

INTEGRATED SUSTAINABILITY STATEMENT

OUR APPROACH

FBG continues to strengthen sustainability governance, information quality and the connection with business performance.

Our Financial Year 2026 Sustainability Statement provides an overview of FBG Holdings Berhad's sustainability approach, material environmental, social and governance matters, and performance for the year from 1 July 2025 to 30 June 2026.

Guided by our core values of Integrity, Quality, Safety, Innovation and Respect, we seek to manage the impacts of our activities responsibly and strengthen the resilience of our businesses. During the year, we continued to improve sustainability governance, data ownership and the identification of sustainability-related risks and opportunities across our principal activities.

We are also preparing for the phased adoption of the IFRS Sustainability Disclosure Standards under Malaysia's National Sustainability Reporting Framework. Our current work focuses on strengthening decision-making, clarifying accountability, improving the reliability of sustainability information and connecting material sustainability matters to business and financial considerations.

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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1. ABOUT AND BASIS OF PREPARATION

This Statement addresses the sustainability reporting requirements applicable to Main Market listed issuers for FYE 2026 and is informed by Bursa Malaysia's Sustainability Reporting Guide. The additional climate-related disclosures are provided voluntarily as part of the Group's preparation for the National Sustainability Reporting Framework ("NSRF").

The climate-related disclosures are prepared with reference to IFRS S2 Climate-related Disclosures and the relevant general reporting principles in IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information. This Statement does not contain an explicit and unreserved statement of compliance with IFRS S1 or IFRS S2. The limitations described in the relevant sections remain to be resolved before full compliance can be asserted.

1.1 Reporting Period and Coverage

The reporting period is 1 July 2025 to 30 June 2026. The reporting entity is FBG Holdings Berhad and its consolidated subsidiaries, consistent with the related financial statements. The current operational assessment focuses on construction, property development, and logging and timber trading. This presentation does not remove the relevant consolidated entities or internal supporting activities from the reporting entity. General ESG performance data presently exclude plantation; the preliminary Greenhouse Gas ("GHG") inventory lists plantation among its activity records.

1.2 Integrated Climate Disclosures

Detailed climate-related governance, strategy, risk management, scenario analysis, GHG emissions, climate metrics and targets are integrated within the Governance, Strategy, Risk management and Metrics and targets sections of this report. Climate change is addressed as a material sustainability topic alongside the detailed climate-related disclosures.

1.3 Comparative Information

FYE 2025 comparative information has been carried forward from the published Sustainability Statement. Unless expressly stated, these figures have not been restated. Differences in reporting populations, site coverage, units and calculation methods are identified alongside the relevant metrics. FYE 2026 figures that remain subject to validation are not used to claim a like-for-like improvement or deterioration.

INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

1. ABOUT AND BASIS OF PREPARATION (Cont'd)

1.4 Basis of Preparation

Reporting Basis and IFRS S2 Reference
FBG Holdings Berhad and its subsidiaries provide these climate-related disclosures voluntarily with reference to IFRS S2 and the relevant IFRS S1 reporting principles. The disclosures support preparation for mandatory climate-first reporting under the NSRF. They are not represented as a fully compliant early-adoption report.

Connection With the Consolidated Financial Statements
The sustainability report has been prepared for the Group and should be read in conjunction with the Group's consolidated financial statements which are prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. This report covers the financial year ended 30th June 2026, and is aligned with the reporting period of the related consolidated financial statements.

The climate assessment uses the following working time horizons. Their alignment with the Group's planning cycles and asset lives, and their application to each identified risk and opportunity, remain to be finalised. These definitions are not presented as approved Group-wide SRO horizons:

- short term (0 to 2 years)
- medium term (more than 2 years and up to 5 years)
- long term (beyond 5 years)

The reporting entity comprises FBG Holdings Berhad and all subsidiaries included in its consolidated financial statements. Investment-holding entities remain part of that reporting entity. Activity and metric coverage are described separately under Reporting boundary. Monetary amounts in this Statement are presented in Malaysian Ringgit ("RM") unless otherwise stated.

NSRF Timetable and Transition Position
FBG is a Group 2 issuer under the NSRF. Mandatory climate-first reporting applies to annual periods beginning on or after 1 January 2026. As this reporting period began on 1 July 2025, FYE 2026 precedes FBG's mandatory commencement. With an unchanged 30 June year end, the first mandatory climate-first period is 1 July 2026 to 30 June 2027, and the first period subject to the full requirements is 1 July 2028 to 30 June 2029.

IFRS S1 provides the relevant general requirements for climate-related financial information, including the reporting entity, materiality, connected information and presentation.

IFRS S2 provides the climate-related governance, strategy, risk management, metrics and targets disclosure requirements.

The NSRF permits a climate-first approach and additional transition reliefs during the applicable initial reporting periods. FYE 2026 is presented as a voluntary transition disclosure and is not described as the Group's first full application of the IFRS Sustainability Disclosure Standards. The availability and use of reliefs must be assessed for the relevant mandatory period.

1. ABOUT AND BASIS OF PREPARATION (Cont'd)

The distinction between this voluntary disclosure and the NSRF transition provisions is as follows:

- Comparative information: available historical ESG information is retained with its limitations. A first-application comparative relief is not used here to imply full IFRS compliance.
- Timing: this Statement is intended for inclusion in the FYE 2026 Annual Report alongside the related financial statements. Malaysia's NSRF does not permit the IFRS S1 relief for later publication of sustainability-related financial disclosures.
- Climate-first: Group 2 issuers may focus mandatory IFRS-based disclosures on climate-related risks and opportunities during the applicable initial two annual reporting periods. The broader ESG disclosures in this Statement are retained; the general IFRS S1 principles relevant to climate reporting still apply.
- Scope 3: the NSRF permits Group 2 issuers to omit Scope 3 emissions in the applicable initial two annual reporting periods. This voluntary FYE 2026 inventory covers only Categories 6 and 7 and is not a complete Scope 3 inventory.
- Principal business segments: the NSRF permits an initial focus on principal business segments. This does not change the consolidated reporting entity. The limitations of the present activity and metric coverage are disclosed under Reporting boundary.

1.5 Judgements and Measurement Uncertainty

In the process of preparing this sustainability report, management has exercised judgement in a number of areas, including the process of identifying climate-related risks and opportunities and assumptions made for the calculation of GHG emission. Additionally, the preparation of this report requires the use of estimates for certain amounts which cannot be measured directly. Estimates have been made where the sustainability information relates to an entity in the value chain and needs to be estimated, is related to forward-looking information, or involves data limitations.

This section outlines the most critical judgements made by management in preparing this report, as well as the amounts that are subject to a high degree of measurement uncertainty. The details of the judgement made, or the sources of estimation uncertainty, is included in the references.

Significant Judgements

	Description	References
Calculation Methods for GHG Emission	The preliminary inventory covers Scope 3 business travel and employee commuting only. Methods reflect the available records and survey information. Supplier-specific data are not claimed for these categories. Population completeness, assumptions and duplicate entries remain subject to verification.	Metrics and Targets

INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

1. ABOUT AND BASIS OF PREPARATION (Cont'd)

Measurement Uncertainty

	Description	References
Transition Risk Financial Effects	Potential carbon-pricing policy, supplier pass-through and low-carbon market requirements create a range of possible cost and demand outcomes. The Group has not completed the financial assessment or quantified uncertainty over the working time horizons.	Strategy
GHG-Related Metrics	Preliminary emissions are calculated using the stated factor sources and available activity records. The completeness of those records, the operational-control boundary, estimates and factor consistency have not yet been fully verified. These limitations may affect the reported amounts.	Metrics and Targets

2. GROUP PROFILE VALUE CHAIN AND REPORTING BOUNDARIES

FBG Holdings Berhad is an investment holding company whose activities are conducted through its subsidiaries. The operating profile is presented by principal business activity because impacts, dependencies, controls and source data differ across the portfolio. The profile below carries forward the previous report and incorporates the current operational information. The consolidated reporting entity and the coverage of individual metrics are distinguished under Reporting boundary.

Principal Activity	Operational Context Relevant to this Statement	Boundary Position
Construction	Main-contractor delivery of civil, structural, building and infrastructure works, including the coordination of design and development activities, subcontractors, suppliers, workers and site controls.	Assessment focuses on main-contractor projects. Site and metric coverage are stated separately and require reconciliation to the consolidated entity and operational-control register.
Property Development	Land and project development from inception to delivery of the completed product to the end user.	Operational narrative covers Vierra Residence and Desa Green. The leased CLQ is outside the property-for-sale narrative, not automatically outside the reporting entity or GHG boundary.

2. GROUP PROFILE VALUE CHAIN AND REPORTING BOUNDARIES (Cont'd)

Principal Activity	Operational Context Relevant to this Statement	Boundary Position
Logging & Timber Trading	Logging & timber trading activities, including log receipt, tagging, delivery records and traceability controls.	One active working area reported during FYE 2026; final entity, operational control and metric coverage remain to be reconciled.
Plantation	Previously reported plantation activities are outside the current general ESG performance population, but the consolidated reporting entity is unchanged.	Not covered by current general ESG performance data. Plantation activity appears in the preliminary GHG inventory; the different coverage is disclosed and requires reconciliation.
Trading of Construction Materials	Trading of construction materials activities support the Group's internal projects.	Not a separate principal-activity narrative. The consolidated entity and any supporting impacts remain subject to the applicable metric boundary.
Logistics	Transportation supporting internal logging activities.	Supporting activity rather than a separate principal segment. Reported cessation in FYE 2027 does not exclude FYE 2026 activity; entity, control and relevant metrics require reconciliation.

2.1 Group Overview

The Group's key business activities are set out on pages 4 to 5 and page 24 of this Annual Report.

Principal Business Activities
The operational assessment focuses on three principal business activities:

- Construction
- Property development
- Logging & timber trading

Other Activities
Other reported activities include logistics services, event management, plantation and trading of construction materials.

These activities are not presented as separate principal segments in this Statement. Supporting activities and entities remain within the consolidated reporting entity. Their inclusion in specific metrics depends on the disclosed coverage and, for GHG emissions, the operational-control assessment. The absence of a separate segment narrative does not establish that its impacts or emissions are immaterial.

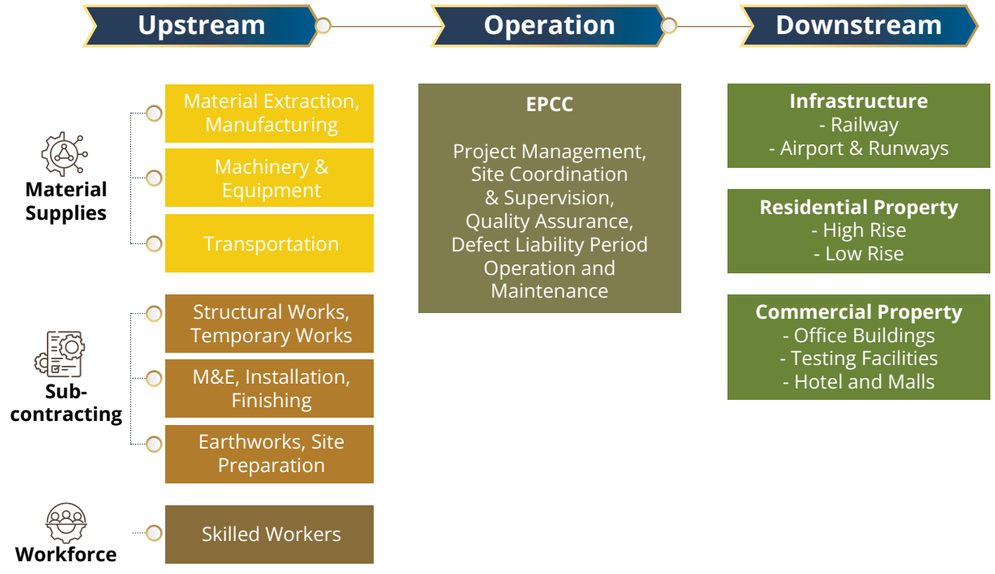
INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

2. GROUP PROFILE VALUE CHAIN AND REPORTING BOUNDARIES (Cont'd)

2.2 Value Chain

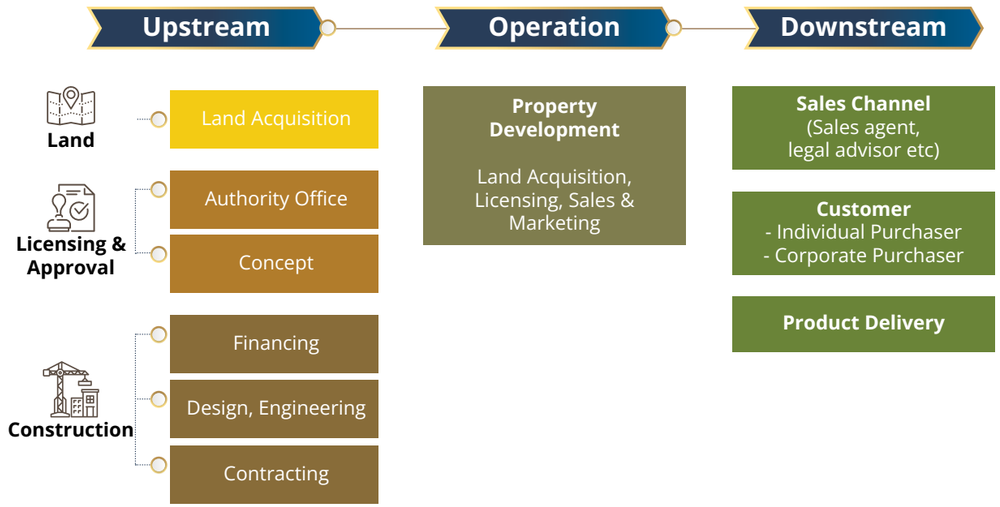
The group's different business activities operate differently. As such, the value chain relationships are mapped by the different business activities.

Construction



2. GROUP PROFILE VALUE CHAIN AND REPORTING BOUNDARIES (Cont'd)

Property Development



Logging and Timber Trading



INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

2. GROUP PROFILE VALUE CHAIN AND REPORTING BOUNDARIES (Cont'd)

2.3 Reporting Boundaries

Reporting Entity and General ESG Coverage
The reporting entity is the same consolidated group as the financial statements. The following list identifies entities associated with the three principal activities presently assessed; it is not an exhaustive consolidation schedule. Investment-holding entities are retained in the reporting entity even where they have no separate operational metric. General ESG data have different entity or site coverage where records are incomplete, as explained alongside each metric.

Entities associated with the current principal-activity assessment are listed below:

GHG Measurement Boundary and Coverage

Construction	Property Development	Logging & Timber Trading
FBG Builder Sdn. Bhd.	- FBG Land Sdn. Bhd. (Investment Holding) • Fajarbaru Land Sdn. Bhd. • Fajarbaru Real Development Sdn. Bhd. - Potential Region Sdn. Bhd.	- Billion Variety Sdn. Bhd. • Smooth Accomplishment Sdn. Bhd.

The preliminary inventory uses the GHG Protocol Corporate Accounting and Reporting Standard for Scope 1 and Scope 2 and the GHG Protocol Corporate Value Chain Standard to classify Scope 3 emissions. Only Scope 3 Categories 6 and 7 have been included. The use of these methodologies does not establish completeness or full IFRS S2 compliance.

The group's reporting boundary for GHG emissions includes its organisational boundary and operational boundary:

Organisational Boundary
The group applies the operational control approach to establish its organisational boundary for the reporting of GHG emissions.

Operational control is the stated consolidation approach for GHG measurement. The entity and site register, including shared premises, construction and development overlaps, contractor activity and supporting businesses, remains subject to reconciliation against the emissions workbook.

The current operational-control working list is set out below. It must be reconciled with the broader activity list under GHG emissions before the inventory is finalised; it is not presented as a verified complete register.

2. GROUP PROFILE VALUE CHAIN AND REPORTING BOUNDARIES (Cont'd)

Business Group	Entities	Operation Site / Facilities
Construction	- FBG Builder Sdn. Bhd.	• Duta Park Residences • Vierra Residence @ Kinrara (Kuala Lumpur) • AHBC Suria 2 • Pavilion Mont' Kiara • Adisonwest P1 & P2 • Temasya Prisma • CLQ Senawang • MVS Southkey
Property Development	- Fajarbaru Land Sdn. Bhd. - Fajarbaru Real Development Sdn. Bhd.	• Vierra Residence @ Kinrara (Kuala Lumpur) • Desa Green @ Kuala Krai (Kelantan)
Logging & Timber Trading	- Billion Variety Sdn. Bhd.	• Timber Production Forest, Pahang

Operational Boundary
Direct emissions from sources within the operational-control boundary are classified as Scope 1. Emissions from purchased electricity consumed within that boundary are classified as Scope 2. Selected other indirect emissions are reported as Scope 3 Categories 6 and 7. Contractor emissions and activities outside operational control require separate value-chain assessment; they are not automatically included in Scope 1 or Scope 2.

INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

2. GROUP PROFILE VALUE CHAIN AND REPORTING BOUNDARIES (Cont'd)

2.4 Preliminary Climate Risks and Opportunities

Type	Activities Assessed	Potential Exposure	Assessment Status
Physical Risk	Construction and property development	Extreme rainfall and flooding may delay delivery, cause rework and increase operating costs.	Preliminary; site exposure, financial effects and response coverage remain to be completed.
Physical Risk	Logging and timber trading	Physical exposures have not been assessed to a final materiality conclusion.	Incomplete; no nil-risk conclusion is asserted.
Transition Risk	Three principal business activities	Carbon policy and low-carbon market requirements may affect suppliers, energy, transport, input costs and customer requirements.	Preliminary; no enacted tax rate or direct FBG liability is assumed.
Climate Opportunities	Three principal business activities	Opportunity screening is incomplete.	No final material opportunity conclusion; not evidence that opportunities are absent.

