all related stakeholders for instant customers or new employees upon engagement will be furnished with the PDPA consent form, to acknowledge their awareness on said concerns and rights given to adopt their information for business related activities • All related data collected including but not limited from web or sales office, via lawful means are utilized, stored and archived comme il faut. We examined our access to ensure the server system is invulnerable and public penetration is impermeable. All employees are nurtured to adopt strong passwords on all company devices, and regular backup of all digital documents
<p>Our performance</p> 	<ul style="list-style-type: none"> • Zero complaints of customer data breach in FYE2024

Falling short on meeting target

The Group shall review and reassess in necessary with consecutive year's performance

Moderate meeting the target

The Group shall remain monitor and readjust in necessary with consecutive year's performance

On track to meeting set target

The Group shall identify enhancement needs in the consecutive year's performance

SUSTAINABILITY STATEMENT

ESG PERFORMANCE DATA TABLE from ESG Reporting Platform

Indicator	Measurement Unit	2022	2023	2024
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	0	9	5
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	15.00	18.00	16.00
Executive	Percentage	62.00	58.00	60.00
Non-executive	Percentage	16.00	24.00	24.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00	100.00	100.00
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	0	0	0
Executive	Hours	0	0	0
Non-executive	Hours	0	0	0
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00	0.00	0.00
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	4	0	1
Executive	Number	5	2	2
Non-executive	Number	3	2	3
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Management Under 30	Percentage	0.00	0.00	0.00
Management Between 30-50	Percentage	13.00	11.00	5.00
Management Above 50	Percentage	5.00	7.00	10.00
Executive Under 30	Percentage	13.00	9.00	9.00
Executive Between 30-50	Percentage	39.00	40.00	38.00
Executive Above 50	Percentage	7.00	9.00	14.00
Non-executive Under 30	Percentage	7.00	9.00	7.00
Non-executive Between 30-50	Percentage	12.00	14.00	14.00
Non-executive Above 50	Percentage	4.00	1.00	3.00
Gender Group by Employee Category				
Management Male	Percentage	11.00	11.00	9.00
Management Female	Percentage	7.00	7.00	7.00
Executive Male	Percentage	26.00	25.00	26.00
Executive Female	Percentage	33.00	33.00	34.00
Non-executive Male	Percentage	18.00	17.00	19.00
Non-executive Female	Percentage	5.00	7.00	5.00
Bursa C3(b) Percentage of directors by gender and age group				
Female	Percentage	22.00	22.00	22.00
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	56.00	56.00	44.00
Above 50	Percentage	44.00	44.00	56.00

Internal assurance

External assurance

No assurance

(*) Restated

SUSTAINABILITY STATEMENT (continued)

Indicator	Measurement Unit	2022	2023	2024
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	0.00	No Data Provided	172.72
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	0.00	0.00	85.39
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	0.00	0.00	133.69
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	0.00	0.00	101.06
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	0.00	0.00	205.19
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	0.00	0.00	0.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	0.00	0.00	205.19
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	0.000000	No Data Provided	8.440000
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	26,686.00	41,029.00	49,602.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	29	36	36
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
Indirect Economic Impact				
Economic value generated (i.e. revenue and other income)	MYR'000	56,056	79,725	65,589
Economic value distributed (i.e. directors' remuneration and staff costs, payments to government (taxes), dividend and finance costs paid)	MYR'000	16,377	20,175	17,292

Internal assurance

External assurance

No assurance

(*) Restated

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") of Gromutual Berhad ("Gromutual" or "the Company") recognises the importance to ensure that good corporate governance practices are applied throughout the Company and its subsidiaries ("the Group"). Hence, the Board fully supports the Principles and Practices of good corporate governance practices (including the intended outcomes) as promulgated by the Malaysian Code of Corporate Governance ("MCCG") to direct and manage the business and affairs of the Group towards promoting business prosperity and corporate accountability so as to realise the long-term shareholders' value and the interest of other stakeholders.

This overview statement sets out the overview of the manner in which the Group has applied the Principles set out in the MCCG and the extent of compliance with the Principles of MCCG advocated therein in accordance with Paragraph 15.25 of the Main Market Listing Requirements ("MMLR") and Practice Note 9 of Bursa Malaysia Securities Berhad ("Bursa Securities").

On the other hand, the application of each practice set out in the MCCG during the financial year are disclosed in the Corporate Governance Report prescribed by Bursa Securities and announced the same together with the announcement of this Annual Report in accordance with Paragraph 15.25 and Practice Note 9 of MMLR. The CG Report is available for download at the Company's website at www.gromutual.com.

The CG Overview Statement should be read in conjunction with the CG Report to provide comprehensive disclosure of the application of each Principle and Practice set out in the MCCG during the financial year.

The following disclosure statements provides an overview of the Company's application of the Principles set out in MCCG that has been in place throughout the financial year ended 31 December 2024.

Principle A – Board Leadership and Effectiveness

Board Responsibilities

The Group is headed by an experienced Board which is collectively responsible in leading the Group towards achieving its vision and goals. The roles and responsibilities and the application of the MCCG's practice are disclosed in Practice 1.1 of the CG Report.

The Board is guided by the Board Charter approved by the Board and is led by a Non-Executive Chairman to ensure its effectiveness and efficacy. Together with other Non-Executive Directors, he leads the Board in the discussion on the strategies and policies recommended by the Management. A summary of the responsibilities of Chairman is disclosed in Practice 1.2 of CG Report.

The roles of the Chairman, Managing Director ("MD") and the Deputy Managing Director cum Chief Executive Officer ("CEO") are separated with clear division of responsibilities between them to ensure balance of power and authority.

The Executive Directors are responsible for managing the businesses of the Group and the development and implementation of strategies approved by the Board and the financial and operational performance of the Group.

The Independent and Non-Executive Directors play an important role in ensuring that the strategies proposed by the Management are fully deliberated and examined, to ensure that the interest of all shareholders and stakeholders and general public are given due considerations in the decision-making process.

All directors had committed sufficient time and effort to carry out their responsibilities as required and had notified the Chairman before accepting any new directorship.

All Directors have confirmed that their directorship in listed companies do not exceed five (5) to meet the expectation on time commitment and in compliance with the Listing Requirements.

In discharging its duties efficiently and effectively, the Board is assisted by two (2) Company Secretaries and the details of the Company Secretaries are disclosed in Practice 1.5 of CG Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

- **Board Charter**

The Board is guided by a formal Board Charter approved by the Board. The Board Charter sets out the composition, roles, functions, responsibilities and power of the Board and Board Committees of the Company as well as roles and responsibilities of the Chairman of Board, Managing Director ("MD") and the Deputy Managing Director cum Chief Executive Officer ("CEO"). The Charter defines the specific responsibilities and matters reserved for the Board, delegation of authorities, commitment by the directors, coordination and communication between the Senior Management and Board and more specifically, to clarify the accountability of both the Board and Management for the benefit of the Company and its shareholders. The Charter also specifies the board size and composition (including diversity policy), appointment and election process, independence of independent directors, board and directors' assessment, board proceedings, directors' training, confidentiality and disclosure of interest, investor relations and shareholders' communication, access to information and advice and code of ethic and conduct. The Board Charter is available at the Company's website at www.gromutual.com.

Further disclosure on the details of Board Charter is disclosed in Practice 2.1 of CG Report.

- **Code of Ethics and Conduct, Whistleblowing Policy and Anti-Bribery and Anti-Corruption Policy**

The Board is fully committed to the highest standards of integrity, transparency and accountability in the conduct of the Group's business and operations while also ensuring business sustainability by avoiding conflict of interest and preserving valuable resources, confidentiality and privacy.

The Directors and employees of the Group observe and adhere to the Code of Ethics and Conduct ("the Code") established by the Board. The Code is established to create a corporate culture within the Group to operate the businesses in an ethical manner and to uphold the highest standards of professionalism and exemplary corporate conduct. (Practice 3.1 of CG Report)

In addition, the Directors and employees are also need adhere to the discipline and rules as stated in the employees' manual.

To foster an environment where integrity and ethical behaviour are maintained, the Board has put in place a formal Whistleblowing Policy to encourage employees and other interested parties to disclose their concerns about and/or instances of any improprieties including illegal, unethical or improper business conduct within the Group. (Practice 3.2 of CG Report)

At the same time, the Board has in accordance with the requirements of Paragraph 15.29 of Listing Requirement of Bursa Securities adopted the Anti-Bribery and Anti-Corruption Policy, to prevent corrupt practices, to provide a measure of assurance and a defence against corporate liability for corruption under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and Malaysian Anti-Corruption Commission (Amendment) Act 2018.

The Code of Ethics and Conduct, Whistleblowing Policy and Anti-Bribery and Anti-Corruption Policy are all made available on the Company's website at www.gromutual.com.

- **Board Meetings**

The Board meets at least four (4) times a year at quarterly intervals and additional meetings shall be convened when necessary to perform its main function to assist in the development and monitoring of the implementation of strategic plans and policies, overseeing the conduct and operations of the businesses of the Group and ensuring appropriateness of internal control and effectiveness of risk management. The Board is always mindful of the importance of business sustainability in conducting the Group's business. Further information on the Group's sustainability activities can be found in the Sustainability Statement on page 17 to 43 of this Annual Report. Prior to each Board meeting, all Board members are furnished with the relevant documents and sufficient information, i.e. minutes of board committees' meetings and previous meeting as well as board papers, no later than five (5) working days before the meeting to enable them to have sufficient time in obtaining a comprehensive understanding of the issues to be deliberated upon in order to arrive at an informed decision.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

During the financial year ended 31 December 2024, four (4) Board Meetings were held. The attendance records of the members are as follows: -

	<u>No. of Meetings Held</u>	<u>Attendance</u>
Executive Directors:-		
Teo Yu Hong	4	4
Chew Kwee Hiok (f)	4	4
Non-Executive Directors:-		
Teo Yu Yin	4	4
YH Dato' Chong Keap Thai @ Cheong Keap Tai	4	4
Teo Yu Yang	4	3
Tan Chia Hon (f)	4	4
Independent Directors:-		
Wong Wen Tak	4	4
Chan Chong Wey	4	4
SR Hj Abdul Khalid Bin Abdul Rahman	4	4

All meetings of the Board are duly recorded in the Board minutes by the Company Secretaries. The Company Secretaries also attended all the Board Meetings of the Company. The Company Secretaries ensure that all Board meetings are properly convened, and that accurate and proper records of the deliberations, proceedings and resolutions passed are maintained in the statutory register at the registered office of the Company.

Supply of Information

The Board members in their individual capacity have unrestricted access to complete information on a timely basis in the form and quality necessary for the discharge of their duties and responsibilities.

Besides direct access to management staffs and company secretaries, external independent professional advisers are also made available to render their independent views and advice to the Board, whenever sought after and deemed necessary and appropriate, at the Company's expense.

Board Composition

The Company is headed by an experienced Board comprises of two (2) Executive Members, four (4) Non-Independent Non-Executive Members and three (3) Independent Non-Executive Members which is 33.33% of the Board thus complying with Paragraph 15.02 of the Listing Requirements of Bursa Securities, which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, to be independent, to ensure that there is sufficient independent element in the Board to provide the necessary check and balance within the Board. It is the responsibility of the Board to ensure that all members of the Board possess the necessary leadership experience, skilled, financial literacy and diverse background, integrity and professionalism to discharge their duties and responsibilities diligently and effectively.

The above composition is a departure from Practice 5.2 of MCCG which requires that at least half of the Board comprises of independent directors. However, through formal assessments conducted on the Board and Board Committees and the independence of the independent directors, the Board concluded that the non-executive directors and independent directors had demonstrated their independence and objectivity in their conducts and dealings with the Group at the Board and Board committees' proceedings. They are professionals who have a diverse range of skills, knowledge and experiences in relevant fields. Therefore, adequate degree of independence is maintained and there is no disproportionate imbalance of power and authority on the Board between the Non-Independent and Independent Directors. The Board will continue to monitor and review the adequacy and effectiveness of the independence and objectivity element within the Board from time to time to ensure its adequacy and effectiveness. (Practice 5.2 of CG Report)

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

Independent Directors

Independence of the candidates to act as independent directors are assessed by the Nominating Committee prior to their appointment based on formal nomination and selection process with the results of the review reported to the Board for consideration and decision.

On an annual basis, all Independent Non-Executive Directors are subject to independence assessments based on prescribed criteria on their independence for the Nominating Committee's review and recommendation to the Board to form an opinion on the independence of the Independent Non-Executive Directors. Based on the above assessment performed in 2024, the Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors, and their ability to bring independent and objective judgement to board deliberations.

The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. In the event the Independent Director to remain serving in that capacity for more than nine (9) years, the Board shall justify and seek shareholders' approval through a single-tier voting process as opposed to the two-tier voting process required in the coming Annual General Meeting. (Practice 5.3 of CG Report).

The Company does not have term limits or adopted any policy for the retention of the Independent Directors as the Board believes that experience with the Company's business operations brings benefits to the Board and the long serving Independent Directors possess knowledge of the Company's affairs as long as their independence are maintained. Nevertheless, the Board shall adopt the 12-year tenure limit for Independent Directors from date of Independent Directors' first appointment and the amendment is to be effective from 1 June 2023.

Board Committees

The Board has delegated certain responsibilities to the Board Committees, namely, Audit Committee, Nominating Committee and Remuneration Committee, all of which operate within their respective defined Terms of Reference approved by the Board. The Terms of Reference for each committee is made available in the Company's website at www.gromutual.com. The Chairman of the Committees report to the Board on the outcome of the Committee meetings. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board.

- **Audit Committee**

The composition and Terms of Reference of the Audit Committee, the number of meetings held, attendance, and activities carried out during the financial year are available in the Audit Committee Report on page 55 to 58 of this Annual Report.

- **Nominating Committee**

The Nominating Committee comprises exclusively of Non-Executive Directors, majority of whom are independent.

The Nominating Committee members and the attendance records for meeting held during financial year ended 31 December 2024 are as follows:-

Nominating Committee	No. of Meetings Held	Attendance
Chan Chong Wey (Chairman)	1	1
YH Dato' Chong Keap Thai @ Cheong Keap Tai	1	1
SR Hj Abdul Khalid Bin Abdul Rahman	1	1

The details of the members of the Nominating Committee are set out in the Profile of Board of Directors section of this Annual Report.

The full details of the Nominating Committee's Terms of Reference are published in the Company's website at www.gromutual.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

During the year under review, the Nominating Committee had carried out the following:

a) Evaluation of Board, Board Committees and Individual Directors Performance

On annual basis, the Company Secretaries circulate to each director the relevant assessment and review forms/questionnaires for assessment and adoption by Nominating Committee in relation to the aforementioned evaluation with sufficient time for all the directors to complete in advance of the meeting of the Nominating Committee and the Board in order for the Company Secretaries to collate the assessment/review results for the Nominating Committee to review and report to the Board.

During the financial year, the Nominating Committee had conducted the annual evaluation to assess the effectiveness of the Board as a whole and its Board Committees, self-assessment and peer-assessment for individual Directors based on specific criteria. All evaluation processes were properly documented and noted by the Board.

The annual evaluation assesses the Board's performance based on the following areas:

- i. Board Mix and Composition – Board size, adequate degree of independence, mix of expertise, experience and skills
- ii. Quality of Information and Decision Making – adequate and sufficient information presented for decision making, communication on information needs, measures taken to avoid conflict of interest during deliberation and decision making, and adequate access to management
- iii. Boardroom Activities – time allocation for meetings, sufficiency in the identification and management of key business risk and review of system of internal control.

The Board Committees performance evaluation evaluates the Audit Committee, Nominating Committee and Remuneration Committee based on:

- i. having the right composition
- ii. having the sufficient and relevant expertise
- iii. making of useful recommendations in assisting the Board in making decisions
- iv. discharging of responsibilities in accordance to respective Terms of Reference
- v. well informed on the details of deliberation to the Board sufficiently and timely.

Individual Directors are evaluated through self-assessment and peer assessment on the following areas:

- i. Contribution to interaction – attendance, participation, taking of constructive stand, confronting conflicts where necessary and participating in finding solutions
- ii. Quality input – ability to provide logical honest opinions and unique insight, prioritising context of issues to be in line with objectives, analytical, conceptual and communication skills
- iii. Understanding of role – add values, understand individual responsibility and ensure relevant contribution and focus on accomplishing the objectives.

Based on the evaluations conducted for the Board, Board Committees and Individual Directors for financial year ended 31 December 2024, the Board, through the summary of assessment results presented by the Nominating Committee, were satisfied with the composition, performance and effectiveness of the Board, Board Committees and Directors.

b) Assessment of Independence

In order to ensure that the Independent Non-Executive Directors remain independent and free from any business or other relationship which may interfere with the exercise of independent judgement or ability to act in the best interests of the Company, the Board, through the Nominating Committee conducted the annual assessment on the independence and objectivity of independent Non-Executive Directors through self-assessment using "Independent Directors Evaluation Form" focusing on the criteria of independency and objectivity.

Based on the review of the assessment form for financial year ended 31 December 2024, the Nominating Committee concluded that the Independent Directors met the requirement as 'Independent Director' as defined under paragraph 1.01 of MMLR and that all the three (3) Independent Non-Executive Directors remain objective and able to exercise independent judgement and act in the best interests of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

c) Recommended the re-election of retiring Directors on rotation to the Board

In accordance to the Clause 76(3) of the Constitution of the Company, 1/3 of the Directors shall retire from the Board and shall be eligible for re-election. During the financial year, the Nominating Committee had reviewed the Directors' Fit and Proper assessment and the annual assessment results of the Individual Director's performance and contribution to the Board and recommended to the Board on the re-election of retiring Directors at the forthcoming Annual General Meeting. The retiring Directors are also subject to confirmation on their character, experience, integrity, competence and time commitment, as outlined under Paragraph 2.20A of Main Market Listing Requirement.

d) Recommended the appointment of Director and re-election

Appointment of any new Director to the Board and Board Committees is through recommendation of candidates for directorship to the Nominating Committee for consideration and assessment. The Nominating Committee will also explore external independent services, such as, recommendations from external auditors and other professional service providers, to identify suitably qualified candidates for nomination and assessment prior to recommending the candidate(s) to the Board for approval.

The Board has established a clear and transparent nomination/recruitment process for the appointment of new Director as and when required for the Company and clearly laid down in the Terms of Reference of the Nominating Committee. The nomination process involves the following five (5) stages:

- i) Identification of candidates;
- ii) Evaluation on the suitability of candidates;
- iii) Meeting up with candidates;
- iv) Final deliberation by Nominating Committee; and
- v) Recommendation to Board.

