

SUSTAINABILITY STATEMENT



OUR FINANCIAL YEAR 2025 SUSTAINABILITY STATEMENT (“SUSTAINABILITY STATEMENT” OR “THE STATEMENT”) PROVIDES AN OVERVIEW OF FBG HOLDINGS BERHAD’S (“FBG” OR “THE GROUP”). SUSTAINABILITY INITIATIVES AND PRACTICES, HIGHLIGHTING OUR ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (“ESG”) IMPACTS.

A photograph of a father and son in a park. The son is in the foreground, holding a yellow toy airplane and looking up at it. The father is standing behind him, holding his hand. They are both smiling. The background shows a green lawn, trees, and a blue sky with white clouds.

Driven by FBG's commitment to sustainability, we strive to minimise our environmental impact while creating value for stakeholders and future generations. In FYE 2025, we further strengthened our sustainability framework and material topics.

Our core values — Integrity, Quality, Safety, Innovation, and Respect — guide our ESG efforts, reinforcing our commitment to embedding best practices across our operations. To ensure long-term business success, we remain committed to advancing our sustainability practices in alignment with the latest edition of Bursa Malaysia's Sustainability Reporting Guide and in support of the Sustainable Development Goals ("SDGs").

SCOPE

FBG discloses its sustainability management and initiatives annually. This statement has been prepared in accordance with Practice Note 9 of Bursa Malaysia's Main Market Listing Requirements and is guided by Bursa Malaysia's Sustainability Reporting Guide. This report covers the period from 1 July 2024 to 30 June 2025.

The information presented in the Statement primarily covers the Group's Construction, Property Development and Plantation activities in Malaysia, unless otherwise stated. Data for FYE 2025 disclosed in this statement has been verified by the Group's Internal Audit Department.

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

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

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SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY GOVERNANCE



To drive meaningful ESG outcomes, FBG integrates sustainability into our core strategy through a structured governance approach. This ensures transparent oversight and accountability across all sustainability initiatives and decision-making processes.

Since 2022, sustainability-related Key Performance Indicators ("KPIs") have been integrated into the annual performance appraisals of both management and employees. At FBG, sustainability is strongly recognised as a priority. The Board, senior management, and employees are collectively committed to understanding and addressing sustainability risks and opportunities that may impact the Group.

COMMITMENT TO GOOD BUSINESS CONDUCT

The Group remains steadfast in upholding the highest standards of integrity and transparency across all operations. We continue to implement our established anti-corruption approach, designed to prevent and address any form of corruption or unethical behaviour.

In line with our commitment to continuous improvement, we have initiated efforts to strengthen our anti-corruption practices. A more robust framework is currently being developed and is expected to be progressively implemented in the coming year. We remain fully committed to maintaining a culture of honesty, accountability, and compliance, which forms the foundation for sustainable and ethical business conduct.

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

In FYE 2025, the Group also established the Board Sustainability Committee to provide strategic oversight of ESG matters, strengthen governance, and ensure alignment with evolving regulatory and stakeholder expectations. The Committee convenes quarterly.

SUSTAINABILITY STATEMENT (CONT'D)

COMMITMENT TO GOOD BUSINESS CONDUCT (Cont'd)

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

KEY GRIEVANCE REPORTING PROCEDURE FLOWCHART



In line with our sustainability commitment and efforts to strengthen governance, the Group will be conducting a comprehensive assessment in the coming year to identify and address corruption-related risks. This initiative aims to enhance our existing controls, ensure alignment with recognised governance standards, and further safeguard the Group's reputation while strengthening stakeholder trust.

OUR PERFORMANCE IN FYE 2025

No.	Item	No. / %
1.	Percentage of employees who have received training on ABAC by employee categories: <ul style="list-style-type: none"> a. Managerial b. Executive c. Non-Executive 	12 / 18% 25 / 21% 2 / 12%
2	Percentage of operations assessed for corruption-related risk	0
3	Confirmed incidents of corruption and action taken	0

SUSTAINABILITY STATEMENT (CONT'D)

GROUP POLICIES

The Group's governance is guided by the following key policies. These policies establish clear standards for decision-making, uphold integrity, and ensure consistent and fair practices across the organisation, reflecting our commitment to operational excellence and sustainable growth. A full list of FBG's policies is available at <https://www.fajarbarugroup.com/corporate-governance/>.

CODE OF CONDUCT AND ETHICS

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

More information on the Code of Conduct and Ethics can be viewed at <https://www.fajarbarugroup.com/corporate-governance/>.

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY ("ABAC POLICY")

The Group takes great pride in its core values of integrity, respect and professionalism across all facets of its business operations. These core values are integral to sustaining long-term growth and building strong, trustworthy relationships with all stakeholders.

In compliance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACCA 2009"), the Group is committed to the continual development and enhancement of adequate procedures designed to prevent individuals associated with the Group from engaging in corrupt practices. The Group maintains a rigorous zero-tolerance stance towards all forms of bribery and corruption, underscoring its unwavering commitment to exemplary governance and ethical standards.

All employees and business associates may report any act of bribery and corruption directly through a dedicated email: auditcommittee@fajarbarugroup.com. More information on the ABAC Policy can be obtained from <https://www.fajarbarugroup.com/corporate-governance/>.

NO-GIFT PRACTICE

As part of the Anti-Bribery and Anti-Corruption ("ABAC") Policy, the Group strictly enforces a No-Gift Practice, prohibiting the solicitation or acceptance of gifts from associates, business partners, or third parties that could compromise impartiality, influence judgment or decision-making, or create an actual or perceived conflict of interest.

WHISTLE-BLOWING POLICY

The Group is committed to upholding the highest standards of integrity, transparency, and accountability. To support this commitment, the Group has established a Whistleblowing Policy that provides a secure and confidential platform for all stakeholders to report any suspected misconduct, unethical behaviour, or criminal offences.

All stakeholders may report any violations of the Code of Conduct and Ethics via a dedicated whistleblowing email channel: whistleblowing@fajarbarugroup.com which is accessible by the Chairperson of the Audit Committee. Further information on this policy can be obtained from <https://www.fajarbarugroup.com/corporate-governance/>.

INTERNAL GRIEVANCE PLATFORM

As part of our ongoing commitment to fostering a respectful, inclusive, and supportive workplace, the Group has established a dedicated Internal Grievance Platform. This platform serves as an accessible and confidential channel for employees to raise concerns, share feedback, or report any workplace issues that may impact their well-being, morale, or professional environment. By empowering employees to voice their concerns safely and constructively, the Group reinforces a culture of openness, trust, and continuous improvement.

SUSTAINABILITY STATEMENT (CONT'D)

STAKEHOLDERS

In today's rapidly evolving business landscape, FBG is committed to setting clear objectives for each stakeholder group through well-defined mission statements. We prioritise continuous engagement with our stakeholders through a variety of activities and communication channels throughout the year. These ongoing interactions enable us to refine our operations and respond more effectively to the unique needs of each stakeholder group.



SUSTAINABILITY STATEMENT

(CONT'D)

STAKEHOLDERS (Cont'd)

Stakeholders	Individual Goals	Engagement Activities	Frequency of Engagement
Board of Directors	To enhance shareholders value and our long-term financial performance.	<ul style="list-style-type: none"> - Board meetings - Annual General Meetings - Sustainability-related trainings 	<ul style="list-style-type: none"> - Quarterly - Annually - Ad hoc annually
Customers	To achieve highest level of customer satisfaction through reliable and timely delivery, innovative and cost-effective products and solutions without compromising on quality and safety.	<ul style="list-style-type: none"> - Customer feedback mechanism - Roadshows - Social media platforms 	<ul style="list-style-type: none"> - Ongoing - Ongoing - Ongoing
Employees	To create value for our employees by providing better growth opportunities at the workplace.	<ul style="list-style-type: none"> - Employee induction training - Hybrid Townhall sessions - Sustainability awareness talk - Feedback sessions - Safety briefings - Salary benchmarking against market - Learning and development programmes - Company & Sports Club activities - Social media platforms - Performance appraisals with functional and sustainability related KPIs 	<ul style="list-style-type: none"> - Quarterly - Quarterly - Quarterly - Ongoing - Ongoing - Ongoing - Ongoing - Ongoing - Ongoing - Annually
Shareholders	To create value for our shareholders by consistently improving our profitability and growth, and ultimately deliver superior returns on their investment.	<ul style="list-style-type: none"> - Annual General Meetings - Media releases 	<ul style="list-style-type: none"> - Annually - Ad hoc
Local Communities	To create a sustainable future for our stakeholders and the society by preserving the environment, be responsible and be active in the development of a better society and economy.	<ul style="list-style-type: none"> - Corporate Social Responsibility ("CSR") programmes - Community engagement activities - Long-term partnerships 	<ul style="list-style-type: none"> - Ongoing - Ongoing - Ongoing

