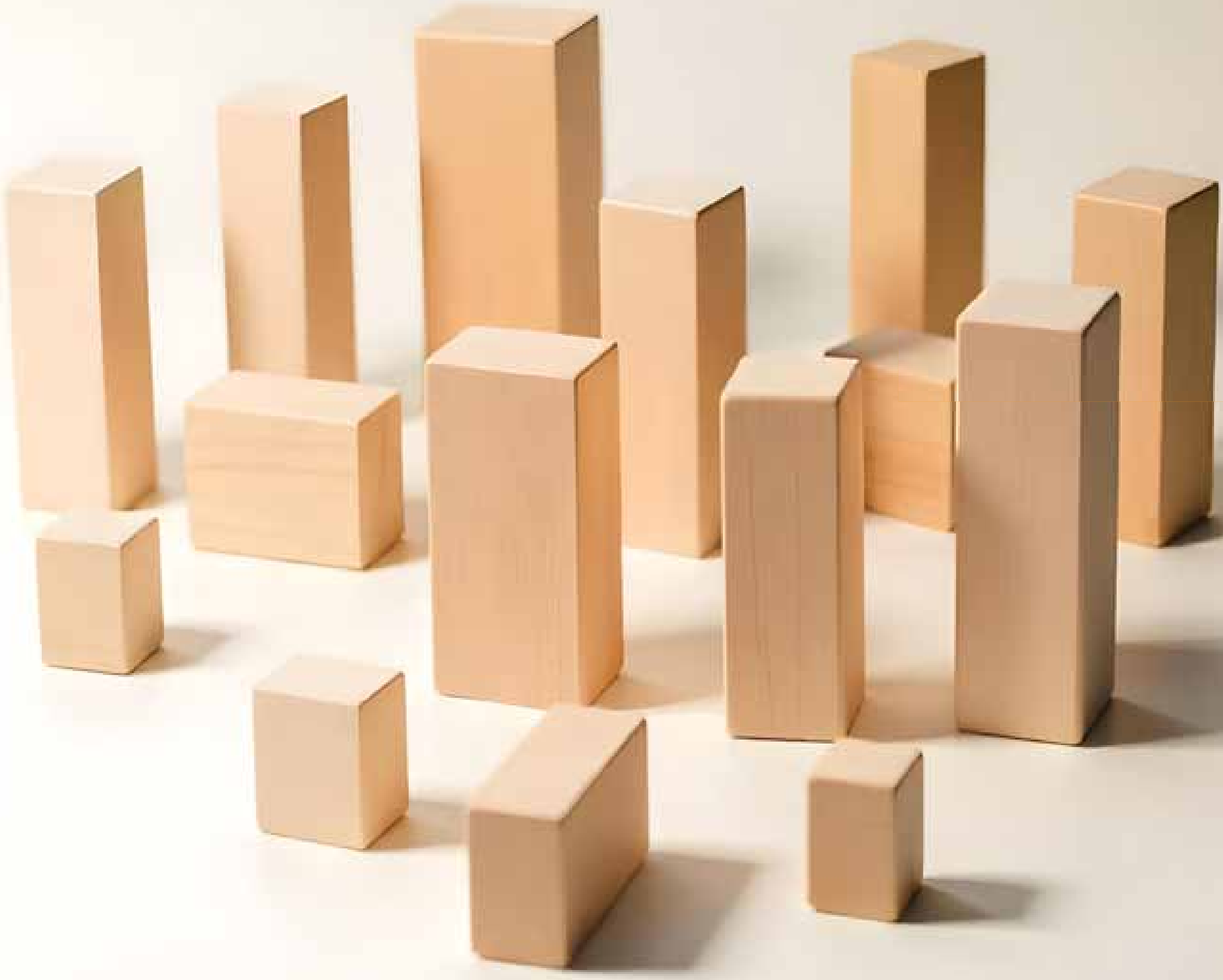
AXTERIA GROUP BERHAD



LANDMARK ACHIEVEMENTS

Annual Report 2024

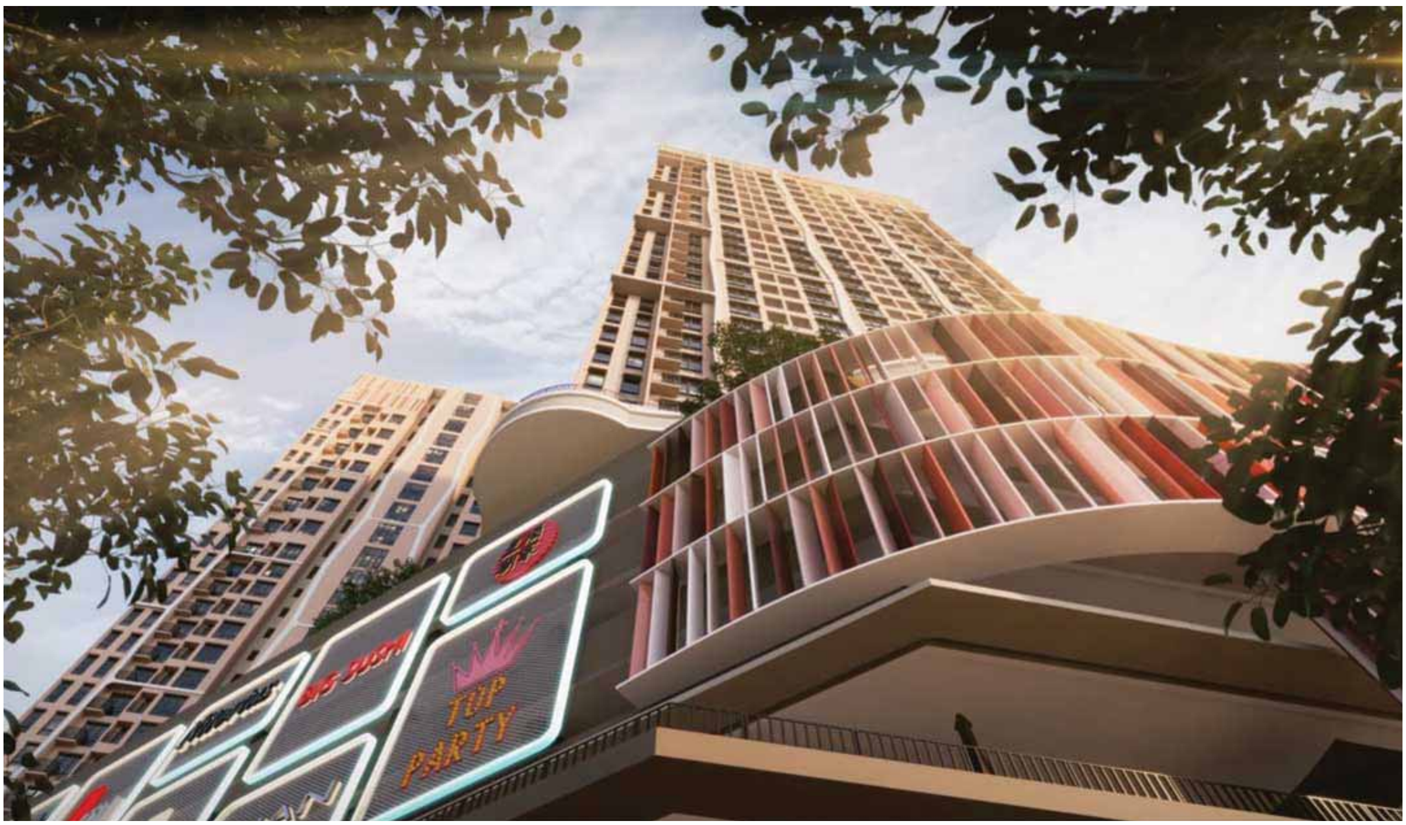
26th ANNUAL GENERAL MEETING

Friday, 30 May 2025

10:00 a.m.