In identification of suitable candidates, the Nominating Committee will review the existing mix of diversity (including age, ethnicity and gender) in the Board to ensure the appointment of new director to the Board remain sufficiently diversified and satisfied the gender diversity policy established.

The evaluation on the suitability of candidates takes into consideration of the qualification, character, skill, experience and time commitment to the Board as well as Directors' Fit and Proper assessment with effective from 1 July 2022.

During the financial year ended 31 December 2024, there was no appointment of new director to the Board. (Practice 5.5 of CG Report)

o Board Diversity

The Company recognises the value diversity can bring to the Board. This will create an environment where each generation and gender could bring different skills, experience and talents to the Board. It is the Board's policy of diversity to include age, ethnicity and gender diversity. Presently, the Board has two (2) female directors, comprising one (1) executive director and one (1) non-executive director. Whilst the Board has not met the target of 30% women directors set out in the MCCG, it will continue to seek diverse Board members of the highest calibre with the necessary strength, experience and skills to meet the needs of the Group. The Company encourages the employees of their Group to undergo continuous professional training as well as to take on operational and general management experience on a balanced basis. These efforts are important to nurture their talent and potential to take on senior management positions as part of the Group's succession planning. (Practice 5.9 of CG Report)

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

o Directors' Training

All Executive Directors have been with the Company for several years and are familiar with their duties and responsibilities as Directors. In addition, any newly appointed directors will be given briefings and orientation by the Executive Directors and Management of the Company on the business activities of the Group and its strategic directions, as well as their duties and responsibilities as Directors.

All the Directors have completed the Mandatory Accreditation Programme prescribed by Bursa Securities and they are mindful that they should receive appropriate continuous training, by attending seminars and briefings in order to broaden their perspective and to keep abreast with new developments for the furtherance of their duties.

During the financial year ended 31 December 2024, all the Directors have attended various workshops, seminars and conferences organised by the regulatory authorities and professional bodies to broaden their knowledge and to keep abreast with the latest regulatory requirements and developments. The details are as follows:-

<u>Director</u>	<u>Workshops/Seminars/Conferences</u>
Chew Kwee Hiok (f)	<ul style="list-style-type: none">- Mandatory Accreditation Programme Part II: Leading for Impact (LIP) (29-30 Apr 2024)- Fungsi Cukai Harta & Tindakan PBT Terhadap Tunggakan, Personal Tax for Property & E-Invoicing & Property Trust & It's Implication (25 Jun 2024)
Teo Yu Hong	<ul style="list-style-type: none">- Mandatory Accreditation Programme Part II: Leading for Impact (LIP) (30-31 Jul 2024)
Teo Yu Yin	<ul style="list-style-type: none">- Mandatory Accreditation Programme Part II: Leading for Impact (LIP) (29-30 Apr 2024)
Teo Yu Yang	<ul style="list-style-type: none">- Mandatory Accreditation Programme Part II: Leading for Impact (LIP) (30-31 Jul 2024)
Tan Chia Hon (f)	<ul style="list-style-type: none">- Accounting Treatment for Construction Contracts – Beginner Level (5 Aug 2024)- Mandatory Accreditation Programme Part II: Leading for Impact (LIP) (21-22 Aug 2024)- 2025 Budget Seminar (6 Nov 2024)
YH Dato' Chong Keap Thai @ Cheong Keap Tai	<ul style="list-style-type: none">- International Accountants Conference 2024 (11-12 Jun 2024)- National Tax Conference 2024 (22-23 Jul 2024)- Seminar Percukaian Kebangsaan 2024 (Bajet 2025) (23 Oct 2024)- Practical MPERS for Impairment of Assets (28 Nov 2024)- Case Study-Based MFRS Webinar: MFRS 18 – Presentation and Disclosure in Financial Statements (2 Dec 2024)
Wong Wen Tak	<ul style="list-style-type: none">- MFRS/IFRS Technical Update 2024 – Including a brief on IFRS Sustainability Standards (24 Jan 2024)- MIA International Accountants Conference 2024 (11-12 Jun 2024)- Mandatory Accreditation Programme Part II: Leading for Impact (LIP) (30-31 Jul 2024)

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

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|-------------------------------------|--|
| Chan Chong Wey | - Mandatory Accreditation Programme Part II: Leading for Impact (LIP) (25-26 Sep 2024)
- Malaysia Tax Budget 2025 (19 Nov 2024)
- Enhanced Conflict of Interests – Listing Requirements (10 June 2024)
- IFRS Sustainability Disclosure Standards (7 Nov 2024)
- Net Zero Strategy Development (13 Nov 2024) |
| SR Hj Abdul Khalid Bin Abdul Rahman | - Mandatory Accreditation Programme Part II: Leading for Impact (LIP) (22-23 Jul 2024) |

• Remuneration Committee

The Remuneration Committee was formed to assist the Board in determining, developing and recommending an appropriate remuneration policy and remuneration package for Directors and Senior Management so as to attract, retain and motivate the Directors and Senior Management. The Remuneration Committee is guided by formal Terms of Reference. Further disclosure on the Remuneration Committee and Remuneration Policy and Procedure are disclosed in Practice 7.1 and 7.2 of CG Report.

The Remuneration Committee comprises exclusively of Non-Executive Directors. Their attendance records are as follows:-

Remuneration Committee	No. of Meetings Held	Attendance
YH Dato' Chong Keap Thai @ Cheong Keap Tai (Chairman)	1	1
Teo Yu Yin	1	1
Tan Chia Hon (f)	1	1

The details of the members of the Remuneration Committee are set out in the Profile of Board of Directors section of this Annual Report.

The full details of the Remuneration Committee's Terms of Reference are published in the Company's website at www.gromutual.com.

The remuneration of all Directors for the financial year ended 31 December 2024 are disclosed in Practice 8.1 of CG Report. As regards to the remuneration of the Group's senior management team, the Board is of the view that the disclosure of these details would not be in the best interests of the Group due to confidentiality and the competitive nature of the industries in which the Group operates, as well as for business and personal security reasons.

Economics, Environment, Social and Governance Sustainability

In order to promote sustainability of the Group's businesses, one of the business strategies adopted by the Board is to ensure the economics, environmental, social and governance aspects of the businesses undertaken are well taken care of. The Group upheld the principle to maintain effective sustainability management on a continuous basis in order to contribute positively to the socio-economic development of the communities, to promote environmental friendly business practices and to uphold good governance practice.

Please refer to the Sustainability Statement for the governance structure and process employed as well as the identification, assessment, management and reporting of sustainability matters during the financial year under review and up to the date of this Annual Report.

Principle B – Effective Audit and Risk Management

The Audit Committee is tasked with the oversight role on the effectiveness of Audit and Risk Management. The composition and Terms of Reference of the Audit Committee, the number of meetings held, attendance, and activities carried out during the financial year are available in the Audit Committee Report on page 55 to 58 of this Annual Report and Practice 9.1 to 9.5 of CG Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

Relationship with External Auditors

The Board always maintains professional and transparent relationship with the External Auditors. The Audit Committee meets with the External Auditors at least twice a year without the presence of the management to discuss their Audit Plans, their audit findings, the financial statements and other special matters that require the attention of the Audit Committee and the Board's attention.

The Audit Committee has formal policies to assess the suitability, objectivity and independence of the external auditors. These policies also include a requirement that a former key audit partner must observe a cooling-off period of three years before being appointed as a member of the Audit Committee. None of the Audit Committee members were formerly audit partners of the Group's external auditors. The Audit Committee has also considered the nature of other non-audit services provided during the year by the External Auditors and satisfied that the quantum of the non-audit fees of RM9,500 do not in any way compromise their independence.

Risk Management

The Board recognises the importance of Risk Management in pursuing the Company's objective. Identifying, evaluating and managing any significant risk faced by the Group is an ongoing process which is undertaken in various stages:- (i) by Executive Directors; (ii) by Management; (iii) by Internal Auditors; and (iv) by the Audit Committee, which review and examine all risk issues highlighted by the Executive Directors and Management and the findings of the internal audit and external audit and recommend remedial actions and where necessary to report significant matter to the Board for their information and appropriate actions. The details of the framework and risk management process are disclosed in Statement on Risk Management and Internal Control on page 59 to 62 of this Annual Report and Practice 10.1 and 10.2 of the CG Report.

Internal Control & Internal Audit Function

The Board recognises the importance of sound internal control for good corporate governance. As such, an internal audit function is continuously reviewed and strengthened. The internal audit function is outsourced to a professional firm to assist the Audit Committee to review and determine the state of internal control of the Group and to highlight areas for management and operational improvement.

The state of internal control and internal audit function of the Group is explained in greater details in Statement on Risk Management and Internal Control on page 59 to 62 of this Annual Report and Practice 11.1 & 11.2 of the CG Report.

Financial Reporting

The Board is responsible for and approve all financial statements, both annual financial statements to shareholders and quarterly announcements of financial results after they are reviewed by the Audit Committee to ensure of their accuracy, adequacy and completeness of information and compliance with the Companies Act 2016, relevant accounting standards and other regulations prior to their release to public and regulatory authorities.

Directors' Responsibility Statement

The Board is responsible for the financial statements of the Group and the Company to present a true and fair view of the financial position of the Group and the Company as at the end of each financial year and of the financial performance and the cash flows of the Group and the Company for the financial year then ended.

In preparing the financial statements, the Board, through the assistance of Audit Committee has taken various steps to ensure that:-

- i) Appropriate accounting policies are adopted and applied consistently;
- ii) Estimates and judgements made are prudent and reasonable;
- iii) Malaysian accounting standards and disclosure requirements of listing requirements are complied;
- iv) The financial statements are prepared in compliance with the Companies Act 2016; and
- v) The financial information announced to Bursa Securities is accurate, up-to-date and on timely basis.

The Board confirms that the financial statements of the Group and the Company have been prepared on a going concern basis, in compliance with all applicable accounting standards and appropriate accounting policies have been applied consistently and are based on judgements and estimates that are reasonable.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

The Directors are responsible for ensuring that the Group and the Company maintain proper accounting records that disclose with accuracy the financial position of the Group and of the Company so as to ensure that these financial statements comply with the Companies Act 2016 and all other appropriate laws and regulations. The Directors are also responsible for taking necessary steps to safeguard the assets of the Group, and to prevent and detect fraud as well as other irregularities.

Principle C – Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

- **Corporate Disclosure and Stakeholders Communication**

The Company recognises the value of being transparent and honest in the communications with investment community and regulatory authorities and all stakeholders. The corporate disclosure mechanisms are established by the Board and guided by the Board Charter. The Board provides timely disclosure of all material information of the Group to the shareholders through release of quarterly financial results, announcements and distribution of Annual Reports. In addition, shareholders, investors and members of the public are able to access such announcements on Bursa Securities' website at www.bursamalaysia.com and other information via the Company's website at www.gromutual.com.

The Annual Report is the main channel of communication between the Company and its stakeholders. The Annual Report disclosed comprehensive information of the financial results and activities undertaken by the Group. As a listed issuer, the contents and disclosure requirements of the annual report are governed by the MMLR.

Shareholders, investors and members of the public may also forward their queries to the Company at Tel: 607-2121333, Fax: 607-2121222, Email: gromutualbhd@gromutual.com or through the enquiry form accessible through the Company's website at www.gromutual.com

(Practice 12.1 of CG Report provides further disclosure of the above)

- **Encourage Shareholder Participation at General Meetings**

The General Meetings (the "GMs") also serves as the communication platform between the shareholders and the Board. During the GMs, the shareholders are encouraged to raise questions and seek clarification on the business activities of the Group, agenda of the meetings and its proposed resolutions that were provided at least 28 days prior to the meeting pursuant Practice 13.1 of MCCG.

To encourage shareholders' participation at GMs, the Company allows a shareholder to appoint a proxy to represent him to attend to GMs and no qualification of proxy is imposed. The appointment of proxy(ies) can be made electronically via Share Registrars' website, TIIH Online website at <https://tiih.online>. This electronic voting option allows real time appointment of proxy(ies) without discerning those shareholders in remote locations and from other countries.

The Remote Participation and Voting ("RPV") facilities from the Share Registrar would require the shareholders or proxies or corporate representatives or attorneys to pre-register their attendance for the Annual General Meeting to ascertain their eligibility to participate the Annual General Meeting using the RPV. To prevent any unintended interruption or data violation, only the verified and approved registration would be allowed to participate.

As recommended by Practice 13.2 of MCCG, all Directors will attend the General Meeting in order to facilitate and provide more meaningful response to questions raised by shareholders.

Adequate time is given during GMs to encourage and allow the shareholders to seek clarification or ask questions on pertinent and relevant matters.

Summary of key matters and results of resolutions will be posted on the Company's website at www.gromutual.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

- **Poll Voting**

Pursuant to the Paragraph 8.29A(1) of the Listing Requirements of Bursa Securities, the Company must ensure that any resolution set out in the notice of General Meetings is voted by poll. All resolutions will be put forward for shareholders' approval at the 22nd Annual General Meeting to be held on 26 May 2025 are to be voted by way of poll voting.

Additional Disclosures Under MMLR

a) Utilisation of Proceeds

The Company did not implement any funds raising exercise during the financial year ended 31 December 2024.

b) Material Contract

There was no material contract and loan subsisting at the financial year ended 31 December 2024 or entered into since the end of financial year by the Company and its subsidiaries which involve the interests of Director, Chief Executive who is not a director and major shareholders.

c) Options, Warrant or Convertible Securities

During the financial year ended 31 December 2024, the Company did not issue any options, warrants or convertible securities.

d) Audit and Non-Audit Fees

The amount of audit and non-audit fees paid or payable to the external auditor and its affiliated companies and firms by the Group and the Company for financial year ended 31 December 2024 were as follows:-

	<u>The Group</u> <u>RM</u>	<u>The Company</u> <u>RM</u>
Audit Fees	135,500	25,000
Non-Audit Fees	9,500	5,000

The non-audit fees comprise mainly of review of HDA accounts and review of statement on risk management and internal control.

e) e) Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT")

During the financial year ended 31 December 2024, there was no RRPT of which shareholders' mandate was obtained pursuant to Paragraph 10.09 (2) of MMLR requiring disclosure under Practice Note 12.

Key Focus Areas and Future Priorities

The key focus areas of the Board on corporate governance practices are continual alignment with the Group's corporate governance practices and relevant charter, policies and Terms of Reference with the latest development in MCCG and updates of MMLR. In addition, the Board will continue to conduct appraisal process and to review the assessment criteria from time to time to ensure that the Board, the Board Committees and individual directors are assessed for their competency, contribution and effectiveness. The Board will strive to further enhance the disclosures in relation to corporate governance practices throughout the Group during the financial year.

Going forward the Board will further strengthen the composition of the Board, the independent and transparent elements within the Board.

This statement is made in accordance with a resolution of the Board dated 10 March 2025.

AUDIT COMMITTEE REPORT

1. Committee Members

The members of the Audit Committee as at the date of this Annual Report are as follows:-

Name	Designation
Wong Wen Tak	Chairman/ Independent Non-Executive Director (Member of MIA)
YH Dato' Chong Keap Thai @ Cheong Keap Tai	Member/ Non-Independent Non-Executive Director (Member of MIA)
Chan Chong Wey	Member/ Independent Non-Executive Director (Member of MIA)
SR Hj Abdul Khalid Bin Abdul Rahman	Member/ Independent Non-Executive Director

All members of the Audit Committee shall be financially literate and at least one member of the Audit Committee fulfils the qualification under Paragraph 15.09 (1) (c) of Main Market Listing Requirements ("MMLR").

The profiles of the members are presented on page 10 to 11 of this Annual Report.

2. Terms of Reference

The Terms of Reference of the Audit Committee is accessible under the "About", "Corporate Governance" section on the Company's website at www.gromutual.com.

The Audit Committee oversees matters relating to financial reporting, external audit, internal audit, related party transactions, conflict of interest situation and compliance with legal and regulatory requirements, as well as the establishment of an effective and sound framework of internal control.

3. Meeting

The attendance records of the members of the Audit Committee meetings for the financial year ended 31 December 2024 are as follows:-

Audit Committee	No. of Meetings Held	Attendance
Wong Wen Tak (Chairman)	4	4
YH Dato' Chong Keap Thai @ Cheong Keap Tai	4	4
Chan Chong Wey	4	4
SR Hj Abdul Khalid Bin Abdul Rahman	4	4

The meetings were conducted with the quorum of majority of members present at the meeting who are independent directors.

The meetings were appropriately structured through the dissemination of notices of meeting and agendas, which were distributed together with the minutes of the previous meeting and relevant papers and reports to the members at least five (5) business days before the meetings so that sufficient time is allowed for review by the members for the proper discharge of their duties and responsibilities in compliance with the Main Market Listing Requirements and Audit Committee's Terms of Reference.

The Finance Director and Senior Accounts Manager are invited to attend each meeting and the representatives from the external and internal auditors are also invited to attend and brief the members on specific issues during the meeting when necessary.

The Company Secretaries are the Secretaries of the Committee and are responsible to draft the agenda with the Chairman and circulating it prior to each meeting.

AUDIT COMMITTEE REPORT (continued)

4. Summary of Activities

During the financial year ended 31 December 2024, the summary of work performed by Audit Committee are as follows: -

a) Reviewed the quarterly financial statements of the Group

At each quarterly meeting, the Audit Committee reviewed the unaudited quarterly financial results including the notes to the accounts after it was presented by the Finance Director. The review focused on the key financial results including breakdown results by the operating segments, reason for the variances and the future prospect on the Group's performance as discussed with the Management. The quarterly financial statements were then recommended to the Board for approval prior to the lodgment and announcement to Bursa Securities in timely manner.

b) Reviewed the Audited Financial Statement and Audit Results with external auditors

During the financial year, the Audit Committee reviewed with the external auditors their Audit Completion Report ("AC Report") on their audit findings for the audit conducted on the financial statements of the Group for the financial year ended 31 December 2023. The AC Report included the audit progress, significant changes to audit plans if any, their findings on significant audit matters that required the attention of the Audit Committee, key audit matters that would be included in their audit report, any non-compliance with any laws and regulations, fraud-related matters and review of litigations and claims.