SUSTAINABILITY STATEMENT (CONT'D)

STAKEHOLDERS (Cont'd)

Stakeholders	Individual Goals	Engagement Activities	Frequency of Engagement
Sub-contractors, Vendors, Suppliers, Consultants	To ensure cost efficiency, quality, timely delivery, while fostering innovation and alignment with business strategies for long-term success.	<ul style="list-style-type: none"> - Tender and bidding - Meetings - Written communication 	<ul style="list-style-type: none"> - Ongoing - Ongoing - Ongoing
Financial Institutions	To establish reliable and clear financial relationships that secure timely and sufficient capital for our project needs.	<ul style="list-style-type: none"> - Annual Financial Briefings - Meetings - Media releases - Quarterly earning reports - Annual General Meetings 	<ul style="list-style-type: none"> - Annually - Ad hoc - Ad hoc - Quarterly - Annually
Media	To foster strategic media engagements that enable consistent and high-impact visibility.	<ul style="list-style-type: none"> - Media releases - Meetings - Social media platforms - Agency - Corporate events 	<ul style="list-style-type: none"> - Ad hoc - Ad hoc - Ad hoc - Ongoing - Ad hoc
Industrial Affiliates	To establish synergistic industrial affiliations that amplify support and resource allocation, enhancing the overall impact and success of our project endeavours.	<ul style="list-style-type: none"> - Meetings - Workshops - Seminars - Forums - Conferences 	<ul style="list-style-type: none"> - Ad hoc
Regulators & Local Authorities	To develop effective channels of communication with regulatory and local governance entities, ensuring project alignment with regulatory standards and promoting community support.	<ul style="list-style-type: none"> - Consultations - Meetings - Working groups - Survey and feedback forms - Progress reports 	<ul style="list-style-type: none"> - Ad hoc - Ad hoc - Ad hoc - Ad hoc - Ongoing
Joint Venture & Business Partners	To develop and maintain impactful joint venture and business relationships, fostering a collaborative environment that accelerates project success and mutual growth.	<ul style="list-style-type: none"> - Meetings - Workshops - MoUs - Progress reports - Consultations - Annual General Meetings 	<ul style="list-style-type: none"> - Ad hoc - Annually

SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY

Materiality plays a key role in guiding FBG's sustainability strategy by identifying the environmental, social, and governance ("ESG") issues most relevant to our business and stakeholders. Through regular engagement and assessment, we review and prioritise material topics that reflect our operational impacts and stakeholder expectations. This ensures our efforts remain focused, effective, and aligned with long-term value creation.

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

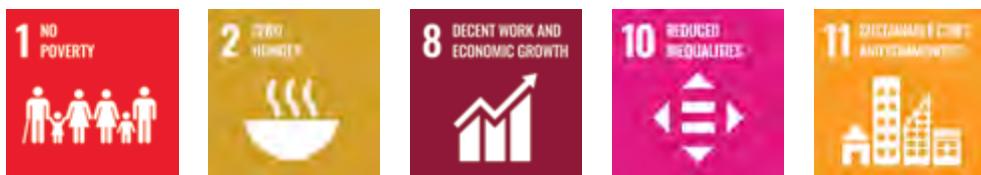


No.	Topic
1	Anti-Corruption and Integrity
2	Contributing to the Economy
3	Climate Change
4	Employment and Training
5	Occupational Health and Safety
6	Energy and Water Use
7	Material Use
8	Waste and Pollution Management
9	Product Safety and Quality
10	Responsible Sourcing and Buying
11	Biodiversity
12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

TOWARDS A SUSTAINABLE WORLD

FBG recognises the importance of the United Nations Sustainable Development Goals ("UNSDGs") as a global framework for sustainable progress. We incorporate these goals into our sustainability approach to guide responsible decision-making and amplify our positive impact on society and the environment.

At the core of our sustainability approach are five key UNSDGs, which serve as the foundation of our operational priorities and initiatives:



SUSTAINABILITY STATEMENT (CONT'D)

DIGITAL TRANSFORMATION AND DATA PRIVACY

As part of our ongoing digital transformation journey, Enterprise Resource Planning ("ERP") and Data Centralisation remain our core strategic priorities. In today's fast-paced business environment, centralising data is essential for improving operational efficiency, enabling data-driven decision-making, and supporting sustainable growth.

We are currently in the first phase of our ERP implementation, focusing on core finance/accounting functions alongside procurement and supply chain management modules. This foundational step will establish a centralised data infrastructure, setting the stage for future system expansion.

Looking ahead, we plan to roll out additional ERP modules in subsequent phases to further streamline operations and improve data efficiency. As we continue evolving our digital capabilities, we are also exploring how Artificial Intelligence ("AI") can be embedded into our ERP ecosystem. Particularly in enhancing business reporting and analytics, which enable smarter insights and proactive decision-making across the organisation.

In line with this direction, the company adopted Microsoft 365 in 2023 to enhance communication, collaboration, and document management across all



departments and project sites. Through OneDrive and SharePoint, all project and corporate documents are now securely stored in the cloud, allowing colleagues to access, update, and share files anytime, from anywhere. This initiative not only improves efficiency and teamwork but also lays the foundation for future data integration under our ERP and centralised system framework.

BUILDING INFORMATION MODELLING ("BIM")

The BIM system refers to a collection of tools designed to support the utilisation and administration of BIM data via cloud-based solutions. BIM, as a methodology, involves developing and handling digital models that represent the physical and functional attributes of structures. When paired with cloud technology, it enhances collaboration, streamlines data handling, and improves the execution of construction projects.

Since 2023, we have integrated the use of QR in BIM process. QR code usage has been used in BIM drawings and on site for quicker access on 3D model views at required coordinated area.

SUSTAINABILITY STATEMENT (CONT'D)

BUILDING INFORMATION MODELLING ("BIM") (Cont'd)

Key Features and Benefits:



EASY ACCESS TO REAL-TIME INFORMATION

- QR codes can be linked directly to BIM model.
- On-site workers can scan a code using a smartphone or tablet to instantly retrieve up-to-date information.



IMPROVED ACCURACY AND REDUCED ERRORS

- Reduces reliance on printed documents or outdated plans.
- Minimises manual data entry and human error by linking physical components to digital data in the BIM.



ENHANCED ON-SITE EFFICIENCY

- Speeds up inspections, quality checks, and verification processes.
- For example, a QR code on BIM 6 Walls drawing can pull up the 3D model for required unit to be inspected during mock-up inspection.

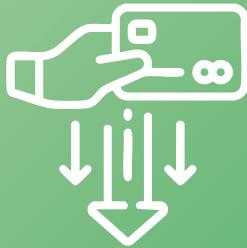


IMPROVED COLLABORATION BETWEEN STAKEHOLDERS

- Ensures all project stakeholders (clients, consultants, contractors, sub-contractors, workers) access the same centralised data.
- Reduces miscommunication by tying each QR code to a specific object in the BIM model.

SUSTAINABILITY STATEMENT (CONT'D)

SUPPLY CHAIN MANAGEMENT



**Proportion of spending
on local suppliers:**

100%

A well-managed supply chain is fundamental to industry resilience. Throughout FYE 2025, FBG upheld its dedication to local sourcing, maintaining partnerships exclusively with local suppliers and subcontractors to support domestic economic growth.

We recognised the importance of addressing ESG considerations within our supply chain. Looking ahead, FBG intends to incorporate ESG criteria into all contracts with suppliers, vendors, and subcontractors, who will be expected to comply with these standards in their business dealings with us.

This initiative reflects our firm commitment to responsible supply chain management and the integration of sustainable practices across our operations. By embedding ESG requirements into our procurement processes, we aim to strengthen our overall ESG performance, ensuring our activities contribute positively to both society and the environment.

SOCIAL

At FBG, we recognise that our people, communities, and stakeholders are central to our long-term success. Our social initiatives focus on fostering a safe, inclusive, and supportive work environment, promoting employee well-being, engaging meaningfully with stakeholders, and contributing positively to the communities where we operate.

OCCUPATIONAL HEALTH AND SAFETY

Safety is a fundamental core value and remains our highest priority. We are certified under the ISO 45001:2018 Occupational Health and Safety ("OHS") Management System, reflecting our commitment to maintaining the highest standards in workplace safety. Through continuous monitoring and proactive management of OHS risks, we aim to prevent work-related injuries and ensure a safe, healthy environment for all employees.