FEEDBACK
Please scan this QR code to access our website
https://agb.my/

what's inside?



ABOUT AXTERIA

Axteria Group Berhad ("Axteria" or the "Company"), formerly Acoustech Berhad, and its subsidiaries (collectively, the "Group"), is a forward-thinking real estate developer and property management company committed to creating sustainable, high-value developments.

Originally established in 1999 as an audio speaker manufacturer, Axteria achieved a significant milestone by listing on the Main Market of Bursa Malaysia Securities Berhad (Stock Code: 7120) in 2001.

A pivotal transformation began in 2015 with the Group's strategic diversification into real estate, marking a new era of growth. This shift was fully realized in 2018 with the divestment of its audio speaker segment, solidifying Axteria's position as a dynamic player in property development.

Since then, Axteria has strategically pursued land acquisitions and joint ventures across Malaysia, building a sustainable portfolio that integrates eco-friendly architectural designs and cutting-edge green technologies. The Group remains dedicated to balancing innovation, sustainability, and community-centric development, ensuring long-term value creation.

Embracing the digital age, Axteria leverages emerging technologies—including Artificial Intelligence (AI), the Internet of Things (IoT), Big Data, and 5G—to enhance project efficiency and impact. Creativity, synergy, and technological integration are central to its approach, driving progress for individuals, businesses, and communities.

Axteria is committed to enriching lives by developing and managing vibrant, integrated spaces for living, working, and leisure. Its comprehensive property development services span land identification and acquisition, feasibility studies, advisory and consultancy, project planning, marketing, and implementation—ensuring seamless execution from concept to completion.

With an unwavering commitment to excellence, Axteria has built a reputation for delivering high-quality real estate projects efficiently and ahead of schedule. Through innovative solutions and strategic partnerships, the Group continues to redefine sustainable living and drive growth in the real estate sector.

OUR VISION, MISSION AND CORE VALUES

OUR VISION

To develop sustainable communities that thrive for generations

OUR MISSION

Guided by Reliability, Integrity, Service, and Empathy (RISE),
we strive to elevate customer satisfaction and value to greater heights

OUR CORE VALUES

Customer First

We prioritise our customers' happiness and satisfaction in everything we do

Integrity

We honour our commitments and uphold the highest standards of honesty and accountability

Humility

We stay grounded, value diversity, and embrace teamwork as a global organisation working toward shared goals

Innovation

We are passionate about continuous improvement, fostering creativity, and challenging the status quo to drive progress

Excellence

We aim for the highest standards in everything we do, overcoming challenges with dedication and turning them into opportunities

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Sixth (26th) Annual General Meeting ("AGM") of Axteria Group Berhad (the "Company") will be held at Event Hall, Daiman 18 Golf Club, No. 18, Jalan Pesona, Taman Johor Jaya, 81100 Johor Bahru, Johor Darul Takzim on Friday, 30 May 2025 at 10.00 a.m. for the transaction of the following businesses:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and the Auditors thereon.

2. To approve the following payments:

   a) To approve the payment of Directors' fees amounting to RM434,700 in respect of the financial year ending 31 December 2025 and up to the next AGM, to be paid monthly in arrears. **(Ordinary Resolution 1)**

   b) To approve payment of Directors' benefits of up to RM606,000 for the financial period from 1 July 2025 to 30 June 2026, to be paid monthly in arrears. **(Ordinary Resolution 2)**

3. To re-elect the following Directors who retire in accordance with Clause 105(1) of the Company's Constitution:

   a) Mr. Woo Wai Onn @ Foo Wai Onn **(Ordinary Resolution 3)**
   b) Ms. Ng Lee Thin **(Ordinary Resolution 4)**

4. To re-elect the following Director who retires in accordance with Clause 114 of the Company's Constitution:

   a) Mr. Kenny Woo Chi Yoong **(Ordinary Resolution 5)**

5. To re-appoint Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to determine their remuneration. **(Ordinary Resolution 6)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions with or without any modification:

6. **Authority to Issue Shares and Waiver of Pre-Emptive Rights over Shares pursuant to the Companies Act 2016 (the "Act")**

   "THAT subject to the Act, the Constitution of the Company, and the approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") and any relevant governmental or regulatory authority, the Directors of the Company be hereby empowered, pursuant to the Act, to issue and allot new ordinary shares in the Company ("Shares"), at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of Shares issued pursuant to this resolution does not exceed ten per cent (10%) of the total number of issued shares of the Company for the time being ("General Mandate");

AND THAT approval be hereby given for the pre-emptive rights of the shareholders of the Company under Section 85 of the Act read together with Clause 61 of the Constitution, over all the new Shares to be issued pursuant to and/or arising from the General Mandate ranking equally to the existing issued Shares, being in proportion as nearly as the circumstances admit, to the amount of the existing issued Shares held by the shareholders of the Company as at the date of issuance and allotment of such new Shares ("Pre-emptive Rights"), be irrevocably and unconditionally waived ("Waiver of Pre-emptive Rights");

AND THAT the Company be hereby exempted from the obligation to offer such new Shares to be issued and allotted pursuant to the General Mandate to the shareholders of the Company in accordance with the Pre-emptive Rights;

AND THAT the Directors of the Company and/or the Company Secretary be hereby authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the Waiver of Pre-emptive Rights for and on behalf of the Company;

AND THAT the Directors of the Company be hereby empowered to obtain the approval for the listing of, and quotation for, the additional Shares so issued on Bursa Securities;

AND FURTHER THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company." **(Ordinary Resolution 7)**

7. **Proposed Shareholders' Mandate for new Recurrent Related Party Transactions of Revenue or Trading Nature ("RRPT")**

"THAT pursuant to paragraph 10.09 of the Main Market Listing Requirements ("Listing Requirement") of Bursa Securities, approval be hereby given for the Company and its subsidiaries ("Axteria Group") to enter into, and to give effect to, specified RRPT and with specified classes of the Related Parties as stated in Section 2.3 of the Circular to Shareholders dated 29 April 2025, which are necessary for the day-to-day operations, to be entered into by Axteria Group on the basis that these transactions are entered into on terms which are not more favourable to the related parties involved than generally available to the public and are not detrimental to the minority shareholders of the Company (hereinafter referred to as the "Proposed Shareholders' Mandate");

THAT the Proposed Shareholders' Mandate is subject to annual renewal. In this respect, any authority conferred by the Proposed Shareholders' Mandate shall only continue to be in force until:

a) the conclusion of the next AGM of the Company following the general meeting at which time the Proposed Shareholders' Mandate has been passed, at which time they will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
c) revoked or varied by a resolution passed by the shareholders in general meeting.