ENGAGEMENT

Stakeholders

Regular engagement helps us understand expectations, identify emerging concerns and improve our response.

3. STAKEHOLDER ENGAGEMENT AND MATERIALITY

Our stakeholders influence, and may be affected by, the Group's activities. We engage them through established business, governance and operational channels. The nature and frequency of engagement reflect the relationship and the matters being considered.

Stakeholder Group	Main Engagement Channels	Frequency
Board of Directors	Board and committee meetings, Annual General Meeting and sustainability briefings	Quarterly, annually and as required
Customers	Feedback channels, meetings, roadshows, project communication and digital platforms	Ongoing
Employees	Town halls, training, briefings, feedback sessions, appraisals and employee activities	Quarterly, annually and ongoing
Shareholders and Investors	Annual General Meeting, results announcements, media releases and investor communication	Quarterly, annually and as required
Local Communities	Community programmes, consultations and local engagement	Ongoing
Subcontractors, Vendors, Suppliers and Consultants	Tendering, meetings, written communication, site coordination and performance review	Ongoing
Financial Institutions	Financial briefings, meetings, results information and project financing discussions	Annually and as required
Regulators and Local Authorities	Consultations, meetings, working groups, approvals and progress reporting	Ongoing and as required
Industry Bodies	Meetings, workshops, seminars, forums and conferences	As required
Joint-Venture and Business Partners	Meetings, consultations, agreements and progress reporting	As required
Media	Media releases, corporate events and digital communication	As required

INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

3. STAKEHOLDER ENGAGEMENT AND MATERIALITY (Cont'd)

3.1 Stakeholder Engagement

Insights from stakeholder engagement are considered together with internal business information, operational experience, regulatory developments and industry guidance. These inputs support the review of material topics and the identification of sustainability-related risks and opportunities.

MATERIALITY

Our Material Sustainability Matters

We focus on the matters most relevant to our impacts, stakeholders and long-term business prospects.

3.2 Materiality Approach

Materiality guides the allocation of attention and resources across the Group's sustainability programme. FBG's existing material-topic framework considers environmental, social and governance impacts and stakeholder expectations. For the transition to IFRS S1, the Group is also assessing which sustainability-related risks and opportunities could reasonably be expected to affect cash flows, access to finance or cost of capital over time.

The assessment process considers the Group's business activities, resources and relationships across the value chain; operational experience; stakeholder input; applicable requirements; and industry guidance. The Group is strengthening the connection between topic-level ESG management and enterprise risk, strategy, budgeting and financial assessment.

Material Topics

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

INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

3. STAKEHOLDER ENGAGEMENT AND MATERIALITY (Cont'd)

Risks and Opportunities Assessment
A material ESG topic does not automatically represent a material sustainability-related risk or opportunity under IFRS S1. The Group's developing assessment considers the specific exposure, business consequence, likelihood, magnitude, time horizon, existing controls and potential financial pathway before management reaches a conclusion.

Climate Assessment
During FYE 2026, the Group considered climate-related physical and transition risks as part of its voluntary preparation for IFRS-based reporting. The assessment remained preliminary. Further operational and financial assessment and management review are required to finalise the risk and opportunity register, materiality conclusions and responses. This section does not describe a completed IFRS-compliant materiality assessment.

The developing assessment follows two steps:
- Step 1: identify sustainability-related risks and opportunities that could be reasonably expected to affect the Group's prospects over the short, medium, and long term.
- Step 2: identify material information, determination of the disclosures which are needed in relation to the sustainability-related risks and opportunities identified.

Step 1: Identification of sustainability-related risk & opportunities
The preliminary review considers the Group's activities and relevant upstream and downstream relationships using the sources outlined below. Its coverage, scoring and final conclusions remain under development.

1.1 Understand the Group's operations, resources and relationships	Understanding the context in which the Group operates forms the first step of the developing process. The Group considered its business activities and services provided as well as the geographical, legal and regulatory landscape of the operations. The Group also considered the resources that it depends on and the relationships that it has along its value chain. A high-level overview of the context considered as part of this assessment is summarised below: Key business: The group has multiple business units, with different business activities and focus. In this report, the preliminary assessment focuses on principal business activities; this does not redefine the consolidated reporting entity Regulations: due to the nature of the industry, the group different business unit must adhere to stringent regulatory requirements established by both federal and local government level.

INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

3. STAKEHOLDER ENGAGEMENT AND MATERIALITY (Cont'd)

1.1 Understand the Group's operations, resources and relationships (Cont'd)	Resources: Different business unit depends on different group of resources, in general, includes the following: • Building Sub-contracting partners, such as EPCC (Engineering, Procurement, Construction and Commissioning) partners, specialist contractor (earthwork, civil & structural, Mechanical & electrical, automations etc) • Non-building sub-contracting partners • Plant and equipment suppliers • Financing partners • Employees and sub-contractor employee
1.2 Identification of risks and opportunities	An input to the preliminary identification of the Group's risks and opportunities was the understanding of the Group's operations and its value chain. The Group considered whether its critical resource inputs, relationships and interdependencies with the value chain are subject to sustainability-related risks or whether they create opportunities that would affect the Group's ability to generate cash flows. The Group also considered other internal and external sources of information to identify whether there were any additional risks and opportunities. The sources consulted included the following, but not limited to: • Educational materials issued by the IFRS foundation related to IFRS S1 & S2 • Disclosure topics in the SASB standards for the "Home Builders", "Engineering & Construction services", and "Forest management" industry • Engagement with operational employees
1.3 Assess whether the risk and opportunities could reasonably be expected to affects the group's prospect	The intended disclosure process focuses on those sustainability-related risks and opportunities that could reasonably be expected to affect the Group's cash flows, access to finance or cost of capital (that is expected to affect the Group's prospects) would be disclosed following a completed materiality assessment. In making this assessment, the developing assessment considers a combination of: • the likelihood of the event occurring, and • the magnitude of the impact on the Group's financial prospects if the event did occur. For risks and opportunities that relate to uncertain future events, the Group considered a range of possible outcomes and would assess the likelihood of that range. Where there had been past incidents of an event, a higher likelihood may be assigned to a similar event occurring in the future.

INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

3. STAKEHOLDER ENGAGEMENT AND MATERIALITY (Cont'd)

Step 2: Identification of material information
After risks and opportunities are identified, the developing process considers which information would be material to investors, lenders and other creditors in relation to each matter.

The assessment considers qualitative and quantitative factors affecting cash flows, access to finance or cost of capital. The preliminary review has yet to be established a final approved materiality conclusion for every business activity.

The proposed process includes reassessment of materiality at each reporting date and when significant changes occur. Its implementation and review responsibilities remain to be finalised.

3.3 Priority Areas

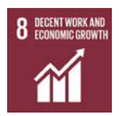
The Group continued to focus on anti-corruption and integrity, energy and water use, climate change, employment and training, and occupational safety and health. These priorities do not change the importance of the other material topics, which remain subject to ongoing management and performance monitoring.

INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

3. STAKEHOLDER ENGAGEMENT AND MATERIALITY (Cont'd)

3.4 Sustainable Development Goals

The previous Statement identified five United Nations Sustainable Development Goals as the foundation of the Group's sustainability priorities. These goals remain a contextual framework rather than a claim that the Group's activities fully achieve the goals or their targets.

Goal	Focus	Connection to FBG's Material Topics
	No Poverty	Employment, economic contribution and community relations
	Zero Hunger	Community support and plantation-related activities where relevant
	Decent Work and Economic Growth	Employment, training, worker well-being, safety and responsible business conduct
	Reduced Inequalities	Workforce diversity, fair treatment and migrant workers' well-being
	Sustainable Cities and Communities	Property development, construction quality, community relations and resource management

4. GOVERNANCE

GOVERNANCE

Sustainability Governance

Clear oversight and accountability support consistent decision-making across the Group.

4.1 Board Oversight

The Board of Directors has overall responsibility for the governance of sustainability. It is supported by the Board Sustainability Committee, which provides focused oversight of sustainability strategy, initiatives, material matters, performance and disclosures, and reports key developments to the Board.

4.2 Board Sustainability Committee

The Board Sustainability Committee was established in 2024 and is chaired by Datuk Yoo Wei How. Under its Terms of Reference, it comprises at least three Non-Executive Directors, a majority of whom are Independent Directors, and meets at least four times a year, with additional meetings convened when necessary.

The Committee's responsibilities include:

1. overseeing the Group's sustainability strategy and its alignment with business objectives and long-term direction;
2. recommending sustainability policies, standards and practices for implementation across the Group;
3. assessing sustainability-related risks and opportunities and supporting their integration into the Group's risk-management framework;
4. monitoring sustainability performance, goals, metrics and key performance indicators;
5. reviewing stakeholder communication on sustainability matters;
6. advising the Board and management on emerging sustainability developments; and
7. reviewing the accuracy, completeness and compliance of the Sustainability Statement.

4.3 Management Responsibility

Management is responsible for implementing the Group's sustainability direction and escalating material matters through the approved governance structure. The Sustainability Steering Committee comprises the Group Managing Director, Group Chief Executive Officer and Chief Financial Officer. The Sustainability Working Group comprises representatives from relevant business units and functions and supports implementation, monitoring, data collection and reporting. The Group Managing Director, Dato' Sri Kuan Khian Leng, is the designated management person responsible for providing strategic focus on sustainability and coordinating the integration of sustainability considerations into operations and decision-making.

INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

4. GOVERNANCE (Cont'd)

4.4 Data Ownership and Accountability

During the year, the Group continued to clarify accountability for sustainability information. The developing model assigns an accountable executive, an operational person in charge, a data owner and a verification or escalation pathway for material reporting areas. This work is intended to improve the traceability of information from source evidence to management review and disclosure.

Reporting Area	Primary Functions Involved	Oversight or Review
Governance and Disclosure	Sustainability, Finance, Company Secretary and Business owners	Board Sustainability Committee and Board
Occupational Safety and Health	Project leadership, Site management and HSE	Group HSE and relevant assurance functions
Workers and Accommodation	Operations, Group HR, Administration, Foreign Worker PICs and Site PICs	Group HR, HSE and management
Supply Chain and Subcontractors	Procurement, Contracts, Commercial and Project teams	Business leadership, legal and management
Financial Effects	Business owners, Risk and Finance	CFO, management and relevant Board committee
Performance Data	Material Topic PICs, Data owners and Sustainability	Management review and assurance functions

4. GOVERNANCE (Cont'd)

4.5 Climate Governance

Climate-related matters are overseen through the Board, Board Sustainability Committee, Sustainability Steering Committee and Sustainability Working Group described above. The Committee's minimum meeting frequency is a requirement of its Terms of Reference; it is not a statement of the number of climate reviews actually undertaken during FYE 2026.



Climate Oversight

Board of Directors
The Board retains overall responsibility for sustainability strategy and oversight. Climate-related risk assessment, scenario analysis, targets and financial implications form part of the developing reporting work. A complete record of how the Board considered these matters in strategic decisions and major transactions is yet to be disclosed.

The disclosures are yet to establish the climate-related information supplied to the Board during FYE 2026, the actual reporting frequency, the skills or training used to support oversight, or how climate trade-offs were considered in budgets and major investments. These operational details remain to be completed from the governance records.

Board Sustainability Committee
The Board Sustainability Committee's mandate includes strategy, risks and opportunities, performance and disclosure review as described above. Its mandate should be distinguished from the climate-specific activities actually undertaken during the reporting period, for which the detailed record remains incomplete.

Management Roles and Controls
The Sustainability Steering Committee coordinates management-level sustainability work and the Sustainability Working Group supports implementation, monitoring and data collection. Climate-specific data ownership, review controls, escalation thresholds and integration with other management functions are being developed; the report does not present these arrangements as fully operational Group-wide controls during FYE 2026.

4. GOVERNANCE (Cont'd)

4.6 Remuneration

The group has a dedicated board-level remuneration committee which is responsible for the development and implementation of the remuneration policy for the board, its committees, and management.

Employee appraisal forms include a sustainability component, while overall ratings inform the separate bonus and increment framework. These arrangements are not equivalent to a verified climate-specific remuneration metric.

The KPI allocation below is retained as a working responsibility map for sustainability and GHG reporting. It does not demonstrate that approved climate performance targets were allocated to every entity or individual during the year.

The coverage of the sustainability appraisal component and the approved basis for any bonus linkage remain to be reconciled with the remuneration framework.

The percentage of executive management remuneration specifically linked to climate-related considerations has not been established in this disclosure.

A proposed 10% sustainability weighting has been referenced in the working material. It is not presented as a confirmed FYE 2026 bonus weighting or as 10% climate-linked executive remuneration without supporting approval and remuneration evidence.

5. STRATEGY

IFRS S1 TRANSITION

Sustainability Related Risks and Opportunities
The Group is developing a structured assessment of sustainability matters that may affect its prospects.

5.1 Assessment Status

During FYE 2026, the Group began identifying and assessing sustainability-related risks and opportunities. The assessment remained preliminary at year end, and a final SRO register and risk-specific time horizons had not been approved. Working climate time-horizon definitions are presented under Basis of preparation; their approval and application to individual exposures remain outstanding.

The assessment should consider each matter's source, affected business activity, value-chain position, current and anticipated effect, likelihood, magnitude, time horizon, existing controls, planned response, metric and potential financial pathway. The result should then be considered alongside the Group's strategy, enterprise risks, business plans and financial reporting assumptions.

INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

Sustainability Matters Under Assessment
Climate-specific physical and transition matters are presented within the integrated Strategy and Risk management sections of this report.

Working Matter	Business Activities Potentially Affected	Possible Operational Effect	FYE 2026 Assessment Status
Safety and Worker Welfare	Construction, property development and relevant contractors	Injury, work interruption, enforcement action, worker retention and project delay	Under assessment; no final Group-level SRO conclusion
Product Quality and Building Integrity	Construction and property development	Defects, rectification, complaints, delay and reputational impact	Under assessment; no final Group-level SRO conclusion
Responsible Sourcing and Subcontractor Performance	Construction and property development	Material shortage or quality failure, labour or environmental non-conformance	Under assessment; no final Group-level SRO conclusion
Employment, Skills and Retention	All in-scope businesses	Capability gaps, recruitment difficulty, turnover and lower productivity	Under assessment; no final Group-level SRO conclusion
Data Integrity and Protection	Corporate functions and all digitally enabled operations	Loss, unauthorised access, reporting error or business disruption	Under assessment; no final Group-level SRO conclusion
Energy, Water, Waste and Pollution	Offices, construction sites and other in-scope operations	Higher operating cost, inefficiency, complaints, incidents or enforcement	Under assessment; no final Group-level SRO conclusion
Community and Project Acceptance	Construction and property development	Objection, complaint, approval or work disruption	Under assessment; no final Group-level SRO conclusion
Site Selection, Access and Infrastructure	Property development	Reduced development feasibility, delay, redesign or lower demand	Under assessment; no final Group-level SRO conclusion

INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

5. STRATEGY (Cont'd)

Ownership and Responses
The construction, property development and logging and timber trading templates contain the following proposed ownership and control arrangements. They demonstrate that management has begun mapping responsibility, but they are not presented as the final approved SRO register or as evidence that every control operated consistently throughout FYE 2026.

Working Matter	Proposed Accountable or Operating Functions	Control or Response Reflected in Working Papers
Construction Safety and Emergency Preparedness	Project Director; Site Project Manager; Site HSE; Group HSE or Internal Audit	Emergency equipment and procedures, training, drills, inspections, finding closure and escalation
Worker Accommodation and Welfare	Project Director; Site SHO; Administration	Accommodation inspection, capacity and condition review, safety controls, repairs and relocation alternatives
Diesel, LPG and Material Controls	Project Director; Site OSH; Asset Management; Procurement	Storage and separation controls, inspections, fuel-price monitoring and possible long-term supply arrangements
Subcontractor Performance	Procurement or Head of Contract and Tender; Contract Manager; Project Director or Legal	Contract requirements, monitoring, corrective action, disputes and escalation
Property Project and Community Impacts	Project and development management; Consultants; relevant site functions	Site selection and accessibility review, approvals, design coordination, complaints and dust, noise, water and traffic controls
Timber Traceability	Log-yard or site supervisors; Senior Operations Manager; Sales and Accounts	Tagging for each log, Log Receive Note from forest to yard and Log Delivery Note from yard to sawmill
Financial Assessment	CFO or Project General Manager; Finance; Sustainability; relevant management or Board engagement session	Identify cost, capex, claims, penalties, downtime, insurance, financing or tender pathways

5. STRATEGY (Cont'd)

Potential Mitigation and Opportunity Responses

Area	Action Reflected in Source Working Papers	Status
Safety Awareness and Training	Provide and budget for safety awareness and training; Finance to consolidate relevant budget information	Owner, scope and timing to be approved
Worker Accommodation	Budget for relocation or alternatives where required, including coordination with the main contractor	Affected sites and funding is under assessment
Fuel and Materials	Monitor prices and consider longer-term supply agreements	Commercial assessment in progress
Waste and Housekeeping	Monitor site conditions, customer complaints, insurance and recurring costs	Working control; coverage and evidence under assessment
Data Controls	Standardise collection, definitions, source evidence and verification	Implementation in progress
Timber Traceability	Use Tagging, Log Receive Notes and Log Delivery Notes across the stated custody stages	Working process; active operations is in order with log

INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

5. STRATEGY (Cont'd)

IFRS S1 TRANSITION

Strategy Metrics and Financial Connection

Decision-useful reporting requires clear links between material sustainability matters and business performance.