SUSTAINABILITY STATEMENT (CONT'D)

OCCUPATIONAL HEALTH AND SAFETY (Cont'd)

Our Approach:

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

SUSTAINABILITY STATEMENT (CONT'D)

OCCUPATIONAL HEALTH AND SAFETY (Cont'd)

Our Occupational Health and Safety Performance

FYE 2025	Vierra Residence	Pavilion Mont Kiara ("PMK")	Temasya Prisma	Suria 2	Adison	CLQ Senawang
Total hours worked	2,581,856	1,480,510	177,376	261,984	858,156	23,656
Number of work-related fatalities	0	0	0	0	0	0
Number of Lost Time Injury ("LTI")	0	0	0	0	0	0
LTI Rate	0	0	0	0	0	0

Number of Employees/Workers Trained on Health and Safety Standards

Site	No.	%
Vierra Residence	750	82
PMK	594	91
Temasya Prisma	142	89
Suria 2	138	93
Adison	547	87
CLQ Senawang	30	100

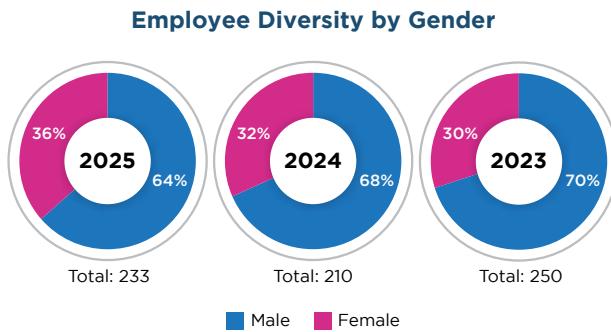
WORKFORCE DIVERSITY

As of 30 June 2025, 233 people are directly employed in FBG Holdings Berhad and its subsidiaries. In today's business environment, workforce diversity and inclusion are more important than ever for the success of any organisation and industry. We acknowledge that our sector has historically been male-dominated due to the physically demanding nature of the work. However, we are actively embracing new approaches to our operations, maintaining a strong commitment to equal opportunity and inclusivity in our hiring practices.

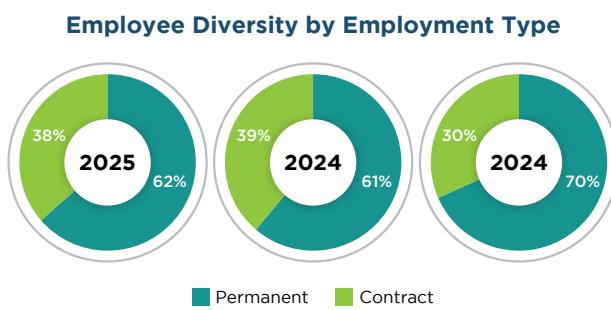
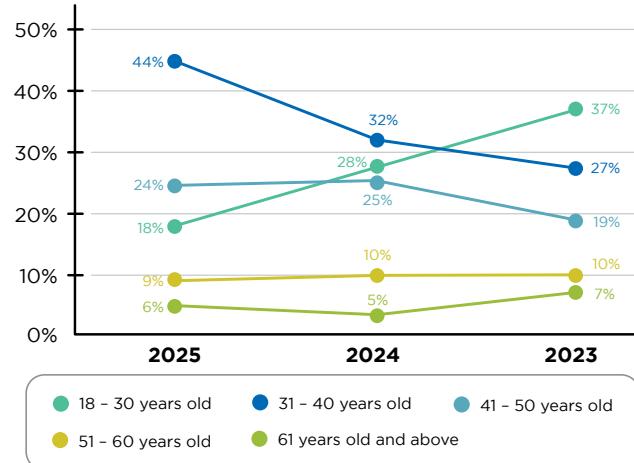
SUSTAINABILITY STATEMENT (CONT'D)

WORKFORCE DIVERSITY (Cont'd)

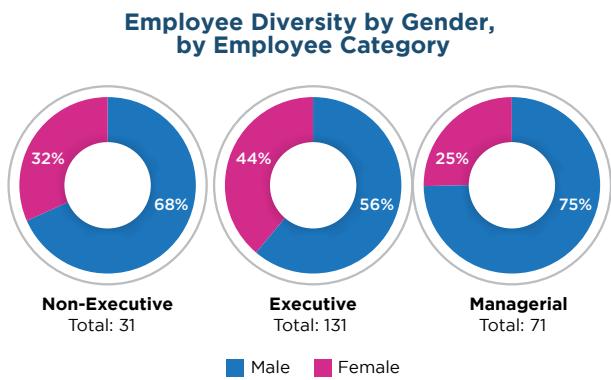
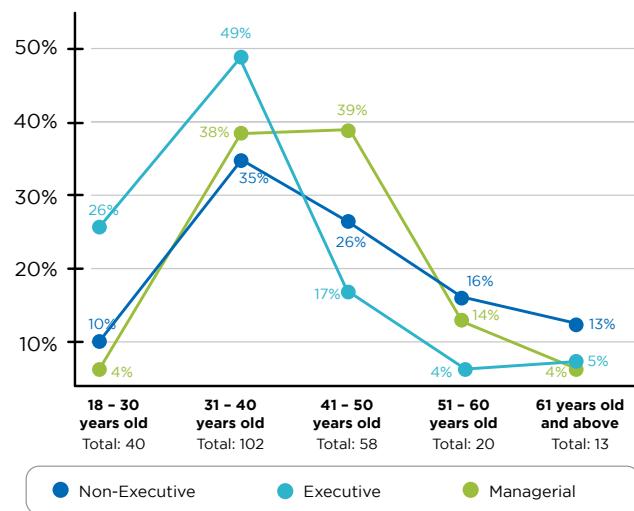
FBG Holdings Berhad Workforce



Employee Diversity by Age Group



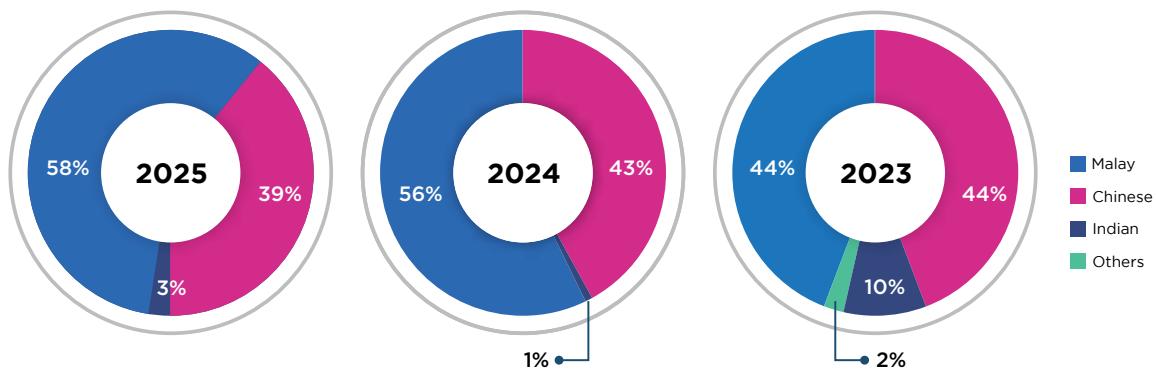
Employee Diversity by Age Group, by Employee Category



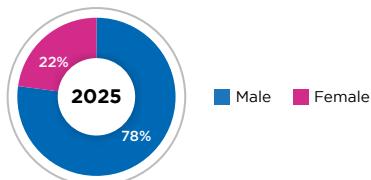
SUSTAINABILITY STATEMENT (CONT'D)

WORKFORCE DIVERSITY (Cont'd)

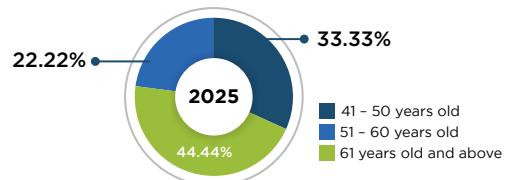
Employee Diversity by Ethnicity



Percentage of Directors by Gender and Age Group



Percentage of Directors by Age Group

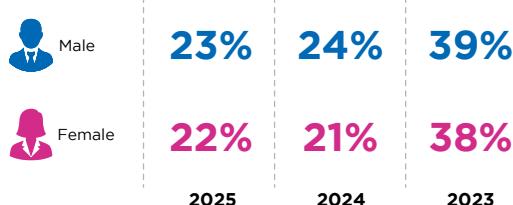


Employee Turnover by Employee Category



Overall Turnover Rate: 23%

Employee Turnover Rates by Gender

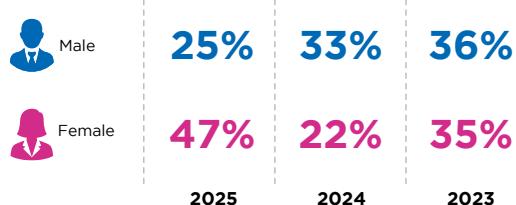


Employee New Hires by Employee Category



Overall New Hires Rate: 33%

Employee New Hires by Gender



SUSTAINABILITY STATEMENT (CONT'D)

EMPLOYEE TRAINING

Employee development remains a key focus for the Group, with training needs identified through yearly performance appraisals. During FYE 2025, we delivered a total of 3,247 training hours across our operations, averaging 18 hours per employee, excluding non-executive roles.