NOTICE OF ANNUAL GENERAL MEETING
(cont'd)

whichever is the earlier;

AND FURTHER THAT the Directors of the Company and/or any of them be hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the Proposed Shareholders' Mandate." **(Ordinary Resolution 8)**

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

BY ORDER OF THE BOARD

Pang Kah Man
SSM PC No.: 202008000183
MIA No.: 18831
Company Secretary

Muar, Johor Darul Takzim
29 April 2025

Notes:

1. *A member shall be entitled to appoint another person as his/their proxy to exercise all or any of his/their rights to attend, speak and vote in his/their stead pursuant to Section 334 of the Act. There shall be no restriction as to the qualification of the proxy.*

2. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney, must be deposited at Tricor's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or placed in the drop box located at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than twenty-four (24) hours before the time appointed for holding this meeting or any adjournment thereof, as Paragraph 8.29A(1) of the Listing Requirements of Bursa Securities requires all resolutions set out in the Notice of 26th AGM to be voted on by way of poll. Alternatively, the form of proxy may be lodged electronically via TIIH Online website at https://tiih.online. Please refer to the Administrative Guide for the 26th AGM for procedures on electronic submission of the form of proxy.*

3. *In the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the Meeting as his/their proxy, provided always that the rest of the form of proxy, other than the particulars of the proxy, has been duly completed by the member(s).*

4. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/their shareholdings to be represented by each proxy.*

5. *If the appointer is a corporation, the instrument must be executed under its Common Seal or under the hand of an attorney duly authorised.*

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

7. *Only depositors whose names appear in the Register of Depositors as at 23 May 2025 shall be entitled to attend in person or appoint proxies to attend and/or vote on their behalf at the 26th AGM.*

Explanatory Notes to the Agenda

10. ***Item No. 1 of the Agenda***

    Audited Financial Statements

    This item of the Agenda is meant for discussion only. The provisions of Section 340(1) of the Act require that the audited financial statements and the Reports of the Directors and Auditors thereon be laid before the Company at the 26th AGM. As such, this Agenda item *is not a business which requires a resolution to be put to vote by shareholders.*

11. Items No. 2(a) of the Agenda

Approval of Directors' fees

The Directors' fees proposed for the financial year ending 31 December 2025 are calculated based on the current board size and assuming that all Directors will hold office until 31 December 2025. This resolution is intended to facilitate the payment of Directors' fees on a current financial year basis. The payment of the Directors' fees will be made monthly in arrears, subject to the passing of Ordinary Resolution 1 at the AGM. In the event the proposed Directors' fees are insufficient (e.g., due to enlarged board size or other unforeseen circumstances), further approval will be sought at the next AGM to address the shortfall.

12. Item No. 2(b) of the Agenda

Payment of Directors' benefits

This resolution is to facilitate the payment of Directors' benefits for the period from 1 July 2025 to 30 June 2026 (being the due date to hold the next AGM in 2026). Should the proposed Directors' benefits be insufficient (e.g., due to additional meetings, enlarged Board size, or other unforeseen circumstances), further approval for the additional amount required to cover the shortfall will be sought at the next AGM.

Directors' benefits include allowances and other emoluments payable to Directors. In determining the estimated total, the Board has taken into consideration various factors, including the number of scheduled meetings of the Board, Board Committees, and meetings of the Company and/or its subsidiaries, if any and covers the period from 1 July 2025 to 30 June 2026 (being the due date to hold the next AGM in 2026).

13. Items No. 3 and 4 of the Agenda

Re-election of retiring Directors

Clause 105(1) of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at each AGM of the Company and all Directors shall retire from office at least once every 3 years but shall be eligible for re-election. Pursuant to this clause, Mr. Woo Wai Onn @ Foo Wai Onn and Ms. Ng Lee Thin are due for retirement by rotation and they have offered themselves for re-election at the 26th AGM.

Clause 114 of the Company's Constitution provides that all the new Directors appointed by the Board during the year shall hold office only until the next AGM and shall be eligible for re-election, but shall not be taken into account in determining the Directors retiring by rotation at that meeting. Mr. Kenny Woo Chi Yoong, who was appointed on 30 November 2024, is to stand for re-election at the 26th AGM pursuant to this clause.

In addition, the Nomination Committee ("NC") had in April 2025 assessed the performance and attributes of the Board, Board Committees and individual Directors in respect of their effectiveness and contribution to the Company, based on a set of prescribed criteria approved by the Board.

Based on the outcome of this annual assessment, the NC concluded that the existing Board and each of its members possess the requisite competence and capability to contribute effectively to the Company. They have also demonstrated sufficient commitment to the Group through their time and participation at meetings during the year under review. Each of the retiring Directors has confirmed to the Board that they have no conflict of interest with any of the companies within the Group that could affect their ability to act in the best interest of the Company.

Accordingly, the NC recommended to the Board the re-election of the retiring Directors, namely, Mr. Woo Wai Onn @ Foo Wai Onn, Ms. Ng Lee Thin and Mr. Kenny Woo Chi Yoong, at the 26th AGM. Based on the NC's recommendation, the Board (with the exception of the Directors who abstained from deliberation in respect of their own re-election) supports the re-election of these retiring Directors at the 26th AGM.

14. Item No. 6 of the Agenda

Authority to Issue Shares and Waiver of Pre-Emptive Rights over Shares pursuant to the Act

The proposed Ordinary Resolution 7 is for the purpose of granting a fresh general mandate ("General Mandate") and empowering the Directors of the Company, pursuant to the Act, to issue and allot new ordinary shares in the Company ("Shares") from time to time provided that the aggregate number of Shares issued pursuant to the General Mandate does not exceed ten per cent (10%) of the total number of issued Shares of the Company for the time being.

The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company. The General Mandate is intended to provide flexibility to

NOTICE OF ANNUAL GENERAL MEETING

(cont'd)

the Company to allot new Shares for potential fundraising activities, which may include, but are not limited to, the placement of Shares to finance land acquisition for new development projects, the funding of ongoing and future construction and property development activities, the expansion of property portfolio through strategic acquisitions or mergers, the funding of future investment projects, and the provision of working capital for staff-related costs, general administrative expenses, and the repayment of bank borrowings.

Pursuant to Section 85(1) of the Act and Clause 61 of the Company's Constitution, the existing shareholders of the Company have pre-emptive rights over any new Shares to be offered which will rank equally to the existing Shares issued by the Company. In order for the Board to issue any new Shares free of pre-emptive rights, such pre-emptive rights must be waived. The proposed Ordinary Resolution 7, if passed, will exclude the pre-emptive rights over all new Shares, options over or grant of new Shares in the Company and/or any new Shares to be issued pursuant to such options or grants under the General Mandate.

15. Item No. 7 of the Agenda

Proposed Shareholders' Mandate for new RRPT

The proposed Ordinary Resolution 8, if passed, will authorise the Axteria Group to enter into new RRPT which are necessary for the Axteria Group's day-to-day operations with the respective specified classes of the Related Parties, subject to the transactions being entered into on terms which are not more favourable to the Related Parties involved than generally available to the public and are not detrimental to the minority shareholders of the Company. The Proposed Shareholders' Mandate is subject to renewal on an annual basis.

Further details are set out in the Circular to Shareholders dated 29 April 2025.

16. Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Company's 26th AGM and/or any adjournment thereof, a member of the Company:

(i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 26th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 26th AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");

(ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and

(iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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

1. **Details of Individuals Standing for Election as Directors**
   No individual is seeking for election as a Director at the 26th AGM of the Company.

2. **Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Listing Requirements of Bursa Malaysia Securities Berhad**
   Please refer to item 14 – Explanatory Notes to the Agenda for Ordinary Resolution 7 on Authority to issue Shares pursuant to Sections 75 & 76 of the Act under the Notes to the Notice of 26th AGM.