In addition, the Audit Committee reviewed the Statement of Risk Management and Internal Control ("SORMIC") and held discussion with the external auditors on their findings on the review of the SORMIC, if any before the SORMIC was presented to the Board for approval to be included in the Annual Report.

The Audit Committee also reviewed the audited financial statements of the Group for the financial year ended 31 December 2023 to satisfy themselves that the financial statements are prepared in accordance with applicable accounting standards and statutory requirements before they were presented to the Board for their approval and to be included in the Annual Report.

c) Reviewed the suitability and independence of external auditors

During the financial year, the Audit Committee conducted the evaluation of the performance and independence of the external auditors to determine and confirm their suitability and competency and made recommendation to the Board for their reappointment as the statutory auditor of the Group for shareholders' approval at the Annual General Meeting. The Audit Committee reviewed among others the quality of services and availability of resources, communication and the professional fees as well as the Annual Transparency Report of the external auditors. The Audit Committee also received written confirmation from the external auditors on their independence..

d) Reviewed the external audit plan and scope of work for the year with external auditors

During the financial year, the Audit Committee reviewed the audit plan presented by the external auditors for financial year ended 31 December 2024 to confirm and to satisfy themselves of adequacy of the audit plans which outlined the term of engagement and reporting responsibilities, audit approach, areas of significant audit attention, audit engagement team, timeline, proposed audit fees and updates on laws and regulations and the financial reporting. The audit plan reviewed with the external auditors was presented to the Board for their approval before the commencement of audit engagement so that the audit can be carried out effectively.

e) Held private session with external auditors without the presence of Management

During the financial year, the Audit Committee held two private sessions with the external auditors, one on 23 February 2024 after the audits for their feedbacks on their audit carried out including cooperation from the Management on the audit, on specific audit and non-audit issues (if any) that arose in the year ended 31 December 2023 annual audit of the Group and any concern or professional issues in their course of audits and on 25 November 2024 to review the audit plan for the year ending 31 December 2024 and other related matters as stated in paragraph (d) above.

AUDIT COMMITTEE REPORT (continued)

f) Reviewed and discussed with the internal auditors on the adequacy of the scope, functions, and resources, internal audit plan and internal report.

During the financial year, the Audit Committee had conducted the evaluation of the performance and independence of the internal auditors and reviewed their staff resources and was satisfied with their independence, resources, experience and competency. The Audit Committee also received, reviewed and discussed with the internal auditors, the internal audit charter and internal audit plan for the year prepared after taking into consideration of the risks and concerns identified by the Management team. The internal audit plan was then recommended to the Board for approval.

During the financial year, the Audit Committee reviewed and discussed with the internal auditors their internal audit report which contains the findings, recommendations and agreed management action plans for the internal audit performed based on the previously approved internal audit plan. The Audit Committee also had one private session with the internal auditors thereafter.

The oversight role of the Audit Committee on outsourced internal audit function is available in the SORMIC located on page 59 to 62 of this annual report.

g) Review of Other Statements included in the Annual Report

During the financial year, the Audit Committee reviewed and approved the Audit Committee Report, Statement on Corporate Governance and SORMIC before these reports are recommended to the Board for final approval and for their inclusion in the Company's financial year ended 31 December 2023 Annual Report.

h) Reviewed the Policies

During the financial year, the Audit Committee reviewed on the new Occupational Safety and Health ("OSH") Policy, including the OSH office risk assessment. Additionally, the Audit Committee reviewed updates to the Sustainability Policy, now renamed as the Sustainability & Climate Change Policy as presented by the Management.

5. Internal Audit Functions

The objective of the internal audit is to provide an independent assurance to the Audit Committee and the Board on the adequacy and effectiveness of the Risk Management and Internal Control system. The internal audit is part of the Group's governance system, and in accordance to the Malaysian Code of Corporate Governance ("MCCG"), the internal audit is required to review the internal control activities. Internal audit's goal is to focus mainly on risk-based audits, aligned with the risks of the Group, that are related to operations and compliance to ensure that the relevant controls addressing those risks are reviewed for their adequacy and effectiveness.

The Group outsourced its internal audit to an independent professional firm to undertake the internal audit functions to assist the Audit Committee to discharge its duties. The activities of the internal audit during the year under review included:

- (i) Developed the annual internal audit plan based on the Management's assessment of key business risks and risk evaluation and their ratings by the Audit Committee after any adjustment made for the existing business climate and economic condition and proposed the plan to the Audit Committee for approval.
- (ii) Conducted scheduled internal audit engagement, focusing primarily on the effectiveness of internal control and recommended improvements where necessary. It was planned that all aspects and areas of the operation and business activities of all the entities of the Group would be subjected to an internal audit within 3 years on rotation basis. The main activities for the year 2024 were:

Property Management

- Sales and marketing management
- Billing and collection management
- Safety and security management
- Tenant complaint management
- Repair, maintenance and housekeeping management

AUDIT COMMITTEE REPORT (continued)

Governance

- Organisation Structure
- Delegation of Authority
- User Access Management

(iii) Presentation of significant findings and recommendations of appropriate measures to mitigate those findings to the Audit Committee for their information, deliberation and approval and where necessary for the Audit Committee to recommend to the Board for certain actions to be taken.

The fee incurred for the outsourced internal audit function in respect of financial year ended 31 December 2024 was at RM17,500.

Overview of the Group's approach in maintaining a sound system of risk management and internal control is stated in the SORMIC on page 59 to 62 of this Annual Report.

This report is made in accordance with a resolution of the Board dated 10 March 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board is pleased to present the following Statement which outlines the state of risk management and internal control of the Group for the financial year ended 31 December 2024 and the period up to the date of approval of this Statement pursuant to Paragraph 15.26(b) and Practice Note 9 of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("MMLR"), Part II of Principle B of Malaysian Code on Corporate Governance 2021 ("MCCG"): Risk Management and Internal Control Framework and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines").

Responsibilities of the Board

The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal control which are essential part of the process in pursuing the Group's corporate objectives. During the year, the Board continues to enhance and review the system of risk management and internal control and actively identify, assess and monitor key business risks of the Group such that long term profitability and survival of the business is reasonably assured and to safeguard the investment of its shareholders and the assets of the Group. The system of internal control covers not only financial controls but operational and compliance controls and risk management. In view of the inherent limitations in any system of risk management and internal control, such system is designed to minimise the likelihood of fraud, material errors and to manage rather than eliminate the risk of failure to achieve business objectives. Accordingly, the system of risk management and internal control can only provide reasonable but not absolute assurance against material misstatement, fraud and loss.

Key Features and Processes of Internal Control

The key features and processes of the Group's internal control system are described below:

- (i) Board Committees (i.e. Audit Committee, Remuneration Committee and Nominating Committee) have been established to carry out duties delegated by the Board and are governed by written Terms of Reference.

Meetings of Board of Directors and respective Board Committees are carried out on scheduled basis to review the tasks set out in their Terms of Reference, the performance of the Group, from financial (i.e. quarterly report containing key financial results and comparison against corresponding period are presented to the Board for their review) and operational perspective. Business plans and business strategies are proposed by the Executive Directors to the Board for their review and approval after taking into account risk consideration and responses;

- (ii) A clear organisation structure that defined the level of responsibilities, clear reporting lines, proper segregation of duties and formal authority Approval Matrix Limit are in place. Management is committed to employ suitably qualified staff to ensure operational efficiency.

In addition, operation and management reports are prepared for dissemination to relevant personnel for effective communication of critical information throughout the Group for effective decision making and execution in pursuit of the business objectives. Other communication channels, such as telecommunication (including instant messaging) and data and network communication channels, are also employed to keep pace with the changing business environment.

Matters that require the Board and Management's attention are also highlighted for review, deliberation and decision making;

- (iii) The Board established the Code of Ethics and Conduct ("the Code") of the Group to strengthen a corporate culture within the Group to operate the businesses in an ethical manner and to uphold the highest possible standards of professionalism and exemplary corporate conduct. The Code of the Group which sets out the principles and standards of business ethics and conduct of the Group is applicable to all employees and directors of the Group;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (continued)

- (iv) An Anti-Bribery and Anti-Corruption Policy had been adopted by the Group in 2020 in accordance to Section 17A on corporate liability of the Malaysian Anti-Corruption Commission Act 2009. A Whistle-blowing policy was also established by the Board to provide all directors, management staffs and employees of the Group with mechanisms for employees and other interested parties to bring to the attention of the Audit Committee, Chairman and Top Management any concerns about possible improprieties such as in matters of financial reporting, compliance and other malpractices at the earliest opportunity on a confidential basis. In addition, new Occupational Safety and Health Policy was approved during the financial year to fostering a safe and healthy work environment for all employees, visitors and related stakeholders;
- (v) The “hands on” management style by the Executive Directors contributed to identification and rectification of issues arising from business operations and other related issues to ensure that the business strategies and profitability are aligned to corporate plans. Significant matters identified are also highlighted to the Board;
- (vi) Executive Directors conduct either physical or virtual meetings to review operational goals and budgets and to oversee the Group's financial performance, operation teams' performance and to maintain close communication among Management and operation teams as well as to monitor closely the Group's business activities and operations with strict adherence to the guidelines issued by the Government;
- (vii) There is dissemination of latest changes to the governing rules and regulations to the relevant personnel and where necessary appropriate personnel are identified to attend in-house and external seminars that are relevant in performing their duties and responsibilities;
- (viii) Operation Manual has been updated detailing the policies, procedures and prescribed forms had been established for key operations of the company such as Project and Technical Management, Sales and Marketing and Hostel Management;
- (ix) Identify the related party transactions, if any, and ensure proper disclosure is made accordingly;
- (x) For monitoring and review on key risk areas identified, internal audits are carried out by the internal audit functions (which had been outsourced and reports directly to the Audit Committee). The internal audit functions assess the adequacy and effectiveness of internal controls in relation to specific governance, risk and control processes and highlights potential risks and implications of its observations that may impact the Group as well as recommend improvements on the observations made to minimise the risks. The results of the internal audits carried out are reported to the Audit Committee.

Key Features and Process of Risk Management Framework

The Board acknowledges that all areas of activities of the business of the Company and the Group involve certain risks. The Group's financial risk management policy seeks to ensure that adequate resources are available to manage all risks including credit risk, liquidity risk and interest risks. The Board assumes overall responsibility for the Group's risk management framework and formulates policies and procedures for the management of these risks.

Identifying, evaluating and managing any significant risks faced by the Group is an ongoing process which is undertaken in various stages:- (i) by Executive Directors; (ii) by Management; (iii) by Internal Auditors; and (iv) by the Audit Committee, who assesses and analyses any findings of the internal audit and external audit and reports to the Board. This process is continuously improved and has been in place for the year under review and up to the date of approval of this annual report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (continued)

During the financial year under review, the Board's function within the risk management framework that was exercised and managed primarily by Executive Directors through their participation in the operations and their meetings with the managerial levels and to ensure the adequacy and integrity of the system of internal control and risk management. The process for identifying and evaluating the significant risks affecting the business is carried out by all heads of departments at each operational level on a continuous basis, and the controls and procedures by which these risks are managed are also improved accordingly.

Because of the size of the Group as well as the hands-on management of the executive directors and managerial levels, meetings both formal and informal are possible at the operational level at any time to review and update business plans and business strategies to ensure continuous profitability are in line with the Group's risk appetite. These changes or emergence of new key business risks and the corresponding control activities formulated are discussed during management meetings and are highlighted to the Board for review or rectification and approval.

Internal Audit Function

The Group internal audit function has been outsourced to an independent professional firm, NeedsBridge Advisory Sdn Bhd, to undertake the internal audit functions to provide assurance on the efficiency and effectiveness of the internal control and risk management processes implemented by the Management to manage key business risks and internal control system. The audit engagement of the outsourced internal audit function is governed by the engagement letter which include key terms covering purpose and scope of works, accountability, independence, the outsourced internal audit function's responsibilities, the management's responsibilities, the authority accorded to the outsourced internal audit function, limitation of scope of works, confidentiality, proposed fees and engagement team.

The engagement director of the outsourced internal audit function is a Certified Internal Auditor accredited by the Institute of Internal Auditors Global. The internal audits are carried out in accordance with International Professional Practices Framework established by the Institute of Internal Auditors Global. The internal audit function reports to the Audit Committee directly.

The oversight of the outsourced internal audit function by the Audit Committee includes the review by the Audit Committee on the competency of the outsourced internal audit function in term of qualification and experience/exposure for its employees engaging in the internal audit work of the Group.

The internal audit function adopts a risk-based approach and prepares its internal audit plans based on the Group's key risk profile, after discussion and considering the views of the Management. Internal audit is performed based on the internal audit plans approved by the Audit Committee or any amendments thereof approved by the Audit Committee deemed necessary.

The internal control review procedures were designed to understand, document, evaluate risks and related controls to determine the adequacy and effectiveness of governance, risk and control structures and processes and to formulate recommendations for improvement thereon. The internal audit procedures applied principally consisted of process evaluation through interviews with relevant personnel involved in the process under review, review of company's operation manual or standard operating procedures and/or process flows provided and observations of the functioning of such processes to be in compliance with results of the interviews and /or company's operation manual or standard operating procedures and/or process flows. Thereafter, testing of controls for the respective audit areas are carried on the samples selected.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (continued)

Upon the completion of the internal audit works based on detailed audit program, the internal audit report is presented to the Audit Committee during one of its quarterly meetings for review and consideration. The internal audit report includes the audit findings and internal auditors' recommendations as well as the management responses and action plans for improvement and to resolve any issue. The Audit Committee reviews the findings and evaluates the concerns and issues and ensure that appropriate actions had been taken by the management in their response.

The Audit Committee reports the results of its review and actions implemented to the Board in order that the Board is updated to ensure that the existing internal controls and risk management processes are still in place and are sound. The issues or weaknesses raised by the internal audit had either been remedied or did not result in non-compliance of the Group policies and procedures, related listing requirements and laws that would require reporting to the relevant authorities or disclosed in the annual report.

Review of the Statement by External Auditors

As required by Paragraph 15.23 of the MMLR, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the external auditors to consider whether the Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system. Based on the procedures performed and evidence obtained, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe this Statement on Risk Management and Internal Control has not been prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is it factually inaccurate.

Conclusion

The Board is of the view that the system of risk management and internal control being instituted throughout the Group is adequate, sound and effective and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report. The monitoring, review and reporting arrangements are in place to give reasonable assurance that the structure and operation of controls are appropriate for the Group's operations and that risks are at an acceptable level throughout its businesses. The Managing Director and the Deputy Managing Director cum Chief Executive Officer have provided assurance to the Board that the Group's risk management and internal control system is operating adequately and effectively. Reviews of all the control procedures had been continuously carried out to ensure the ongoing effectiveness and adequacy of the system of risk management and internal control, so as to safeguard investments and the Group's assets as expected by the shareholders and other stakeholders of the Group.

This statement is made in accordance with a resolution of the Board dated 10 March 2025.

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

DIRECTORS' REPORT

The directors of GROMUTUAL BERHAD have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company is principally involved in investments holding. The principal activities of the subsidiaries are mainly property development, property holdings and investments.

The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the Company in each subsidiary company is as disclosed in Note 16 to the financial statements.

RESULTS OF OPERATIONS

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

	The Group RM	The Company RM
Profit for the year	<u>17,643,807</u>	<u>5,917,175</u>
Profit attributable to:		
Owners of the Company	<u>17,643,807</u>	<u>5,917,175</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.

DIVIDENDS

Since the end of the previous financial year, a single tier interim dividend of 0.50 sen per share amounting to RM1,878,040 was paid on 20 December 2024 in respect of the current financial year.

The Directors do not recommend any payment of final dividend in respect of the current financial year ended 31 December 2024.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

DIRECTORS' REPORT (continued)

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there were no known bad debts to be written off nor any provision for doubtful debts required to be made; and
- (b) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

As at the date of this report, the directors are not aware of any circumstances:

- (a) which would required the writing off as bad debts or the making of provision for doubtful debts in the financial statements of the Group and of the Company; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) 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; or
- (d) not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

As at the date of this report, there does not exist:

- (a) 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; and
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent 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, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company in the financial year in which this report is made.

DIRECTORS' REPORT (continued)

DIRECTORS

The directors who held in office during the financial year and during the period from the end of the financial year to the date of this report are:

The Company

Teo Yu Yin
Teo Yu Hong
Chew Kwee Hiok
Teo Yu Yang
YH Dato' Chong Keap Thai @ Cheong Keap Tai
Wong Wen Tak
Tan Chia Hon
Chan Chong Wey
Sr Hj Abdul Khalid Bin Abdul Rahman

Subsidiary Companies

Teo Yu Hong
Chew Kwee Hiok
Teo Yu Yang
Soh Yong Chong
Voong Long Yee (Resigned on 30 April 2024)

DIRECTORS' INTERESTS

The interests in shares of the Company and of its related corporation of those who were directors as at the end of the financial year, according to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, are as follows:

	Balance as at 1.1.2024	No. of ordinary shares		Balance as at 31.12.2024
		Bought	Sold	
Shares in the Company				
Registered in the name of directors				
Direct interests				
Teo Yu Hong	10,017,973	-	-	10,017,973
Chew Kwee Hiok	2,222,094	-	-	2,222,094
Teo Yu Yin	19,207,672	606,700	-	19,814,372
Teo Yu Yang	9,000,000	-	-	9,000,000
Indirect interests				
Teo Yu Hong	128,500,000	-	-	128,500,000
Teo Yu Yin	-	120,000,000	-	120,000,000

DIRECTORS' REPORT (continued)

	Balance as at 1.1.2024	No. of ordinary shares		Balance as at 31.12.2024
		Bought	Sold	
Shares in the ultimate holding company, Accordant Holding Sdn. Bhd.				
Direct interests				
Teo Yu Hong	304,001	-	-	304,001
Teo Yu Yin	40,001	360,000	-	400,001

By virtue of Mr. Teo Yu Hong's and Mr. Teo Yu Yin's interest in shares in the Company and ultimate holding company, he is also deemed to have an interest in the shares of all the subsidiary companies to the extent that the Company and ultimate holding company have an interest.

None of the other directors in office as at the end of the financial year, held shares or had any beneficial interests in the shares of the Company or its related companies during or as at the beginning and end of the financial year

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than those benefits included in the aggregate of remuneration received or due and receivable by directors as disclosed in 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 he is a member, or with a company in which he has a substantial financial interest.