Over the year, the annual average training hours per employee increased from 12 to 18, mainly due to training programmes on e-invoicing and other competency areas.

Our Approach:

ANNUAL TRAINING NEEDS ANALYSIS FOR ALL EMPLOYEES

Collaboration between Human Resources ("HR") and other Departments. This analysis provides a structured approach to identifying relevant training programmes and solutions for our workforce.

SPONSORING RELEVANT EDUCATION AND PROFESSIONAL CERTIFICATION PROGRAMMES

Supporting qualifications and certifications that are recognised within the Malaysian construction sector, such as those related to safety, project management, and technical skills.

REIMBURSING SUBSCRIPTION FEES FOR TWO PROFESSIONAL BODIES OF EACH EMPLOYEE'S CHOICE

Allows employees to join and maintain memberships with key industry organisations that offer valuable resources, networking opportunities, and ongoing professional development.

ENCOURAGE EMPLOYEES TO ATTEND EXTERNAL SEMINARS OR WORKSHOPS

Provide opportunities for employees to gain insights into the latest industry trends, technologies, and best practices.

QUARTERLY TOWNHALL MEETINGS THAT INCLUDE DEDICATED SESSIONS ON SUSTAINABILITY

Keep our employees informed about the latest developments in sustainability practices. By providing a platform for open dialogue and learning, we ensure that our workforce remains engaged and proactive in supporting our sustainability initiatives.

SUSTAINABILITY STATEMENT (CONT'D)

EMPLOYEE TRAINING (Cont'd)

Our Performance for Employee Training

Total hours of training by employee category

Categories	No.
Executive	1,906
Managerial	1,341
Total	3,247
Average	18

Note: Average training hours per employee are calculated based on confirmed employees only, numbers exclude employees under probation and non-executive roles.

Total hours of training by year

Year	Total training hours	Average training hours per employee
FYE 2025	3,247	18
FYE 2024	2,137	12
FYE 2023	2,751	11

Training Activities Highlight



FBG holds the ISO 9001:2015 certification for its Quality Management System within the Construction and Property Division. To uphold this standard, we ensure that all employees in this division (excluding non-executive staff) receive at least 12 hours of training each year.

Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period

Categories	No.	Percentage
Male	230	99%
Female	84	99%

Categories	No.	Percentage
Non-Executive	31	100%
Executive	129	98%
Managerial	69	97%

SUSTAINABILITY STATEMENT (CONT'D)

EMPLOYEE RIGHTS AND BENEFITS

FBG is committed to building a workplace culture that values excellence, fairness, and inclusivity. We offer competitive compensation packages that align with industry standards and comply with all relevant Malaysian labour laws.

Our remuneration practices are performance-driven, ensuring that employees are recognised and rewarded based on merit. We also uphold equal opportunity principles by basing promotion and salary decisions on individual contributions, while ensuring full compliance with minimum wage regulations.

At our project sites, FBG is committed to ensuring proper accommodation standards for our migrant workers, in full compliance with the Housing and Amenities Act 1990 (Act 446). We also conduct weekly toolbox meetings, providing a regular platform for

Benefits Provided to Full Time Employees

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

workers to raise concerns or report any issues related to disputes or unfair treatment. All reported matters are escalated to the Health and Safety team, which takes appropriate action to resolve them promptly and responsibly.

Total number of employees entitled for parental leave, by gender

Categories	No.
Male	1
Female	6

Total number of employees returned to work after end of parental leave

Categories	No.	Percentage
Male	1	100%
Female	6	100%

SUSTAINABILITY STATEMENT (CONT'D)

EMPLOYEE ENGAGEMENT



EV CHARGING CREDIT ALLOWANCE

To reflect the growing shift toward sustainable mobility, the petrol allowance has been replaced for employees who drive EVs.

At FBG, we believe that employee engagement is closely linked to performance and workplace satisfaction. We are committed to creating an environment where employees feel connected, supported, and recognised — not only through structured development and feedback, but also through meaningful interactions and team activities that encourage collaboration. A professional culture is further reinforced by fostering positive engagement and a supportive work environment.

Employee Engagement Activities Highlight



SUSTAINABILITY STATEMENT (CONT'D)

EMPLOYEE ENGAGEMENT (Cont'd)



SUSTAINABILITY STATEMENT (CONT'D)

EMPLOYEE ENGAGEMENT (Cont'd)



SUSTAINABILITY STATEMENT (CONT'D)

EMPLOYEE ENGAGEMENT (Cont'd)



SERVICE QUALITY

The Group is committed to excellence by consistently delivering high-quality products and services throughout every stage of project execution. We strive to meet all customer deliverables as outlined in our contracts by applying best practices and upholding superior workmanship across multiple disciplines, including structural, architectural, mechanical, electrical, and external works.

Quality Management System

The Quality Assurance Quality Control Department implements a structured quality strategy through robust management systems and well-defined procedures, supported by policies, manuals, risk assessments, and databases. This systematic approach aims to drive continuous improvement and ensure high levels of customer satisfaction.

We remain fully committed to upholding the principles of ISO 9001:2015 Quality Management System, an internationally recognised benchmark for quality excellence. To ensure compliance and performance, we conduct annual internal audits of our Quality Management System. Since achieving certification in 2002, we have consistently maintained it through strong quality performance and the effective implementation of system requirements.



SUSTAINABILITY STATEMENT (CONT'D)

SERVICE QUALITY (Cont'd)

The Group has formally adopted the Quality Assessment System in Construction ("QLASSIC") as part of our continued commitment to achieving excellence in workmanship and ensuring client satisfaction. QLASSIC provides a comprehensive and standardised method for assessing construction quality, based on the Construction Industry Standard CIS 7:2016 (Second Edition) and the latest CIS 7:2021. These standards offer a consistent framework for evaluating various aspects of building works, ensuring that all construction activities meet established benchmarks of quality and uniformity.

The implementation of QLASSIC allows the Group to systematically evaluate, monitor, and enhance the quality of its construction processes. It also promotes a culture of continuous improvement by encouraging the principle of "Doing Things Right the First Time and Every Time."

Several of our recent projects have consistently achieved QLASSIC scores above 70%, reflecting our unwavering commitment to quality across all developments.

In line with our commitment to quality, the Group has implemented a formal Pre-Delivery Inspection ("PDI")

Project Name	Assessment Year	QLASSIC Score
Duta Park Residences, KL	2024	79%
Vierra Residence, KL	2025	Pending Assessment
Desa Green, Kelantan	2025	Pending Assessment



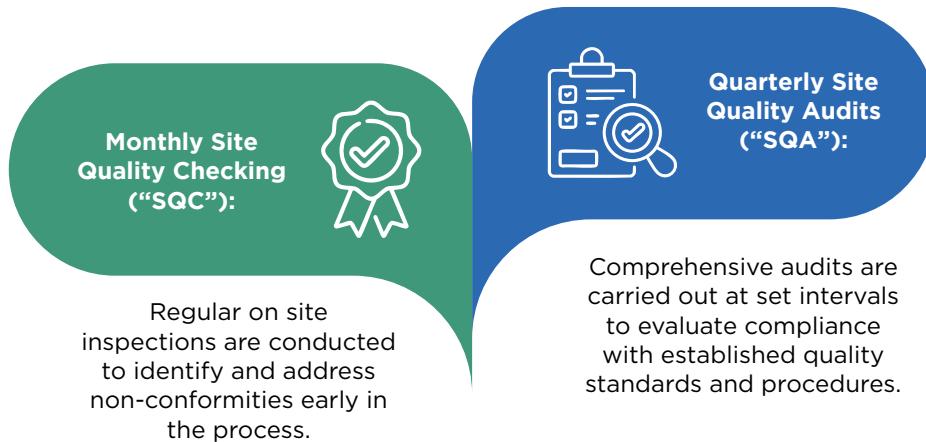
process to ensure all completed works meet required standards and specifications. Conducted by qualified personnel, the PDI ensures compliance with industry best practices and allows for at least two months to complete any necessary corrective work before handover.