GROUP STRUCTURE

AXTERIA GROUP BERHAD

100%	**Axteria Eco Sdn Bhd** *(Company No. 201101034651 (962784-H))*
100%	**Axteria Properties Sdn Bhd** *(Company No. 201601012758 (1183689-K))*
100%	**Axteria Construction Sdn Bhd** *(Company No. 201801037897 (1299927-K))*
100%	**Axteria Realty Sdn Bhd** *(Company No. 202201002639 (1448336-K))*
100%	**Axteria Assets Sdn Bhd** *(Company No. 201901025663 (1334992-M))*
100%	**Axteria Cemerlang Sdn Bhd** *(Company No. 201301025086 (1054915-X))*
100%	**Axteria Development Sdn Bhd** *(Company No. 202101010547 (1410846-W))*
100%	**Axteria Capital Sdn Bhd** *(Company No. 202101043112 (1443412-W))*
100%	**Axteria Building Materials Sdn Bhd** *(Company No. 202201005740 (1451437-P))*
45%	**Harum Eco Dormitory Sdn Bhd** *(Company No. 201601030937 (1201878-X))*

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mok Juan Chek
Independent Non-Executive Chairman

Dato Abdullah Bin Abdul Mannan
Non-Independent Non-Executive Deputy Chairman

Woo Wai Onn @ Foo Wai Onn
Group Managing Director

Kenny Woo Chi Yoong
Executive Director
(Appointed on 30 November 2024)

Ng Lee Thin
Independent Non-Executive Director

Kevin Low Ee Ming
Independent Non-Executive Director

Yap Yung Chien
Independent Non-Executive Director

Yau Yin Wee
Independent Non-Executive Director

Tee (Tay) Eng Joo
Executive Director
(Resigned on 30 November 2024)

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairperson Ng Lee Thin

Member Kevin Low Ee Ming
Yap Yung Chien

NOMINATION COMMITTEE

Chairperson Yau Yin Wee

Member Yap Yung Chien
Ng Lee Thin

REMUNERATION COMMITTEE

Chairperson Yau Yin Wee

Member Yap Yung Chien
Ng Lee Thin

COMPANY SECRETARIES

Pang Kah Man
MIA No.: 18831
SSM PC No. 202008000183

Wong Chee Sheun
MAICSA No.: 6011637
SSM PC No. 202108000022

AUDITORS

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
E-2-3 Pusat Komersial Bayu Tasek,
Persiaran Southkey 1, Kota Southkey,
80150 Johor Bahru, Johor.
Tel : +607-288 6627
Fax : +607-338 4627

REGISTERED OFFICE

2 (1st Floor), Jalan Marin,
Taman Marin,
Jalan Haji Abdullah, Sungai Abong,
84000 Muar, Johor
Tel : +606-951 0223
Fax : +606-950 1490

CORPORATE INFORMATION
(cont'd)

SHARE REGISTRAR

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

PRINCIPAL PLACE OF BUSINESS & CORPORATE OFFICE

L2-01, No. 56, Jalan Setia Tropika 1/14,
Taman Setia Tropika,
81200 Johor Bahru,
Johor.
Tel : +607-233 0911/0922/0933
Fax : +607-233 0910

PRINCIPAL BANKERS

CIMB Bank Berhad
Hong Leong Bank Berhad
Public Bank Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name: Axteria
Stock Code: 7120

WEBSITE

https://agb.my/

MANAGEMENT DISCUSSION AND ANALYSIS

DEAR ESTEEMED SHAREHOLDERS,

The Board of Directors and Management of Axteria Group Berhad ("AGB" or the "Company") are pleased to present the key highlights of AGB's financial and operational performance for the financial year ended 31 December 2024 ("FY2024"), along with our outlook for the coming year.

OVERVIEW AND OUTLOOK OF THE MALAYSIAN ECONOMY

Economic Growth

The Malaysian economy registered a commendable growth of 5.1% in 2024, outpacing the 3.6% expansion recorded in 2023. This improvement was primarily driven by strong domestic demand, a rebound in exports, and robust investment activities, underscored by the continued implementation of multi-year projects under key national blueprints, including the New Industrial Master Plan (NIMP 2030), the National Energy Transition Roadmap (NETR), and the National Semiconductor Strategy.

During the fourth quarter of 2024, GDP growth stood at 5.0% (3Q 2024: 5.4%), with household spending remaining resilient, supported by positive labour market conditions and continued policy measures. The unemployment rate remained stable, reflecting the sustained strength of domestic economic activities. The construction sector remained a bright spot, achieving double-digit growth, backed by residential, non-residential, and special trade projects. Conversely, the commodities sector experienced contractions due to lower oil palm output and a continued decline in oil production.

From an external trade perspective, exports of goods and services continued to expand, supported by steady global growth and higher tourist arrivals and spending. However, growth momentum moderated on a quarter-on-quarter, seasonally adjusted basis, contracting by 1.1% (3Q 2024: +1.9%). Nonetheless, Malaysia's current account surplus stood at 1.7% of GDP in 2024, reflecting a sustained external sector recovery (2023: 1.5% of GDP).

Inflation Trends

Inflationary pressures remained well-contained in 2024, with headline inflation declining to 1.8% (2023: 2.5%) while core inflation moderated to 1.8% (2023: 3.0%). The easing of inflation was largely attributed to lower costs in mobile communication services and RON97 petrol, although price increases were observed in fresh vegetables, fish, and seafood. The pervasiveness of inflation remained moderate, with the proportion of Consumer Price Index (CPI) items experiencing monthly price increases remaining below the long-term average of 39.8%.

These stable inflation trends, coupled with sustained domestic demand and favourable investment flows, provided a conducive operating environment for businesses across key sectors, including Axteria Group Berhad.

Credit Growth

Credit growth to the private non-financial sector continued its upward trajectory, expanding by 5.2% in the fourth quarter of 2024 (3Q 2024: 4.8%). This increase was primarily driven by higher growth in outstanding business loans and corporate bonds, reflecting heightened investment-related borrowing activities. While working capital loan growth remained stable, stronger credit expansion was observed in the manufacturing and construction sectors, underpinned by sustained industrial activities and ongoing infrastructure projects.

On the household front, loan growth moderated slightly to 5.9% (3Q 2024: 6.1%), due to a tempered expansion in housing and car loans. Nevertheless, loan applications and disbursements remained robust, suggesting that consumer credit demand remained resilient amid a favourable employment environment and continued government policy support. These trends indicate a well-

MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

supported credit environment, which bodes well for sustained economic momentum and business expansion, including Axteria's ongoing and future projects.

(Source: Economic and Financial Developments in Malaysia in the Fourth Quarter of 2024, Bank Negara Malaysia)

OVERVIEW AND OUTLOOK OF THE PROPERTY INDUSTRY IN MALAYSIA

Overview of the Property Market

The Property Market Report 2024 highlights a record-breaking performance in Malaysia's real estate sector, achieving the highest transaction volume and value in over a decade. In 2024, the market recorded 420,545 transactions worth RM232.3 billion, reflecting a 5.4% increase in volume and an 18.0% surge in value compared to 2023 (399,008 transactions worth RM196.83 billion).

This remarkable growth was fuelled by robust economic expansion and proactive government initiatives, including the New Industrial Master Plan 2030 (NIMP 2030), the National Energy Transition Roadmap, and the Twelfth Malaysia Plan. Additionally, the full implementation of the Stamp Duty Assessment and Payment System (STAMPS) enhanced transaction efficiency, contributing to Kelantan's exceptional market growth of over 96%.

The residential sector remained the largest contributor to transaction activity, demonstrating steady expansion. The luxury property segment (above RM1.0 million) recorded the highest growth at 15.0%, driven by increased buyer confidence following government incentives in Budget 2024 and the relaxation of Malaysia My Second Home (MM2H) program requirements.

The commercial sector also performed strongly, with transaction volume rising by 13.6% and transaction value surging by 51.6%, reflecting growing investor interest.