During and as at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2024 were as follows:

	The Group RM	The Company RM
Salaries and other emoluments	2,217,017	17,500
Directors' fee	360,000	360,000
	<u>2,577,017</u>	<u>377,500</u>

DIRECTORS' REPORT (continued)

INDEMNITY AND INSURANCE

The Company maintains directors' liability for purposes of Section 289 of the Companies Act 2016, throughout the year, which provides appropriate insurance cover for the directors and officers of the Company. The amount of insurance premium paid during the year amounted to RM22,480.

There were no indemnity given to or insurance effected for auditors of the Company in accordance with Section 289 of the Companies Act 2016.

ULTIMATE HOLDING COMPANY

The Directors regard Accordant Holding Sdn. Bhd., a company incorporated in Malaysia, as the ultimate holding company.

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have indicated their willingness to continue in office.

AUDITORS' REMUNERATION

Auditors' remuneration of the Group and the Company for the financial year ended 31 December 2024 were as follows:

	The Group RM	The Company RM
Statutory audit	135,500	25,000
Non-statutory audit	9,500	5,000
	<u>145,000</u>	<u>30,000</u>

Signed on behalf of the Board, as approved by the Board
in accordance with a resolution of the directors,

TEO YU YIN

Teo YU HONG

Johor Bahru
10 March 2025

STATEMENT BY DIRECTORS

Pursuant to Section 251 (2) of the Companies Act 2016

The directors of **GROMUTUAL BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 Group and of the Company as at 31 December 2024 and of the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

Signed in accordance with
a resolution of the Directors,

TEO YU HONG

CHEW KWEE HIOK

Johor Bahru
10 March 2025

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

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, **TEO YU HONG**, the director primarily responsible for the financial management of **GROMUTUAL 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.

TEO YU HONG

Subscribed and solemnly declared by the abovenamed **TEO YU HONG** at **JOHOR BAHRU** in the State of **JOHOR** on 10 March 2025.

Before me,

SERENA KAUR (NO.J252)
COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GROMUTUAL BERHAD

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Gromutual Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 74 to 119.

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 Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current 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 of the Group

(a) Revenue recognition for property development

Revenue from property development activities of the Group with over time recognition for the financial year ended 31 December 2024 amounted to RM12.3 million as disclosed in Note 4 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the satisfaction of performance obligations as stated in the contracts with customers, which include estimation of total contract costs in applying the input method to recognise revenue over time.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GROMUTUAL BERHAD

(Incorporated in Malaysia) (continued)

Key Audit Matter of the Group (continued)

Audit response

Our audit procedures included the following:

- (i) Reviewed contracts with customers to identify distinct and material performance obligations for over time revenue recognition;
- (ii) Assessed estimated total costs to complete through inquiries with management personnel of the Group and tested documentation to support cost estimates made;
- (iii) Compared estimated total cost to actual outcomes to assess the reliability of management's budgeting process; and
- (iv) Recomputed the results of the input method determined by management for revenue recognition based on verified actual costs incurred to-date and budgeted costs.

(b) Fair value of investment properties

The Group's investment properties were carried at RM115.7 million as at 31 December 2024 as disclosed in Note 14 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgement in assessing the fair value. The valuation assessment which are assisted by independent valuer using comparison method, are based on assumptions, amongst others with adjustments made to comparable transaction including location, size, building constructions, accessibility, improvements, present property market condition and other relevant characteristics.

Audit response

Our audit procedures included the following:

- (i) Obtained the independent valuation reports and assessed the competency, independence and integrity of the independent valuer;
- (ii) Discussed with valuer to understand the basis of adjustments made to transacted price per square foot by considering factors related to the characteristics of each individual property, such as location, accessibility, size, tenure and comparable transaction dates; and
- (iii) Benchmarked and challenged to external industry data on key inputs and comparable property transactions used by valuer.

Key Audit Matter of the Company

We have determined that there are no key audit matters to communicate in our report in respect of the audit of the financial statements of the Company.

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 or conclusion thereon.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GROMUTUAL BERHAD

(Incorporated in Malaysia) (continued)

Information Other than the Financial Statements and Auditors' Report Thereon (continued)

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, IFRS Accounting 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 ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- (a) 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.
- (b) 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 internal control of the Group and the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GROMUTUAL BERHAD

(Incorporated in Malaysia) (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) 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.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current 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.

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Sia Yeak Hong
03413/02/2027 J
Chartered Accountant

Johor Bahru
10 March 2025

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	4	51,738,639	78,870,046	5,800,000	2,142,720
Cost of sales	5	<u>(25,207,265)</u>	<u>(41,920,153)</u>	-	-
Gross profit		26,531,374	36,949,893	5,800,000	2,142,720
Investment revenue	6	144,368	81,032	1,112,226	1,077,933
Other income		13,850,135	855,109	-	-
Administrative expenses		(13,992,205)	(13,606,669)	(694,395)	(692,659)
Finance costs	7	(2,439,253)	(890,082)	(3,576)	-
Impairment loss allowance on other receivable	20	-	(1,797,900)	-	-
Other expenses		<u>(350,946)</u>	<u>(73,226)</u>	-	-
Profit before tax	8	23,743,473	21,518,157	6,214,255	2,527,994
Income tax expense	10	<u>(6,099,666)</u>	<u>(5,827,713)</u>	<u>(243,080)</u>	<u>(211,891)</u>
Profit for the year		<u><u>17,643,807</u></u>	<u><u>15,690,444</u></u>	<u><u>5,971,175</u></u>	<u><u>2,316,103</u></u>
Other comprehensive income will not be reclassified subsequently to profit or loss					
Revaluation of owner- occupied properties upon transfer of properties to investment properties, net of tax	12	-	515,613	-	-
Total other comprehensive income, net of tax		-	515,613	-	-
Total comprehensive income for the year		<u><u>17,643,807</u></u>	<u><u>16,206,057</u></u>	<u><u>5,971,175</u></u>	<u><u>2,316,103</u></u>

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Profit attributable to:					
Owners of the Company		<u>17,643,807</u>	<u>15,690,444</u>	<u>5,971,175</u>	<u>2,316,103</u>
Total comprehensive income attributable to:					
Owners of the Company		<u>17,643,807</u>	<u>16,206,057</u>	<u>5,971,175</u>	<u>2,316,103</u>
Earnings per share					
Basic/Diluted (Sen)	11	<u>4.70</u>	<u>4.18</u>		

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF FINANCIAL POSITION

AS OF 31 DECEMBER 2024

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
Non-current Assets					
Property, plant and equipment	12	4,463,318	5,060,467	-	-
Right-of-use assets	13	287,343	-	61,452	-
Investment properties	14	116,043,439	92,440,500	-	-
Land held for property development	15	186,353,169	223,276,283	-	-
Investment in subsidiary companies	16	-	-	175,830,419	175,830,419
Amounts owing by subsidiary companies	17	-	-	40,400,000	33,300,000
Total Non-current Assets		<u>307,147,269</u>	<u>320,777,250</u>	<u>216,291,871</u>	<u>209,130,419</u>
Current Assets					
Inventories	18	50,892,405	55,646,018	-	-
Land and development expenditure	19	80,908,264	37,534,773	-	-
Receivables	20	34,185,684	17,045,236	11,774	11,563
Amounts owing by subsidiary companies	17	-	-	201,937	168,189
Current tax assets		2,005,444	1,985,741	-	-
Cash and bank balances	21	58,973,892	61,147,452	3,577,626	6,627,055
		226,965,689	173,359,220	3,791,337	6,806,807
Asset held for sale	22	4,989,000	-	-	-
Total Current Assets		<u>231,954,689</u>	<u>173,359,220</u>	<u>3,791,337</u>	<u>6,806,807</u>
Total Assets		<u>539,101,958</u>	<u>494,136,470</u>	<u>220,083,208</u>	<u>215,937,226</u>

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024 (continued)

		The Group		The Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	23	187,803,980	187,803,980	187,803,980	187,803,980
Revaluation reserve	23	515,613	515,613	-	-
Retained earnings	23	221,654,609	205,888,842	31,715,157	27,622,022
Total Equity		<u>409,974,202</u>	<u>394,208,435</u>	<u>219,519,137</u>	<u>215,426,002</u>
Non-current Liabilities					
Other payables	24	3,677,800	4,203,200	-	-
Lease liabilities	25	200,676	-	-	-
Bank borrowings	26	38,468,330	30,971,931	-	-
Deferred tax liabilities	27	6,660,927	7,023,272	-	-
Total Non-current Liabilities		<u>49,007,733</u>	<u>42,198,403</u>	<u>-</u>	<u>-</u>
Current Liabilities					
Payables	24	21,629,079	16,786,487	390,000	388,500
Lease liabilities	25	94,066	-	62,375	-
Bank borrowings	26	56,192,723	39,961,175	-	-
Current tax liabilities		1,684,155	981,970	111,696	122,724
		79,600,023	57,729,632	564,071	511,224
Deferred tax liability associated with asset held for sale	27	520,000	-	-	-
Total Current Liabilities		<u>80,120,023</u>	<u>57,729,632</u>	<u>564,071</u>	<u>511,224</u>
Total Liabilities		<u>129,127,756</u>	<u>99,928,035</u>	<u>564,071</u>	<u>511,224</u>
Total Equity and Liabilities		<u>539,101,958</u>	<u>494,136,470</u>	<u>220,083,208</u>	<u>215,937,226</u>

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Attributable to Owners of the Company			Total Equity RM
		Share Capital RM	Revaluation Reserve RM	Retained Earnings RM	
The Group					
Balance as at 1 January 2023		187,803,980	-	193,954,478	381,758,458
Revaluation adjustment arising from transfer owner-occupied properties to investment properties, net of tax		-	515,613	-	515,613
Profit for the year		-	-	15,690,444	15,690,444
Total comprehensive income for the year		-	515,613	15,690,444	16,206,057
Dividends	29	-	-	(3,756,080)	(3,756,080)
Balance as at 31 December 2023		187,803,980	515,613	205,888,842	394,208,435
Total comprehensive income for the year		-	-	17,643,807	17,643,807
Dividends	29	-	-	(1,878,040)	(1,878,040)
Balance as at 31 December 2024		<u>187,803,980</u>	<u>515,613</u>	<u>221,654,609</u>	<u>409,974,202</u>
The Company					
Balance as at 1 January 2023		187,803,980	-	29,061,999	216,865,979
Total comprehensive income for the year		-	-	2,316,103	2,316,103
Dividends	29	-	-	(3,756,080)	(3,756,080)
Balance as at 31 December 2023		187,803,980	-	27,622,022	215,426,002
Total comprehensive income for the year		-	-	5,971,175	5,971,175
Dividends	29	-	-	(1,878,040)	(1,878,040)
Balance as at 31 December 2024		<u>187,803,980</u>	<u>-</u>	<u>31,715,157</u>	<u>219,519,137</u>

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS (USED IN) FROM OPERATING ACTIVITIES					
Receipts from customers		68,271,912	78,246,071	-	-
Payments to suppliers and employees		(66,327,534)	(36,868,026)	(587,759)	(720,992)
Cash Generated From (Used In) Operations		1,944,378	41,378,045	(587,759)	(720,992)
Finance costs paid		(2,459,037)	(2,300,093)	(3,576)	-
Income taxes paid		(5,513,153)	(6,692,951)	(254,108)	(131,750)
Income taxes refunded		253,624	1,009,035	-	-
Net Cash (Used In) From Working Capital		(5,774,188)	33,394,036	(845,443)	(852,742)
Payments for land held for property development		(7,128,735)	(6,105,729)	-	-
Net Cash (Used in) From Operating Activities		(12,902,923)	27,288,307	(845,443)	(852,742)
CASH FLOWS (USED IN) FROM INVESTING ACTIVITIES					
Interest received		144,368	81,032	1,078,478	1,088,441
Proceeds from disposal of investment property		4,800,000	-	-	-
Proceeds from disposal of property, plant and equipment		125,150	85,500	-	-
Additions to property, plant and equipment	12	(267,166)	(820,060)	-	-
Acquisition of land		(15,559,579)	-	-	-
Additions to investment properties		(303,939)	-	-	-
Dividends received		-	-	5,800,000	2,142,720
(Net advances to) Net repayment from subsidiary companies		-	-	(7,100,000)	6,500,000
Net Cash (Used In) From Investing Activities		(11,061,166)	(653,528)	(221,522)	9,731,161

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES					
Proceeds from term loan		14,158,797	-	-	-
Proceeds from revolving credits		-	1,000,000	-	-
Proceeds from (Repayments of) bank overdrafts		4,928,743	(3,728,759)	-	-
Dividends paid	29	(1,878,040)	(3,756,080)	(1,878,040)	(3,756,080)
Repayments of:					
Term loans		(3,241,390)	(2,643,674)	-	-
Hire-purchase payables		(305,603)	(100,388)	-	-
Lease liabilities		(93,599)	-	(104,424)	-
Net Cash From (Used In) Financing Activities		<u>13,568,908</u>	<u>(9,228,901)</u>	<u>(1,982,464)</u>	<u>(3,756,080)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(10,395,181)	17,405,878	(3,049,429)	5,122,339
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR		<u>39,676,111</u>	<u>22,270,233</u>	<u>6,627,055</u>	<u>1,504,716</u>
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	28	<u><u>29,280,930</u></u>	<u><u>39,676,111</u></u>	<u><u>3,577,626</u></u>	<u><u>6,627,055</u></u>

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's statements of cash flows as cash flows from (used in) financing activities.

	Lease Liabilities (Note 25) RM	Term loans (Note 26) RM	Bank overdraft (Note 26) RM	Revolving credit (Note 26) RM	Hire- purchase Creditors (Note 26) RM
The Group					
At 1 January 2024	-	33,398,854	7,631,294	9,000,000	773,008
Cash flows	(93,599)	(3,241,390)	4,928,743	-	(305,603)
Construction financing	-	14,158,797	-	-	-
Non-cash flow:	(93,599)	10,917,407	4,928,743	-	(305,603)
Addition	388,341	-	-	-	-
At 31 December 2024	<u>294,742</u>	<u>44,316,261</u>	<u>12,560,037</u>	<u>9,000,000</u>	<u>467,405</u>
At 1 January 2023	-	36,098,583	11,360,053	8,000,000	473,396
Cash flows	-	(2,643,674)	(3,728,759)	1,000,000	(100,388)
Acquisition of property, plant and equipment (Note 12)	-	-	-	-	400,000
Non-cash flow:	-	(2,643,674)	(3,728,759)	1,000,000	299,612
Reversal of unwinding of interest	-	(56,055)	-	-	-
At 31 December 2023	<u>-</u>	<u>33,398,854</u>	<u>7,631,294</u>	<u>9,000,000</u>	<u>773,008</u>

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (continued)

	Lease Liabilities (Note 25) RM
The Company	
At 1 January 2024	-
Cash flows	(104,424)
Non-cash flow: Addition	<u>166,799</u>
At 31 December 2024	<u><u>62,375</u></u>
At 1 January 2023 and At 31 December 2023	<u><u>-</u></u>

The accompanying Notes form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION

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

The Company is principally involved in investments holding.

The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the Company in each subsidiary company is as disclosed in Note 16 to the financial statements.

Subsequent to the financial year, the registered office of the Company has changed from Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor to L2-02, 1 Medini Hub, Persiaran Medini Utara 3, Medini Iskandar, 79000 Nusajaya Johor.

The principal place of business of the Company is located at PH1, Austin 18, Jalan Austin Perdana 3, Taman Austin Perdana, 81100 Johor Bahru, Johor.

The Directors regard Accordant Holding Sdn. Bhd., a company incorporated in Malaysia as the ultimate holding company.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency and presentation currency.

The financial statements of the Group and of the Company were authorised by the Board of Directors for issuance in accordance with a resolution by the Board of Directors.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The accounting policies adopted are consistent with those of the previous financial year. The Amendments to MFRSs adopted during the financial year are disclosed in the following sections.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

2.1 Adoption of new and amendments to MFRS

In the current financial year, the Group and the Company have adopted a number of amendments to MFRS issued by the Malaysian Accounting Standards Board ("MASB") as follows:

		Effective Date
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Non-current liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

2.2 New and amendments to MFRS in issue but not yet effective

As at the date of authorisation for issue of these financial statements, the Group and the Company have not applied the following new and amendments to MFRS that have been issued but not yet effective:

		Effective Date
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS	Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
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
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards, since the effects would only be observable in future financial years.

3. ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention, except for investment properties and asset held for sale that are measured at fair values as at the end of the reporting period.

Basis of Consolidation

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial statements present the results of the Company and its subsidiary companies ("the Group") as if they formed a single entity. Intercompany transactions and balances among the Group are eliminated in full.

Revenue Recognition

The revenue recognition of the Group and of the Company are as follows:

Property development

Contracts with buyers may include multiple promises to buyers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the standalone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

The revenue from property development is measured at the fixed transaction price agreed under the sale and purchase agreement.

Revenue from property development is recognised as and when the control of the asset is transferred to the buyer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the buyer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may be transfer over time or at a point of time. The Group recognises revenue from property development over time if it creates an asset with no alternative use to the Group, and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (e.g. by reference to the property development costs incurred to date as a percentage of the estimated total costs of development of the contract). The input method depicts the Group's progress of performance in the assets created which has no alternative use to the Group. Otherwise, revenue is recognised at a point in time when the buyer obtains control of the asset.

Revenue from sales of vacant land and completed development units is recognised at the point in time when the control of the property is transferred to the buyer and it is probable that the Group will collect the consideration to which it will be entitled to in exchange for the asset sold.

Sales of Oil Palm Fresh Fruits Bunches ("FFB")

Revenue from sales of oil palm FFB is recognised upon delivery of goods when control of the goods has been transferred to the customers, net of taxes and discounts.

There is no element of financing present as the Group's sales of FFB on credit terms of up to 30 days.

Management fee

Revenue from management fee is recognised upon performance of services are completed, net of taxes and discounts.

Other Revenue

Revenue from other sources are recognised as follows:

- Dividend income is recognised when the shareholder's right to receive payment is established;
- Interest income is recognised as it accrues, using the effective interest method; and
- Rental income is recognised on a straight-line basis over the terms of the relevant lease.

Leases

As Lessee

The Group recognises a right-of-use asset and a lease liability at the commencement date of the contract for all leases excluding short-term leases or leases for which the underlying asset is of low value, conveying the right to control the use of an identified asset for a period of time.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

As Lessor

Leases in which the Group and the Company do not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and are recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Deferred Tax

Deferred tax is calculated on temporary differences under the liability method.