As part of our continuous improvement efforts, defects identified in previous projects are systematically reviewed and analysed to prevent recurrence in future developments. This proactive approach reflects our commitment to ongoing quality enhancement and effective risk mitigation.

SUSTAINABILITY STATEMENT (CONT'D)

SERVICE QUALITY (Cont'd)

In addition, the QAQC Department has implemented an internal quality assurance assessment that begins at the start of site activities. This initiative is designed to ensure that quality requirements are consistently upheld throughout the project lifecycle and that all deliverables meet or exceed client expectations.



To reinforce this commitment, we conduct regular training sessions and Site Quality Briefings ("SQB") as part of our ongoing professional development programme. These initiatives are tailored to strengthen the knowledge, technical capabilities, and workmanship of both employees and site personnel.

CUSTOMER SATISFACTION

We are committed to delivering an exceptional customer experience, guided by our core value — Quality. Upon completion of each project, we gather client feedback through a Customer Satisfaction Survey to evaluate their satisfaction with the work delivered.

Clients assess our workmanship across the following key areas:



SUSTAINABILITY STATEMENT (CONT'D)

CUSTOMER SATISFACTION (Cont'd)

We aim to achieve a minimum target of 80% in our Customer Satisfaction Survey. Results from the Customer Satisfaction Survey are presented during senior management meetings for in-depth review and to identify areas for improvement. If the results fall short of the target, the project manager is required to prepare a Corrective Action Report and implement measures to enhance satisfaction in future projects. Additionally, FBG conducts market research for upcoming property developments to better understand customer needs and prevailing market trends.

COMMUNITY ENGAGEMENTS

We believe that community engagement is not just a responsibility but a shared commitment to building a better society. At FBG, we value the role of strong, connected communities in driving long-term success. Through active participation in local initiatives, meaningful contributions to community programmes, and encouraging volunteerism among our employees, we aim to make a positive and lasting impact. These efforts reflect our dedication to fostering mutual growth, inclusivity, and a deeper connection with the communities we serve.



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

RM315,923



Total number of beneficiaries of the investment in communities:

35

INDUSTRY ENGAGEMENTS

FBG actively collaborates with key industry bodies such as the Master Builders Association Malaysia ("MBAM"), Real Estate and Housing Developers' Association Malaysia ("REHDA"), and ESG Association of Malaysia ("ESGAM"). Through regular participation in meetings, workshops, and training programmes, we foster knowledge sharing, drive innovation, and contribute to the advancement and sustainability of the construction and infrastructure industry. These engagements reinforce our commitment to continuous learning and industry development.

SUSTAINABILITY STATEMENT

(CONT'D)

INDUSTRY ENGAGEMENTS (Cont'd)

One of our key stakeholders is the MBAM, established in 1954 to advance the construction industry in Malaysia. MBAM serves as a vital platform for members to raise industry-related concerns through engagement with government bodies. FBG actively contributes to MBAM as part of its committee.

Additionally, we are a member of the REHDA, the leading body representing private property developers, with a strong focus on industry advocacy and governance.

FBG's Involvement in Industry Associations

Name	Representatives Current Involvements
Dato' Sri Kuan Khian Leng	<ul style="list-style-type: none"> • Vice President, MBAM (2022 – to-date) • Annual Golf 2025, Organising Chairman, MBAM (2024 – 2025) • Environment, Green Technology & Sustainability Committee, Deputy Chairman, MBAM (2024 – to-date) • 71st Anniversary Dinner Organising Committee, Organising Committee Member, MBAM (2024 – 2025) • Awards & Constitution Committee, Deputy Chairman, MBAM (2022 – to-date) • Membership Committee, Advisor, MBAM (2022 – to-date) • Council Member, MBAM (2014 – to-date) • Industry Advisory Panel Member, Bachelor Programme in Civil Engineering of the Engineering Faculty, Universiti Putra Malaysia (2022 – to-date) • Construction Competence Technical Committee on Building and Civil, CIDB (2025 – to-date)
Zulhilmi Bin Zulkafli	<ul style="list-style-type: none"> • Safety & Health Committee, MBAM (2024 – to-date)
Evelyn Ong Sok Neo	<ul style="list-style-type: none"> • Environment, Green Technology & Sustainability, Committee Member, MBAM (2024 – to-date) • Annual Golf 2025, Organising Committee Member, MBAM (2024 – 2025)
Lau Kien Choong	<ul style="list-style-type: none"> • ICT-Automation Robotic, Committee Member, MBAM (2024 – to-date)
Coco Ooi Phei Phei	<ul style="list-style-type: none"> • Assistant Secretary / Committee (Selangor), REHDA Youth (2024 – to-date) • Evaluator, International Real Estate Federation ("FIABCI") Award Malaysia 2025

The Group is recognised as a Class A contractor by Pusat Khidmat Kontraktor ("PKK") and a Grade 7 contractor by the Construction Industry Development Board ("CIDB") — the highest classifications granted by both agencies. PKK, a government agency, regulates and facilitates the registration and development of contractors in Malaysia, while CIDB aims to enhance the construction industry's capacity, quality, and productivity. These top-tier certifications enable us to undertake both government and private projects of any size and complexity.

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENT

We recognise the significance of environmental considerations and understand that our operations may lead to both direct and indirect environmental effects. We are committed to progressively disclosing key environmental risks and impacts at our headquarters and project locations. Our environmental policy can be accessed at <https://www.fajarbarugroup.com/corporate-governance/>.

FBG is certified under the ISO 14001:2018 Environmental Management System and remains dedicated to the responsible management and disposal of scheduled waste, in accordance with the Environmental Quality Act 1974 (Act 127) and its associated monitoring requirements.

FBG conducts monthly environmental monitoring of:



Air Quality



Water Quality

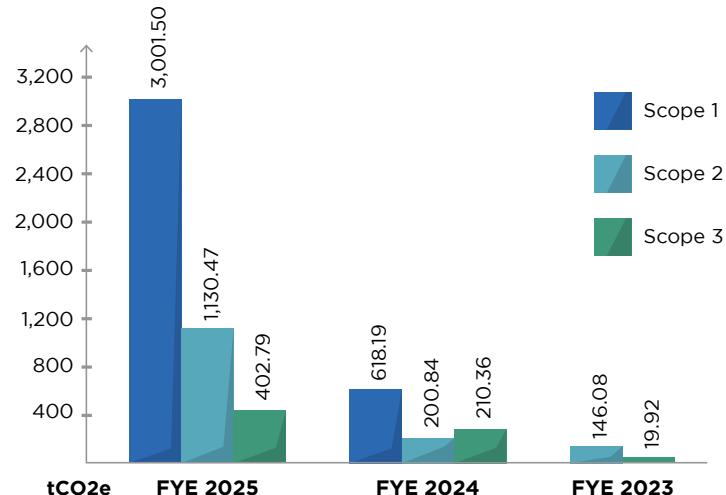


Noise and Vibration Level

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

CARBON EMISSIONS

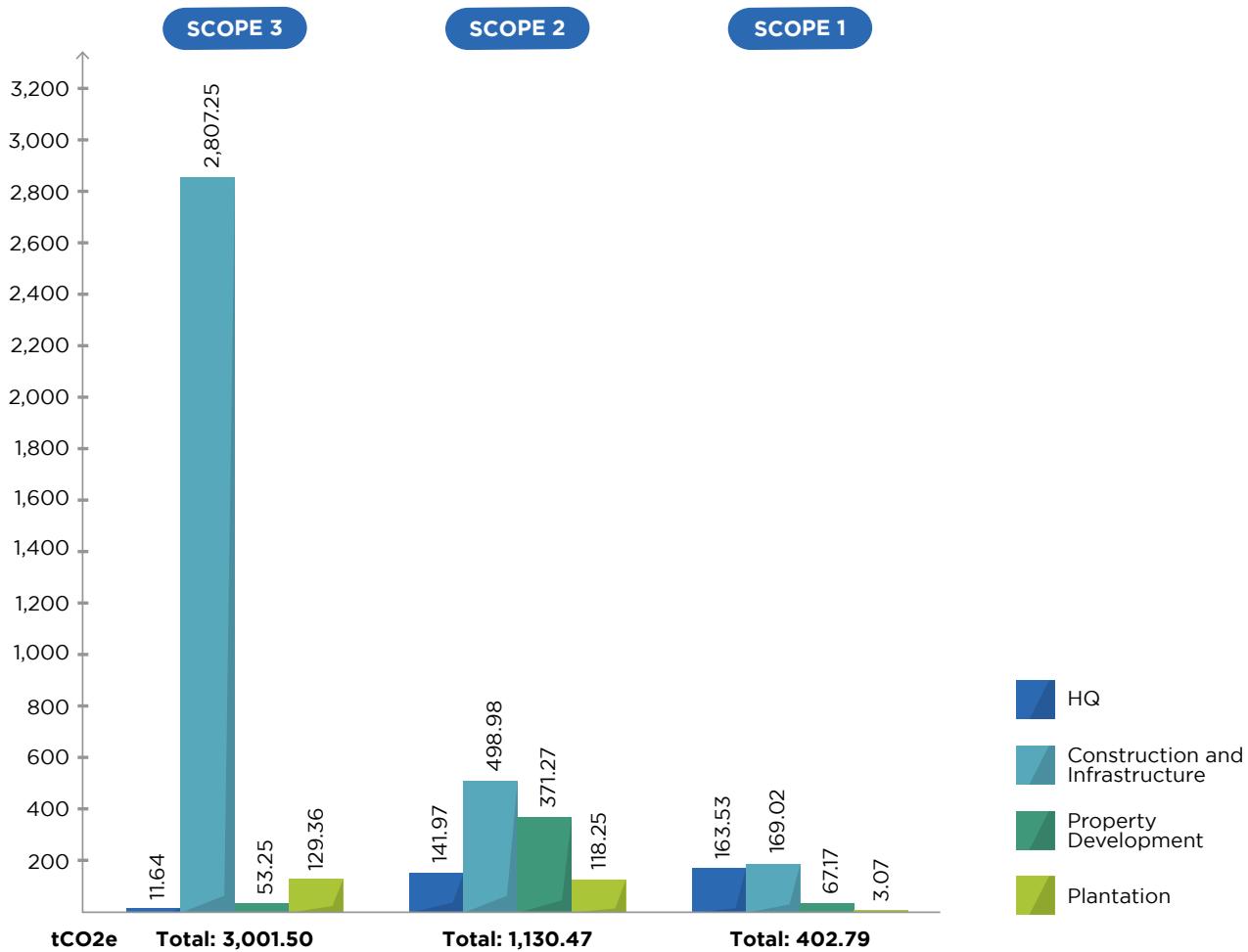
Minimising our carbon footprint is essential in tackling the pressing issues posed by climate change. We measure our Greenhouse Gas ("GHG") emissions based on the GHG Protocol's framework, which categorises emissions as either direct or indirect.



SUSTAINABILITY STATEMENT (CONT'D)

CARBON EMISSIONS (Cont'd)

At our headquarters, Scope 2 emissions—primarily from purchased electricity—represent the most significant source. Since FYE 2023, we have been disclosing our carbon emissions in accordance with the GHG Protocol Corporate Standard. Our carbon emission data over a three-year period is provided, including a detailed breakdown of Scope 1, Scope 2, and Scope 3 emissions.



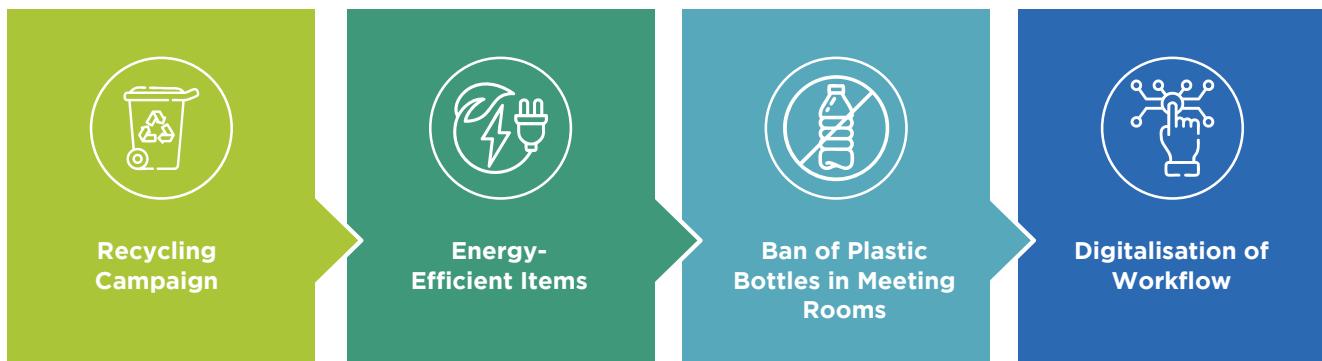
(HQ refers to our headquarters in Kelana Jaya. Construction and Infrastructure covers projects undertaken for clients at Pavilion Mont' Kiara, Temasya Prisma, Suria 2, Adison, and CLQ Senawang. Property Development refers to the Group's own development projects, namely Desa Green and Vierra Residence. Plantation refers to the Group's plantation site in Port Dickson.)

SUSTAINABILITY STATEMENT (CONT'D)

CARBON EMISSIONS (Cont'd)

Initiatives at HQ

This year, our reported GHG emissions show a significant increase primarily due to the expansion of our reporting boundary to include additional sites compared to last year. This more comprehensive coverage provides a more accurate representation of our organizational footprint. This provides a more comprehensive and transparent baseline for measuring our future performance and tracking emission reduction progress.



ENERGY MANAGEMENT

Managing electricity consumption delivers substantial cost benefits for businesses while contributing to a more sustainable and resilient future. At FBG's headquarters, electricity usage for the current financial year stands at 183,400 kWh, a 2% decrease from the 187,327 kWh recorded in the previous year.

The significant increase in reported energy usage this year is largely attributable to the expansion of our reporting boundary, which now encompasses additional sites compared to the previous reporting period.

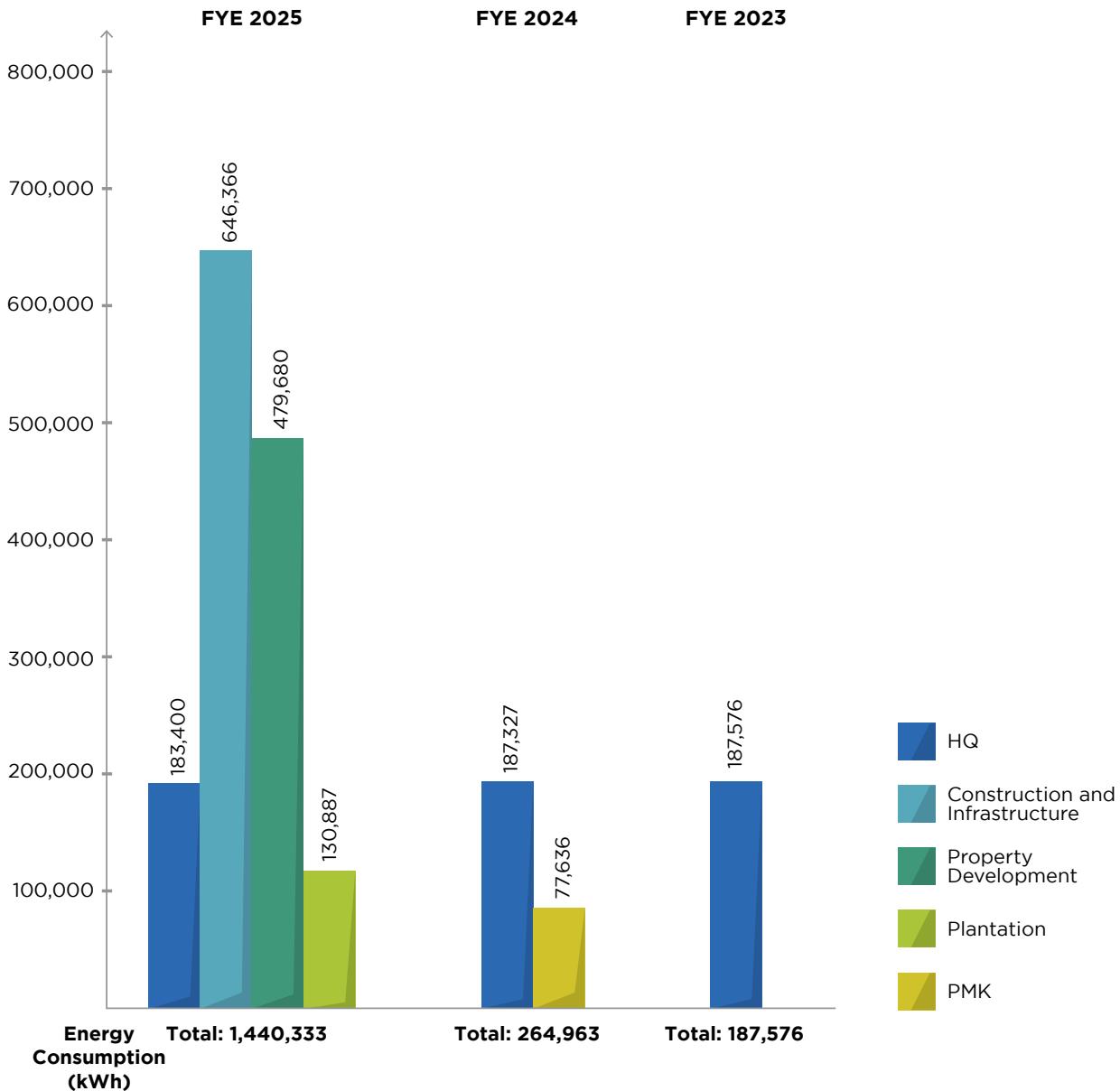
Employees are regularly encouraged to conserve energy by switching off lights and unused equipment during lunch breaks and after working hours. "Power Off" reminders are visibly placed near switches at both the headquarters and project sites to reinforce this practice.