Key initiatives introduced in Budget 2023 and 2024 continue to stipulate the property market activity, including:

- Full stamp duty exemption on property transfer and loan agreements for first-time Malaysian homebuyers purchasing residential properties priced up to RM500,000 (valid until 31 December 2025).
- Development of a high-tech industrial area in Kerian, Northern Perak, to strengthen the electrical and electronics (E&E) cluster ecosystem.
- RM546 million allocated for 36 Program Perumahan Rakyat (PPR) projects, including a new project in Kluang, Johor and the completion of 15 additional PPR projects, expected to benefit 5,100 new residents.
- RM358 million allocated for the continued construction of 3,500 housing units under Program Rumah Mesra Rakyat.
- Up to RM10 billion in guarantees under Skim Jaminan Kredit Perumahan (SJKP), benefiting 40,000 homebuyers.
- Flat 4% stamp duty imposed on land transfers by non-citizens and foreign-owned companies, except for individuals with permanent residency status in Malaysia.
- Relaxation of MM2H program requirements to attract foreign investors and long-term visitors.

MANAGEMENT DISCUSSION AND ANALYSIS
(cont'd)

Property Market Activity

The Malaysian property market continued its strong performance, bolstered by stable economic conditions and targeted government initiatives. In 2024, a total of 420,545 transactions worth RM232.3 billion were recorded, reflecting a 5.4% increase in volume and an 18.0% surge in value—the highest market activity in over a decade.

Of these transactions:

- 77.7% (326,784 transactions) were transfers executed in 2024,
- 19.1% (80,487 transactions) were from 2023, and
- The remaining 3.2% consisted of transfers from previous years.

The upward momentum was evident across all property subsectors, with the commercial and development land segments experiencing the strongest growth:

- Commercial properties led the market with a 13.6% increase in transaction volume and an impressive 51.6% rise in value, driven by strong investor confidence.
- Development land and others recorded 9.7% growth in volume and a 32.7% rise in value, reflecting heightened interest in future development opportunities.
- Industrial properties saw 7.7% growth in volume and a 16.4% increase in value, fuelled by robust demand for vacant industrial land nationwide.
- Residential and agricultural properties experienced moderate but steady growth, with transaction volumes rising 4.0% and 4.1%, respectively. In value terms, residential transactions grew by 5.9%, while agricultural properties saw a 4.8% increase.

"As the pandemic loosens its grip on the economy with the rise in vaccination rollouts, the global economy is set on gradual recovery mode. In Malaysia, the swift implementation of economic policy support measures was a boost to the economy despite the country being hit by a series of COVID-19 waves and various restriction movements. "

Supported by the MADANI Economy Framework, these strategic measures continue to drive market sustainable market growth, enhance homeownership accessibility, and strengthen Malaysia's property sector as a key economic pillar.

(Source: Property Market Report 2024, National Property Information Centre (NAPIC), Valuation and Property Services Department, Ministry of Finance Malaysia)

MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

The residential sector remained the market's backbone, accounting for 62.0% of total transactions. Other key sectors contributed as follows:

- 18.7% – Agriculture
- 10.9% – Commercial
- 6.3% – Development land and others
- 2.1% – Industrial

In terms of transaction value, the distribution was as follows:

- 46.0% – Residential
- 25.0% – Commercial
- 12.0% – Industrial
- 8.6% – Development land and others
- 8.4% – Agriculture

The strong market performance across all segments highlights Malaysia's property sector resilience and its critical role in the nation's economic growth. With favourable policies and continued investor interest, the property market is poised for sustained expansion in the coming years.

Residential property

The residential market demonstrated notable strength in 2024, with transaction volume increasing by 4.0% and value rising by 5.9% to RM106.92 billion, encompassing 260,516 transactions. Selangor led with 21.6% of transactions, followed by Johor at 16.3%. Notably, WP Kuala Lumpur, Johor, Selangor, and Pulau Pinang collectively accounted for over half of all transactions.

Affordable homes, priced at ≤RM300,000, constituted 52.5% of transactions, while properties in the RM300,001–RM500,000 range made up 24.5%. Terraced houses remained the dominant property type, accounting for 43.1% of transactions. The secondary market continued its robust performance, contributing 83.0% of total transactions.

New launches experienced a significant surge of 34.1%, reaching 75,784 units (2023: 56,526), driven by government incentives. However,

sales rates saw a slight decline to 37.3% (2023: 40.4%). Selangor led in new launches with 19.6%, followed by Johor at 18.7%. Terraced houses comprised 52.9% of launches, while high-rise units accounted for 31.7%.

The overhang situation improved, with a 10.3% reduction to 23,149 units valued at RM13.94 billion. WP Kuala Lumpur recorded the highest number of overhang units at 4,234, followed by Johor, Perak, and Pulau Pinang. Condominiums and apartments represented nearly 60.0% of the overhang units. Conversely, unsold units under construction increased by 19.2% to 60,934.

Housing completions rose by 9.7% to 82,135 units, with Selangor, Pulau Pinang, and Johor leading in completions. New housing starts grew by 20.6% to 106,236 units, and planned supply expanded by 24.1% to 100,461 units. The total residential stock surpassed 6.3 million units.

The Malaysian House Price Index climbed to 225.6 points, with an average price of RM486,678, marking a 3.3% annual growth. Kuala Lumpur maintained the highest average price at RM803,846, while Melaka and Perlis had the lowest, approximately RM238,000. Semi-detached houses recorded the highest price appreciation at 4.1%.

The rental market remained stable with slight appreciation. Johor Bahru saw the highest rental increases, with double-storey terraces appreciating between 2.6% and 10.0%. In the Northern Region, Pulau Pinang and Ipoh recorded moderate rental growth.

Commercial property

The commercial property sub-sector experienced accelerated growth in 2024, driven by strong demand for major sales and vacant commercial plots, particularly in key states. Transaction volume and value increased significantly by 13.6% and 51.6%, respectively, reaching 45,985 transactions valued at RM58.06 billion (2023: 40,463 transactions, RM38.31 billion).

- **Shop Segment**

  The shop market saw a 7.2% rise in transaction volume and a 19.6% increase in value, totaling 19,771 transactions worth RM19.26 billion. Shops comprised 43.0% of commercial property transactions and 33.2% of total transaction value. Johor led in transaction volume with 4,187 transactions (21.2%), while Selangor recorded the highest transaction value at RM5.91 billion (30.7%).

MANAGEMENT DISCUSSION AND ANALYSIS
(cont'd)

Two to two-and-a-half storey terraced shops dominated with 10,781 transactions, followed by three to three-and-a-half storey shops with 5,349 transactions. The overhang situation improved, with volume and value declining by 7.3% and 7.1%, respectively, although Johor still had the highest overhang with 1,222 units valued at RM1.27 billion. Construction activity was moderate, with new starts rising by 18.9% and planned supply increasing by 24.0%, but completions falling by 13.6%. Prices remained stable, with notable increases observed in Kuala Lumpur, Selangor, and Johor. In the rental market, urban centers saw some increases, with the highest rents recorded in Kuala Lumpur along Jalan Tuanku Abdul Rahman and Changkat Bukit Bintang (RM17,000–RM30,000 per month). Selangor and Johor saw moderate rental growth, with pockets of decline in Johor Bahru.