For the purposes of measuring deferred tax liabilities for investment properties and asset held for sale that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Property, Plant and Equipment

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

All costs directly related to bearer plants (oil palm) are capitalised until such time as the bearer plants reach maturity, which is estimated to be 3 years. At that point, all further costs are expensed and depreciation commences over the period of 25 years. Such costs include planting costs, other upkeep costs, and an allocation of overhead costs.

Other property, plant and equipment are depreciated on a straight-line method to their residual values at rates based on the estimated useful lives of the various assets.

The annual rates of depreciation are as follows:

	Rates
Freehold buildings	2%
Motor vehicles	20%
Office equipment	10% to 25%
Furniture and fittings	10% to 20%
Renovations	10%

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

Assets held under lease arrangement are depreciated over their expected useful lives on the same basis as owned assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

The investment property under construction is measured at cost until the earlier of the date construction is completed or when the fair value can be determined reliably.

Property Development Activities

Land held for future development represents land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets. The land held for future development is stated at the lower of cost and net realisable value.

Land held for future development will be reclassified to property development expenditure when significant development work has been undertaken and is expected to be completed within the normal operating cycle.

Property development expenditure consists of the cost of land, direct building costs and related development expenditure incurred less cost recognised in profit or loss, and are measured at the lower of cost and net realisable value.

Contract assets represent the excess of property development revenue recognised in profit or loss over the billings to purchasers while contract liabilities represent the excess of billings to purchasers over property development revenue recognised in profit or loss.

Inventories of unsold completed development units are stated at the lower of cost and net realisable value. Cost of inventory is determined on the specific identification method and includes costs of land, construction and appropriate development overheads.

Financial Instruments

Financial assets and financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of assets which require a substantial period of time to get them ready for their intended use are capitalised and included as part of the related assets. Capitalisation of borrowing costs will cease when the assets are ready for their intended use.

The Group and the Company capitalise borrowing costs for all qualifying assets.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating result are reviewed regularly by the chief operating decision maker, which is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Statements of Cash Flows

The Group and the Company adopt the direct method in the preparation of the statements of cash flows.

Cash equivalents comprise bank balances, short term, highly liquid investments that are readily convertible to a known amount of cash with insignificant risks of changes in value against which bank overdrafts utilised for operating activities, if any, is deducted. Bank overdrafts that are classified as financing activities have been excluded from cash equivalents.

Significant Accounting Estimates And Judgements

Estimates and judgments are continually evaluated by the management of the Group and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have a material impact to the Group's and the Company's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

Revenue recognition for property development

Revenue recognition for property development requires management to exercise significant judgement in determining the satisfaction of performance obligations as stated in the contracts with customers and the total estimated costs.

Fair value of investment properties

Fair value of investment properties requires management to exercise significant judgement in assessing the fair value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

4. REVENUE

Revenue comprises of the following:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Revenue from contracts with customers				
Property development activities	12,286,229	33,465,054	-	-
Sale of completed development units	26,955,049	33,914,915	-	-
Sale of oil palm fruits	1,978,119	1,576,533	-	-
	41,219,397	68,956,502	-	-
Revenue from other sources				
Rental income	10,519,242	9,913,544	-	-
Dividend income from subsidiary companies	-	-	5,800,000	2,142,720
	10,519,242	9,913,544	5,800,000	2,142,720
	<u>51,738,639</u>	<u>78,870,046</u>	<u>5,800,000</u>	<u>2,142,720</u>

Disaggregation of the revenue from contracts with customers are as follows:

	The Group	
	2024 RM	2023 RM
Business segments:		
Property development	39,241,278	67,379,969
Others	1,978,119	1,576,533
	<u>41,219,397</u>	<u>68,956,502</u>
Timing of revenue recognition		
At point in time	28,933,168	35,491,448
Over time	12,286,229	33,465,054
	<u>41,219,397</u>	<u>68,956,502</u>

The transaction price of property development activities allocated to performance obligations that are unsatisfied (or partly unsatisfied) as at 31 December 2024 are RM3,473,007 (RM6,798,399 in 2023).

Management expects that RM3,473,007 (RM6,798,399 in 2023) of the transaction price allocated to the unsatisfied contracts as at 31 December 2024 will be recognised as revenue during the next financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

5. COST OF SALES

The cost of sales are as follows:

	The Group	
	2024 RM	2023 RM
Cost of property development	9,867,777	25,490,909
Cost of inventories sold	14,795,252	15,863,729
Cost of oil palm fruits	544,236	565,515
	<u>25,207,265</u>	<u>41,920,153</u>

6. INVESTMENT REVENUE

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest income from:				
Housing Development Accounts	25,582	29,328	-	-
Fixed deposits	34,221	23,375	-	-
Advances to subsidiaries	-	-	1,109,951	1,075,991
Others	84,565	28,329	2,275	1,942
	<u>144,368</u>	<u>81,032</u>	<u>1,112,226</u>	<u>1,077,933</u>

7. FINANCE COSTS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interests on:				
Term loans	932,630	890,878	-	-
Bank overdrafts	1,234,050	932,479	-	-
Hire-purchase payables	28,817	20,854	-	-
Lease liabilities	13,801	-	3,576	-
Revolving credits	506,749	460,338	-	-
	<u>2,716,047</u>	<u>2,304,549</u>	<u>3,576</u>	<u>-</u>
Less: Amounts capitalised in cost of qualifying assets	<u>(276,794)</u>	<u>(1,414,467)</u>	<u>-</u>	<u>-</u>
	<u>2,439,253</u>	<u>890,082</u>	<u>3,576</u>	<u>-</u>

During the financial year, borrowing costs arising from the specific borrowing pool which have been capitalised as part of the costs of qualifying assets are disclosed in Notes 15, 19 and 20 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

8. PROFIT BEFORE TAX

Profit before tax has been arrived at after crediting/(charging) the following:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other income inclusive:				
Fair value gain on:				
Investment properties	9,552,814	-	-	-
Asset held for sale	970,000	-	-	-
Gain on disposal of:				
Investment property	979,000	-	-	-
Property, plant and equipment	10,323	58,664	-	-
Amounts written off of:				
Bad debts	-	(12,400)	-	-
Property, plant and equipment	(34,396)	(7)	-	-
Deposits	(1,500)	(40,000)	-	-
Amounts written down/off of development expenditure	(316,550)	(60,819)	-	-
Auditors' remuneration:				
Statutory audit	(135,500)	(129,000)	(25,000)	(25,000)
Non-statutory audit	(9,500)	(11,000)	(5,000)	(3,500)
Expense relating to short-term leases	(4,800)	(111,400)	-	(108,000)
Staff costs*	(4,864,926)	(4,370,893)	-	-
Directors' remuneration#:				
Fee	(360,000)	(360,000)	(360,000)	(360,000)
Other emoluments	(2,217,017)	(2,695,076)	(17,500)	(17,000)

* Included in staff costs of the Group is EPF contributions of RM524,526 (RM474,081 in 2023).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

The directors' remuneration disclosed above, represents the entire key management personnel compensation of the Group and of the Company as there were no other key management personnel apart from all the directors who have the authority and responsibility, directly or indirectly, for planning, directing and controlling the activities of the Group and of the Company. Details on the compensation for these key management personnel are disclosed as follows:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Directors of the Company:				
Executive directors				
Salary and other emoluments	1,543,567	1,781,318	4,000	4,000
EPF contributions	154,050	213,000	-	-
	<u>1,697,617</u>	<u>1,994,318</u>	<u>4,000</u>	<u>4,000</u>
Non-executive directors				
Fee	360,000	360,000	360,000	360,000
Other emoluments	13,500	13,000	13,500	13,000
	<u>373,500</u>	<u>373,000</u>	<u>373,500</u>	<u>373,000</u>
	2,071,117	2,367,318	377,500	377,000
Directors of subsidiary companies:				
Salary and other emoluments	456,700	614,318	-	-
EPF contributions	49,200	73,440	-	-
	<u>505,900</u>	<u>687,758</u>	<u>-</u>	<u>-</u>
	<u>2,577,017</u>	<u>3,055,076</u>	<u>377,500</u>	<u>377,000</u>

9. SEGMENTAL ANALYSIS

Business segments

For management purposes, the Group is organised into the following reportable operating segments based on their products and services and similar economic characteristics:

- Property development (includes construction contract)
- Property management (includes rental of properties)

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 operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Operating profit or loss are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess the Group's performance. The Group's income taxes are managed on a group basis and are not allocated to operating segments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

Segment capital expenditure comprises additions to property, plant and equipment and investment properties.

No geographical segmental analysis is presented as the Group operates principally in Malaysia.

	Property development RM	Property management RM	Others* RM	Elimination RM	Consolidated RM
The Group					
2024					
Revenue					
External sales	41,335,172	8,425,348	1,978,119	-	51,738,639
Inter-segment income [^]	<u>1,342,249</u>	<u>261,600</u>	<u>7,447,000</u>	<u>(9,050,849)</u>	<u>-</u>
Total revenue	<u>42,677,421</u>	<u>8,686,948</u>	<u>9,425,119</u>	<u>(9,050,849)</u>	<u>51,738,639</u>
Results					
Investment revenue	203,365	46,473	1,746,946	(1,852,416)	144,368
Finance costs	2,963,568	256,415	374,292	(1,155,022)	2,439,253
Fair value gain on investment properties	4,578,814	4,974,000	-	-	9,552,814
Fair value gain on asset held for sale	-	970,000	-	-	970,000
Gain on disposal of investment property	-	979,000	-	-	979,000
Depreciation	442,933	143,096	577,151	(347,090)	816,090
Unallocated corporate expenses	-	-	694,395	(414,469)	279,926
Profit before tax	<u>9,466,548</u>	<u>12,145,318</u>	<u>8,743,952</u>	<u>(6,612,345)</u>	<u>23,743,473</u>
Assets					
Additions to property, plant and equipment	203,090	140,302	139,175	(215,401)	267,166
Additions to investment property	<u>303,939</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>303,939</u>
Segment assets	430,911,830	118,024,149	18,103,610	(28,010,857)	539,028,732
Unallocated corporate assets					<u>73,226</u>
Consolidated assets					<u>539,101,958</u>
Liabilities					
Segment liabilities	159,954,585	26,040,785	15,384,147	(72,815,832)	128,563,685
Unallocated corporate liabilities					<u>564,071</u>
Consolidated liabilities					<u>129,127,756</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

	Property development RM	Property management RM	Others* RM	Elimination RM	Consolidated RM
The Group					
2023					
Revenue					
External sales	69,441,525	7,851,988	1,576,533	-	78,870,046
Inter-segment income [^]	-	528,000	3,791,720	(4,319,720)	-
Total revenue	<u>69,441,525</u>	<u>8,379,988</u>	<u>5,368,253</u>	<u>(4,319,720)</u>	<u>78,870,046</u>
Results					
Investment revenue	136,719	7,271	1,305,645	(1,368,603)	81,032
Finance costs	1,611,128	342,950	30,100	(1,094,096)	890,082
Impairment loss allowance on other receivable	1,797,900	-	-	-	1,797,900
Depreciation	280,747	101,188	123,902	53,202	559,039
Unallocated corporate expenses	-	-	692,659	(120,000)	572,659
Profit before tax	<u>15,876,135</u>	<u>4,613,663</u>	<u>3,354,241</u>	<u>(2,325,882)</u>	<u>21,518,157</u>
Assets					
Additions to property, plant and equipment	<u>725,349</u>	<u>4,884</u>	<u>489,827</u>	<u>-</u>	<u>1,220,060</u>
Segment assets	385,980,179	112,371,056	13,965,215	(18,191,543)	494,124,907
Unallocated corporate assets					<u>11,563</u>
Consolidated assets					<u>494,136,470</u>
Liabilities					
Segment liabilities	120,872,810	26,101,848	2,259,013	(49,816,860)	99,416,811
Unallocated corporate liabilities					<u>511,224</u>
Consolidated liabilities					<u>99,928,035</u>

* The operating divisions which fall below the quantitative thresholds and cannot be aggregated to form a reportable operating segment includes small plantation business and Group-level corporate services and treasury functions.

[^] Inter-segment income is eliminated upon consolidation and reflected in the elimination column.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

10. INCOME TAX EXPENSE

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current tax expense:				
Malaysian income tax	5,658,823	5,833,242	243,360	212,361
Overprovision in prior years	(65,858)	(4,857)	(280)	(470)
	5,592,965	5,828,385	243,080	211,891
Deferred tax (Note 27):				
Origination and reversal of temporary differences	157,036	(1,110)	-	-
Underprovision in prior years	619	438	-	-
	157,655	(672)	-	-
Real property gain tax	349,046	-	-	-
	<u>6,099,666</u>	<u>5,827,713</u>	<u>243,080</u>	<u>211,891</u>

Malaysian corporate income tax is calculated at the statutory tax rate of 24% (also 24% in 2023) of the estimated taxable profit for the year.

The reconciliation between tax expense and accounting profit multiplied by the applicable statutory tax rate are as follows:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before tax	<u>23,743,473</u>	<u>21,518,157</u>	<u>6,214,255</u>	<u>2,527,994</u>
Tax at the applicable statutory tax rate of 24%	5,698,434	5,164,357	1,491,421	606,719
Tax effects of:				
Expenses not deductible for tax purposes	722,744	900,462	144,485	120,361
Income not assessable for tax purposes	(1,200,173)	(34,907)	(1,392,546)	(514,719)
Effect on different tax rate	(37,146)	-	-	-
Real property gain tax	349,046	-	-	-
Deferred tax assets not recognised	632,000	-	-	-
Utilisation of deferred tax previously not recognised	-	(197,780)	-	-
(Over) under provision in prior years:				
Income tax	(65,858)	(4,857)	(280)	(470)
Deferred tax	619	438	-	-
Income tax expense recognised in profit or loss	<u>6,099,666</u>	<u>5,827,713</u>	<u>243,080</u>	<u>211,891</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

11. EARNINGS PER SHARE

	The Group	
	2024	2023
Basic/Diluted		
Profit attributable to ordinary shares (RM)	<u>17,643,807</u>	<u>15,690,444</u>
Number of shares in issue as at beginning/end of year (Units)	<u>375,607,960</u>	<u>375,607,960</u>
Weighted average number of ordinary shares (Units)	<u>375,607,960</u>	<u>375,607,960</u>
Basic/Diluted earnings per share (sen)	<u>4.70</u>	<u>4.18</u>

Diluted earnings per ordinary share for the current and previous financial years is equal to the basic earnings per ordinary share for the respective financial year as there were no outstanding dilutive potential ordinary shares at the end of each reporting period.

12. PROPERTY, PLANT AND EQUIPMENT

The Group								
	Freehold buildings RM	Motor vehicles - owned RM	Motor vehicles- Right-of-use RM	Office equipment RM	Furniture and fittings RM	Renovations RM	Bearer plants – Oil palm RM	Total RM
Balance as at 1 January 2023	2,660,104	1,243,029	725,324	706,249	2,540,211	1,212,687	741,391	9,828,995
Additions	-	465,284	719,322	33,570	1,884	-	-	1,220,060
Disposal	-	(445,106)	-	-	(2,500)	-	-	(447,606)
Written off	-	-	-	(3,952)	(6,700)	-	-	(10,652)
Fair value adjustment	515,613	-	-	-	-	-	-	515,613
Transfer to investment properties	(1,027,720)	-	-	-	-	-	-	(1,027,720)
Balance as at 31 December 2023	2,147,997	1,263,207	1,444,646	735,867	2,532,895	1,212,687	741,391	10,078,690
Additions	-	125,656	-	32,110	109,400	-	-	267,166
Disposal	-	-	(208,773)	(1,599)	-	-	-	(210,372)
Written off	-	-	-	(10,382)	(236,506)	(87,900)	-	(334,788)
Balance as at 31 December 2024	2,147,997	1,388,863	1,235,873	755,996	2,405,789	1,124,787	741,391	9,800,696

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

The Group	Freehold buildings RM	Motor vehicles - owned RM	Motor vehicles- Right-of-use RM	Office equipment RM	Furniture and fittings RM	Renovations RM	Bearer plants – Oil palm RM	Total RM
Accumulated depreciation								
Balance as at 1 January 2023	288,178	1,070,596	68,875	495,161	2,130,172	776,913	126,424	4,956,319
Charge for the year	53,202	87,197	169,753	45,063	96,428	89,884	17,512	559,039
Disposal	-	(418,272)	-	-	(2,498)	-	-	(420,770)
Written off	-	-	-	(3,948)	(6,697)	-	-	(10,645)
Transfer to investment properties	(65,720)	-	-	-	-	-	-	(65,720)
Balance as at 31 December 2023	275,660	739,521	238,628	536,276	2,217,405	866,797	143,936	5,018,223
Charge for the year	42,960	156,303	262,164	44,136	100,495	79,378	29,656	715,092
Disposal	-	-	(93,948)	(1,597)	-	-	-	(95,545)
Written off	-	-	-	(10,375)	(235,601)	(54,416)	-	(300,392)
Balance as at 31 December 2024	318,620	895,824	406,844	568,440	2,082,299	891,759	173,592	5,337,378
Carrying amount								
Balance as at 31 December 2024	<u>1,829,377</u>	<u>493,039</u>	<u>829,029</u>	<u>187,556</u>	<u>323,490</u>	<u>233,028</u>	<u>567,799</u>	<u>4,463,318</u>
Balance as at 31 December 2023	<u>1,872,337</u>	<u>523,686</u>	<u>1,206,018</u>	<u>199,591</u>	<u>315,490</u>	<u>345,890</u>	<u>597,455</u>	<u>5,060,467</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

In the previous financial year, two units of owner-occupied properties was transferred to investment properties because it was no longer used by the Group and leased to third party. Immediately before the transfer, the Group remeasured the owner-occupied properties at fair value and recognised a gain of RM515,613 in other comprehensive income. The valuation techniques and significant unobservable inputs used in measuring the fair value of the owner-occupied properties at the date of transfer were the same as those applied to investment properties at the reporting date.