In support of our energy efficiency and environmental goals, all lighting at the headquarters has been upgraded to LED technology. Additionally, timers have been installed on selected switches and areas to ensure devices are completely powered down rather than left on standby. Moving forward, we intend to further enhance our energy efficiency efforts by exploring renewable energy solutions such as solar power and other viable alternatives across our operations.

SUSTAINABILITY STATEMENT (CONT'D)

ENERGY MANAGEMENT (Cont'd)

Our Energy Management Performance



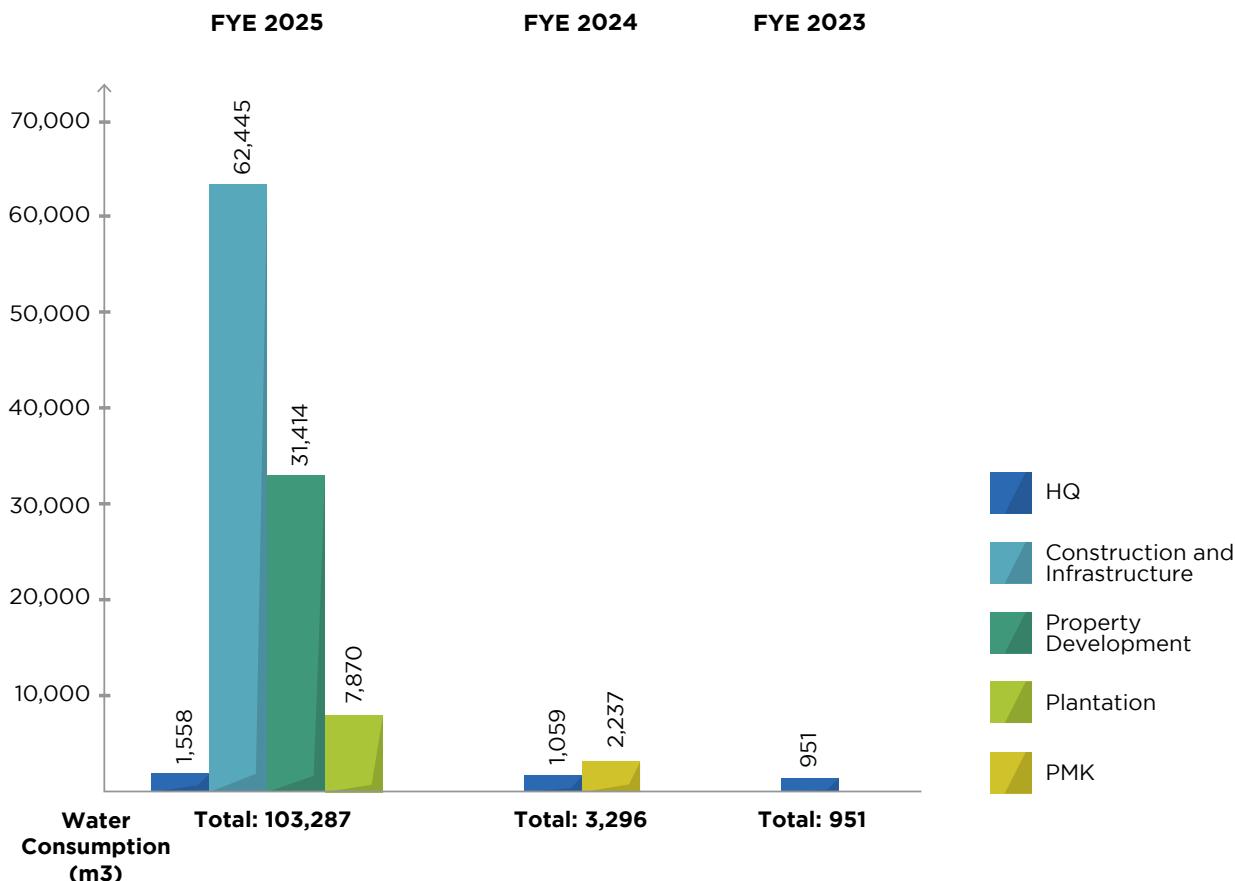
SUSTAINABILITY STATEMENT (CONT'D)

WATER MANAGEMENT

Water at our headquarters is supplied by the state water utility company. Efficient water management is a key component of our commitment to environmental sustainability. We continuously seek to adopt practices that reduce our water footprint and support the protection of vital ecosystems. Through awareness initiatives and fostering a culture of environmental responsibility, we aim to ensure that our operations align with and contribute meaningfully to our broader sustainability goals.

The significant increase in reported water usage this year is largely attributable to the expansion of our reporting boundary, which now encompasses additional sites compared to the previous reporting period.

Our Water Management Performance



SUSTAINABILITY STATEMENT (CONT'D)

RESOURCES AND WASTE MANAGEMENT

FBG's commitment to environmental protection and community well-being is reflected in our strict adherence to the Environmental Quality Act 1974 for the management of both general and scheduled waste. A scheduled waste policy is enforced across all project sites, with disposal carried out by licensed contractors to ensure full regulatory compliance.

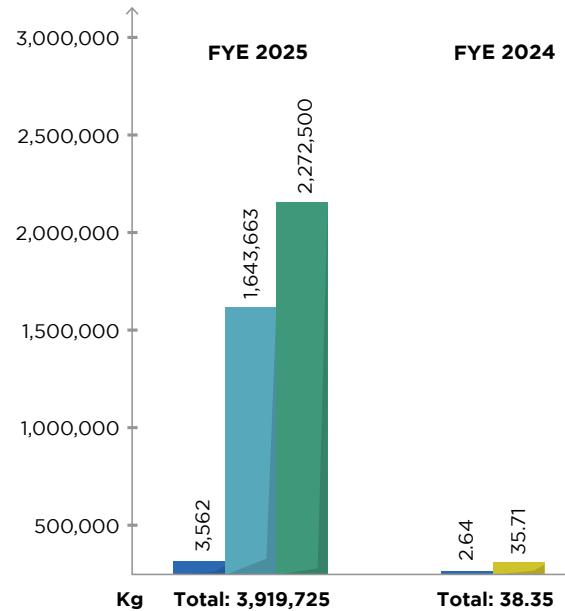
As a property development and construction company, we consume considerable volumes of materials such as sand, cement, and steel. Our Safety and Health, as well as Environment teams, actively monitor material usage to minimise waste generation.

To support resource efficiency, we have implemented a rigorous procurement and monitoring system that promotes responsible consumption of raw materials. In line with our sustainability efforts, we also refurbish and reuse old equipment from project sites whenever feasible—extending asset lifespans and reducing the volume of waste directed to landfills.

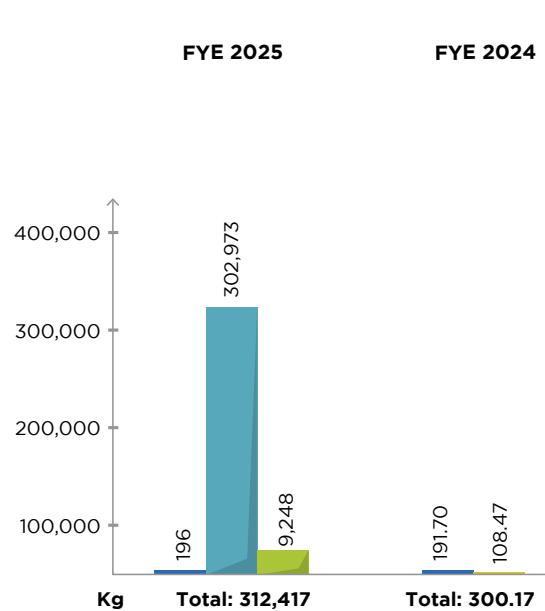
The significant increase in reported waste data this year is largely attributable to the expansion of our reporting boundary, which now encompasses additional sites compared to the previous reporting period.