- **Serviced Apartment Segment**

  The serviced apartment market experienced strong growth, with transactions rising by 26.0% to 14,386 and value increasing by 39.3% to RM10.59 billion. Serviced apartments comprised 31.3% of commercial property transactions and 18.2% of total transaction value. Kuala Lumpur led in transaction volume with 4,834 transactions (36.2%), followed by Johor with 4,761 transactions (33.1%). The overhang situation improved, with volume and value declining by 6.1% and 5.6%, respectively, though Johor had the highest overhang with 10,624 units valued at RM8.97 billion. Construction surged, with completions up 24.9%, while new starts and planned supply more than doubled. The existing serviced apartment stock exceeded 420,000 units, with nearly 152,000 units incoming and 146,000 units planned. Prices remained stable, with upward trends in strategic locations such as Four Seasons Place in Kuala Lumpur (>RM11.00 million) and The Astaka @ 1 Bukit Senyum in Johor Bahru (RM2.95 million). The rental market saw increases in key areas, with notable hikes (~10.0%) in Kuala Lumpur and Johor Bahru for well-located properties.

- **Leisure property**

  In 2024, leisure property transactions, including hotels, resorts, and chalets, totalled nearly RM950 million.

  The sector saw increased construction activity, with twelve new hotels adding 2,390 rooms to the market. Hotel starts rose to 804 rooms (2023: 690 rooms), while new planned supply declined by over 40.0% to 400 rooms (2023: 911 rooms). By year-end, the country had 3,564 hotels and resorts with a total of 280,177 rooms in existing stock, 86 hotels (16,928 rooms) in the incoming supply, and 71 hotels (13,369 rooms) in the planning stage.

MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

Industrial property

In 2024, the industrial property sector recorded 8,783 transactions worth RM27.86 billion, reflecting a 7.7% rise in volume and 16.4% increase in value from 2023. Growth was driven by strong market activity, particularly in vacant plots and industrial units, which saw increases of 19.9% and 20.3%, respectively. The MADANI Economic Framework and the New Industrial Master Plan 2030 (NIMP 2030) have begun to show positive results, supporting industrial property transactions.

Selangor led the market with 33.3% of total transactions (2,923 deals), followed by Johor (18.1%) and Perak (10.5%). Terraced factories made up the largest share at 32.3%, followed by vacant plots (30.5%) and semi-detached factories (21.7%).

The industrial overhang improved, with units decreasing 12.7% to 705, while total value dropped 16.6% to RM0.70 billion. However, unsold under-construction and not-constructed units increased to 801 and 202 units, respectively. Sarawak contributed nearly 50% of the overhang, primarily terraced and semi-detached factories, especially in Kuching, where overhang units were priced between RM300,001 to RM600,000.

On the construction front, new starts rose by 26.2% to 1,013 units, while completions and planned supply declined to 580 and 1,102 units, respectively. By the end of 2024, existing industrial stock exceeded 123,000 units, with over 4,000 units incoming and nearly 6,000 in planned supply.

The industrial market maintained its robust performance, characterized by notable price appreciation in strategic locations. This growth was particularly evident in warehouses and storage facilities, driven by the expansion of data centers and e-commerce. In Johor Bahru, terraced factory prices experienced a significant increase, ranging from 3.5% to 10.0%. Similarly, in Selangor, one-and-a-half-story terraced factories in Petaling, Gombak, Klang, and Hulu Langat saw appreciations between 2.4% and 8.5%, with transactions reaching up to RM2.78 million. Comparable growth was also observed in Pulau Pinang and other major states for semi-detached factories, reflecting strong investor confidence and sustained demand across the industrial sector.

(Source: Property Market Report 2024, National Property Information Centre (NAPIC), Valuation and Property Services Department, Ministry of Finance Malaysia).

OVERVIEW OF PROPERTY MARKET IN THE SOUTHERN REGION OF MALAYSIA

Overview

The Southern Region's property market experienced steady growth in 2024, recording 107,988 transactions valued at RM63.99 billion, reflecting a 4.3% increase in volume and an 18.5% rise in value compared to 2023. Melaka led transaction growth at 20.5%, followed by Johor at 6.5%, while Negeri Sembilan recorded a 12.9% decline. In terms of transaction value, Johor grew 27.7%, Melaka 15.5%, and Negeri Sembilan declined 13.6%. Johor remained the dominant market, accounting for 62.0% of total transactions (66,894) and 75.6% of total transaction value (RM48.39 billion).

Property Market Activity

Residential Property

The residential sector remained the largest segment of the Southern Region's property market, accounting for 65.3% of total transactions, equivalent to 70,519 transactions, and contributing 45.8% of the total transaction value at RM29.31 billion. Compared to 2023, the sector recorded a 3.4% increase in transaction volume and a 9.0% rise in value. Melaka and Johor experienced strong growth in both transaction volume and value, with Melaka recording increases of 29.8% and 22.9%, respectively, while Johor saw growth of 4.9% in volume and 13.9% in value. In contrast, Negeri Sembilan's residential market contracted, with transaction volume declining by 16.4% and value dropping by 13.9%.

The primary market witnessed a surge in new property launches, recording a significant 43.9% increase. Johor led the region with an improved sales performance of 53.2%, up from 42.9% in 2023. However, both Negeri Sembilan and Melaka experienced declines in their sales performance, falling to 28.9% and 37.8%, respectively, from 35.5% and 38.8% in the previous year.

The overhang situation in the region showed signs of improvement, with the total number of unsold completed housing units decreasing by 12.5%. Johor recorded the most substantial reduction, with overhang units dropping by 29.9% to 2,964 units from 4,228 in 2023. However, despite this positive trend, the number of unsold units under construction and those yet to be constructed increased significantly, rising by 28.3% and 47.9%, respectively.

Construction activity remained robust, with new housing completions increasing by 8.9%. New housing starts surged by 46.5%, reflecting strong development momentum, while planned supply expanded by 22.1%.

In terms of pricing, the overall market remained stable, with some locations experiencing notable price changes. Taman Saujana in Pontian, Johor, recorded a 15.0% increase in the price of single-storey low-cost terrace houses, driven by strong demand. Conversely, Rumah Rakyat Batu 10 in Seremban saw an 11.1% decline in house prices due to an aging housing stock and less active market conditions.

The House Price Index (HPI) for the three states showed positive growth, with Johor, Negeri Sembilan, and Melaka registering index points of 279.8, 238.0, and 215.9, respectively, reflecting growth rates ranging from 0.7% to 5.3%. Average house prices in the region were recorded as follows:

- Johor: RM436,576 (2023: RM414,586)
- Negeri Sembilan: RM319,406 (2023: RM317,353)
- Melaka: RM238,109 (2023: RM230,109)

The residential rental market remained stable, with certain areas experiencing notable increases in rental rates. Taman Bukit Melaka in Melaka Tengah recorded the highest rental growth in the region, rising by 29.4% to RM1,100 per month from RM850 in 2023. This increase was largely attributed to its strategic location near MMU, Bukit Beruang, and MITC, making it a sought-after rental location.

MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

Commercial Property

The commercial property segment recorded 13,258 transactions worth RM11.78 billion, reflecting a 12.3% increase in volume and an 18.4% rise in value compared to 2023. Johor and Melaka saw growth of 28.2% and 4.8%, respectively, while Negeri Sembilan recorded a slight decline of 4.4%. Transaction value trends showed Johor increasing by 53.6%, Melaka by 24.4%, and Negeri Sembilan decreasing by 15.7%.

a) Shop

The shop property sub-sector remained the dominant segment within the commercial market, contributing 45.9% of total commercial property transactions. Johor led the market with 4,187 shop transactions, amounting to RM4.32 billion, marking a notable increase from 3,821 transactions and RM3.35 billion in 2023. In Negeri Sembilan, transaction volume declined to 1,054 transactions with a total value of RM779.74 million, down from 1,126 transactions and RM913.05 million in the previous year. Melaka recorded 842 shop transactions valued at RM488.28 million, showing a slight decline from 862 transactions and RM507.02 million in 2023.