5.2 Strategic Responses and Plans

The Group's material-topic working documents identify current and proposed actions for selected priorities. Proposed actions remain subject to the completion of the SRO assessment, assignment of accountable owners and approval of implementation timetables.

Priority Topic	Current or Proposed Action Reflected in Records	FYE 2026 Status
Anti-Corruption and Integrity	ISO 37001:2025 implementation in progress; gap analysis completed on 28 April 2026; awareness training held on 23 June 2026; corruption-risk assessment form under development; certification targeted for April 2027	Re-review of the relevant policies, frameworks, and procedures currently under development. Certification targeted for April 2027
Energy and Water Use	Energy and Water Use Policy drafted; proposed actions include replacing failed air-conditioning units with inverter models and reviewing office water fittings	Policy drafted; measurement method is in progress
Climate Change	Risk assessment and scenario analysis from FYE 2026; digital GHG inventory proposed for FYE 2027	Reported in the integrated climate-related disclosures
Employment and Training	Annual training target of 14 hours	Target unchanged; reported result covers the 238-person main employment workbook
Occupational Safety and Health	Ongoing awareness programme	Regular activities record is in progress, record is safe keep in HQ

5. STRATEGY (Cont'd)

5.3 Climate Risks and Opportunities

Physical Risk From Flooding

Risk Description
The nature of construction and property development business segment involves land development, which are often expose to the risk of floods.

Management reports that no flood disruption affected the projects described in this assessment during FYE 2026. This does not establish that the Group has no flood exposure or that no flood-related financial effect could arise. Flooding may delay delivery and increase recovery or rework costs.

Currently, the risk of flood affects the construction and property development business. The risk varies depending on the geographical location of the project.

Management reports that consultant-supported feasibility studies consider flood exposure when assessing land for development. The scope and project coverage of this control remain to be documented.

Business Model and Value Chain Effects
Management reports no flood disruption to the construction and property-development projects covered by the current assessment during FYE 2026. Site-level exposure varies and the conclusion is limited to that assessed coverage.

In the event such risk occurred, it is anticipated to affect the construction delivery, especially during the land work stage. Strong rainfall might result in unsafe working condition, which lead to delay of project delivery.

Management reports that storm-water drainage measures and Early Contractor Involvement ("EIC") have been implemented to support project planning and flood-risk management. These operational measures do not establish that residual flood exposure has been eliminated. Their site coverage and effectiveness require supporting records.

Strategy and Decision Making
The identified flood responses include the measures below. They are presented as operational mitigation or proposed project requirements, rather than as a formally approved Group climate transition or adaptation plan. Related budgets, implementation coverage and performance measures remain to be completed.

Grading and Sloping:
Shape the ground to slope away from foundations and active work zones, directing rainwater toward designated runoff paths.

Storm Water Drainage System:
Each project undertaken shall be constructed with proper drainage system to allow rapid draining of storm water.

INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

5. STRATEGY (Cont'd)

Financial Effects of Flooding
Current Financial Effects:
Current flood-related financial effects have not been separately quantified. Management reports insurance coverage for flood risk, but coverage alone does not establish zero financial effect. Deductibles, exclusions, uninsured delay, rework and the timing of claim recovery must be assessed against the applicable policies and project records.

Anticipated Financial Effects:
Potential anticipated effects include additional drainage or adaptation expenditure, recovery and rework costs, project delay, delayed receipts and insurance costs. Relevant financial statement areas may include contract revenue, cost of sales, inventories or development costs, receivables, property and equipment, provisions and cash flows. Amounts or ranges are yet to be available because site exposure, response costs and insurance assumptions have not been integrated into a completed Finance assessment. This is a disclosure gap, not a finding that the effects are nil or a substantiated quantitative-disclosure relief.

Transition Risk From Carbon Policy and Market Requirements

Risk Description
During the reporting period, Malaysia's announced carbon-tax policy direction identified the iron, steel and energy sectors. This assessment treats possible carbon-pricing costs and supplier pass-through as transition-risk assumptions; it does not assert that a tax was enacted, applied directly to FBG or incurred by the Group during FYE 2026. Implementation details and subsequent policy developments must be assessed up to the date the report is approved.

In addition, capital providers and infrastructure asset owners increasingly prefer low-carbon projects, and ESG (Environmental, Social, Governance) – conscious customers may exclude high-carbon suppliers. This creates a transition risk that, if unmanaged, may reduce the Group's competitiveness in tenders and increase construction costs.

The market's transition toward low-carbon materials and the imposition of carbon taxes could potentially increase the Group's construction costs as suppliers would include these costs in their pricing. This risk would become more pronounced when project requirements mandate low-carbon criteria and there is a scarcity of suppliers offering these materials. As a result, the Group's ability to remain competitive in bidding processes may be impacted, necessitating strategic adaptations to secure future contracts while adhering to environmental standards.

Business Model and Value Chain Effects
This risk impacts the Group's value chain primarily in upstream procurement and core construction operations:

- Upstream: Suppliers of cement, steel, and aggregates, which represent significant embodied carbon are under pressure to decarbonise their manufacturing processes. The Group relies on these inputs from suppliers and may face material cost escalation as suppliers invest in cleaner technologies in addition to payment of carbon taxes.

INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

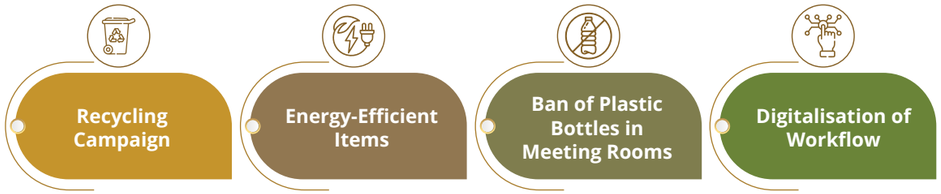
5. STRATEGY (Cont'd)

- Construction activities: On-site construction activities involving heavy machinery and diesel consumption contribute to direct emissions (Scope 1) and indirect emission through use of purchased electricity (Scope 2) for construction activities.

- Downstream: Commercial and infrastructure projects customers are increasingly setting lifecycle carbon performance requirements, making carbon disclosures and material sourcing transparency essential in the Group's bids.

Without mitigating actions, the Group also risks reputational harm among stakeholders who expect alignment with climate goals, and a gradual misalignment of its traditional construction-focused business model with the emerging global demand for low-carbon, climate-resilient infrastructure.

Strategy and Decision Making
Management is considering electricity-related measures at headquarters, including the proposed Energy and Water Use Policy and replacement of failed air-conditioning units with inverter models. These proposals are not presented as a completed decarbonisation programme, and no measured emissions reduction is claimed.



Decarbonisation Targets
An approved Group-wide decarbonisation target has not been established in this disclosure. A proposal concerning HQ electricity remains under consideration and is subject to approval of its baseline, scope, method, funding, target year and interim milestones. It is not presented as an approved 50% decarbonisation or net-zero commitment.

Internal Carbon Pricing
Internal carbon pricing remains under consideration as a possible tool for capital budgeting and project evaluation. The disclosure does not establish that an approved shadow price was applied during FYE 2026.

No approved internal carbon price is presented. The earlier RM50 per tonne of CO_2e reference and the suggestion to use a BCX median are proposals requiring Board consideration; neither is treated as an adopted policy or a statutory carbon-tax rate.

Any future internal carbon price would require an approved methodology, pricing source and reference date, decision-use scope and review process. Its eventual adoption and application should be disclosed separately from market prices or government tax proposals.

5. STRATEGY (Cont'd)

Transition Risk Financial Effects
Current Financial Effects:
Current financial effects attributable to this transition risk have not been separately quantified. The assessment does not establish a direct FYE 2026 carbon-tax liability for FBG, but it has not isolated indirect supplier-price, financing or tender-related effects. A zero-impact conclusion is therefore not presented.

Anticipated Financial Effects:
Potential anticipated effects include changes in material and energy costs, tender eligibility, pricing, project margins, working capital and expenditure on lower-carbon or efficiency measures. Relevant financial statement areas may include revenue, cost of sales, inventories or development costs, capital expenditure and cash flows. Quantification remains incomplete because the applicable policy assumptions, supplier pass-through, project demand and response budgets have not been linked to a completed Finance assessment. No quantitative-disclosure exemption is asserted solely on the basis of familiarisation with the standard.

5.4 Scenario Analysis and Climate Resilience

The preliminary resilience assessment considers a range of possible physical and transition conditions. Scenario assumptions are analytical inputs and should not be presented as forecasts or as confirmation of a particular carbon-tax implementation timetable.

A preliminary scenario exercise used SSP1–1.9 and SSP5–8.5 to inform discussion of transition and physical exposures. The Group is still refining the analysis and has not finalised a site- or segment-level resilience conclusion. The descriptions below explain the scenario framing only; they are not substitutes for the analysis outputs. Scenario sources, scope, dates, time horizons, key assumptions, uncertainties, results and implications for strategy and resources remain to be completed before a full IFRS S2 resilience disclosure can be made.

Climate scenarios are usually considered as either 'high transition/low physical risk' or a 'low transition/high physical risk'. This is because the more acute the requirements to reduce GHG emissions, the less warming that will occur, and vice versa.

The group has performed its scenario analysis using the assumptions set out in the SSP1–1.9 (high transition risk) and SSP5–8.5 (high physical risk) scenarios.

SSP5–8.5 is used here as a high-emissions pathway to explore elevated physical-risk exposure. The associated FBG assessment assumptions and geographic application remain to be documented; the pathway label alone does not establish the policies or impacts applicable to each site.

Under a high-emissions pathway, physical exposures may intensify over time, including acute rainfall and flood events and chronic changes in climate conditions. The Group has yet to be disclosed quantified or site-specific outcomes, uncertainty ranges or the implications for its capacity to adapt.

5. STRATEGY (Cont'd)

SSP1–1.9 is used here as a stringent low-emissions pathway to explore transition pressures associated with limiting warming to approximately 1.5°C. It is not a forecast that every jurisdiction will implement identical policies or carbon prices.

The preliminary transition discussion considers policy change, energy and technology shifts, supplier responses and customer expectations. FBG-specific assumptions and results remain to be validated. Residual physical risks remain relevant under a low-emissions pathway. No final conclusion that the Group's strategy is climate-resilient is asserted.

6. RISK MANAGEMENT

6.1 Risk Management Integration

The Group intends to integrate approved sustainability-related risks and opportunities into its established risk-management and decision-making processes. The groupwide process remained under development during FYE 2026. Proposed elements include accountable owners, escalation thresholds, response plans, monitoring indicators and periodic reassessment when business conditions change.

Existing operational controls continued to be managed through the relevant functions and sites. The proposed groupwide SRO integration process described above was not yet fully operational during FYE 2026 and is presented as a future implementation direction.

6.2 Developing Assessment Process

The developing identification and materiality approach is described under Stakeholder engagement and materiality and the preliminary exposures under Strategy. It is not presented as a fully implemented Group-wide climate risk-management process.

The proposed assessment would consider the nature, likelihood and magnitude of exposures using qualitative information and quantitative data where available. Inputs, scoring parameters, geographic coverage and assessment frequency remain to be finalised.

The Group intends to integrate approved sustainability and climate risks into its overall risk-management process. A final register, prioritisation methodology and monitoring arrangements were not fully operational during FYE 2026.

Proposed prioritisation criteria include likelihood, severity, potential financial effects, operational disruption and regulatory change. Their approval and consistent application across business units remain outstanding.

Following approval, accountable management functions would monitor and escalate the identified risks and opportunities through the Sustainability Steering Committee and the appropriate Board forum. The final reporting frequency, thresholds and relative prioritisation against other enterprise risks remain to be established.

INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

6. RISK MANAGEMENT (Cont'd)

Planned monitoring would use defined owners, metrics, response milestones and reassessment triggers. These arrangements are future implementation actions and are not represented as having operated consistently during FYE 2026.

6.3 Climate Processes and Controls

Existing operational controls continue through the relevant business functions and sites. The developing Group-wide climate process is intended to connect those controls with materiality, scenario analysis, enterprise risk assessment and management decisions.

The preliminary scenario exercise informed climate-risk discussion. It has yet to be established a fully operational scenario-based risk-identification, assessment and monitoring system. The extent of future scenario use, data inputs and control responsibilities remain to be documented.

Climate-related opportunities remain under assessment. The Group has not completed a documented opportunity-screening and prioritisation process and does not present the absence of a final opportunity disclosure as evidence that no material opportunities exist.

7. METRICS AND TARGETS

7.1 Metrics and Target Policy

The available metrics are presented with their measurement units, reporting populations and limitations. Definitions, methods, data ownership and review controls are being strengthened. A complete set of approved climate performance metrics and targets has not yet been established.

No unapproved climate target is presented as an established commitment. The HQ electricity proposal and internal carbon-price consideration are described under Strategy. For broader sustainability matters, the annual training target is 14 hours; energy and water actions remain proposed measures rather than quantified performance targets.

7. METRICS AND TARGETS (Cont'd)

7.2 Financial Effects

Current and anticipated financial effects of the sustainability matters under assessment have not been quantified. Qualitative flood and transition pathways are described under Strategy. Their materiality, financial-statement connections and amounts or ranges require further assessment by Finance and business owners. Incomplete quantification is not presented as proof of nil effects or as an established IFRS quantitative-disclosure relief.

Potential Financial Pathway	Evidence to Assess	Responsible Input
Revenue and Demand	Sales pipeline, tender eligibility, customer requirements, cancellations and pricing	Business Units and Finance
Operating Cost	Utilities, waste, training, monitoring, insurance, maintenance and remediation	Operations, Procurement and Finance
Project Cost and Margin	Material escalation, rework, delays, liquidated damages and contractor performance	Project, Commercial and Finance
Capital Expenditure	Efficiency upgrades, compliance equipment, design changes and resilience measures	Operations, Business Owners and Finance
Assets and Provisions	Impairment indicators, restoration obligations, claims, penalties and provisions	Finance and Legal
Financing and Liquidity	Covenants, lender requirements, cost of capital and access to finance	Finance

INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

7. METRICS AND TARGETS (Cont'd)

7.3 Greenhouse Gas Emissions

Preliminary Gross GHG Inventory
FYE 2026 amounts pending boundary and calculation validation

Preliminary Emissions in tCO_2e		1 July 2025 - 30 June 2026
Scope 1 GHG Emission		
	Reported consolidated activity coverage	99.297 tonne CO_2e
	Other investees - coverage not verified	Not established
Reported Scope 1 subtotal		99.297 tonne CO_2e
Scope 2 (Location-based) GHG Emission		
	Reported consolidated activity coverage	826.199 tonne CO_2e
	Other investees - coverage not verified	Not established
Reported location-based Scope 2 subtotal		826.199 tonne CO_2e
Selected Scope 3 categories		
	Category 6 – Business travel	19.913 tonne CO_2e
	Category 7 – Employee commuting	525.508 tonne CO_2e
Subtotal of reported Scope 3 Categories 6 and 7		545.421 tonne CO_2e
Combined reported Scope 1, Scope 2 and selected Scope 3 amounts, incomplete inventory		1,470.917 tonne CO_2e Arithmetic subtotal of displayed figures

Note 1: Activity coverage: the preliminary emissions inventory lists HQ, Temasya Prisma, Pavilion Mont' Kiara, Batu Kawan Suria 2, JB City Square, logging and timber trading activities, Potential Region, MVS Southkey, JH Adison, plantation, Duta Park, Vierra Residence, CLQ Senawang and Desa Green. This is a workbook activity list, not a verified entity or operational-control register. Plantation records are included in this preliminary GHG coverage but excluded from the general ESG performance population. The entity mapping, sites, contractor treatment and any overlap between construction and development must be reconciled before the inventory is finalised.

Note 2: Scope 3 coverage: only Category 6 (business travel) and Category 7 (employee commuting) have been calculated. Their subtotal is not total Group Scope 3 emissions. The combined amount is the sum of the disclosed preliminary Scope 1, location-based Scope 2 and selected Scope 3 figures only, not a complete Group carbon footprint.

Note 3: Due to operational change, hence there is a re-establishment of baseline.

7. METRICS AND TARGETS (Cont'd)

Contractual Instruments
For this reporting period, the group have not acquired or retired any carbon credit nor any renewable energy certificate.

Calculation Methodology
The preliminary Scope 1, Scope 2 and selected Scope 3 estimates use calculation methods based on activity data and emission factors. The figures are retained from the current calculation pending verification of the underlying workbook, activity records, assumptions, reporting cut-off and duplicate entries. Utility-charge files alone do not establish kWh consumption; the separate activity-data basis for the Scope 2 calculation remains to be verified. No conversion of monetary charges into consumption is assumed in this Statement.

Only a location-based Scope 2 amount is presented. It is calculated using the stated grid-emission factor. No separate market-based result is claimed. Management reports no acquisition or retirement of renewable energy certificates during the period; the absence of certificates does not by itself establish that no other contractual electricity instruments existed, and that assessment remains to be completed.

The selected Scope 3 calculations use the methods below. Screening of all fifteen categories and the completeness of the travel and commuting populations remain to be completed.