During the financial year, the Group acquired property, plant and equipment by the following means:

	The Group	
	2024 RM	2023 RM
Additions during the year	267,166	1,220,060
Financed by hire-purchase arrangement	-	(400,000)
Cash outflow for additions of property, plant and equipment	267,166	820,060

13. RIGHT-OF-USE ASSETS

	The Group Buildings RM	The Company Buildings RM
Carrying amount		
Balance as at 1 January 2023 and 31 December 2023	-	-
Balance as at 1 January 2024	-	-
Additions	388,341	166,799
Depreciation charge for the year	(100,998)	(105,347)
Balance as at 31 December 2024	287,343	61,452

The details of lease liabilities in respect of right-of-use assets are disclosed in Note 25 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

14. INVESTMENT PROPERTIES

	The Group	
	2024	2023
Balance as at beginning of year	92,440,500	91,478,500
Additions	303,939	-
Fair value gain	9,552,814	-
Transfer from (to):		
Property, plant and equipment	-	962,000
Land held for property development (Note 15)	21,586,186	-
Asset held for sale (Note 22)	(4,019,000)	-
Disposal during the year	(3,821,000)	-
Balance as at end of year	<u>116,043,439</u>	<u>92,440,500</u>
Included in the above are:		
At fair value:		
Freehold land and building	89,574,500	92,440,500
Freehold land	<u>26,165,000</u>	-
	115,739,500	92,440,500
At cost:		
Building under construction	<u>303,939</u>	-
	<u>116,043,439</u>	<u>92,440,500</u>

The following are recognised in profit or loss in respect of investment properties:

	The Group	
	2024 RM	2023 RM
Rental income derived from investment properties	8,425,348	7,851,988
Direct operating expenses generating rental income	<u>(3,491,199)</u>	<u>(3,613,735)</u>
Profit arising from investment properties carried at fair value net of direct operating expenses	<u>4,934,149</u>	<u>4,238,253</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

The fair value of the Group's investment properties as at 31 December 2024 has been arrived at the basis of an update valuations carried out at that date by an independent valuer, based on a full valuation carried out as at 31 December 2023 by the same valuer, which has appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The fair values were determined based on the comparison method that reflects recent transaction prices for similar properties. In estimating the fair values of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the financial year.

Significant unobservable valuation inputs used in the comparison method are as follows:

	2024	2023
Price per square foot for apartment buildings	RM202 to RM314 per square foot	RM202 to RM314 per square foot
Price per square foot for commercial buildings	RM203 to RM345 per square foot; or RM 679 to RM788 per square foot	RM203 to RM345 per square foot; or RM 679 to RM788 per square foot
Price per square foot for industrial buildings	RM32 to RM63 per square foot	RM23 to RM35 per square foot

The estimated fair value would increase or decrease if the price per square foot is higher or lower.

The Group determines the fair value of its investment properties within Level 3 of the fair value hierarchy. There were no transfers between levels of the fair value hierarchy during the financial year.

Investment properties of the Group with carrying amount of RM111,863,939 (RM84,242,000 in 2023) have been charged to licensed banks as security for term loans and bank overdraft facilities granted to the Group as disclosed in Note 26 to the financial statements.

All of the Group's investment properties are held under freehold interests.

The Group as lessor:

The operating leases receivables are as follows:

	The Group	
	2024 RM	2023 RM
Less than one (1) year	3,243,770	5,680,000
One (1) to two (2) years	1,107,500	1,968,958
Two (2) to three (3) years	348,300	38,950
Total undiscounted lease receivables	4,699,570	7,687,908

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

15. LAND HELD FOR PROPERTY DEVELOPMENT

	The Group	
	2024 RM	2023 RM
At cost:		
Freehold land	138,490,365	138,088,944
Long-term leasehold land	45,536,106	45,536,106
Development expenditure	39,249,812	37,868,119
Balance as at beginning of year	223,276,283	221,493,169
Cost incurred during the year:		
Freehold land	-	5,254,000
Development expenditure	5,408,199	6,959,216
	<u>5,408,199</u>	<u>12,213,216</u>
	228,684,482	233,706,385
Transfer to investment properties (Note 14):		
Freehold land	(21,326,976)	-
Development expenditure	(259,210)	-
	<u>(21,586,186)</u>	-
Transfer to land and development expenditure (Note 19):		
Freehold land	(17,435,883)	(4,852,579)
Development expenditure	(2,992,694)	(5,516,704)
	<u>(20,428,577)</u>	<u>(10,369,283)</u>
Development expenditure written down/off	<u>(316,550)</u>	<u>(60,819)</u>
Balance as at end of year	<u><u>186,353,169</u></u>	<u><u>223,276,283</u></u>

Certain subsidiary companies of the Group had entered into agreements with landowners to develop the landowners' land into housing estates. Pursuant to the agreements, the subsidiary companies are responsible for the development and sale of properties. The sale proceeds are shared between the subsidiary companies and landowners on the basis stipulated in the agreements.

Land held for property development of the Group with carrying amount of RM72,396,453 (RM130,836,838 in 2023) are charged to licensed banks for borrowings granted to the Group as disclosed in Note 26 to the financial statements.

Included in the development expenditure of the Group is interest capitalised for projects not ready for its intended sale during the financial year amounting to RM87,803 (RM1,382,535 in 2023).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

16. INVESTMENT IN SUBSIDIARY COMPANIES

	The Group	
	2024 RM	2023 RM
Unquoted redeemable preference shares, at cost	5,000,000	5,000,000
Unquoted shares, at cost	<u>170,830,419</u>	<u>170,830,419</u>
	<u>175,830,419</u>	<u>175,830,419</u>

The subsidiary companies which are wholly-owned, incorporated and operated in Malaysia are as follows:

Name of Company	Principal Activities
Direct Subsidiary Companies	
Idealbase Sdn. Bhd.	General and property construction and provision of project management or management services
Wisma Development Sdn. Bhd.	Investment holdings and property development
Ayer Hitam Land Sdn. Bhd.	Property development
Sakae Corporation Sdn. Bhd.	Property holdings and development
Ayer Hitam Sawmill Company Sdn. Bhd.	Property holdings and investments
Cheng Yew Heng Manufactory Sdn. Berhad	Property holdings and investments
Emerald Park Sdn. Bhd.	Property development, investment holdings and the letting of apartments and shop offices
Simpang Maju Enterprises Sdn. Bhd.	Property development
Taman Pahlawan Sdn. Bhd.	Property development

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

Name of Company	Principal Activities
Indirect Subsidiary Companies	
# Prairie Development Sdn. Bhd.	Property development
@ Vinlane Development Sdn. Bhd.	Property development
@ Shinwoo Development Sdn. Bhd.	Property development and construction activities
* Multinat Property Sdn. Bhd.	Property holdings and investments
+ Summer Range Sdn. Bhd.	Sale of oil palm fruits and property development
+ Rainbow Entity Sdn. Bhd.	Property development
+ Harmony Gallery Sdn. Bhd.	Property development
& Hillpark Development Sdn. Bhd.	Property development
& Regal Park Sdn. Bhd.	Property investments and letting of apartments
# This investment is held through its subsidiary company, Idealbase Sdn. Bhd.	
@ These investments are held through its subsidiary company, Wisma Development Sdn. Bhd.	
* This investment is held through its subsidiary company, Sakae Corporation Sdn. Bhd.	
+ These investments are held through its subsidiary company, Ayer Hitam Sawmill Company Sdn. Bhd.	
& These investments are held through its subsidiary company, Emerald Park Sdn. Bhd.	

17. RELATED PARTY TRANSACTIONS

	The Company 2024 RM	2023 RM
Amounts owing by subsidiary companies		
Non-current portion	40,400,000	33,300,000
Current portion	<u>201,937</u>	<u>168,189</u>
	<u>40,601,937</u>	<u>33,468,189</u>

The amounts owing by subsidiary companies arose mainly from advances which are unsecured and borne interest rates ranged from 3.00% (2.74% to 3.01% in 2023) per annum.

The current portion represents the amounts owing by subsidiary companies which the Company expects to be repaid within 12 months after the end of the reporting period. The remaining balances which the Company does not expects to be repaid within the next 12 months are classified as non-current assets. No ECL is recognised as it is negligible.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

	The Group	
	2024 RM	2023 RM
Ultimate holding company		
Dividend paid	600,000	1,200,000
Subsidiary companies		
Dividend income	5,800,000	2,142,720
Interest income	1,109,952	1,075,991
Rental of premises	-	(108,000)
Management fee expense	(12,000)	(12,000)

18. INVENTORIES

	The Group	
	2024 RM	2023 RM
At cost:		
Completed development units for sale	<u>50,892,405</u>	<u>55,646,018</u>

As at 31 December 2024, the title of certain inventories of a subsidiary company, with cost of RM3,342,739 (RM Nil in 2023) have yet to be registered in the name of the said subsidiary company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

19. LAND AND DEVELOPMENT EXPENDITURE

	The Group	
	2024 RM	2023 RM
At cost:		
Freehold land	11,182,941	13,772,477
Long-term leasehold land	3,391,735	2,262,147
Development expenditure	50,410,256	46,355,419
Balance as at beginning of year	64,984,932	62,390,043
Cost incurred during the year:		
Long-term leasehold land	-	447,360
Development expenditure	42,854,330	19,830,996
	<u>42,854,330</u>	<u>20,278,356</u>
	107,839,262	82,668,399
Transfer from land held for property development (Note 15):		
Freehold land	17,435,883	4,852,579
Development expenditure	2,992,694	5,516,704
	20,428,577	10,369,283
Costs recognised as an expense in profit or loss:		
Previous year	(27,450,159)	(1,959,250)
Current year	(9,867,777)	(25,490,909)
	(37,317,936)	(27,450,159)
Transfer to inventories	(10,041,639)	(28,052,750)
Balance as at end of year	<u>80,908,264</u>	<u>37,534,773</u>

As at the end of the previous financial year, the titles to certain freehold land of the Group, with carrying amount of RM1,783,360, are not registered in the name of the Group, whereby the Group entered into Power of Attorney which enable the Group to execute the Sale and Purchase Agreement and Memorandum of Transfer of the title of the land to the buyer. In return, the Group is liable to pay landowner amounting of RM1,783,360 and this has been settled during the current financial year with agreed in-kind settlement.

Land and development expenditure of the Group with carrying amount of RM35,112,937 (RM Nil in 2023) are charged to licensed bank for borrowings granted to the Group as disclosed in Note 26 to the financial statements.

During the previous financial year, included in development expenditure of the Group is interest capitalised for projects not ready for its intended sale amounted to RM31,932.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

20. RECEIVABLES

	The Group	
	2024 RM	2023 RM
The Group		
Non-current portion		
Other receivable	1,797,900	1,797,900
Less: Impairment loss allowance	(1,797,900)	(1,797,900)
	-	-
Current portion		
Trade receivables	3,223,377	5,340,958
Other receivables	240,938	195,369
Contract assets	7,219,419	3,261,936
	10,683,734	8,798,263
Rental deposits	8,200	22,975
Other deposits	23,318,100	8,075,688
Prepaid expenses	175,650	148,310
	34,185,684	17,045,236
The Company		
Prepaid expenses	11,774	11,563

Trade receivables comprise mainly amounts receivable for sale of development projects and rental receivables. The average credit period granted on sale of development projects is 30 days (also 30 days in 2023) whilst rental receivable is 7 days (also 7 days in 2023). These receivables are not secured by any collateral. No interest is charged on outstanding balances from trade receivables which are past due.

Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses. Loss rates are based on actual credit loss experience over past years.

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information on macroeconomic factors affecting the ability of customers to settle the receivables and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

The ageing of trade receivables as at the end of reporting period is as follows:

	The Group	
	2024 RM	2023 RM
Not past due	738,853	1,497,872
Past due		
- within three (3) months	2,484,524	3,053,251
- more than three (3) months but less than twelve (12) months	-	789,835
	<u>2,484,524</u>	<u>3,843,086</u>
	<u>3,223,377</u>	<u>5,340,958</u>

None of the trade receivables of the Group have been renegotiated during the financial year.

The trade receivables that are past due as at the end of the reporting period are awaiting drawdown from their respective approved facilities from licensed banks or government authorities. No ECL is recognised arising from these trade receivables as it is negligible.

The amount recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customers. Typically, the amount will be billed within 180 days (also 180 days in 2023).

The Group's contract assets/(liabilities) relating to the sale of property development activities at the end of the reporting period are as follows:

	The Group	
	2024 RM	2023 RM
At beginning of the year	3,261,936	(1,105,148)
Revenue recognised during the year	12,286,229	33,465,054
Progress billings during the year	(8,328,746)	(29,097,970)
At end of year	<u>7,219,419</u>	<u>3,261,936</u>

Other deposits comprise mainly partial payment for purchase of land amounting to RM20,846,486 (RM5,448,659 in 2023) and the interest capitalised during the year amounting to RM188,991 (RM Nil in 2023).

Other receivables comprise mainly amounts due from landowners of certain development projects which are interest-free. As at the end of each reporting period, the maximum credit risks exposures and concentration relating to other receivables of the Group are summarised in the table below:

The Group	2024 RM	2023 RM
Non-current portion (Collateralised)	1,797,900	1,797,900
Current portion	240,938	195,369
	<u>2,038,838</u>	<u>1,993,269</u>
Impairment loss allowance	(1,797,900)	(1,797,900)
	<u>240,938</u>	<u>195,369</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

The reconciliation of movements in the impairment loss allowance on other receivable is as follows:

The Group	2024 RM	2023 RM
At beginning of the year	1,797,900	-
Remeasurement of lifetime ECL	-	1,797,900
At end of year	1,797,900	1,797,900

Impairment loss allowance on non-current other receivables is individually assessed at the end of the reporting period related to a landowner whose repayment of debts is subject to the realisation of the property through sales of which the timing is uncertain.

Any impaired or written off receivables are still subject to recovery process or enforcement activity.

21. CASH AND BANK BALANCES

The Group	2024 RM	2023 RM
Cash on hand and at banks	56,801,979	54,730,431
Housing Development Accounts	796,301	5,075,630
Fixed deposits with licensed banks	1,375,612	1,341,391
	58,973,892	61,147,452
The Company		
Cash on hand and at banks	3,577,626	6,627,055

The Housing Development Accounts are maintained by certain subsidiary companies in accordance with Section 7A of the Housing Development (Control & Licensing) Act, 1966. These accounts, which consist of monies received from purchasers, are for the payment of property development expenditure incurred.

The surplus monies, if any, will be released to subsidiary companies upon the completion of the property development projects and after all property development expenditure has been fully settled.

Included in fixed deposits with licensed banks of the Group is an amount of RM1,375,612 (RM1,341,391 in 2023) pledged to financial institutions as security by the subsidiary companies either for bank guarantees issued/to be issued in favour of third parties for the property development projects or term loan/overdraft facilities granted to a subsidiary company.

The interest rates per annum are as follows:

	The Group	
	2024 %	2023 %
Housing Development Accounts	1.00-2.45	1.00-2.45
Fixed deposits with licensed banks	2.00-2.80	1.65-2.65

The fixed deposits with licensed banks of the Group as at 31 December 2024 have an average maturity of 30 days (also 30 days in 2023).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

22. ASSET HELD FOR SALE

	The Group	
	2024 RM	2023 RM
At fair value:		
Balance as at beginning of year	-	-
Transfer from investment properties (Note 14)	4,019,000	-
Fair value gain	970,000	-
	4,989,000	-
Balance as at end of year	4,989,000	-

During the financial year, an investment property was reclassified as asset held for sale in accordance with the requirements of MFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations*, as the Group has received an offer to purchase from an intended buyer and received deposit as disclosed in Note 24 to the financial statements. Subsequent to the year end, the Group signed the Sales and Purchase Agreement with the said buyer.

23. CAPITAL AND RESERVES

	The Group and The Company	
	2024 RM	2023 RM
Issued and fully paid with no par value:		
375,607,960 ordinary shares	187,803,980	187,803,980

Revaluation reserve

Revaluation reserve represents revaluation adjustment arising from transfer of owner-occupied properties to investment properties.

Retained earnings

The entire retained earnings of the Company is available for distribution as single-tier dividends to the shareholders of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

24. PAYABLES

	2024 RM	2023 RM
The Group		
<u>Non-current portion</u>		
Other payables	<u>3,677,800</u>	<u>4,203,200</u>
<u>Current portion</u>		
Trade payables	10,524,354	5,915,060
Other payables	<u>2,239,688</u>	<u>583,967</u>
	12,764,042	6,499,027
Rental received in advance	195,207	348,098
Rental deposits	2,170,650	2,008,437
Deposits received	320,975	352,895
Accrued expenses	3,010,679	4,534,507
Provision for affordable housing obligation	<u>3,167,526</u>	<u>3,043,523</u>
	<u>21,629,079</u>	<u>16,786,487</u>
The Company		
Accrued expenses	<u>390,000</u>	<u>388,500</u>

Trade payables comprise amounts outstanding for trade purchases, construction and other related development costs. The average credit period granted to the Group for trade purchases, construction and other related development costs is 30 days (also 30 days in 2023). Trade payables are non-interest bearing.

Trade payables of the Group include retention sum amounting to RM4,663,393 (RM3,099,711 in 2023).

Other payables comprise of outstanding purchase consideration of RM4,203,200 (RM4,724,952 in 2023) for acquisition of land during the previous financial year. The outstanding balance payable to the vendors based on the agreed repayment term stipulated in the sales and purchase agreements.

Additionally, other payables comprise of earnest deposit amounting to RM1,100,000 (RM Nil in 2023) from interested buyer as disclosed in Note 22 to the financial statements.

Provision for affordable housing obligation is recognised for anticipated losses to be incurred for the development of affordable housing under the requirements of the local Government attributable to a premium housing project. The expected costs are accrued based on construction progresses of the premium housing.