Our Resources and Waste Management Performance

Total Waste Directed to Disposal



Total Waste Directed from Disposal



HQ



Construction and Infrastructure



Property Development



Plantation



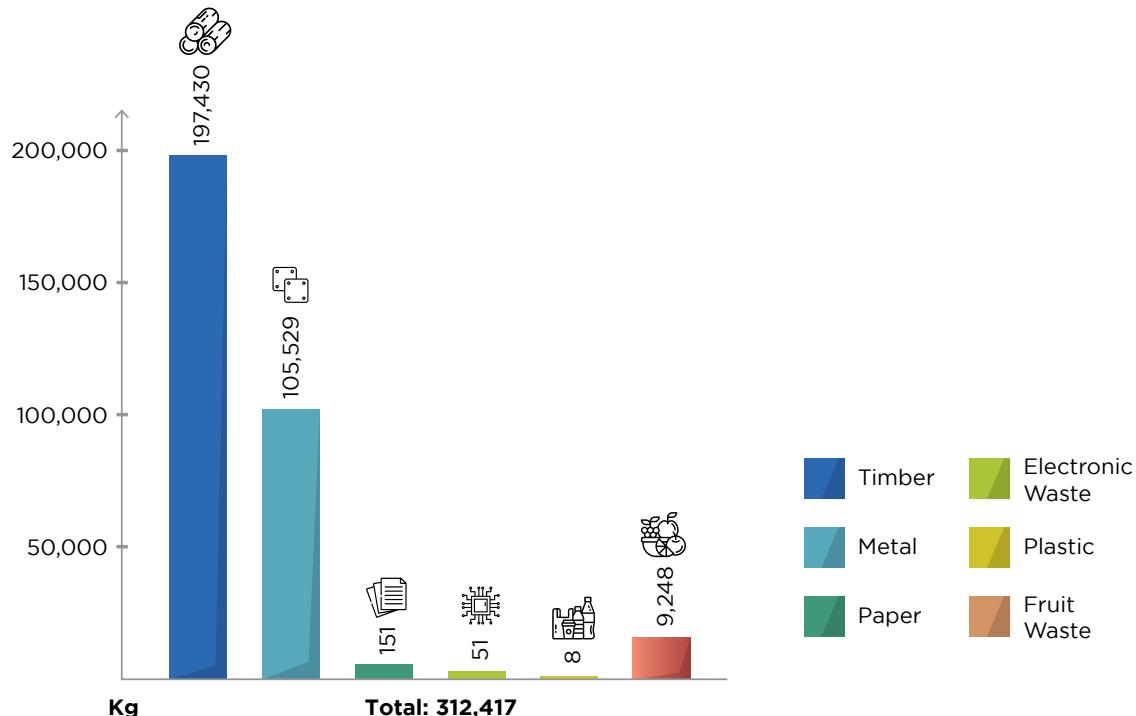
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SUSTAINABILITY STATEMENT (CONT'D)

RESOURCES AND WASTE MANAGEMENT (Cont'd)

Type of Materials Recycled/Repurposed

Total Waste Diverted From Disposal



FRUIT WASTE IN PLANTATION

Fruit waste in plantation is sometimes inevitable due to factors such as over-ripening, pest damage, or fruits not meeting commercial quality standards. Rather than discarding this organic matter, we adopt a sustainable approach by repurposing the waste. Unmarketable but edible fruits are used to feed our chickens, providing them with a natural and nutritious supplement. The remaining fruit waste is composted and returned to the soil as organic fertiliser, enriching our plantation's ecosystem and promoting healthier plant growth.



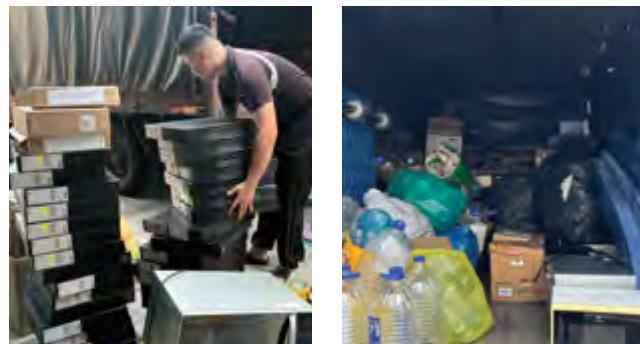
SUSTAINABILITY STATEMENT (CONT'D)

FRUIT WASTE IN PLANTATION (Cont'd)



RECYCLING AT FBG

In FYE 2025, we partnered with Cenviro under their Recycle for Life campaign to support responsible waste management and promote long-term recycling awareness within our operations. Our first collection took place in May 2025, during which we successfully diverted 196 kg of recyclable waste from landfill. The collected materials included paper, plastic, e-waste, and metal—marking a positive step in our ongoing commitment to environmental sustainability.



MOVING FORWARD

FBG is committed to strengthening the scope and boundaries of our sustainability reporting across the Group to meet the requirements of the National Sustainability Reporting Framework ("NSRF") in Malaysia. During this transition, the Group will review and refine our material topics to align with the global International Financial Reporting Standards ("IFRS") Sustainability Disclosure Standards.

FBG remains dedicated to enhancing governance, data transparency, and embedding sustainability into our business strategies, as we progress towards a more robust and globally aligned reporting framework. Through these continuous efforts, we uphold our purpose as The Makers of Tomorrow, shaping a sustainable future for generations to come.

SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2024	2025
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Managerial	Percentage	59.00	18.00*
Executive	Percentage	32.00	21.00
Non-Executive	Percentage	0.00	12.00*
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Bursa (Data Privacy and Security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Bursa (Supply Chain Management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00	100.00
Bursa (Health and Safety)			
Bursa C5(a) Number of workrelated fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	961	2,201
Bursa (Labour Practices and Standards)			
Bursa C6(a) Total hours of training by employee category			
Managerial	Hours	1,413	1,341
Executive	Hours	724	1,906
Non-Executive	Hours	0	0
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	39.00	38.00
Bursa C6(c) Total number of employee turnover by employee category			
Managerial	Number	9	14
Executive	Number	27	25
Non-Executive	Number	15	11
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Managerial Between 18-30	Percentage	3.00	4.00
Managerial Between 31-40	Percentage	39.00	38.00
Managerial Between 41-50	Percentage	42.00	39.00
Managerial Between 51-60	Percentage	12.00	14.00
Managerial 61 and above	Percentage	3.00	4.00
Executive Between 18-30	Percentage	37.00	26.00

SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY PERFORMANCE DATA TABLE (Cont'd)

Indicator	Measurement Unit	2024	2025
Executive Between 31-40	Percentage	25.00	49.00
Executive Between 41-50	Percentage	26.00	17.00
Executive Between 51-60	Percentage	8.00	4.00
Executive 61 and above	Percentage	4.00	5.00
Non-Executive Between 18-30	Percentage	27.00	10.00
Non-Executive Between 31-40	Percentage	15.00	35.00
Non-Executive Between 41-50	Percentage	30.00	26.00
Non-Executive Between 51-60	Percentage	15.00	16.00
Non-Executive 61 and above	Percentage	12.00	13.00
Gender Group by Employee Category			
Managerial Male	Percentage	71.00	75.00
Managerial Female	Percentage	29.00	25.00
Executive Male	Percentage	59.00	56.00
Executive Female	Percentage	41.00	44.00
Non-Executive Male	Percentage	76.00	68.00
Non-Executive Female	Percentage	24.00	32.00
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	78.00	78.00
Female	Percentage	22.00	22.00
Between 41-50	Percentage	33.33	33.33
Between 51-60	Percentage	33.33	22.22
61 and above	Percentage	33.33	44.44
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	124,768.65	315,923.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	15	35
Bursa (Emissions Management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	618.19	3,001.50
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	200.84	1,130.47
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	210.36	402.79
Bursa (Energy Management)			
Bursa C4(a) Total energy consumption	Megawatt	264.96	1,440.33
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	3.296000	103.287000
Bursa (Waste Management)			
Bursa C10(a) Total waste generated	Metric tonnes	338.52	4,232.14
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	300.17	312.41
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	38.35	3,919.72