Activity Data and Emission Factors

	Methodology	Activity Data	Emission Factors
Scope 1	Activity-based calculation; source data pending verification	- Gas fuel - Liquid fuel (Petrol & Diesel) - Company Vehicle - Refrigerant & AC - Fire suppression system	UK Government GHG conversion factors for company reporting (2026)
Scope 2	Activity-based calculation; source data pending verification	- TNB electricity supply	Grid emission factor (ST-2024)
Scope 3 - Category 6 (business travel)	Hybrid method - Distance based - Spend based	- Air travel - Land travel	ICAO GHG calculator & UK Government GHG conversion factors for company reporting (2026)
Scope 3 - Category 7 (employee commuting)	Distance based	- Survey	UK Government GHG conversion factors for company reporting (2026)

INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

7. METRICS AND TARGETS (Cont'd)

Global Warming Potential Values
The calculation methodology references 100-year GWP values from IPCC AR6. The final factor register must establish which gases and GWP versions are embedded in each DEFRA, grid and ICAO factor and avoid applying a second GWP conversion to factors already expressed in CO_2e. The table identifies the factor sources currently referenced; factor applicability, version, units and calculation consistency remain subject to verification.

7.4 Other Climate Metrics and Target Status

The following climate metrics are not yet fully established. An unavailable amount is not reported as zero, and preliminary assessment does not demonstrate immateriality.

Climate Metric or Target	Current Disclosure Position
Transition-Risk Exposure	Amount and percentage of assets or business activities vulnerable to transition risks have not been quantified.
Physical-Risk Exposure	Amount and percentage of assets or business activities vulnerable to physical risks have not been quantified; site-level exposure assessment remains incomplete.
Climate Opportunities	No final materiality conclusion or amount and percentage of aligned assets or activities is available.
Capital Deployment	Climate-related capital expenditure, financing and investment have not been separately consolidated or reconciled to Finance records.
Internal Carbon Price	Under consideration; no approved price or demonstrated FYE 2026 decision-use is presented.
Climate-Linked Remuneration	Percentage of executive management remuneration linked to climate considerations has not been established.
Industry-Based Metrics	Relevant Home Builders, Engineering and Construction Services and Forest Management guidance has been referenced. Applicability and the required metric definitions, coverage and amounts remain to be completed.
Climate Targets	Group-wide target not established in this disclosure; HQ electricity proposal requires an approved baseline, scope, method, target year, milestones and resources.

8. PERFORMANCE BY MATERIAL TOPIC

GOVERNANCE

Ethical and Responsible Business

Integrity, transparency and accountability support long-term trust in the Group.

8.1 Anti-Corruption and Integrity

The Group maintains policies and channels that support ethical conduct, including the Code of Conduct and Ethics, Anti-Bribery and Anti-Corruption Policy, No-Gift Practice, Facilitation and Extortion Payment Policy, Donation and Sponsorship Policy, Whistleblowing Policy and internal grievance arrangements. Employees and business associates are expected to comply with the Group's standards and applicable laws.

The Group continued to strengthen its anti-bribery management arrangements during FYE 2026. An Anti-Bribery Management System gap analysis was undertaken on 28 April 2026 and awareness training was conducted on 23 June 2026. The implementation programme, including the re-review of the relevant policies, frameworks, and procedures currently under development, remained in progress at year end. The Group is targeting ISO 37001:2025 certification by April 2027.

During FYE 2026, anti-bribery and anti-corruption training was recorded for 45 managerial employees, 21 executives and 5 non-executives, representing 60.8%, 15.6% and 17.2% of the respective employee categories. No operations were formally assessed for corruption-related risks because the assessment framework and form were still under reviewed. During FYE 2026, the Company investigated and confirmed 1 incident involving corrupt conduct between an employee and subcontractors. The investigation has been concluded and appropriate action has been taken in respect of the matter. The Company remains committed to upholding its anti-bribery and anti-corruption standards and will continue to strengthen its internal controls and preventive measures to mitigate corruption risks.

Anti-Corruption Indicator	FYE 2024	FYE 2025	FYE 2026
Managerial Employees Trained	59%	12 employees | 18%	45 employees | 60.8%
Executive Employees Trained	32%	25 employees | 21%	21 employees | 15.6%
Non-Executive Employees Trained	0%	2 employees | 12%	5 employees | 17.2%
Operations Assessed for Corruption-Related Risks	0%	0%	0% - re-review of framework in progress
Confirmed Incidents of Corruption	0	0	1

INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

8. PERFORMANCE BY MATERIAL TOPIC (Cont'd)

Whistleblowing and Grievance Mechanisms

The Group's Whistleblowing Policy provides a secure and confidential channel for employees and external stakeholders to report suspected misconduct, unethical behaviour, fraud, corruption or other breaches. Reports made in good faith are protected from retaliation, and the policy sets out the investigation and escalation process. The policy is published on the Company's corporate-governance webpage. The Corporate Governance Report records that no whistleblowing reports were received during FYE 2026.

Data Integrity and Protection

Data integrity and protection are increasingly important as the Group expands the use of digital platforms and centralised information. The Group's digital-transformation direction includes ERP implementation, data centralisation, Microsoft 365 and cloud-based document management. Construction operations also use Building Information Modelling to support collaboration and project implementation.

For sustainability reporting, the Group is strengthening data ownership, source-document retention, review and escalation. These controls are intended to improve the consistency and traceability of information used by management and disclosed to stakeholders.

INNOVATION AND DATA

Digital Transformation and BIM

Digital tools support information quality, coordination and more efficient project delivery.

8.2 Digital Systems and Collaboration

During FYE 2026, Phase One of the Group's enterprise resource planning programme went live for Finance and Procurement. The licence was activated on 1 July 2025 and the new ERP operated in parallel with the existing system during the reporting period to support transition and data validation. A human-resources system was also live across the Group for employee management, leave and attendance.

The Group also continued to use Microsoft 365, OneDrive and SharePoint to support communication, document control and collaboration. Asset Management and Budget Management modules are identified as the next implementation phase. As these are forward plans, this draft does not describe them as operational during FYE 2026.

Digitalisation can reduce manual processing and improve the accessibility and traceability of information, but it also increases the importance of access controls, master-data governance, retention rules, cybersecurity awareness and incident management. The Group will continue to align the use of digital systems with its data-protection and record-management responsibilities.

Building Information Modelling

Building Information Modelling supports collaboration among design, construction and project teams. It can help teams identify inconsistencies earlier, reduce avoidable errors and rework, improve coordination and support more efficient use of materials and time.

8. PERFORMANCE BY MATERIAL TOPIC (Cont'd)

Digital Area	FYE 2026 Position From Supplied Update	Sustainability Relevance	FYE 2026 Status
ERP	Finance and Procurement Phase One went live on 1 July 2025 and operated in parallel with the existing system during the year	Data consistency, purchasing visibility and reporting traceability	Operational; transition controls and entity coverage to be documented
HR System	Live across Group companies for employee management, e-leave and attendance	Workforce data, record consistency and access control	Operational during FYE 2026
Microsoft 365	Communication and productivity	Standardised collaboration and controlled access	Available to Group employees through HOD-approved onboarding
OneDrive and SharePoint	Document storage and collaboration	Evidence retention and version control	Deleted-user retention follows Microsoft defaults of 30 days plus 93 days in deleted items; SharePoint access requires an HOD-approved form
BIM	Design and construction coordination	Reduced errors and rework, quality and resource efficiency	Used for collaboration in project implementation; measured outcomes not yet quantified

Data Integrity and Privacy Performance
For FYE 2025, the Group reported zero substantiated complaints concerning breaches of customer privacy and losses of customer data. During FYE 2026, the Group appointed a Data Protection Officer in line with the Personal Data Protection Act 2010 and recorded three substantiated complaints concerning customer privacy and/or customer data. All three cases were investigated and resolved, with no material impact reported. The Group subsequently strengthened relevant controls, procedures and staff awareness measures.

INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

8. PERFORMANCE BY MATERIAL TOPIC (Cont'd)

ECONOMIC AND SUPPLY CHAIN

Responsible Value Creation
We seek to support economic activity and strengthen relationships across our supply chain.

8.3 Economic Contribution and Sourcing

Through our business activities, employment, procurement, taxes, payments to suppliers and community contributions, FBG contributes to the economies and communities in which we operate. Current-year data collection includes donations, sponsorships, contributions, beneficiaries and fines or settlements.

FYE 2026 Contribution Register
FBG confirmed community contributions, sponsorships and donations of RM218,452 across 36 records for FYE 2026. Management also reported 36 beneficiaries for the period.

Indicator	FYE 2025 Comparative	FYE 2026 Working Result
Community investment or related contributions	RM315,923	RM218,452
Beneficiaries	35	36

Responsible Sourcing and Buying
Our projects and operations depend on subcontractors, vendors, suppliers and consultants. We engage these parties through procurement, tendering, contracting, project coordination and performance-management processes. Relevant considerations include quality, safety, worker welfare, legal compliance, environmental performance and supporting information.

During FYE 2026, the Group continued to map responsibilities for subcontractor and supplier controls across procurement, contracts, commercial, project and site functions. At year end, the supplier and subcontractor ESG assessment form remained under development. Formal ESG screening and the related corrective-action process had therefore not yet commenced.

The Group reported that 100% of supplier expenditure was directed to local suppliers in both FYE 2025 and FYE 2026. The FYE 2026 result is based on management's confirmation that all suppliers within the covered spend population were local.

8. PERFORMANCE BY MATERIAL TOPIC (Cont'd)

Procurement Indicator	FYE 2025 Comparative	FYE 2026
Proportion of Spending on Local Suppliers	100%	100%
Supplier or Subcontractor ESG Screening Coverage	Not separately quantified	Work in progress; ESG assessment form under development
Suppliers or Subcontractors Requiring Corrective Action	Not separately quantified	Not yet assessed because the ESG screening process has not been finalised

Potential Business Relevance

Matter	Possible Operational Consequence	Potential Financial Connection
Material Availability and Quality	Delay, rework or failure to meet project requirements	Cost increases, liquidated damages, margin pressure or revenue delay
Subcontractor Controls	Safety, welfare, environmental or contractual non-conformance	Supervision and remediation cost, disputes, penalties or project delay
Customer and Tender Requirements	Need for credible ESG and emissions information	Tender qualification, customer retention, pricing and access to opportunities
Supply-Chain Transition	Higher-cost or limited lower-carbon materials and services	Cost of sales, capex, margin and working-capital effects

INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

8. PERFORMANCE BY MATERIAL TOPIC (Cont'd)

SOCIAL

Occupational Safety and Health

Safe operations depend on effective controls, competent people and timely corrective action.

8.4 Occupational Safety and Health

Occupational safety and health is a core value and a material topic for the Group. FBG Builder Sdn Bhd maintains an occupational health and safety management system certified to ISO 45001:2018 for project management in design and development, civil, structural, building and infrastructure construction works. The certificate supplied for this report was issued on 15 August 2025 and expires on 2 September 2028, subject to successful surveillance audits.

Safety responsibilities extend from Group and project leadership to site management, OSH or HSE personnel, workers and subcontractors. Site controls include emergency preparedness, equipment servicing, evacuation arrangements, worker accommodation, hazardous-material management, housekeeping and finding closure.

Operational Safety Practices

The previous Statement described a cross-division construction meeting held monthly, site safety and health committee meetings held at least quarterly, site inspections and toolbox briefings, and weekly safety audits. It also referred to training on emergency evacuation, forklift safety, firefighting and chemical handling, together with the use of the Safety and Health Assessment System in Construction.

FYE 2025 Safety Performance Baseline

The following site-level figures were reported for FYE 2025 and are retained as comparative context.

Project or Site	Hours Worked	Fatalities	Lost Time Injuries	LTI Rate
Vierra Residence	2,581,856	0	0	0
Pavilion Mont' Kiara	1,480,510	0	0	0
Temasya Prisma	177,376	0	0	0
Suria 2	261,984	0	0	0
Adison	858,156	0	0	0
CLQ Senawang	23,656	0	0	0

8. PERFORMANCE BY MATERIAL TOPIC (Cont'd)

The FYE 2025 table reported no fatalities and no lost-time injuries at the listed sites. This statement is limited to the sites and indicators shown; it is not a substitute for complete FYE 2026 incident data or Group-wide contractor coverage.

FYE 2026 Safety Performance

Project or Site	Hours Worked	Fatalities	Lost Time Injuries	LTI Rate
Vierra Residence	-	0	0	0
Pavilion Mont' Kiara	4,392,230	0	0	0
Temasya Prisma	972,338	0	0	0
Suria 2	1,220,113	0	0	0
Adison	2,968,856	0	0	0
CLQ Senawang	-	0	0	0
RMAF	599,132	0	0	0
JGCC Club House	1,446,755	0	0	0
Setia Alaman R&D	140,680	0	0	0
JB City Square	134,700	0	0	0
Temasya Alpine 2	22,256	0	0	0
Midvalley Southpoint Hotel	155,980	0	1	0

8.5 Employment and Workforce

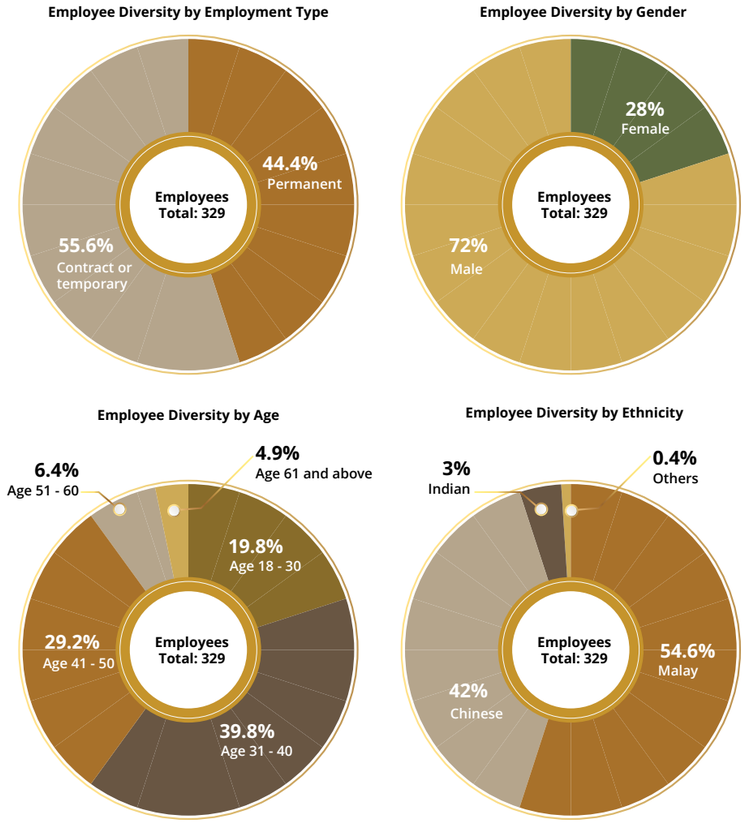
The Group values a diverse workforce and seeks to provide fair employment, development opportunities and a respectful working environment. Current-year data collection covers employment type, gender, age group, employee category, new hires, turnover, parental leave, performance reviews and human-rights complaints.

The supplied FYE 2026 employment workbook covers nine entity worksheets and records 238 employees: 146 permanent and 92 contract or temporary employees. A separate workbook records 91 direct foreign workers, all male and classified as contract or temporary employees. Management confirmed that the two populations do not overlap. The combined FYE 2026 direct-employee population is therefore 329.

INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

8. PERFORMANCE BY MATERIAL TOPIC (Cont'd)

FYE 2026 Workforce

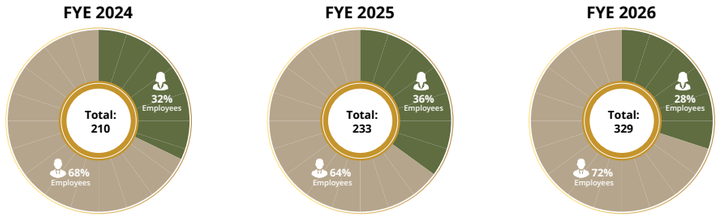


FYE 2025 Workforce Baseline

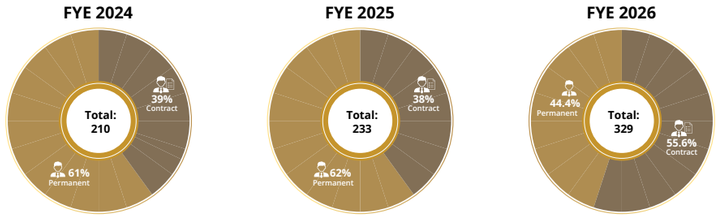
The Group reported 233 employees at 30 June 2025, compared with 210 in FYE 2024. The FYE 2026 total of 329 includes the separately maintained 91-person direct foreign-worker population and is therefore not directly comparable with prior periods unless the earlier reporting boundaries included the same population.

8. PERFORMANCE BY MATERIAL TOPIC (Cont'd)

Employee Diversity by Gender

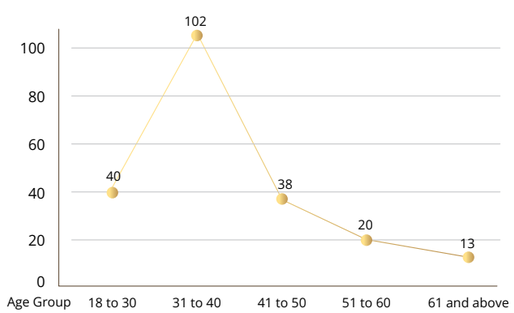


Employee Diversity by Employment Type



The FYE 2025 employee population comprised 31 non-executives, 131 executives and 71 managerial employees. By employee category, men represented 68% of non-executives, 56% of executives and 75% of managerial employees; women represented 32%, 44% and 25%, respectively.