The movement of the provision for affordable housing obligation is as follows:

	2024 RM	2023 RM
The Group		
At beginning of the year	3,043,523	488,093
Provision made during the financial year	1,932,340	2,555,430
Utilisation during the financial year	<u>(1,808,337)</u>	<u>-</u>
At end of the year	<u>3,167,526</u>	<u>3,043,523</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

25. LEASE LIABILITIES

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Balance as at 1 January	-	-	-	-
Additions	388,341	-	166,799	-
Interest expenses	13,801	-	3,576	-
Lease payments	(107,400)	-	(108,000)	-
Balance as at 31 December	<u>294,742</u>	<u>-</u>	<u>62,375</u>	<u>-</u>
Represented by:				
Current liabilities	94,066	-	62,375	-
Non-current liabilities	<u>200,676</u>	<u>-</u>	<u>-</u>	<u>-</u>
Lease liabilities owing to non-financial institution	<u>294,742</u>	<u>-</u>	<u>62,375</u>	<u>-</u>

The following are total cash outflow for lease as a lessee:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Included in net cash (used in) from operating activities:				
Interest paid in relation to lease liabilities	13,801	-	3,576	-
Included in net cash from (used in) financing activities:				
Payment of lease liabilities	<u>93,599</u>	<u>-</u>	<u>104,424</u>	<u>-</u>
Total cash outflow for lease	<u>107,400</u>	<u>-</u>	<u>108,000</u>	<u>-</u>

For the financial year ended 31 December 2024, the interest rates for lease arrangement of the Group and of the Company range from 3.00% to 5.30% (Nil in 2023) per annum and 3.00% (Nil in 2023) per annum respectively. Interest rates is fixed at the inception of the lease arrangement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

26. BANK BORROWINGS

	The Group	
	2024 RM	2023 RM
Secured:		
Term loans	44,316,261	33,398,854
Bank overdrafts	40,877,387	27,761,244
Revolving credit	9,000,000	9,000,000
Hire-purchase payables	506,565	849,569
	<u>94,700,213</u>	<u>71,009,667</u>
Less: Hire-purchase payables:		
Interest-in-suspense outstanding	(39,160)	(76,561)
	<u>94,661,053</u>	<u>70,933,106</u>
Less: Amount due for settlement within 12 months (shown under current liabilities):		
Term loans	(6,190,469)	(3,027,866)
Bank overdrafts	(40,877,387)	(27,761,244)
Revolving credit	(9,000,000)	(9,000,000)
Hire-purchase payables	(124,867)	(172,065)
	<u>(56,192,723)</u>	<u>(39,961,175)</u>
Non-current portion	<u>38,468,330</u>	<u>30,971,931</u>

The non-current portion of borrowings are repayable as follows:

	The Group	
	2024 RM	2023 RM
Term loans		
Later than one year but not later than two years	8,721,080	5,575,331
Later than two years but not later than five years	24,388,374	17,780,007
More than five years	5,016,338	7,015,650
	<u>38,125,792</u>	<u>30,370,988</u>
Hire-purchase payables		
Later than one year but not later than two years	130,890	180,385
Later than two years but not later than five years	211,648	420,558
	<u>342,538</u>	<u>600,943</u>
	<u>38,468,330</u>	<u>30,971,931</u>

The term loans, bank overdrafts and revolving credit of the Group are generally secured by legal charges over certain freehold building, investment properties and certain parcel of the land held for property development as disclosed in Notes 14, 15, 19 and 21 respectively to the financial statements. The term loans, bank overdrafts and revolving credit are also secured by corporate guarantee by the Company to the extent of RM157,650,000 (RM129,390,000 in 2023).

Certain bank overdraft facilities of the Group are obtained by certain subsidiary companies, for the purposes of on-lend to the related companies as advances for acquisition of land or property development projects undertaken by the related companies. The interest charged on the utilisation of bank overdraft facilities is based on the respective interest rates for bank overdrafts is 5.85% (5.60% to 5.85% in 2023) per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

	The Group	
	2024 RM	2023 RM
Bank Overdraft		
- For working capital (Note 28)	28,317,350	20,129,950
- For financing activities	12,560,037	7,631,294
	<u>40,877,387</u>	<u>27,761,244</u>

The interest rates for term loans, bank overdrafts and revolving credit range from 4.95% to 7.70% (4.70% to 7.70% in 2023) per annum.

The term for hire-purchase arrangement is 5 years (5 years in 2023). For the financial year ended 31 December 2024, the interest rates range from 2.08% to 2.54% (2.08% to 2.54% in 2023) per annum. Interest rate is fixed at the inception of the hire-purchase arrangements.

27. DEFERRED TAX (ASSETS) LIABILITIES

	Balance as at beginning of year RM	The Group Recognised in profit or loss (Note 10) RM	Balance as at end of year RM
2024			
Non-Current			
Land held for property development	2,269,272	(61,345)	2,207,927
Investment properties	4,658,000	(344,000)	4,314,000
Property, plant and equipment	171,000	(7,000)	164,000
Others	(75,000)	50,000	(25,000)
	<u>7,023,272</u>	<u>(362,345)</u>	<u>6,660,927</u>
Current			
Asset held for sale	-	520,000	520,000
	<u>7,023,272</u>	<u>157,655</u>	<u>7,180,927</u>
2023			
Non-current			
Land held for property development	2,376,944	(107,672)	2,269,272
Investment properties	4,598,000	60,000	4,658,000
Property, plant and equipment	181,000	(10,000)	171,000
Others	(132,000)	57,000	(75,000)
	<u>7,023,944</u>	<u>(672)</u>	<u>7,023,272</u>

The deductible temporary differences, unused tax losses and unused tax credits which would give rise to deferred tax assets are generally recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. As at 31 December 2024 the deductible temporary differences, unused tax losses and unused tax credits of the Group which is not recognised in the financial statements due to uncertainty of certain subsidiaries' realisation in the foreseeable future is as follows:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

	The Group	
	2024 RM	2023 RM
Temporary differences arising from:		
Property, plant and equipment	(229,000)	(187,000)
Land held for property development	3,066,000	3,066,000
Property development expenditure	4,951,000	2,805,000
Unutilised tax losses		
- Expired by 31 December 2028	35,000	333,000
- Expired by 31 December 2029	4,000	624,000
- Expired by 31 December 2030	161,000	486,000
- Expired by 31 December 2031	262,000	296,000
- Expired by 31 December 2032	88,000	88,000
- Expired by 31 December 2033	955,000	950,000
- Expired by 31 December 2034	1,596,000	-
Unabsorbed capital allowances	40,000	32,000
Others	776,000	578,000
	<u>11,705,000</u>	<u>9,071,000</u>

28. CASH AND CASH EQUIVALENTS

	2024 RM	2023 RM
The Group		
Cash on hand and at banks	56,801,979	54,730,431
Housing Development Accounts	796,301	5,075,630
Fixed deposits with licensed banks	1,375,612	1,341,391
Bank overdrafts (Note 26)	<u>(28,317,350)</u>	<u>(20,129,950)</u>
	30,656,542	41,017,502
Less: Fixed deposits pledged with licensed banks	<u>(1,375,612)</u>	<u>(1,341,391)</u>
	<u>29,280,930</u>	<u>39,676,111</u>
The Company		
Cash on hand and at banks	<u>3,577,626</u>	<u>6,627,055</u>

During the financial year, the bank overdraft of certain subsidiary companies of RM12,560,037 (RM7,631,294 in 2023) of the Group has been considered as financing activities as the said facility has been utilised for the purposes as disclosed in Note 26 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

29. DIVIDENDS

	The Group and the Company			
	2024		2023	
	Dividend per share sen	Amount of dividend RM	Dividend per share sen	Amount of dividend RM
In respect of the financial year ended 31 December 2023				
Interim single tier dividend	-	-	1.00	3,756,080
In respect of the financial year ended 31 December 2024				
Interim single tier dividend	0.50	1,878,040	-	-
	0.50	1,878,040	1.00	3,756,080

The Directors do not recommend any payment of final dividend in respect of the current financial year ended 31 December 2024.

30. FINANCIAL INSTRUMENTS

(a) Capital risk management policies and objectives

The Group manages its capital to ensure that entities in the Group and the Company will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balances. The Group's and the Company's overall strategy remain unchanged from 2023.

The capital structure of the Group consists of debt, which includes the bank borrowings, and equity of the Group, comprising issued capital and retained earnings as presented in the statement of changes in equity.

The Group's management reviews the capital structure regularly to achieve an appropriate capital structure. As part of this review, the Group's management considers the cost of capital and the risk associated with each class of capital and makes adjustments to the capital structure, where appropriate, in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Group monitors capital using gearing ratio. The gearing ratio as at the end of the reporting period are as follows:

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Bank borrowings	26	94,661,053	70,933,106	-	-
Equity attributable to the owners of the Company		409,974,202	394,208,435	219,519,137	215,426,002
Gearing ratio		23%	18%	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

(b) Categories of financial instruments

	2024 RM	2023 RM
The Group		
<u>Financial assets measured at amortised cost</u>		
Receivables (net of contract assets and prepayment)	26,790,615	13,634,990
Cash and bank balances	<u>58,973,892</u>	<u>61,147,452</u>
	<u>85,764,507</u>	<u>74,782,442</u>
<u>Financial liabilities measured at amortised cost</u>		
Payables	23,889,272	20,638,089
Bank borrowings	<u>94,661,053</u>	<u>70,933,106</u>
	<u>118,550,325</u>	<u>91,571,195</u>
The Company		
<u>Financial assets measured at amortised cost</u>		
Amounts owing by subsidiary companies	40,601,937	33,468,189
Cash and bank balances	<u>3,577,626</u>	<u>6,627,055</u>
	<u>44,179,563</u>	<u>40,095,244</u>
<u>Financial liability measured at amortised cost</u>		
Payables	<u>390,000</u>	<u>388,500</u>

(c) Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

(i) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from receivables (excluding deposits and prepaid expenses) and corporate guarantee provided by the Company to licensed banks on subsidiary companies' borrowings. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The trade receivables consist of a large number of customers and the Group does not have any significant credit risk exposure to any single customer. The Group trades only with recognised and creditworthy third parties and customers who have credit facility from licensed banks or government authorities. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

As at the end of the reporting period, the Group's and the Company's maximum exposure arising from receivables are represented by the carrying amounts in the statements of financial position and reduced by any collateral held.

As at the end of the reporting period, the Company's maximum exposure to credit risk in relation to financial guarantee contracts provided to secure loans of subsidiaries amounted to RM95,373,431 (RM70,089,404 in 2023) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. The financial guarantees have not been recognised since the fair value on initial recognition was not material as the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiaries' borrowings in view of the securities pledged by the subsidiary companies as disclosed in Note 26 to the financial statements.

(ii) *Liquidity risk*

The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities. Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group maintains sufficient cash and cash equivalents, and internally generated cash flows to finance their activities. The Group manages liquidity risk by maintaining a balance between continuity of funding and flexibility through the use of stand-by credit facilities with five different banks and by monitoring forecast and actual cash flows and matching the maturity profile of the borrowings.

As at end of the reporting period, the contractual undiscounted cash flows of the Group's and the Company's financial liabilities, grouped by maturity profiles, are as follows:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

	On demand or within one year RM	Two to five years RM	Over five years RM	Total RM
The Group				
2024				
Payables	20,211,472	3,677,800	-	23,889,272
Lease liabilities	104,200	210,800	-	315,000
Bank borrowings	58,639,835	38,052,163	5,538,750	102,230,748
	<u>78,955,507</u>	<u>41,940,763</u>	<u>5,538,750</u>	<u>126,435,020</u>
2023				
Payables	16,434,889	4,203,200	-	20,638,089
Bank borrowings	41,745,532	28,028,993	7,295,194	77,069,719
	<u>58,180,421</u>	<u>32,232,193</u>	<u>7,295,194</u>	<u>97,707,808</u>
The Company				
2024				
Payables	390,000	-	-	390,000
Lease liability	63,000	-	-	63,000
Financial guarantees contracts*	95,373,431	-	-	95,373,431
	<u>95,826,431</u>	<u>-</u>	<u>-</u>	<u>95,826,431</u>
2023				
Payables	388,500	-	-	388,500
Financial guarantees contracts*	70,089,404	-	-	70,089,404
	<u>70,477,904</u>	<u>-</u>	<u>-</u>	<u>70,477,904</u>

* Maximum corporate guarantee limit amounts to RM157,650,000 (RM129,390,000 in 2023).

The Group has access to financing facilities consists of bank overdrafts and revolving credits, of which RM39,372,613 (RM36,428,757 in 2023) were unused as at the end of the reporting period. The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

	The Group	
	2024 RM	2023 RM
Secured banking facilities:		
Amount used	49,877,387	36,761,243
Amount unused	39,372,613	36,428,757
	<u>89,250,000</u>	<u>73,190,000</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

No sensitivity analysis is presented for fixed deposits with licensed banks given the interest earnings financial assets are fixed rate and these financial assets are measured at amortised cost.

The Group's exposure to interest rate risk arises primarily because the bank borrowings are at floating interest rates. The Group's policy is to manage interest cost by monitoring and negotiating the interest rate with the licensed banks periodically. The effective annual interest rates of bank borrowings as disclosed in Note 26 to the financial statements.

Interest rate sensitivity

The Group

The sensitivity analyses below have been determined based on the exposure to interest rates for bank borrowings as at the end of the reporting period. If interest rates had been 50 basis points (50 basis points in 2023) higher or lower and all other variables were held constant, the Group's finance costs for the year ended 31 December 2024 would increase/decrease by RM372,200 (RM403,500 in 2023). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

The Company

The sensitivity analyses below have been determined based on the exposure to interest rates for amounts owing by subsidiary companies as at the end of the reporting period. If interest rates had been 50 basis points (50 basis points in 2023) higher or lower and all other variables were held constant, the Company's interest income for the year ended 31 December 2024 would increase/decrease by RM184,700 (RM194,700 in 2023). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings. The effective annual interest rate on amounts owing by subsidiary companies as disclosed in Note 16 to the financial statements.

(d) Fair values measurements

The carrying amounts of current financial assets and financial liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting date. The fair value of long-term financial assets and financial liabilities are determined by the present value of future cash flow estimated and discounted using the current interest rates for similar instruments as at the end of the reporting period. There is no material difference between the fair values and carrying values of these assets and liabilities as at the end of the reporting period.

31. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Subsequent to the financial year, on 5 February 2025, a subsidiary company entered into a conditional Sale and Purchase Agreement ("SPA") with third party to sell 3 units of detached single storey factories to be completed with the issuance of the Certificate of Completion and Compliance for a total consideration of RM72 million. The SPA is yet to be completed as of reporting date.

ANALYSIS OF SHAREHOLDINGS

as at 14 MARCH 2025

Total Number of Issued Shares	:	375,607,960
Issued Share Capital	:	RM187,803,980.00
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per ordinary share

Size of Shareholdings

Size of Holdings	No. of Holders	%	No. of Shares	%
1 - 99	8	0.383	171	0.000
100 - 1,000	115	5.518	56,492	0.015
1,001 - 10,000	1,121	53.790	5,839,928	1.554
10,001 - 100,000	673	32.293	24,155,047	6.430
100,001 - 18,780,397 *	165	7.917	205,741,950	54.775
18,780,398 and above **	2	0.095	139,814,372	37.223
TOTAL	2,084	100.000	375,607,960	100.000

* - less than 5% of issued shares

** - 5% and above of issued shares

Thirty Largest Shareholders

NO.	Name	No. of Shares Held	%
1	ACCORDANT HOLDING SDN. BHD.	120,000,000	31.948
2	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR TEO YU YIN (PB)	19,814,372	5.275
3	AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD FOR TEO CHIEW PENG (5771-1502)	15,282,910	4.068
4	ASIA SELATAN (M) SDN. BHD.	11,349,900	3.021
5	TAI KAM KUAN	10,918,730	2.906
6	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR TEO AH BAH @ TEO CHUANG KWEE (PB)	10,000,000	2.662
7	TAN CHING CHING	9,974,700	2.655
8	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR TEO YU HONG (PB)	9,957,973	2.651
9	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR TEO YU HAN (PB)	9,000,000	2.396
10	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR TEO YU CHIN (PB)	9,000,000	2.396
11	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR TEO YU YANG (PB)	9,000,000	2.396

ANALYSIS OF SHAREHOLDINGS

as at 14 MARCH 2025 (continued)

NO.	Name	No. of Shares Held	%
12	MAXIM MULTIMEDIA SDN BHD	8,500,000	2.262
13	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIOW WONG YEN @ SIOW KWANG HWA (7003958)	6,000,000	1.597
14	TAN AH SIM @ TAN SIEW WAH	5,826,596	1.551
15	AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD FOR CHUNG EK FONG (8620-1501)	5,660,259	1.506
16	CHOO CHIN YEW	5,224,877	1.391
17	TAN HON KIAT @ TAN HOON SIONG	5,131,025	1.366
18	TEH CHEE TONG	5,110,000	1.360
19	TAI TONG KUAN	3,830,000	1.019
20	AMSEC NOMINEES (ASING) SDN BHD AMBANK (M) BERHAD FOR ONG TENG SER (6065-1501)	3,784,190	1.007
21	CHOO SHIANG SZE	3,239,800	0.862
22	LIM KIM WAH	3,201,200	0.852
23	CHOO XIANGMIN	3,176,639	0.845
24	AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD FOR TEO YU YEN (8990-1101)	2,873,917	0.765
25	CHEW KWEE HIOK	2,222,094	0.591
26	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG HUEY PENG	2,219,200	0.590
27	TEO YING YING	2,000,000	0.532
28	NOOR AINI BINTI MOHD TAHIR	1,798,509	0.478
29	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD MAYBANK SECURITIES PTE LTD FOR TAN MENG CHIN	1,500,000	0.399
30	TAN SIANG LIM	1,500,000	0.399

ANALYSIS OF SHAREHOLDINGS

as at 14 MARCH 2025 (continued)

Substantial Shareholders with Holdings of 5% and Above

	Name	Direct		Indirect	
		No. of Shares Held	%	No. of Shares Held	%
1	ACCORDANT HOLDING SDN BHD	120,000,000	31.948	-	-
2	TEO AH BAH @ TEO CHUANG KWEE	10,000,000	2.662	125,660,259	33.455
3	TEO YU HONG	10,017,973	2.666	128,500,000	34.211
4	TEO YU YIN	19,814,372	5.275	120,000,000	31.948

Directors' Shareholdings

	Name	Direct		Indirect	
		No. of Shares Held	%	No. of Shares Held	%
1	TEO YU YIN	19,814,372	5.275	120,000,000 [^]	31.948
2	TEO YU HONG	10,017,973	2.666	128,500,000 ^{&}	34.211
3	CHEW KWEE HIOK	2,222,094	0.591	-	-
4	TEO YU YANG	9,000,000	2.396	-	-
5	TAN CHIA HON	-	-	-	-
6	WONG WEN TAK	-	-	-	-
7	YH DATO' CHONG KEAP THAI @ CHEONG KEAP TAI	-	-	-	-
8	CHAN CHONG WEY	-	-	-	-
9	SR HJ KHALID BIN ABDUL RAHMAN	-	-	-	-

[^] Deemed interest by virtue of his interest in Accordant Holding Sdn. Bhd.

[&] Deemed interest by virtue of his interest in Accordant Holding Sdn. Bhd. and directorship in Maxim Multimedia Sdn. Bhd.