Employee Diversity by Age Group



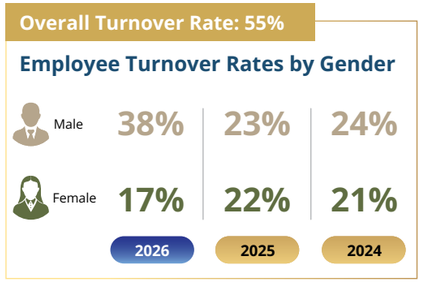
The previous Statement also reported the FYE 2025 workforce as 58% Malay, 39% Chinese and 3% Indian. These categories and percentages should be retained only if they remain consistent with the Group's approved reporting approach and source records.

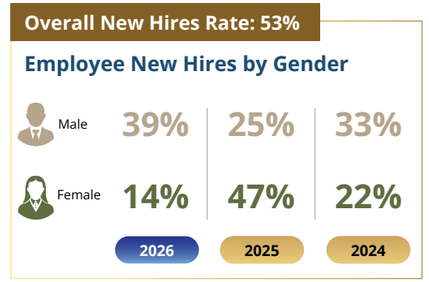
INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

8. PERFORMANCE BY MATERIAL TOPIC (Cont'd)

Board Diversity Comparative
For FYE 2025, the Board was reported as 78% male and 22% female. The FYE 2026 FBG Holdings worksheet records nine directors: seven male and two female, with three aged 41 to 50, two aged 51 to 60 and four aged 61 and above. These working figures must be reconciled to the Directors' Profile and corporate governance disclosures in the Annual Report.

New Hires and Turnover
The employment workbook records 53 new hires and 55 employee turnover events during FYE 2026. The gender breakdown reconciles to 39 male and 14 female new hires, and 38 male and 17 female turnover events. Rates are not presented because the approved methodology and denominator have not been confirmed.





In FYE 2025, the reported turnover rates by employee category were 34% for non-executives, 21% for executives and 20% for managerial employees. The reported new-hire rates were 34%, 41% and 16%, respectively.

Training and Development
Learning and development supports employee capability and business performance. The main employment workbook records 3,306 training hours during FYE 2026: 44 hours for non-executives, 1,848 hours for executives and 1,306 hours for managerial employees. Based on the 238-person population covered by that workbook, the average is 14 hours per employee, equivalent to 99.2% of the 14-hour annual target. The separate foreign-worker workbook records no training hours; because the coverage and completeness of that entry have not been established, it is not interpreted as evidence that no training occurred and no combined Group average is presented.

Training undertaken during the year covered professional and technical development, regulatory and data-protection capability, sustainability and anti-bribery awareness, occupational safety, health and environmental matters, employee development, and environmental education. Participation and completion records should support the final disclosure by category.

8. PERFORMANCE BY MATERIAL TOPIC (Cont'd)

Training Performance Comparative

Training Indicator	FYE 2024	FYE 2025	FYE 2026
Total Training Hours	2,137	3,247	3,306 - main employment workbook
Average Training Hours Per Employee	12	18 excluding non-executives	14 hours - based on 238 employees
Executive Training Hours	Not stated	1,906	1,848 - main employment workbook
Managerial Training Hours	Not stated	1,341	1,306 - main employment workbook

Performance and Career Development
Performance appraisals are used to review employee contribution and development. Employees may be assessed on their participation in and contribution to sustainability practices relevant to their roles, including waste reduction, resource conservation, digitalisation and other ESG-related initiatives. The supplied appraisal forms include a sustainability component, while overall performance ratings inform the separate bonus and increment framework.

The main employment workbook records 201 employees as having received performance reviews: 123 male and 78 female. The separate foreign-worker workbook records performance reviews for all 91 direct foreign workers. On the confirmed non-overlapping populations, 292 of 329 direct employees had a recorded performance review, representing 88.8% coverage.

For FYE 2025, the previous Statement reported 230 male employees and 84 female employees receiving performance reviews, representing 99% for each gender grouping. By employee category, 31 non-executives, 129 executives and 69 managerial employees received reviews, representing 100%, 98% and 97%, respectively. These counts appear to exceed the reported year-end workforce and therefore require clarification of the review population or timing before reuse as a direct comparison.

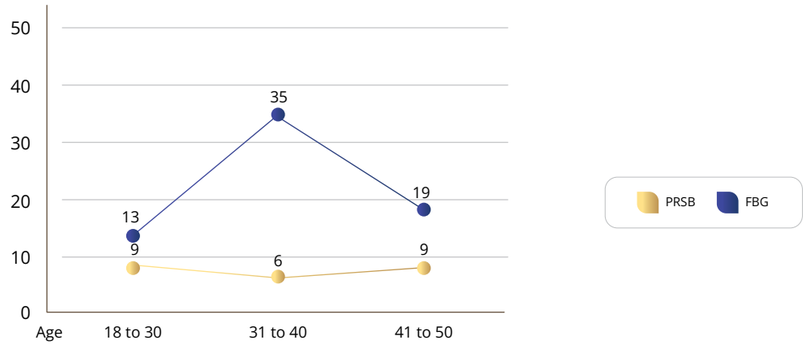
INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

8. PERFORMANCE BY MATERIAL TOPIC (Cont'd)

Migrant Workers' Well-being
Migrant workers' well-being is a material topic for the Group. Relevant management areas include employment conditions, accommodation, safety, access to training, grievance mechanisms and contractor oversight. A separate FYE 2026 data template has been prepared for foreign-worker information, and site-level records include accommodation condition and occupancy.

The separate foreign-worker workbook records a working population of 91 male contract or temporary workers: 24 in the PRSB worksheet and 67 in the FBG worksheet. The recorded age profile is 22 aged 18 to 30, 41 aged 31 to 40 and 28 aged 41 to 50. Performance reviews are recorded for all 91 workers and zero human-rights complaints are recorded. The workbook records zero training hours, but that entry requires confirmation and is not interpreted here as evidence that no training occurred.

Foreign-Worker Working Population



Benefits, Leave and Employee Engagement
The Group provides employee benefits and engagement opportunities in accordance with applicable policies and employment arrangements. Employee communication channels include townhalls, briefings, feedback sessions, training, appraisals and company activities.

8. PERFORMANCE BY MATERIAL TOPIC (Cont'd)

Benefits Provided to Full Time Employees

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

For FYE 2025, one male employee and six female employees were reported as entitled to parental leave, with a 100% return-to-work rate. During FYE 2026, 11 employees took parental leave - three male and eight female - and all 11 returned to work, giving a 100% return-to-work rate. Retention after return was not measured in the supplied data.

INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

8. PERFORMANCE BY MATERIAL TOPIC (Cont'd)

Employee Engagement Activities Highlight

FBG organises a range of employee engagement activities throughout the year to foster connection, learning and team spirit. These include internal programmes, sessions featuring external speakers and professionals, as well as celebrations of major festive occasions that promote inclusivity, cultural appreciation and camaraderie among employees.



FBG Paintball



FBG's Diaries Donation to SMK Kelana Jaya



FBG's Diaries Donation to SMK Kelana Jaya

INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

8. PERFORMANCE BY MATERIAL TOPIC (Cont'd)



Caring for Our Minds:
Mental Health Awareness Talk



Caring for Our Minds:
Mental Health Awareness Talk



FBG Christmas x Movie Night 2.0

INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

8. PERFORMANCE BY MATERIAL TOPIC (Cont'd)



FBG Blood Donation Campaign
Collaborated with Lions Club of KL Elite
and Pusat Darah Negara



FBG Blood Donation Campaign
Collaborated with Lions Club of KL Elite
and Pusat Darah Negara



International Women's Day - Pause &
Recharge for Ladies



FBG Jom-Bowl Lah

8. PERFORMANCE BY MATERIAL TOPIC (Cont'd)



FBG Corporate Grooming, Image & Colour Workshop



FBG Corporate Grooming, Image & Colour Workshop



Taman Tugu Free Tree Society Education Programme



Taman Tugu Free Tree Society Education Programme

INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

8. PERFORMANCE BY MATERIAL TOPIC (Cont'd)

CUSTOMERS AND COMMUNITIES

Quality and Relationships

Our performance depends on delivering quality outcomes and maintaining constructive relationships.

8.6 Product Safety and Quality

Quality and building integrity are material to FBG's construction and property-development activities. FBG Builder Sdn Bhd maintains a quality management system certified to ISO 9001:2015 for project management in design and development, civil, structural, building and infrastructure construction works. The certificate supplied for this report was issued on 15 August 2025 and expires on 2 September 2028, subject to successful surveillance audits.

Relevant risk areas include site selection, design coordination, regulatory approvals, material quality, construction defects, rectification and customer complaints. Effective controls support safety, functionality, timely delivery and customer confidence.

During FYE 2026, the quality approach included quarterly site quality checks, half-yearly quality audits, employee and contractor training, and pre-delivery inspections. Corrective work identified during pre-delivery inspection was generally undertaken before vacant possession.

Quality Assessment and Customer Satisfaction

Project or Indicator	Prior-year Reported Position	FYE 2026 Update
Duta Park Residences QLASSIC score	79% in 2024	Not reassessed during FYE 2026 as project completed
Vierra Residence GreenRE	Not reported as a completed result	GreenRE Silver, 83.50 credits; valid from 27 February 2026 to 26 February 2029
Vierra Residences QLASSIC score	Assessment pending in the prior Statement	77% in August 2025
Desa Green QLASSIC score	Assessment pending in the prior Statement	78% in September 2025
Customer Satisfaction Target/ Survey	80%	Minimum 65% upon project completion, based on the QESH objective
Vierra Resident Survey Performance	Not previously reported	43/50 responses; received 19 June 2026

INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

8. PERFORMANCE BY MATERIAL TOPIC (Cont'd)

Project or Indicator	Prior-year Reported Position	FYE 2026 Update
Temasya Prisma (Glenmarie) Contractor's Performance Score in Building Works (Inactive)	Not previously reported	79.21% (Grade B), December 2025 to May 2026
Temasya Alpine 2 Contractor's Performance Score in Infrastructure Works (Inactive)	Not previously reported	64.93% (Grade C), December 2025 to May 2026

Vierra Residence, developed by Fajarbaru Land Sdn Bhd, achieved GreenRE Silver with 83.50 awarded credits. The supplied scorecard records the site verification assessment on 9 April 2025 and a validity period from 27 February 2026 to 26 February 2029. This is a project-specific building assessment and is not presented as a Group-wide certification.

Community Relations

FBG engages communities through local consultations, contributions, sponsorships and programmes. Community feedback is also relevant to project planning and operations, particularly where construction activities may affect traffic, noise, dust, water, safety or local amenities.

Current-year records include community contributions and support for charitable, educational, cultural, environmental and industry-related activities. FBG confirmed RM218,452 across 36 records and reported 36 beneficiaries for FYE 2026.

For FYE 2025, the Group reported community investment of RM315,923 and 35 beneficiaries. For FYE 2026, the confirmed contribution total is RM218,452 across 36 records, with 36 beneficiaries reported by management.

Community Indicator	FYE 2025	FYE 2026
Community Investment	RM315,923	RM218,452
Reported Beneficiaries	35	36
Material Community Complaints	Not separately quantified	Nil reported

Industry Engagement

Participation in industry associations, forums, training and knowledge-sharing supports the Group's understanding of emerging standards, operational practices and stakeholder expectations. Material memberships and leadership roles may be disclosed where they are relevant to the Group's sustainability approach.

8. PERFORMANCE BY MATERIAL TOPIC (Cont'd)

FBG's Involvement in Industry Associations

Name	Representatives Current Involvements
Dato' Sri Kuan Khian Leng	• Deputy President, Master Builders Association Malaysia ("MBAM") (2026 – to-date) • Chairman, Environment, Green Technology & Sustainability Committee, MBAM (2026 – to-date) • Deputy Chairman, International Affairs & Business Development Committee, MBAM (2026 – to-date) • Deputy Chairman of MBAM Representative, CHINCA-IIICF under the International Affairs & Business Development, (2026 – to-date) • Disciplinary Board, Committee Member, MBAM (2026 – to-date) • Deputy Chairman, Awards & Constitution Committee, MBAM (2022 – 2026) • Membership, Advisor, MBAM (2022 – to-date) • Council Member, MBAM (2014 – to-date) • Panel Advisor, Bachelor Programme in Civil Engineering of the Engineering Faculty, Universiti Putra Malaysia (2022 – to-date) • Construction Competence Technical Committee on Building and Civil, CIDB (2025 – to-date) • Construction Action Plan 2026–2030 (CAP30), Professionalism Committee of CIDB's Thrust Working Group 5 (TWG 5) (2026 – to-date) • Vice President, China-Asia Economic Development Association, Malaysia (CAEDAM), (2026 – to-date)
Dato' Ir. Kong Kam Loong	• Alternate Council Member, MBAM (2018 – to-date)
Evelyn Ong Sok Neo	• Environment, Green Technology & Sustainability, Committee Member, MBAM (2024 – to-date) • Council Member, ESG Association of Malaysia (2025 – to-date) • Vice President Business, Junior Chamber International Entrepreneur Metropolitan (JCI E-Metro) (2026 – to-date)
Lau Kien Choong	• ICT-Automation Robotic, Committee Member, MBAM (2024 – to-date)
Mohd Farhan Bin Rubaain	• Safety & Health Committee, MBAM (2026 – to-date)
Eleena Rashidah Binti Khalid	• Publication, Committee Member, MBAM (2026 – to-date)
Coco Ooi Phei Phei	• Mentor for RIYI Program, REHDA Institute (2026 – to-date) • Assistant Secretary / Committee (Selangor), REHDA Youth (2024 – 2026) • Evaluator, International Real Estate Federation ("FIABCI") Award Malaysia 2026

8. PERFORMANCE BY MATERIAL TOPIC (Cont'd)

ENVIRONMENT

Environmental Management

We seek to manage resource use, pollution and environmental impacts across our activities.

8.7 Environmental Management

FBG Builder Sdn Bhd maintains an environmental management system certified to ISO 14001:2015 for project management in design and development, civil, structural, building and infrastructure construction works. The certificate supplied for this report was issued on 15 August 2025 and expires on 2 September 2028, subject to successful surveillance audits.

Climate Change

Climate change remains one of the Group's material sustainability topics. Detailed climate-related disclosures, including physical and transition risks, scenario analysis, GHG emissions, financial effects, metrics and targets, are integrated within the relevant core sections of this report.

Within this Statement, climate change is considered in relation to operational resilience, energy use, supply-chain requirements, environmental management and the Group's broader sustainability governance.

Energy and Water Use

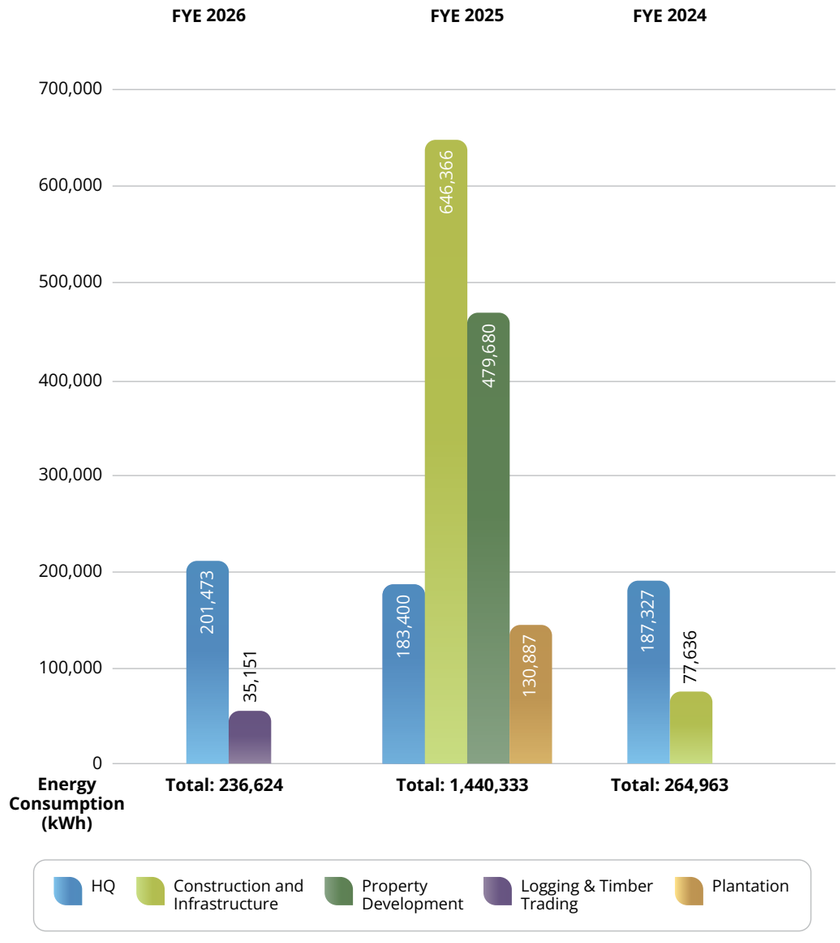
The Group collects electricity and water information for relevant offices, facilities and project sites. Management information for FYE 2026 records proposed actions including an Energy and Water Use Policy, replacement of one inverter air-conditioning unit per year when units fail, and an audit of office water taps with water-efficient replacements or saving devices where necessary.

The following FYE 2024 and FYE 2025 figures are retained as historical comparatives. For FYE 2026, water consumption recorded at the Kelana Jaya headquarters was 1,713 m^3, calculated from the supplied meter readings for seven water accounts covering July 2025 to June 2026. This is an HQ result; water consumption for the other operations has not been consolidated. No validated FYE 2026 electricity consumption total is presented. The preliminary GHG inventory must not be treated as a substitute for consumption quantities.

INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

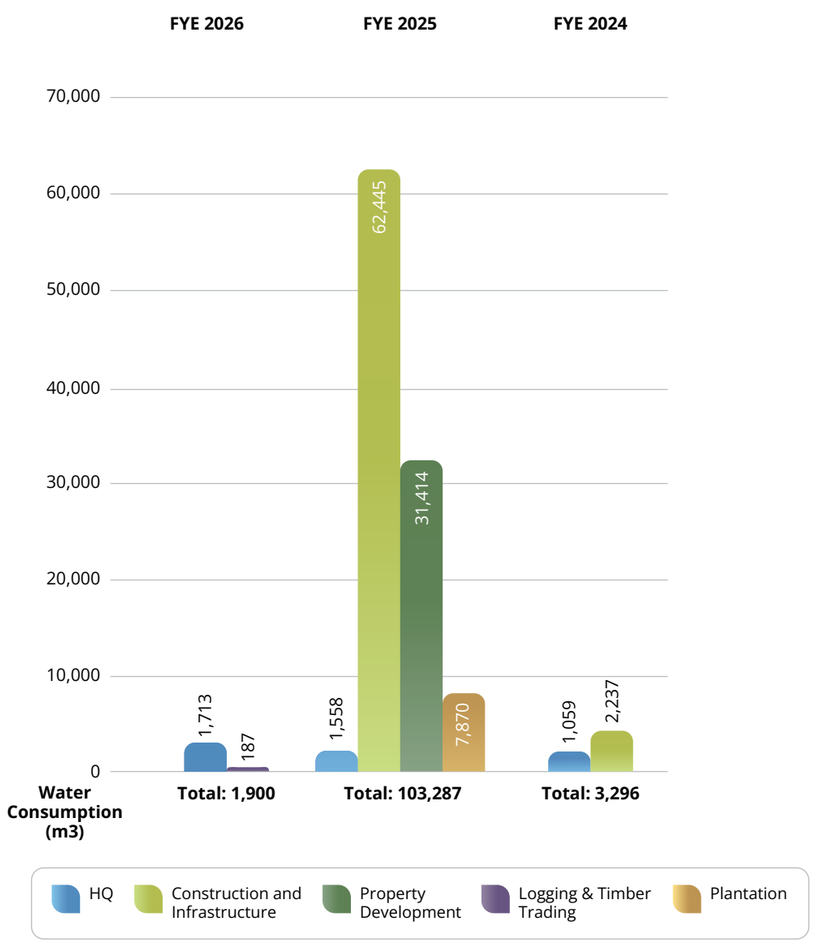
8. PERFORMANCE BY MATERIAL TOPIC (Cont'd)

Our Energy Management Performance



8. PERFORMANCE BY MATERIAL TOPIC (Cont'd)

Our Water Management Performance



INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

8. PERFORMANCE BY MATERIAL TOPIC (Cont'd)

Changes between the historical reporting periods may reflect boundary expansion, project activity or data availability and should not be interpreted as efficiency trends without consistent site coverage and calculation methods.

The FYE 2026 HQ water total is calculated from the separately supplied water-meter readings. Other general ESG utility files contain monetary charges rather than consumption quantities and have not been converted into kWh or cubic metres in this Statement. The activity records used for the preliminary Scope 2 emissions calculation require separate verification and reconciliation to avoid inconsistent coverage or double counting.

Material Use
Construction and property-development activities use significant materials. Material selection can affect quality, durability, cost, resource efficiency and environmental performance. The logging operation primarily uses diesel for machinery; timber traceability is addressed under responsible sourcing rather than material consumption.

Relevant construction inputs may include concrete, steel, bricks, timber, glass, aluminium, finishes and packaging. The final report should focus on materials for which a reliable quantity, sourcing attribute or management outcome can be demonstrated, instead of listing inputs without a complete data basis.

Biodiversity
For FYE 2026, management reported biodiversity as not applicable to the current reporting cycle. Environmental impact assessment and ecological requirements are determined by the relevant authorities on a project-specific basis and are managed through the applicable approvals and operating controls.

No Group-wide biodiversity metric is reported for FYE 2026. Where an environmental impact assessment or ecological condition applies to a project, the relevant approval and mitigation requirements remain part of project compliance.

ENVIRONMENT

Waste and Pollution Management

Consistent measurement and site controls are essential for credible waste reporting.

8.8 Waste and Pollution Management

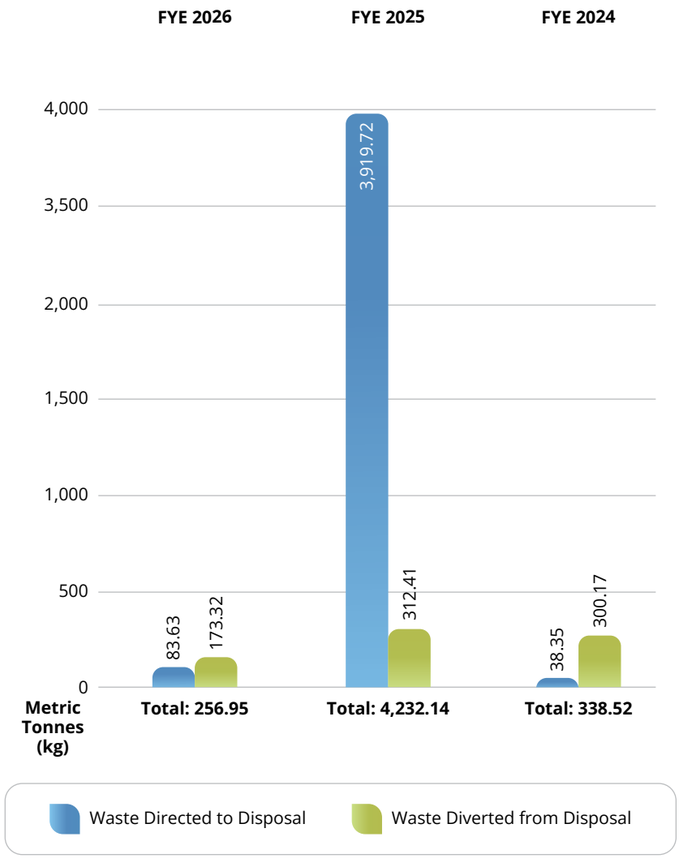
Waste and pollution management covers the prevention, segregation, storage, handling, recovery and disposal of waste, together with controls for dust, noise, water pollution and other site impacts. Responsibilities are shared across project management, environmental personnel, site teams, contractors and approved waste service providers.

Monthly waste-management reports were prepared for selected construction sites during FYE 2026. The available weight-based records for Pavilion Mont' Kiara total 256.95 tonnes for the year, comprising waste recycled and waste sent to landfill. Other supplied site records measure removal activity in trips and are disclosed separately; they are not added to the weight-based total. The FYE 2026 tonnage therefore represents Pavilion Mont' Kiara, rather than a consolidated Group total.

INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

8. PERFORMANCE BY MATERIAL TOPIC (Cont'd)

Historical Waste Performance
The published Sustainability Statements report total waste generated of 338.52 metric tonnes for FYE 2024 and 4,232.14 metric tonnes for FYE 2025. The comparison below reproduces the published performance-table figures in metric tonnes and includes the FYE 2026 recorded total for Pavilion Mont' Kiara.



INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

8. PERFORMANCE BY MATERIAL TOPIC (Cont'd)

The FYE 2025 Sustainability Statement attributes the significant increase in reported waste to an expanded reporting boundary covering additional sites. Its detailed chart reports 3,919,725 kg directed to disposal and 312,417 kg diverted from disposal. The performance table presents 3,919.72 and 312.41 metric tonnes, respectively, and a total of 4,232.14 metric tonnes. The displayed components sum to 4,232.13 metric tonnes; the published figures are retained without restatement. FYE 2026 covers Pavilion Mont' Kiara only, so a like-for-like year-on-year trend is not claimed.

Reuse and Recycling Initiatives
The previous Statement described the reuse of fruit waste and composting at the plantation, together with recycling activities involving paper, plastic, electronic waste and metal. One recycling activity undertaken with Cenviro in May 2025 recorded 196 kg across those material streams. Current-year initiatives should be supported by collection records, recycler documentation and clear reporting-period cut-off.

Pavilion Mont' Kiara: Site-specific FYE 2026 Waste Result
The 12 monthly Pavilion Mont' Kiara waste-management reports cover July 2025 to June 2026. They record 163.48 tonnes of timber and 9.84 tonnes of steel scrap recycled, giving 173.32 tonnes diverted from disposal. Domestic waste sent to landfill totalled 83.63 tonnes. The combined recorded total is 256.95 tonnes. Re-used waste was marked not applicable and scheduled-waste fields were blank; the recorded total excludes unquantified waste streams, and a blank field is not treated as zero.

Waste Stream	Treatment Route	FYE 2026 Quantity	Scope and Status
Timber	Recycled	163.48 tonnes	Pavilion Mont' Kiara only; monthly reports
Steel Scrap	Recycled	9.84 tonnes	Pavilion Mont' Kiara only; recorded in February and March 2026
Total Diverted	Recycled	173.32 tonnes	Calculated from timber and steel records
Domestic Waste	Landfill	83.63 tonnes	Pavilion Mont' Kiara only
Scheduled Waste	Not determinable	Not reported	Blank fields cannot be interpreted as zero
Total Recorded Waste	Recycled and landfill	256.95 tonnes	Pavilion Mont' Kiara only; excludes unquantified waste streams

8. PERFORMANCE BY MATERIAL TOPIC (Cont'd)

Waste-Removal Activity Recorded as Trips
Separate site logs measure waste-removal activity by trip rather than weight. Applying the reporting-period cut-off, the records show 689 construction-waste, 893 timber-waste and 132 domestic-waste trips for Adison; 297 construction-waste trips for JB City Square from February to June 2026; and 196 construction-waste, 9 timber-waste and 14 domestic-waste trips for MVS Southkey from April to June 2026. These trip counts are operational indicators and are not added to the Pavilion Mont' Kiara tonnage.

Site	Construction-Waste Trips	Timber-Waste Trips	Domestic-Waste Trips	Record Coverage within FYE 2026
Adison	689	893	132	July 2025 – June 2026
JB City Square	297	-	-	February – June 2026
MVS Southkey	196	9	14	April – June 2026

Data Quality Considerations

Control	Reporting Requirement
Boundary	Identify every included site and explain exclusions.
Waste Classification	Apply consistent categories for construction, timber, domestic, scheduled and recyclable waste.
Measurement Unit	Distinguish weight, volume, trips and monetary cost; do not combine incomparable units.
Disposal Route	Separate waste directed to disposal from waste diverted through reuse, recycling or recovery.
Evidence	Retain weighbridge tickets, invoices, manifests, contractor reports and approvals.
Review	Assign a preparer, reviewer and accountable owner for each site and the Group consolidation.

Pollution Prevention and Site Housekeeping
Site housekeeping, sanitation, pest control, waste storage and removal contribute to occupational health, environmental performance and stakeholder confidence. FBG reported no fines classified as environmental for FYE 2026.

INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

8. PERFORMANCE BY MATERIAL TOPIC (Cont'd)

PERFORMANCE

Sustainability Performance Data
The final data table will present validated metrics for the approved reporting boundary.

8.9 Performance Summary and Review

Material Topic	Indicator Focus	FYE 2025 Comparative	FYE 2026 Status
Anti-Corruption and Integrity	Training, risk assessment and confirmed incidents	18% managerial, 21% executive and 12% non-executive trained; 0 incidents	60.8% managerial, 15.6% executive and 17.2% non-executive employees trained; 0% of operations formally assessed while assessment framework is being developed; 1 confirmed incidents
Contributing to the Economy	Community investment and beneficiaries	RM315,923; 35 beneficiaries	RM218,452 across 36 recorded entries and 36 reported beneficiaries
Employment and Training	Employees, diversity, new hires, turnover and training	233 employees; 23% turnover; 33% new-hire rate; 3,247 training hours	329 direct employees; 53 hires and 55 turnover events in the main workbook; 3,306 training hours recorded for the 238-person main-workbook population
Occupational Safety and Health	Fatalities, lost-time injuries, hours and training	No fatalities or LTIs at six listed sites; 5,383,538 hours worked	No fatalities or one (1) LTIs at twelve listed sites; 12,053,040 hours worked
Migrant Workers' Well-Being	Population, accommodation, grievances and complaints	Not separately quantified	91 direct foreign workers; accommodation-compound disclosure subject to legal and corrective-action validation
Responsible Sourcing	Local spend and supplier or contractor monitoring	100% local supplier spend	100% local supplier spend; ESG screening assessment form in development
Product Safety and Quality	Complaints, defects, audits and corrective actions	Duta Park QLASSIC score 79%; other assessments pending	Vierra GreenRE Silver; Vierra QLASSIC 77%; Desa Green QLASSIC 78%; other project-quality indicators disclosed above

8. PERFORMANCE BY MATERIAL TOPIC (Cont'd)

Material Topic	Indicator Focus	FYE 2025 Comparative	FYE 2026 Status
Data Integrity and Protection	Privacy complaints and data losses	0 substantiated complaints or losses reported	3 substantiated complaints; investigated and resolved; no material impact reported
Community Relations	Programmes, investment and beneficiaries	RM315,923; 35 beneficiaries	RM218,452 across 36 recorded entries and 36 reported beneficiaries
Energy and Water Use	Consumption by approved boundary	1,440,333 kWh; 103,287 m3	HQ water consumption: 1,713m^3; Logging & timber trading: 187m^3. HQ energy consumption: 201,473kWh; Logging & timber trading: 35,151kWh. Other water consumption not consolidated; no validated electricity consumption total
Material Use	Consumption and responsible sourcing indicators	Not quantified in extracted baseline	No validated FYE 2026 quantitative update
Waste and Pollution	Waste directed to disposal and diverted	3,919,725 kg disposed; 312,417 kg diverted	PMK: 256.95 tonnes recorded in total, comprising 83.63 tonnes to landfill and 173.32 tonnes recycled; site-specific
Biodiversity	Sites assessed, impacts and mitigation	Not quantified in extracted baseline	Management reported biodiversity as not applicable for FYE 2026; EIA requirements remain project-specific
Climate Change	Integrated IFRS S2 cross-reference	Reported in previous Statement	Integrated Governance, Strategy, Risk management and Metrics and targets sections; limitations disclosed

Data Validation
Performance data remain subject to review for completeness, accuracy, calculation consistency, reporting cut-off and alignment with the disclosed populations. The preliminary GHG inventory additionally requires operational-control and duplicate-entry reconciliation. Figures that are not validated are identified as such; no assurance conclusion is implied by the inclusion.

Assurance
The scope and status of any Internal Audit review or external assurance over this Statement or selected indicators have not been established in this disclosure. No assertion that the figures were independently assured or internally audited is made.

INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

LOOKING AHEAD

Strengthening Our Sustainability Practices
Our next steps focus on governance, data quality and integration into business decision-making.

9. OUTLOOK AND SUBSEQUENT EVENTS

FBG will continue to strengthen its sustainability governance and management practices in line with business needs, regulatory developments and stakeholder expectations. Priority work includes completing the assessment of sustainability-related risks and opportunities, confirming ownership and reporting boundaries, improving source-data controls, and developing decision-useful metrics and targets.

We also intend to strengthen the connection between sustainability matters, enterprise risk management, strategy, budgeting and financial assessment. This work will support more consistent disclosures and the Group's progressive transition towards the IFRS Sustainability Disclosure Standards.

9.1 Proposed FYE 2027 Priorities

Priority	Planned Direction
Governance	Formalise management accountability, escalation and review processes across principal businesses.
SRO Assessment	Approve the sustainability-related risk and opportunity register, time horizons and management responses.
Data and Controls	Standardise definitions, evidence, review and consolidation across entities and sites.
Metrics and Targets	Approve metrics, baselines and targets for material matters with clear owners.
Financial Connection	Develop qualitative and quantitative assessments of material financial effects with Finance.
Assurance Readiness	Strengthen documentation and internal controls to support future assurance.

Please refer Appendices at: https://www.fajarbarugroup.com/our-sustainability/.

FBG HOLDINGS BERHAD
BMLR Transition Period

Date & Time: 2026-10-30 14:58:41
Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Anti-corruption	C1(a) Employees trained on anti-corruption – Managerial	Percentage	18	60.80	N/A	No assurance
Anti-corruption	C1(a) Employees trained on anti-corruption – Executive	Percentage	21	15.60	N/A	No assurance
Anti-corruption	C1(a) Employees trained on anti-corruption – Non-executive	Percentage	12	17.20	N/A	No assurance
Anti-corruption	C1(b) Operations assessed for corruption-related risks	Percentage	0	0	N/A	No assurance
Anti-corruption	C1(c) Confirmed incidents of corruption and action taken	Number	0	1	N/A	No assurance
Community / Society	C2(a) Community investment benefiting parties external to the Group	RM	315,923.00	218,452.00	N/A	No assurance
Community / Society	C2(b) Beneficiaries of community investment	Number	35	36	N/A	No assurance
Energy management	C4(a) Total energy consumption – reported electricity consumption only	kWh	1,440,333	236,624	N/A	No assurance
Health and safety	C5(a) Work-related fatalities	Number	0	0	N/A	No assurance
Health and safety	C5(b) Lost time incident rate	Rate	0	0	N/A	No assurance
Health and safety	C5(c) Employees trained on health and safety standards	Number	2,201	Under reconciliation due to restructuring	N/A	No assurance

FBG HOLDINGS BERHAD
BMLR Transition Period

Date & Time: 2026-10-30 14:58:41
Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Labour practices and standards	Total employee training hours	Hours	3,247	3,306	N/A	No assurance
Labour practices and standards	Percentage of employees who are contractors or temporary staff	Percentage	38	55.60	N/A	No assurance
Labour practices and standards	Total employee turnover	Number	50	55	N/A	No assurance
Supply chain management	C7(a) Proportion of spending on local suppliers	Percentage	100.00	100.00	N/A	No assurance
Data privacy and security	C8(a) Substantiated complaints concerning breaches of customer data	Number	0	3	N/A	No assurance
Water	C9(a) Total volume of water used	m^3	103,287	1,896	N/A	No assurance
Waste management	C10(a) Total waste generated	Metric tonnes	4,232.14	256.95	N/A	No assurance
Waste management	C10(a)(i) Total waste diverted from disposal	Metric tonnes	312.41	173.32	N/A	No assurance
Waste management	C10(a)(ii) Total waste directed to disposal	Metric tonnes	3,919.72	83.63	N/A	No assurance
Emissions management	C11(a) Scope 1 greenhouse gas emissions	tCO_2e	3,001.50	99.297	N/A	No assurance

INTEGRATED SUSTAINABILITY STATEMENT (CONT'D)

PRESCRIBED TABLE (CONT'D)

FBG HOLDINGS BERHAD
BMLR Transition Period

Date & Time: 2026-10-30_14:58:41
Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Emissions management	C11(b) Scope 2 greenhouse gas emissions	tCO_2e	1,130.47	826.199	N/A	No assurance
Emissions management	C11(c) Scope 3 greenhouse gas emissions – reported categories	tCO_2e	402.79	545.421	N/A	No assurance
Diversity	C3(b) Directors – Male	Percentage	78.00	77.78	N/A	No assurance
Diversity	C3(b) Directors – Female	Percentage	22.00	22.22	N/A	No assurance
Diversity	C3(b) Directors – Age 41–50	Percentage	33.33	33.33	N/A	No assurance
Diversity	C3(b) Directors – Age 51–60	Percentage	22.22	22.22	N/A	No assurance
Diversity	C3(b) Directors – Age 61 and above	Percentage	44.44	44.44	N/A	No assurance
Employment and training	Total direct employees	Number	233	329	N/A	No assurance
Employment and training	Average annual training hours per employee	Hours per employee	18	14	N/A	No assurance
Employment and training	Return-to-work rate following parental leave	Percentage	100.00	100.00	N/A	No assurance
Occupational safety and health	Total recorded hours worked	Hours	5,383,538	12,053,040	N/A	No assurance
Occupational safety and health	Lost-time injuries	Number	0	1	N/A	No assurance



CORPORATE GOVERNANCE
OVERVIEW STATEMENT

THE BOARD RECOGNISES THAT STRONG CORPORATE GOVERNANCE IS ESSENTIAL TO SUSTAIN LONG-TERM VALUE AND SAFEGUARD THE INTERESTS OF ALL STAKEHOLDERS. IN FULFILLING ITS RESPONSIBILITIES, THE BOARD UPHOLDS THE PRINCIPLES OF TRANSPARENCY, ACCOUNTABILITY AND INTEGRITY AS THE FOUNDATION OF EFFECTIVE LEADERSHIP AND ETHICAL DECISION-MAKING.

This Corporate Governance Overview Statement is presented pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and guidance was drawn from Practice Note 9 of MMLR and the Corporate Governance Guide (4th Edition) issued by Bursa Securities. The Board of Directors ("Board") of FBG Holdings Berhad ("FBG" or the "Company") remains committed during the financial year ended 30 June 2026 in maintaining the highest standards of Corporate Governance ("CG") within the Company and its subsidiaries (collectively referred to as "the Group") and adhering to the principles and best practices of CG, through observing and practising the core values of the Malaysian Code on Corporate Governance ("MCCG"). The commitment from the top paves the way for the management and all employees to ensure the Company's businesses and affairs are effectively managed in the best interest of all stakeholders.

The objective of this statement is to provide the stakeholders with an overview of the application of the CG practices within the Group. The Board has also provided specific disclosures on the application of each of the Practices in its Corporate Governance Report ("CG Report"). This CG Report was announced together with the Annual Report of the Company on 30 October 2026. Shareholders are advised to read this statement together with the CG Report prepared based on a prescribed format as set out in Paragraph 15.25(2) of the MMLR so as to provide a detailed articulation on the application of the Company's corporate governance practices vis-à-vis the MCCG. The CG Report provides details on how the Company has applied each Practice as set out in the MCCG during the financial year 2026.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART I – BOARD RESPONSIBILITIES

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

The Board is mindful of the importance of the establishment of clear roles and responsibilities in discharging its fiduciary and leadership functions including those reserved for the Board's approval. The Board has defined its Board Charter by setting out the roles, duties and responsibilities of the Board, the principles and practices of CG to be followed as well as the key matters reserved for the Board's approval. The Board Charter was reviewed and published on the Company's website at https://www.fajarbarugroup.com/board-charter/.

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

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

PART I – BOARD RESPONSIBILITIES (Cont'd)

Board Responsibilities
The Board plays a central role in setting the Group's strategic direction, protecting its long-term interests and driving sustainable value creation. It is guided by a clear governance framework, structured below, that ensures decisions are made ethically, responsibly and in alignment with the Group's values and commitments.



Directors have full and unrestricted access to all information, the advice of the Company Secretary(ies) and the support of Senior Management to discharge their fiduciary duties effectively. Board and Board Committee meetings are held quarterly, or as required, with meeting papers circulated in advance to ensure meaningful deliberations.

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART I – BOARD RESPONSIBILITIES (Cont'd)

Board Responsibilities (Cont'd)

Board	Responsiblities
Group Executive Chairman	The Board is led by Tan Sri Dato' Sri Chan Kong Choy, an Executive Chairman who is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board. The Chairman provides leadership and governance in order to create a conducive environment geared towards building and enhancing the Board's effectiveness and ensures that all strategic and critical issues are discussed by the Board in a timely manner. The Chairman is also responsible for ensuring the adequacy and effectiveness of the Board's governance process and acts as a facilitator at Board meetings to ensure that contributions from Directors are forthcoming on matters being deliberated and that no Board member dominates discussion.
Group Managing Director	The Group Managing Director ("GMD") of the Company, Dato' Sri Kuan Khian Leng, is a newly appointed role introduced during the current financial year. The GMD is responsible for overseeing the overall management, operations and business development of the Group, with a focus on driving the Group's strategic direction and ensuring effective execution of its business objectives. The GMD is supported by the Group Executive Directors and Senior Management Team in carrying out these responsibilities.
Group Chief Executive Officer	The Group Chief Executive Officer ("GCEO") of the Company, Dato' Ir. Kong Kam Loong, is responsible for leading the Group's executive management and implementing the Group's strategic plan. The GCEO oversees the day-to-day operations and business development of the Group and works closely with the Group Executive Directors and Senior Management Team to achieve the Group's strategic and operational objectives.
Group Executive Director	The Group Executive Director ("GED") is responsible for the executive management of the Group's business and implementing operational decisions and managing day-to-day operations.
Non-Executive Director	The Company has three (3) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Directors. The Non-Executive Directors are strong individuals to oversee and scrutinise the decisions and conducts of the Executive Directors and the management. The Non-Executive Directors are essential for protecting the interests of shareholders and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality.

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

PART I – BOARD RESPONSIBILITIES (Cont'd)

Board Responsibilities (Cont'd)

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

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

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

The Board met seven (7) times during the financial year ended 30 June 2026 to review the Group's operations, quarterly and annual financial statements and any other matters that required the Board's approval. Details of each Director's attendance is set out on page 49 of this Annual Report.

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART I – BOARD RESPONSIBILITIES (Cont'd)

Board Committees (Cont'd)

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

(i) reviewed the bonus and incentives of Directors and Senior Management of the Group;
(ii) assessed and evaluated the effectiveness of Directors through the annual Board evaluation (including the independence of Independent Non-Executive Directors);
(iii) reviewed the letter of employment of senior management staff;
(iv) reviewed the composition of the Board and Board Committees of the Group;
(v) reviewed the Directors' Fees of the Group; and

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

Two (2) Nominating Committee meetings were held during the financial year and were attended by all its members. At the meeting, the Committee has discussed on the training needs of the directors, reviewed and assessed the executive directors, recommendation on re-election of directors subject to retirement as well as the continuation in office of independent non-executive director who have served for more than 9 years.

Two (2) Remuneration Committee meetings were held during the financial year and were attended by all its members.

Four (4) Sustainability Committee meetings were held during the financial year. All meetings were fully attended by its members, with the exception of one meeting where a single member was absent with apologies.

The responsibilities and activities of Audit Committee disclosed in the Report of the Audit Committee on pages 150 to 152 of this Annual Report, while the responsibilities of Risk Management Committee set out on pages 137 to 148 of this Annual Report.

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART I – BOARD RESPONSIBILITIES (Cont'd)

Supply of Information (Cont'd)

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

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

The Board understands that the supply, timeliness and quality of the information affect the effectiveness of the Board to oversee the conduct of business and to evaluate the Management's performance of the Group. The Board ensures that each Director is provided with timely notices. Board papers are issued prior to the Board meetings to enable the Directors to review and consider the agenda items to be discussed and where necessary, to obtain further explanations in order to be fully briefed before the meeting.

All Board members have unrestricted access to timely and accurate information in furtherance of their duties and subject to the Board's approval may seek independent professional advice when necessary, in discharging its various duties, at the Company's expense.

The Company Secretaries ensure that all Board and Board Committee meetings are properly convened. The Company Secretaries will ensure that accurate and proper records of the proceedings and resolutions passed are recorded and the minutes are circulated to the Board members as soon as possible before the next meeting.

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

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

Mr. Tan Kok Aun is a member of The Malaysian Association of Company Secretaries ("MACS"). He has more than 35 years of experience as a corporate secretary.

Ms. Lee Wai Ngan is a licensed Company Secretary. She has more than 44 years of experience in corporate secretarial practice.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART I – BOARD RESPONSIBILITIES (Cont'd)

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

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

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART I – BOARD RESPONSIBILITIES (Cont'd)

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

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

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

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

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

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

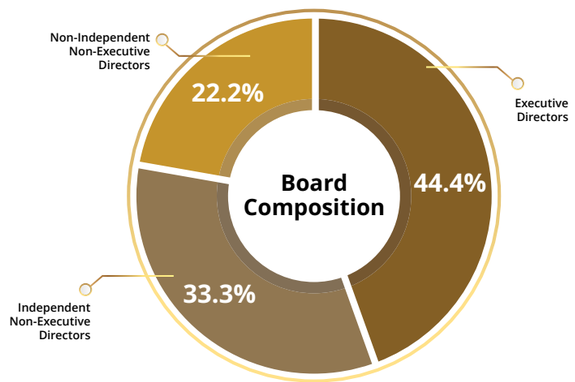
Composition and Balance
The Directors' Fit and Proper Policy was adopted by the Company to ensure a formal, rigorous and transparent process for the appointment/ election of candidates as Directors of the Company and for the re-election of the Directors. The Board currently has nine (9) members comprising of a Group Executive Chairman, a Non-Independent Non-Executive Deputy Chairman, a Group Managing Director, a Group Chief Executive Officer, one (1) Group Executive Director, a Non-Independent Non-Executive Director, and three (3) Independent Non-Executive Directors. The Company is in compliance with the MMLR which required at least two directors, or one-third of the total number of Directors, whichever is higher, to be Independent Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II – BOARD COMPOSITION

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



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

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II – BOARD COMPOSITION (Cont'd)

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

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

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

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II – BOARD COMPOSITION (Cont'd)

Directors' Training (Cont'd)

During financial year 2026, the directors received regular briefings and updates on the Group's businesses, operations, risk management, internal control, corporate governance, finance and any changes to relevant legislation, rules and regulations from in-house professionals. The Company also organised in-house programmes for its directors and senior management.

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

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

Director	Training Programme
Tan Sri Dato' Sri Chan Kong Choy	• Conflict of Interest and Related Party Transactions • IFRS S1 & IFRS S2 Regulatory Compliance
Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon	• Personal Data Protection Act (PDPA) • Key Tax Highlights of Malaysia Budget 2026 • Corporate Liability (Section 17A MACC Act) • IFRS S1 & IFRS S2 Regulatory Compliance
Dato' Sri Kuan Khian Leng	• Introduction to IFRS Sustainability Disclosure Standards S1 and S2 • The 16th International Conference on World Class Sustainable Cities (WCSC 2025): Resilient Cities Living Heritage • GBS ASEAN Summit 2025 (Unleashing GBS 5.0: Human-Centric, AI-Driven, Impact-Focused) • Impactful Leadership: Strategic Thinking and People Leadership • The CEO Series 2026 - Reinventing Growth: Innovation and Investment Opportunities in ASEAN & Malaysia • Malaysia - China Economic Cooperation Outlook Forum 2026 • IFRS S1 & IFRS S2 Regulatory Compliance Briefing • Anti-Bribery Management System (ABMS) Awareness Training • REHDA ESG Webinar Series: Sustainability Reporting - Understanding NSRF, ISSB Standards & Climate-Related Disclosures

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II – BOARD COMPOSITION (Cont'd)

Directors' Training (Cont'd)

Director	Training Programme
Dato' Ir. Kong Kam Loong	• Introduction to IFRS Sustainability Disclosure Standards S1 and S2 • The 16th International Conference on World Class Sustainable Cities (WCSC 2025): Resilient Cities Living Heritage • Impactful Leadership: Strategic Thinking and People Leadership • The CEO Series 2026 - Reinventing Growth: Innovation and Investment Opportunities in ASEAN & Malaysia • IFRS S1 & IFRS S2 Regulatory Compliance • Anti-Bribery Management System (ABMS) Awareness Training
Tan Sri Datuk Seri Lau Kuan Kam	• Conflict of Interest and Related Party Transactions • IFRS S1 & IFRS S2 Regulatory Compliance
Dato' Lim Siew Mei	• Conflict of Interest and Related Party Transactions • IFRS S1 & IFRS S2 Regulatory Compliance
Dato' Norasni Binti Ayob	• Introduction to IFRS Sustainability Disclosure Standards S1 and S2 • IFRS S1 & IFRS S2 Regulatory Compliance
Datuk Yoo Wei How	• Introduction to IFRS Sustainability Disclosure Standards S1 and S2 • IFRS S1 & IFRS S2 Regulatory Compliance
Ooi Leng Chooi	• Introduction to IFRS Sustainability Disclosure Standards S1 and S2 • Key Amendments to the Listing Requirements of Bursa Securities • IFRS S1 & IFRS S2 Regulatory Compliance

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART III – REMUNERATION

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

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

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

Disclosure
The aggregate remuneration of Directors for the financial year ended 30 June 2026 is as follows: –

Directors	Fees	Salaries	Bonus	Allowance	EPF	Socso	BIK	Total
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Tan Sri Dato' Sri Chan Kong Choy	-	1,239	116	-	72	1	35	1,463
Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon	108	-	-	9	-	-	7	124
Dato' Sri Kuan Khian Leng	-	821	210	84	141	1	7	1,264
Tan Sri Datuk Seri Lau Kuan Kam	-	386	126	-	21	1	-	534
Dato' Ir. Kong Kam Loong	-	602	165	78	105	1	7	958
Dato' Lim Siew Mei	239	-	-	2	-	-	-	241
Dato' Norasni Binti Ayob	54	-	-	10	-	-	-	64
Datuk Yoo Wei How	54	-	-	10	-	-	-	64
Ooi Leng Chooi	63	-	-	10	-	-	-	73

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART III – REMUNERATION (Cont'd)

Disclosure (Cont'd)

Range	Executive Directors	Non-Executive Directors
RM50,001 - RM100,000	-	3
RM100,001 to RM150,000	-	1
RM200,001 to RM250,000	-	1
RM500,001 to RM550,000	1	-
RM950,001 to RM1,000,000	1	-
RM1,250,001 to RM1,300,000	1	-
RM1,450,001 to RM1,500,000	1	-

The aggregate remuneration of Senior Management personnel for the financial year ended 30 June 2026 is as follows: –

Range	Senior Management
RM550,001 to RM600,000	2

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – AUDIT COMMITTEE

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

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

The composition of the AC, including its roles and responsibilities, are set out in the Audit Committee Report on pages 150 to 152 of this Annual Report, which provides the details of the AC's activities which among others, include the annual assessment on the suitability, objectivity and independence of the external auditors. One of the key responsibilities of the Audit Committee in its specific terms of reference is to ensure that the financial statements of the Group and Company comply with applicable financial reporting standards in Malaysia and provisions of the Companies Act, 2016.

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

Internal Control
Information on the Group's internal control is presented in the Statement on Risk Management and Internal Control laid out on pages 137 to 148.

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

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

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

PART II -RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

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

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

The Statement on Risk Management and Internal Control is set out on pages 137 to 148 of this Annual Report, provides an overview of the state of risk management and internal control within the Group.

Internal Audit Function
The Internal Audit Function is set out on page 152 of this Annual Report.