LIST OF PROPERTIES

A) INVESTMENT PROPERTIES

Location	Land Tenure / Date of Expiry of Lease	1) Land Area Subject to Valuation 2) Age of Building 3) Number of Storeys 4) Gross Built-up	Description of Existing Use	Carrying Amount as at 31.12.2024 RM	Date of Valuation
1 HS(D) No 44970, PT No 4836 (New Geran 34879 Lot 8605), Mukim of Bukit Baru, Daerah Melaka Tengah, Melaka	Freehold	1) 2,661.0 sq m (28,643.7 sq ft) 2) 20 years old 3) 5 Storeys 4) 8,505.46 sq.m (91,552 q.ft.)	Building (Apartment)	7,698,000	31.12.2024
2 HS(D) No 69009, PT No 7862, Mukim of Bukit Baru, Daerah Melaka Tengah, Melaka	Freehold	1) 6,347 sq m 2) 14 years old 3) 10 Storeys 4) 15,677 sq.m (168,747 sq ft)	Building (Apartment)	24,349,000	31.12.2024
3 HS(D) Nos 44971 & 44972, PT Nos 4837 & 4838 (New Geran 34880 & 34881, Lot 8606 & 8607), Mukim of Bukit Baru, Daerah Melaka Tengah, Melaka	Freehold	1) 4,848.0 sq m (52,186.3 sq ft) 2) 22 years old 3) 5 Storeys 4) 16,866.92 sq m (181,554 sq ft)	Building (Apartment and Commercial)	18,601,000	31.12.2024
4 HS(M) Nos 4003 to 4007 (inclusive), PTD Nos 43205 to 43209 (inclusive), Mukim of Senai-Kulai, Daerah Johor Bahru, Johor Darul Takzim	Freehold	1) 27,652.1 sq m (297,644.4 sq ft) 2) 25 to 28 years old 3) Factory: 1 storey Office : 2 storey 4) 12,105.2 sq m (130,299.0 sq ft)	Industrial	19,201,000	31.12.2024
5 Grant Mukim No 72934, PTB No 1589 (New Lot No 42670), Mukim of Senai-Kulai, Daerah Johor Bahru, Johor Darul Takzim	Freehold	1) 7,411.24 sq m (79,774.0 sq ft) 2) 21 years old 3) Factory : 1 storey Office : 2 storey 4) 3,424.8 sq m (36,865.0 sq ft)	Industrial	6,014,000	31.12.2024

LIST OF PROPERTIES (continued)

A) INVESTMENT PROPERTIES

Location	Land Tenure / Date of Expiry of Lease	1) Land Area Subject to Valuation 2) Age of Building 3) Number of Storeys 4) Gross Built-up	Description of Existing Use	Carrying Amount as at 31.12.2024 RM	Date of Valuation / Acquisition
6 #07-01, #07-02, #07-03, #07-04, #07-05, #07-06, #07-07, #07-08, #07-09, #24-05, #24-06, #24-07, #0G-01, #0G-02, #G-03, #G-01A (Old 07-01, 07-02, 07-03, 07-03A, 07-05, 07-10, 07-11, 23A-05, 23A-06, 23A-07, R3, R2, R1, G-01), Austin 18, Jalan Austin Perdana 3, Taman Austin Perdana, 81100 Johor Bahru.	Freehold	1) N/A 2) 6 1/2 years old 3) N/A 4) 2,550 sq m (27,448 sq ft)	Building (Versatile Business Suites & Retails)	13,711,500	31.12.2024
7 PTD 205377 H.S.(D) 609214, Mukim Tebrau, Daerah Johor Bahru, Johor	Freehold	1) 41,216.87 sq m 2) N/A 3) N/A 4) N/A	Industrial	26,468,939	03.07.2024

LIST OF PROPERTIES (continued)

B) PROPERTIES HELD FOR FUTURE DEVELOPMENT

Location	Land Tenure / Date of Expiry of Lease	1) Land Area Subject to Valuation 2) Gross Area	Description of Existing Use	Carrying Amount as at 31.12.2024 RM	Date of Valuation / Acquisition
1 Lot 2922, GM 257 (New Lot 44573), Mukim of Tebrau, District of Johor Bahru, Johor	Freehold	1.892 hectares	Service Apartment	10,888,741	31.12.2014
2 PTD 175886 HS(M) 4037 (Old Lot 2920 GM 1514 (New Lot 44571) & Lot 44572, GM 726), Mukim of Tebrau, District of Johor Bahru, Johor	Freehold	13,698.5 sq m	Service Apartment	7,151,631	31.12.2014
3 Lot 2932 GM 69, Mukim of Tebrau, District of Johor Bahru, Johor	Freehold	9611 sq m	Apartment	6,093,470	31.12.2019
4 H.S (M) 4171 PTD 195568 (Old GM1271 Lot 35694 & GM 1272 Lot 35693), Mukim Tebrau, District of Johor Bahru, Johor	Freehold	6,323 sq m	Commercial	10,670,886	10.01.2018
5 HS(D) 629035 PTD 211325 (Old Lot 172662 GM 575245 and Old Lot 180769 GM 602105), Mukim Tebrau, District of Johor Bahru, Johor	Freehold	7,423 sq m	Commercial	12,247,734	05.12.2014
6 Lot 259, GM 105, Mukim Tebrau, Daerah Johor Bahru, Johor	Freehold	0.6956 hectares (1A.2R.35P)	Industrial	2,198,842	31.12.2014
7 HS(D) No. 2792 & 2794, PTD No. 681 & 683 Mukim of Kota Tinggi, Daerah Kota Tinggi, Johor Darul Takzim	Leasehold for 930 years expiring on 20.06.2911. It has an unexpired term of approximately 887 years	148.065 hectares (365.869 acres)	Agricultural	43,685,195	31.12.2014
8 PTD 58434 to 58437 HS(M) 18236 to 18239 (Old Geran Mukim No 2089, Lot No 1648), Mukim of Kluang, Daerah Kluang, Johor Darul Takzim	Freehold	2.4475 hectares (6.05 acres)	Industrial	2,869,864	31.12.2014
9 PTD 75277 to 75279, PTD 75282 to 75284, PTD 75286, PTD 75288 to 75289, PTD 75296 & 75297 HS(M) 16555 to 16557, HS(M) 16558 to 16560, HS(M) 16562, HS(M) 16563 to 16564, HS(M) 16567 & 16568, Mukim of Kluang, Daerah Kluang, Johor Darul Takzim	Freehold	62,680 sq m	Industrial	8,022,842	30.09.2003

LIST OF PROPERTIES (continued)

B) PROPERTIES HELD FOR FUTURE DEVELOPMENT

Location	Land Tenure / Date of Expiry of Lease	1) Land Area Subject to Valuation 2) Gross Area	Description of Existing Use	Carrying Amount as at 31.12.2024 RM	Date of Valuation / Acquisition
10 Grant Mukim No 865, Lot No 11063, Mukim of Sri Gading, Daerah Batu Pahat, Johor Darul Takzim	Freehold	2.197 hectares (5.429 acres)	Agricultural	618,542	31.12.2014
11 Lot 1201, GM 9336, Mukim Sri Gading, Batu Bahat, Johor	Freehold	8.91 acres	Industrial	5,384,389	13.12.2016
12 Lot 5597, GM 9337, Mukim Sri Gading, Batu Bahat, Johor	Freehold	3.9609 hectares	Agricultural	5,707,006	13.12.2016
13 Lot 1216, GM 253, Mukim Sri Gading, Batu Pahat, Johor	Freehold	1.2444 Hectares	Agricultural	1,053,960	13.12.2016
14 Lot 1218, GM 2519, Mukim Sri Gading, Batu Pahat, Johor	Freehold	1.2343 Hectares	Agricultural	1,053,960	13.12.2016
15 Lot 1217, GM 11849, Mukim Sri Gading, Batu Pahat, Johor	Freehold	1.0142 hectares	Agricultural	824,882	13.12.2016
16 Lot 6630, HS(M) 16102, Mukim Sri Gading, Batu Pahat, Johor	Freehold	1.123 Hectares	Agricultural	864,313	13.12.2016
17 PTD 12138 HS(M) 2732 (Old Master Lot 5698), Mukim Rimba Terjun, District of Pontian, Johor	Freehold	1.076 hectares	Agricultural	1,332,735	02.07.2012
18 PTD 17876 to PTD 17903, PTD 17905 HS(M) 8135 to HS(M) 8162, HS(M) 8164 (Old Master Lot 2027), Mukim Pontian, Pontian	Freehold	13,260.3 sq m	Residential	4,354,128	23.03.2016
19 PTD 5993 & 5994 HS(M) 4178 & 4179 (Master PTD 5742,) Mukim Api-Api, Daerah Pontian, Johor	Freehold	2.0764 hectares	Agricultural	1,965,724	27.07.2017
20 Lot 7019 GM 4733, Mukim Pontian, Daerah Pontian, Johor	Freehold	1.1849 hectares	Agricultural	1,082,205	28.08.2020
21 PTD 14404 HS(M) 7076 Mukim Jeram Batu, Pontian, Johor	Freehold	0.8735 hectares	Agricultural	1,804,424	01.11.2023
22 PTD 15774 HS(M) 7198 Mukim Jeram Batu, Pontian, Johor	Freehold	1.1591 hectares	Agricultural	2,118,244	06.11.2023
23 PTD 14405 HS(M) 7077 Mukim Jeram Batu, Pontian, Johor	Freehold	0.8735 hectares	Agricultural	1,935,588	15.08.2023

LIST OF PROPERTIES (continued)

B) PROPERTIES HELD FOR FUTURE DEVELOPMENT

Location	Land Tenure / Date of Expiry of Lease	1) Land Area Subject to Valuation 2) Gross Area	Description of Existing Use	Carrying Amount as at 31.12.2024 RM	Date of Valuation / Acquisition
24 PT 5323 HS(D) 19388 (Old PN No. 2659, Lot 2126) Mukim Baru Ulu, Daerah Alor Gajah, Melaka	Leasehold for 99 years expiring on 11.08.2082. It has an unexpired term of approximately 58 years	3.6513 hectares	Residential	938,437	01.10.2013
25 PT 5324 to 5325 HS(D) 19389 to 19390 (Old PN No. 2659, Lot 2126) Mukim Baru Ulu, Daerah Alor Gajah, Melaka	Leasehold for 99 years expiring on 11.08.2082. It has an unexpired term of approximately 58 years	2.1339 hectares	Residential	616,993	01.10.2013
26 PT 5059 to 5096, PT 5137 to 5173 & PT 5417 to 5440 HS(D) 18847 to 18884, HS(D) 19241 to 19205 & HS(D) 21396 to 21419, Mukim Sungai Baru, Ulu, Daerah Alor Gajah, Melaka	Leasehold for 99 years expiring on 19.10.2108 or 24.10.2109. It has an unexpired term of approximately 85-86 years	36,681 sq m	Residential	3,708,679	31.12.2014
27 PT 2479 to 2681, HS(D) 89964 to 90164 (Old 2220 & 2221, PT 2232 & 2233 HS(D) 70189 & 70190, HS(D) 72781 & 72182), Mukim Sungei Udang, Daerah Melaka Tengah, Melaka	Freehold	64,906.4 sq m	Residential	11,739,067	31.12.2014
28 Geran 54521 to 54557 Lot 14469 to 14505 (Old PT 2179 to 2215 HS(D) 69614 to 69650), Mukim Sungei Udang, Daerah Melaka Tengah, Melaka	Freehold	6,959 sq m	Commercial	1,941,374	31.12.2014
29 GM136 Lot. 1777 Mukim Sungai Baru Ibir, Daerah Alor Gajah, Melaka	Freehold	4.0376 hectares	Agricultural	1,901,477	31.12.2014
30 PT 3039 HS(D) 26805 and PT 3040 HS(D) 26806 (Old Master Lot 1065, GM 16553) Mukim Sungai Petai, Alor Gajah, Melaka	Freehold	40,744 sq m	Agricultural	3,685,404	06.11.2013

LIST OF PROPERTIES (continued)

B) PROPERTIES HELD FOR FUTURE DEVELOPMENT

Location	Land Tenure / Date of Expiry of Lease	1) Land Area Subject to Valuation 2) Gross Area	Description of Existing Use	Carrying Amount as at 31.12.2024 RM	Date of Valuation / Acquisition
31 PT 4128 to 4150 HS(M) 3291 to 3312 (Master Lot 2390 & Lot 503), Mukim Masjid Tanah, Alor Gajah, Melaka	Freehold (Lot2390), Leasehold (Lot503) for 99 years expiring on 29.11.2037. It has an unexpired term of approximately 15 years	7,915.73 sq m	Residential	1,512,294	30.05.2014
32 Lot 2379, GRN 3054, Mukim Masjid Tanah, Alor Gajah, Melaka	Freehold	2.0010 acres	Agricultural	397,320	30.05.2014
33 Lot 2868, Geran 23160, Mukim Masjid Tanah, Alor Gajah, Melaka	Freehold	3.501 hectares	Agricultural	2,642,941	14.11.2017
34 Lot 1919 Geran 4920 & 1920 Geran 172, Mukim Masjid Tanah, Alor Gajah, Melaka	Freehold	19.831 acres	Agricultural	6,213,242	14.11.2017
35 GM 231 Lot 951, Mukim Bukit Senggeh, Jasin, Melaka	Freehold	2.2561 hectares	Agricultural	1,119,319	17.10.2018
36 PTD 16272 to PTD 16292 HS(M) 4355 to HS(M) 4375 (Old Master Lot 936), Mukim Durian Tunggal, Alor Gajah, Melaka	Freehold	7,382.9 sq m	Residential	1,917,417	25.04.2019
37 GM 927 Lot 933 , Mukim Durian Tunggal, Alor Gajah, Melaka	Freehold	1.8211 hectares	Agricultural	1,799,161	25.04.2019
38 Lot 1918 GM 7919, Mukim Masjid Tanah, Daerah Alor Gajah, Melaka	Freehold	4.1708 hectares	Agricultural	2,527,479	13.11.2019
39 Lot 1329 GM 4247, Mukim of Pegoh, Daerah Alor Gajah, Melaka	Freehold	0.7876 hectares	Agricultural	1,218,185	31.12.2021

GROMUTUAL BERHAD
(Registration No. 200301022614) (625034-X)
(Incorporated in Malaysia)

PROXY FORM

No. of shares held	
CDS Account No.	

I/We _____ Tel _____
(Full name in block, NRIC/Passport/Company No.)

_____ of _____

being member(s) of **GROMUTUAL BERHAD** hereby appoint:

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and / or* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him, the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the 22nd Annual General Meeting ("22nd AGM") of **GROMUTUAL BERHAD** to be held at **Austin 18, Jalan Austin Perdana 3, Taman Austin Perdana, 81100, Johor Bahru, Johor, Malaysia** on **Monday, 26 May 2025** at **10.00 a.m.** or any adjournment thereof, and to vote as indicated below: -

Item	Agenda	Resolution	**FOR	**AGAINST
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2024 and the Reports of the Directors and Auditors thereon.			
Ordinary Business:				
2.	Approval for the payment of Directors' Fee of RM360,000 for the financial year ended 31 December 2024.	1		
3.	Approval for the payment of Directors' benefits at the capping amount of RM40,000 from 22 nd Annual General Meeting to 23 rd Annual General Meeting of the Company.	2		
4.	Re-election of the following Directors who retire by rotation pursuant to Clause 76(3) of the Company's Constitution ("Constitution").			
	4.1 Mr. Teo Yu Hong	3		
	4.2 YH Dato' Chong Keap Thai @ Cheong Keap Tai	4		
	4.3 Mr. Teo Yu Yang	5		
5.	Re-appointment of BDO PLT as Auditors of the Company for the financial year ending 31 December 2025 and to authorise the Directors to fix their remuneration.	6		
Special Business:				
6.	Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act, 2016.	7		
7.	Continuity of the Independent Director who has served the Company for cumulative tenure of more than nine (9) years – Mr. Wong Wen Tak.	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

Fold this flap for sealing

*** 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, of whom one 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 this Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at **19 May 2025**. Only a member whose name appears on this Record of Depositors shall be entitled to attend this Annual General Meeting or appoint a proxy to attend, speak and vote on his/her/its behalf.
2. A member entitled to attend and vote at this Annual General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, 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 an Annual General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the Annual General Meeting.
4. Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (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 Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
6. Where a member 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.
7. The appointment of a proxy may be made in a hard copy form or by electronic form. In the case of appointment made in hardcopy form, the proxy form must be deposited with the Registered Office of the Company at L2-02, 1 Medini Hub, Persiaran Medini Utara 3, Medini Iskandar, 79000 Nusajaya, Johor, Malaysia. In the case of electronic appointment, the proxy form must be deposited via TIH Online at <https://tiah.online>. Please follow the procedure as set out in the Administrative Guide for the 22nd AGM on the electronic lodgement of proxy form. All proxy form submitted must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting or adjourned Annual General Meeting at which the person named in the appointment proposes to vote.
8. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Registered Office of the Company situated at L2-02, 1 Medini Hub, Persiaran Medini Utara 3, Medini Iskandar, 79000 Nusajaya, Johor, Malaysia not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting or adjourned Annual 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 this proxy form are completed, signed and dated accordingly.
10. Last date and time for lodging this proxy form is Saturday, **24 May 2025 at 10.00 a.m.**
11. 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).
12. For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in this proxy form if this has not been lodged at the Company's registered office earlier.
13. Shareholders are advised to check the Company's website at www.gromutual.com and announcements from time to time for any changes to the administration of the 22nd AGM that may be necessitated by changes to the directives, safety and precautionary requirements and guidelines prescribed by the Government of Malaysia, the Ministry of Health, the Malaysian National Security Council, Securities Commission Malaysia and/or other relevant authorities.

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AFFIX
STAMP
HERE

The Company Secretary
GROMUTUAL BERHAD (200301022614) (625034-X)
L2-02, 1 Medini Hub,
Persiaran Medini Utara 3,
Medini Iskandar 79000 Nusajaya,
Johor Darul Takzim,
Malaysia.

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GROMUTUAL

Gromutual Berhad Company No: 200301022614 (625034-X)
PH1, Austin 18, Jalan Austin Perdana 3, Taman Austin Perdana,
81100 Johor Bahru, Johor, Malaysia.

Tel **07-212 1333**
Fax **07-212 1222**

www.gromutual.com