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

PART I – ENGAGEMENT WITH STAKEHOLDERS

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

PART I – ENGAGEMENT WITH STAKEHOLDERS (Cont'd)

Shareholders and Investors Queries (Cont'd)

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

Investor Relations
FBG Holdings Berhad
No. 61 & 63,
Jalan SS6/12,
Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.
Tel: +603 – 7804 9698
Email: corporate@fajarbarugroup.com

PART II – CONDUCT OF GENERAL MEETINGS

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

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

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

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("Board") is pleased to present the Statement on Risk Management and Internal Control ("Statement") pursuant to the Paragraph 15.26 (b) and Practice Note 9 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the recommendations of the Malaysian Code on Corporate Governance 2021 ("MCCG") and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies 2025 ("SORMIC Guide 2025"), issued by the Institute of Internal Auditors Malaysia ("IIAM"). The Board is committed to preserve and uphold a sound system of risk management and internal control as well as good corporate governance practices throughout FBG Holdings Berhad ("FBG" or the "Company") and its subsidiaries (collectively referred to as "the Group"). The Statement outlines the key features of risk management and internal control system of the Group during the year under review and up to the date of approval of this Statement.

BOARD RESPONSIBILITY

The Board affirms its commitment and responsibility for maintaining a sound risk management framework and internal control system to safeguard the shareholders' investments and the Group's assets, as well as to discharge its stewardship responsibility in identifying principal risks and ensuring the implementation of an appropriate risk management and internal control system to manage those risks in accordance with Principle B: Effective Audit and Risk Management of the MCCG. By virtue of the nature of its business activities, the Board considers its strategic risk appetite and seeks to minimise risks at operational level. The Board determines the level of risk that the Group is prepared to accept in pursuing its strategic objectives and ensures that risk appetite and tolerance are considered in the identification, assessment, treatment and monitoring of significant risks. The Group's risk appetite is reviewed periodically in accordance with changes in its business environment, strategy, risk profile and operating conditions.

In embracing Practice 10.1 of the MCCG, the Board has formalised a Risk Management framework ("Framework") that sets out pertinent policies and guidelines to streamline the Group's risk management initiatives and activities in a structured and holistic manner to safeguard shareholders' investment and the Group's assets. The Framework has been customised specifically for the Group, taking into consideration the nature, scale, complexity and specific risk profile of its business activities, and is not based on any specific internationally recognised risk management framework. The Framework is reviewed periodically by the Board and Management to ensure that it remains appropriate and responsive to the Group's evolving business and risk environment. Based on this Framework, the Board has established an on-going process to identify, evaluate, control, report and monitor significant business risks faced by the Group.

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

The Management is responsible for assisting the Board in implementing and monitoring the procedures and processes which identify, assess, and monitor strategic risks, business risks and internal controls, and to take responsive risk mitigation actions as and when needed. Management is also responsible for ensuring that risk management and internal control considerations are embedded into the Group's day-to-day management processes, strategic planning and decision-making, and for reporting significant changes in risk exposures and control effectiveness to the Board and relevant Board Committees.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

BOARD RESPONSIBILITY (Cont'd)

During the financial year under review and up to the date of approval of this Statement for the inclusion in Annual Report, the Board was supported by the Senior Management and Internal Auditor in implementing a formal approach towards identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives and is an ongoing process. This includes examining principal business risks in critical areas and identifying measures to mitigate, avoid and eliminate these risks. The Board also considers emerging risks and changes in the Group's internal and external operating environment, including technological, cybersecurity, sustainability, regulatory, market and supply chain developments, where relevant to the Group.

RISK MANAGEMENT COMMITTEE

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

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

The RMC also considers whether significant and emerging risks are appropriately identified, assessed, monitored and escalated, and whether the corresponding management actions and internal controls remain appropriate as the Group's business environment and risk profile evolve.

RISK MANAGEMENT FRAMEWORK

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

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

RISK MANAGEMENT FRAMEWORK (Cont'd)

Changes in the key business risks faced by the Group or emergence of new key business risks and the corresponding internal controls are discussed during management meetings with material changes in the key business risks faced by the Group or emergence of new key business risks are highlighted to the Board, if any. Where appropriate, early warning indicators and risk thresholds are used to facilitate timely escalation and management action.

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

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

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

All major risks that have an impact on the Group such as market, legislative and financial risks, will be identified, rated and monitored closely on an on-going basis. In addition, the Group considers other relevant risk areas, including operational, regulatory compliance, reputation, cybersecurity, information and technology, sustainability, health and safety, human capital, supply chain, business continuity and other emerging risks, where applicable to the Group's activities. For each of the risk identified, the risk owner is assigned to ensure that the appropriate risk response actions are carried out in a timely manner. The Internal Auditor will update the Risk Analysis Matrix and perform an independent review on the risk and internal control area and report to the Audit Committee on a quarterly basis.

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

The risk assessment process also considers the potential velocity, duration and interconnectedness of significant risks, where relevant, and whether the controls and risk responses remain appropriate in view of changes in the Group's risk profile.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

RISK MANAGEMENT FRAMEWORK (Cont'd)

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

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

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

(iii) Provide consistent risk assessment criteria;

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

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

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

(vii) Consider changes in the internal and external environment, including emerging risks, in determining whether existing risk responses and internal controls remain appropriate and effective.

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

RISK MANAGEMENT FRAMEWORK (Cont'd)

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

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

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

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

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

5. Regulatory Compliance, Reputation and Cybersecurity
The Group monitors risks arising from changes in applicable laws and regulations, regulatory compliance, reputation, cybersecurity, information and technology, where relevant to the Group's operations. Appropriate policies, procedures, access controls, monitoring processes and escalation mechanisms are implemented to manage such risks.

6. Environmental, Social and Governance (ESG), Sustainability and Emerging Risks
The Group intends to integrate approved sustainability-related risks and opportunities into its established risk-management and decision-making processes. The groupwide process remained under development during FYE 2026. Proposed elements include accountable owners, escalation thresholds, response plans, monitoring indicators and periodic reassessment when business conditions change.

The Group considers material sustainability-related and emerging risks within its overall risk management framework, where relevant to its business and operating environment. These may include climate-related, environmental, social, supply chain, technological and other emerging risks that could affect the Group's ability to achieve its strategic and operational objectives. Such risks will be assessed, monitored and incorporated into the relevant risk registers and management action plans, where material.

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

RISK MANAGEMENT FRAMEWORK (Cont'd)

RMC met two (2) times during the financial year ended 30 June 2026 to review the Group's risk and any other matters that required the Board's approval.

The RMC's review also included consideration of changes in the Group's significant risk exposures, emerging risks and the adequacy of corresponding management actions and internal controls.

INTERNAL CONTROL

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

The Internal Audit Department maintains functional independence and objectivity in the discharge of its responsibilities and has unrestricted access to the Group's records, personnel and relevant information necessary to perform its work.

The Internal Audit Department is headed by a member of the Association of Chartered Certified Accountants ("ACCA"). The person responsible for the Internal Audit function has no familial or financial relationships with any Directors or major shareholders of the Company. The person responsible for the Internal Audit function also serves on the Board of Directors of several private limited companies in which certain Directors of the Company are also involved. These directorships do not give rise to any conflicts of interest in respect of business dealings involving the Company or its subsidiaries and do not impair the objectivity and independence of the person responsible for the Internal Audit function in discharging their responsibilities as Head of the Internal Audit Department ("IAD").

The Audit Committee reviews and approves the internal audit plan, considers the adequacy of resources and competency of the Internal Audit Department, and assesses the performance and independence of the Internal Audit function.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

KEY PROCESSES

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

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

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

KEY PROCESSES (Cont'd)

In addition, the Board, through the RMC, Audit Committee, Management and Internal Audit function, considers significant control deficiencies, incidents, risk events, near misses, changes in significant risks and emerging risks identified during the year, and monitors the implementation and closure of appropriate remedial actions.

The Board also considers whether the Group has appropriate early warning indicators and escalation mechanisms to enable significant or emerging risks to be identified and addressed on a timely basis.

KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (Cont'd)

- Anti-Bribery and Anti-Corruption Policy is in place to further enforce the Group Code of Conduct and Business Ethics to ensure that employees understand their responsibilities in compliance with the Group's zero tolerance for bribery and corruption within the Group.
- Risk management and internal control considerations are incorporated into the Group's strategic planning, budgeting, operational and decision-making processes, with risks and controls monitored against the Group's approved risk appetite and tolerance levels;
- Appropriate controls are established over information and technology systems, including cybersecurity and data security risks, where relevant, with significant incidents and control weaknesses escalated to Management and the Board in accordance with established procedures;
- Business sustainability-related and other material non-financial risks are considered as part of the Group's overall risk management process, with relevant risks incorporated into risk registers, controls and monitoring processes where material to the Group;
- Business continuity and operational resilience considerations are incorporated into the Group's risk management and internal control processes, where relevant, to support the Group's ability to respond to significant disruptions; and
- Internal control deficiencies identified through management reviews, Internal Audit, external audit or other assurance activities are communicated to the appropriate level of Management and monitored for timely remediation.

MATERIAL ASSOCIATES

The disclosures in this Statement do not include the risk management and internal controls practices of the Group's material associates. The Group's interests in these entities are safeguarded through the appointment of representatives to the respective associate boards.

The Group does not exercise control over these material associates and therefore their risk management and internal control systems are not included within the scope of the Group's risk management and internal control system described in this Statement. The Group continues to monitor its interests in these entities through the representation and oversight mechanisms available to it.

EFFECTIVENESS OF INTERNAL CONTROL

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

The Board, through the RMC and Audit Committee, also conducts an annual assessment of the adequacy and effectiveness of the Group's risk management and internal control system, supplemented by ongoing reviews and periodic testing performed during the financial year. The annual assessment takes into consideration significant risks and changes in the Group's risk profile, management reports, Internal Audit findings, external audit observations, risk events and near misses, where applicable, as well as the assurances provided by Management.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

EFFECTIVENESS OF INTERNAL CONTROL (Cont'd)

For the financial year under review, the Board's assessment included consideration of the effectiveness of the Group's risk identification, assessment, treatment and monitoring processes and the adequacy of internal controls over significant risk areas. The Board also considered whether changes in the Group's business environment and emerging risks required corresponding changes to the risk management framework, policies, processes or internal controls.

Based on the reviews and assessments performed during the financial year, the Board is not aware of any significant deficiencies in the Group's risk management and internal control system that have not been appropriately addressed.

Where weaknesses or deficiencies are identified, Management is responsible for implementing appropriate corrective actions, with the progress of such actions monitored by the relevant functions, the Internal Auditor, the Audit Committee and/or RMC, as appropriate.

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

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

The Board has received assurance from the Group Managing Director, Group Chief Executive Officer, Group Executive Directors and Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively for the financial year under review, in all material aspects, based on the risk management and internal control system of the Group.

The assurance provided by the Group Managing Director, Group Chief Executive Officer, Group Executive Directors and Chief Financial Officer covered, among others, the design and operating effectiveness of the Group's risk management and internal control system, the management of significant risks, the adequacy of controls and the disclosure of material control deficiencies, where applicable. The assurance has been given based on the internal controls established and maintained by the Group, work performed and reports provided by the internal audit function, management letters provided by External Auditors, reviews performed by Management and various Board Committees as well as reliance on written confirmations by Management.

Taking into consideration the assurance from Management and relevant assurance providers, the Board is of the view that the risk management framework and internal control systems are satisfactory and adequate to safeguard shareholders' investments, customers' interests and the Group's assets and have not resulted in any material loss, contingency or uncertainty.

In arriving at this conclusion, the Board considered the results of ongoing monitoring, the annual assessment of the risk management and internal control system, reports from the Internal Audit function, reviews undertaken by the Audit Committee and RMC, Management's assurance and other relevant assurance activities.

The Board continues to take pertinent measures to sustain and, where required, to improve the Group's risk management and internal control systems in meeting the Group's strategic objectives.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

BOARD ASSURANCE AND LIMITATION

The Board is satisfied with the procedures outlined above and the Board will continue to review the effectiveness of the Group's risk management and internal control system. The Board will also continue to monitor changes in the Group's risk profile and operating environment and enhance the risk management and internal control framework where necessary.

Nonetheless, the Board recognises that the internal control system should be continuously improved in line with the evolving business environment. It should be noted generally that all risk management and internal control systems could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, the Group's risk management and internal control system can only provide reasonable, but not absolute assurance against material misstatements, frauds, losses or other significantly adverse consequences. The Board recognises that such systems cannot completely eliminate the possibility of human error, management override, circumvention of controls or unforeseen events.

REVIEW OF STATEMENT BY THE EXTERNAL AUDITORS

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

Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that caused them to believe that the Statement is not prepared, in all material aspects, in accordance with the disclosures required by Section 7 of the SORMIC Guide 2025 to be set out, nor is it factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and Management thereon. The External Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in this Annual Report will, in fact, remedy the problems.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

CONCLUSION

The Board is of the view that the risk management and internal control system are satisfactory and have not resulted in any material losses that would require disclosure in this Annual Report for the year ended 30 June 2026 up to the date of this Statement.

The Board's assessment is based on the processes described in this Statement, including the ongoing monitoring and annual assessment of the Group's risk management and internal control system, the reviews undertaken by the RMC and Audit Committee, the work performed by the Internal Audit function, Management's assurance and other relevant assurance activities.

The Board acknowledges that the risk management and internal control system will continue to evolve in response to changes in the Group's business, regulatory requirements, operating environment and emerging risks, and remains committed to strengthening the system where necessary.

This Statement on Risk Management and Internal Control was approved by the Board on 22 October 2026.

DIRECTORS' RESPONSIBILITY STATEMENT

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

The Directors are responsible for ensuring that the financial statements of the Group and the Company are prepared in accordance with the provisions of the Companies Act 2016 and the applicable approved accounting standards in Malaysia so as to present a true and fair view of the financial position of the Group and the Company as at the end of the financial year, and of their financial performance and cash flows for the financial year.

In preparing the financial statements for the financial year ended 30 June 2026, the Directors have:

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- ensured that the applicable approved accounting standards and relevant regulatory requirements have been complied with.

The Directors are also responsible for ensuring that proper accounting records are maintained to accurately disclose, at any time, the financial position of the Group and the Company, and to enable the financial statements to comply with the Companies Act 2016.

The Directors have overall responsibility for taking reasonable steps to safeguard the assets of the Group and the Company and to prevent and detect fraud, irregularities, and other material misstatements.

REPORT OF THE AUDIT COMMITTEE

The Board of Directors of FBG Holdings Berhad is pleased to present the report of the Audit Committee of the Board for the year ended 30 June 2026.

MEMBERS AND MEETINGS

The members of the Audit Committee during the year comprised the directors listed below. During the year ended 30 June 2026, the Committee held a total of six (6) meetings.

Audit Committee Members	Status of Directorship	Attendance of Meetings
Ooi Leng Chooi (Chairman)	Independent Non-Executive Director	6 / 6
Dato' Norasni Bin Ayob (Member)	Independent Non-Executive Director	6 / 6
Datuk Yoo Wei How (Member)	Independent Non-Executive Director	6 / 6

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

1. Reviewed the audited financial statements for the year ended 30 June 2026 and unaudited quarterly financial results announcement of the Group, prior to the Board's approval.
2. Reviewing with the External Auditors the scope of work and results of their examination together with the actions taken thereon.
3. Reviewing the scope and results of the Internal Audit procedures and reports as well as to recommend any necessary action to be taken by management.
4. Monitoring and reviewing the Financial and Operations Reports.
5. Reviewing any related party transaction that may arise within the Group of the Company.

TERMS OF REFERENCE

The terms of reference of the Committee is as follows:

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

The Chairman shall be an Independent Non-Executive Director. No alternate director of the Board shall be appointed as a member of the Committee. At least one member of the Committee must be a member of the Malaysian Institute of Accountants or if he is not, then he must be a person who complies with the requirements of Paragraph 15.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

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

RESPONSIBILITIES AND DUTIES

The responsibilities and duties of the Committee are:

1. to consider the appointment, resignation and dismissal of External Auditors and the audit fee;
2. to review the nature and scope of the audit with the Internal and External Auditors before the audit commences;
3. to review the quarterly and annual financial statements of the Group and the Company focusing on the matter set out below, and thereafter to submit them to the Board:
   (a) any changes in accounting policies and practices;
   (b) significant adjustments arising from the audit;
   (c) the going concern assumption; and
   (d) compliance with accounting standards and regulatory requirements.
4. to discuss problems and reservations arising from the interim and final audits, and any matter the External Auditors may wish to discuss;
5. to review the audit reports prepared by the Internal and External Auditors, the major findings and management's responses thereto;
6. to review the adequacy of the scope, functions and resources of the Internal Audit department and that it has the necessary authority to carry out its work;
7. to review any appraisal or assessment of the performance of members of the Internal Audit department;
8. to approve any appointment or termination of senior executives in the Internal Audit department;
9. to review related party transactions entered into by the Group and the Company to ensure that such transactions are undertaken on the Group's normal commercial terms and that the internal control procedures with regards to such transactions are sufficient; and
10. any such other functions as may be agreed to by the Committee and the Board.

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

REPORT OF THE AUDIT COMMITTEE (CONT'D)

STATEMENT BY THE AUDIT COMMITTEE IN RELATION TO ESOS ALLOCATION

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

INTERNAL AUDIT FUNCTION

The Company has an in-house Internal Audit Department whose principal responsibility is to undertake regular and systematic reviews of the systems of financial and operational controls so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively. The total cost incurred in discharging its functions and responsibilities during the year is RM323,096 (Year 2025: RM297,340). The attainment of such objectives involves the following activities being carried out: –

1. reviewing and appraising the soundness, adequacy and application of accounting, financial and other controls promoting effective control in the Company and the Group at reasonable cost;
2. ascertaining the extent of compliance with established policies, procedures and statutory requirements;
3. ascertaining the extent to which the Group and the Company's assets are accounted for and safeguarded;
4. appraising the reliability of information developed within the Group and the Company for management;
5. recommending improvements to the existing system of controls;
6. reviewing the effectiveness and efficiency of operations; and carrying out investigations and special reviews requested by management and/or Audit Committee.

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