The shop overhang situation showed signs of improvement, with a reduction in unsold units in Johor and Negeri Sembilan. However, Melaka's shop overhang remained unchanged, indicating a steady supply-demand balance in the state.

Construction activity within the shop property segment reflected mixed trends:

- Completions declined significantly by 44.0%, signalling a slowdown in the completion of new shop units.
- New construction starts more than doubled, suggesting renewed developer confidence and anticipation of future demand.
- Planned supply expanded by 9.0%, reflecting ongoing investment in commercial property development.

Shop property prices remained relatively stable across the region, with average price changes hovering around 10%. Notably, two-storey terrace shop prices in Taman Desaru Utama, Kota Tinggi, Johor surged by 13.1%, driven by rapid development and increasing commercial activity in the area.

The shop rental market remained stable overall, with certain areas experiencing notable growth. Taman Tasik Indah in Kluang, Johor recorded a 20.8% increase in ground-floor shop rentals, rising to RM1,300–RM1,600 per month from RM1,100–RM1,300 in 2023. This rental growth was primarily driven by new housing developments in the vicinity, boosting demand for commercial spaces.

b) Serviced Apartment/SOHO

This segment recorded 5,132 transactions worth RM3.10 billion, accounting for 38.7% of commercial property transaction volume and 26.3% of total value. Johor dominated, contributing 93.2% of transactions (4,781).

The overhang situation improved, declining by 11.6%. However, unsold under-construction and unconstructed units showed an upward trend, particularly in Johor.

Construction activity strengthened, with Johor and Melaka recording increases in completions, starts, and new planned supply.

Prices remained mostly stable, with percentage changes ranging from -8.0% to +7.2%.

Rental rates also showed stability, with Citywood Service Apartment, Johor Bahru, recording the highest increase at 11.8%, driven by its strategic location near the city centre.

c) Leisure

There were two leisure property transactions recorded during the review period, namely East Mount Hotel in Kukup Laut, Pontian, Johor (RM2,900,000) and Desaru Beach Resort in Desaru, Kota Tinggi, Johor (RM19,813,000). Both transactions were completed in 2023.

Industrial Property

The industrial property market recorded 2,492 transactions during the review period, reflecting a marginal 0.4% decline in volume. However, the total transaction value experienced a significant 30.9% drop, amounting to RM6.34 billion in 2023.

Johor remained the dominant player in the industrial segment, accounting for 63.8% of total transactions, with 1,591 units changing hands. Melaka and Negeri Sembilan followed, contributing 18.4% (459 transactions) and 17.7% (442 transactions), respectively.

In terms of transaction growth, Johor recorded a strong 42.1% increase, while Melaka saw a 21.5% rise in transaction volume, indicating sustained demand for industrial properties in these regions. Conversely, Negeri Sembilan experienced a 10.8% decline, reflecting a temporary slowdown in industrial activity.

The industrial overhang situation improved, with unsold completed units declining by 38.6%. However, unsold units under construction more than doubled, suggesting an increased pipeline of industrial developments yet to be absorbed by the market.

Industrial property development remained active across the three states, with notable growth in new completions and planned supply:

- Melaka led in new completions, with 75 units completed, more than doubling from 30 units in 2023.
- Negeri Sembilan recorded strong growth in new starts, with 114 units, a substantial increase from 14 units in the previous year.
- Johor continued to dominate planned supply, with 271 units, up significantly from 45 units in 2023, reinforcing its position as the country's key industrial hub.

Pricing trends remained positive, with industrial properties in key areas appreciating in value. In Taman Perindustrian Sri Lukut, Port Dickson, industrial property prices increased by 11.8%, rising to RM190,000 from RM170,000 in 2023. Similarly, Taman Universiti, Johor Bahru, recorded a 10.0% price increase, reflecting strong investor confidence and demand for well-located industrial properties.

(Source: Southern Region Property Market Report 2024, National Property Information Centre (NAPIC), Valuation and Property Services Department, Ministry of Finance Malaysia).

The Southern Region's property market continued its upward trajectory in 2024, driven by resilient residential demand, strong commercial growth in Johor, and positive industrial development. While Negeri Sembilan faced some challenges, Melaka and Johor recorded significant gains, reinforcing Johor's position as the regional economic hub. The outlook remains optimistic, with rising new launches, improving overhang conditions, and stable price trends supporting sustained market growth.

FINANCIAL PERFORMANCE FOR FY 2024

Building upon the momentum established in the previous fiscal year, Axteria Group Berhad ("AGB") maintained a disciplined approach to financial and operational management throughout FY 2024. With a strong emphasis on efficiency, cash flow management, and adherence to project timelines, we remained steadfast in navigating evolving market conditions. Our strategic initiatives and proactive pursuit of opportunities have contributed to continued growth and financial stability.

The financial results for FY 2024 reflect the challenges faced during the year, despite our continued efforts to navigate market conditions and strengthen our financial position.

AGB recorded total revenue of RM48.11 million, representing a year-on-year decrease from RM65.38 million in FY 2023. The Group reported a loss before tax ("LBT") of RM9.28 million in FY 2024, compared to a profit before tax ("PBT") of RM1.45 million in the preceding year. Notably, the LBT for FY 2024 includes a one-time full impairment loss of RM9.84 million on goodwill from our wholly-owned subsidiary, Axteria Eco Sdn Bhd. In comparison, the PBT of RM1.45 million in FY 2023 had included a full impairment loss of RM4.63 million on goodwill from another wholly-owned subsidiary, Axteria Cemerlang Sdn Bhd. The progressive impairment of goodwill is a strategic decision by management to strengthen the Group's financial position by eliminating future impairment risks, ensuring a more stable financial foundation moving forward.

AGB maintained a solid financial position, with total assets amounting to RM193.35 million as of 31 December 2024. The Group's assets primarily comprise capitalised property development costs and progressive billings to property purchasers. Additionally, a significant portion of assets includes construction costs for our hotel project, capitalised under property, plant, and equipment. Our strategic investment in Harum Eco Dormitory Sdn Bhd, a 45%-owned associate, continued to generate stable returns, further reinforcing our financial standing. The slight reduction in total assets from RM197.43 million in FY 2023 to RM193.35 million in FY 2024 is mainly attributed to the full impairment of goodwill.

The Group's liabilities primarily comprise trade payables and contract liabilities, which are typical for a property development company. Borrowings mainly consist of term loans used to finance development projects, while hire purchase obligations form a minor portion. Despite these borrowings, the Group maintains a healthy financial structure, with a low debt-to-equity ratio of 0.09.

As of 31 December 2024, total equity attributable to owners stood at RM146.18 million, underscoring our commitment to financial resilience. The net assets per share attributable to owners were RM0.19 per ordinary share (FY 2023: RM0.21 per ordinary share).

Looking ahead, AGB remains dedicated to delivering long-term value to shareholders and stakeholders through prudent financial management, operational efficiencies, and strategic project execution. Our focus on sustainable growth, coupled with a disciplined approach to capital allocation, positions us well to navigate future market dynamics and seize new opportunities.

MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

PROJECT HIGHLIGHTS FOR 2024

The Asteria Melaka

The Asteria Melaka is a landmark development in Kota Syahbandar, Melaka, catering to both the hospitality and residential markets. Key features include:

- Hotel Block (Block A): A 16-storey structure featuring 241 hotel rooms. Construction has been successfully completed, and the property is positioned for strategic divestment. The interior spaces remain flexible, allowing potential buyers to customise fit-outs according to their preferences.
- Serviced Apartment Block (Block C): A 44-storey tower featuring 306 serviced apartments, with an estimated Gross Development Value ("GDV") of RM161.06 million. The project is progressing on schedule, with all regulatory approvals underway and the Certificate of Completion and Compliance (CCC) for both Block A and Block C targeted for Q2 2025. In September 2024, the Asteria Melaka serviced apartments were officially launched. The launch generated strong market interest, reinforcing the project's revenue potential.

Notably, the strata titles for both blocks have already been issued ahead of the CCC — a distinctive achievement in the market.

A Soho Johor Jaya

A SOHO Johor Jaya is a dynamic mixed-use development in the well-established Johor Jaya township, designed to meet the rising demand for flexible urban living and commercial spaces. The development features 474 Small Office Home Office (SOHO) units and 33 retail units, offering a modern live-work environment.

Financial projections indicate a GDV of RM241.03 million and Gross Development Cost ("GDC") of RM158.13 million, underscoring its strong return-on-investment potential.

Construction commenced in December 2023, with a target completion in Q4 2027. The official launch in July 2024 saw overwhelming market demand, with all international SOHO units fully sold or reserved, leaving only Bumiputra units available.

Sentrio Commercial Hub

Sentrio Commercial Hub is a prime commercial development in Pasir Gudang, Johor, spanning 5.94 acres of commercial-titled land. The project consists of 66 two-storey and three-storey shop offices, with an estimated GDV of RM49.16 million.

Construction was successfully completed in January 2024, with the CCC obtained.

Market response has been exceptionally strong, with 87.76% of units sold or reserved, excluding 17 units allocated to the landowner as part of their entitlement.

Desa 88

Desa 88 is a premier industrial development situated in Taman Perindustrian Desa Cemerlang, Johor, catering to light and medium-scale businesses.

Spanning 37.94 acres, Desa 88 comprises 40 units of terrace factories (Phase 1), 36 units of terrace factories (Phase 2), and 7 Build-to-Suit lots, with a combined estimated GDV of RM145.40 million.

Both Phase 1 and Phase 2 were fully completed with CCC obtained, and all units have been successfully sold and handed over in FY 2024.

Beyond completed unit sales, the Group also successfully transacted vacant industrial lands within the project, leaving only a limited number of build-to-suit lots available.

Outlook and Key Growth Catalysts

Both The Asteria Melaka serviced apartments and A SOHO Johor Jaya serve as key growth catalysts for the Group and are expected to be major revenue contributors in the coming financial years.

MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

PROSPECT AND OUTLOOK FOR FY 2025

Global and Domestic Economic Landscape

The global economic outlook for 2025 anticipates stability amidst evolving dynamics, with a projected growth of 3.3%. This growth is expected to be driven by a convergence of expansion in developed economies and steady progress in emerging markets and developing economies (EMDEs). Advanced economies are forecasted to grow at 1.8%, with the United States and the Euro area expanding by 1.9% and 1.5%, respectively, supported by improved consumption and investment activity. EMDEs are anticipated to maintain a 4.3% growth rate, with India remaining a key growth driver at 6.5%, supported by robust domestic demand, while China is expected to register a 4.5% increase despite productivity challenges. Global trade is projected to expand by 3.4%, propelled by increased trade activities among both advanced economies and EMDEs, while global inflation is expected to moderate to 4.4%, aided by lower energy prices and easing labour market pressures.

Domestically, Malaysia's economy is projected to grow within the range of 4.5% to 5.5% in 2025. The real estate and business services sector is forecasted to expand by 6.3%, supported by sustained demand for engineering-related services in construction projects, particularly the development of data center facilities and infrastructure. Furthermore, the real estate segment is expected to benefit from improved residential house sales. Inflation is projected to remain manageable, with mild upward pressure from domestic policy reforms, though the impact is expected to be contained.

In addition, the Johor-Singapore Special Economic Zone (JSSEZ) initiative and the progress of the Johor Bahru–Singapore Rapid Transit System (RTS) Link are poised to further stimulate economic activities in southern Johor. The JSSEZ aims to promote cross-border investments, enhance business mobility, and create a dynamic economic cluster between Malaysia and Singapore, while the RTS Link, expected to be completed by end-2026, will significantly enhance connectivity and commuting efficiency between Johor Bahru and Singapore. These developments are expected to bolster property demand, catalyse new business opportunities, and attract both domestic and foreign investments to the region, particularly in Johor Bahru and surrounding areas.

Against the backdrop of stable economic growth and improving market conditions, AGB is well-positioned to capitalise on government-led initiatives that stimulate housing demand while optimising its ongoing and future projects. The RM10 billion allocation under the Housing Credit Guarantee Scheme (HCGS), coupled with new tax reliefs for residential property purchases, is expected to spur homeownership among first-time buyers, benefiting Axteria's residential projects. Additionally, the government's RM900 million investment in affordable housing developments, including People's Residency Programs (PRR) and Rumah Mesra Rakyat (RMR) projects, signals a strong pipeline of demand in the mid-market housing segment.

AGB will strategically align its developments with these initiatives by enhancing the marketability of The Asteria Melaka Serviced Apartments and A SOHO Johor Jaya, tapping into growing buyer interest supported by government-backed financing and tax incentives. AGB also plans to explore new opportunities arising from the JSSEZ and the improved accessibility brought by the RTS Link, positioning future developments to benefit from the anticipated growth in demand for residential, commercial, and industrial properties in Johor Bahru. The Group will also explore opportunities near upcoming affordable housing zones and key infrastructure expansions to strengthen its project pipeline. Meanwhile, the continued growth in the real estate sector, particularly in engineering-related services for data centre and infrastructure projects, presents an opportunity for AGB to expand its development footprint in high-growth areas.

With favourable credit conditions and sustained domestic demand, AGB remains committed to strategic cost management, prudent financial planning, and optimising its land bank to maximise returns. By navigating both opportunities and risks with a well-defined strategic roadmap, AGB is confident in delivering sustainable growth and long-term value to its shareholders in 2025.

AGB's Strategic Focus for 2025

Against this backdrop of stable economic growth and improving market conditions, AGB is strategically positioned to capitalise on emerging opportunities while mitigating potential risks. The Group's priorities for 2025 are focused on maximizing revenue from key projects, leveraging government policies and market trends, and enhancing financial and operational efficiency.

In pursuit of maximizing revenue, AGB will intensify sales and marketing efforts for The Asteria Melaka Serviced Apartments, a 44-storey serviced apartment and 16-storey hotel nearing completion. We will also explore strategic partnerships and evaluate potential divestments to optimise returns. For the A SOHO Johor Jaya project, following a successful launch, AGB aims to accelerate sales momentum and enhance its market positioning. Furthermore, AGB will strategically align with relevant government policies and market trends, including initiatives that support project development and attract targeted market segments, such as high-end investors. The Group will actively explore development opportunities within proximity to the JSSEZ area and the RTS Link stations, leveraging the enhanced economic activity and connectivity to position its future projects competitively in the southern corridor. Additionally, AGB will align with Malaysia's digital infrastructure expansion by identifying potential development opportunities near new data centres and 5G-enabled areas.

To enhance financial and operational efficiency, AGB will strengthen cost optimization strategies and financial prudence to maintain sustainable profitability. The Group will also strategically manage its land banks to align with evolving market demands and explore new investment opportunities and potential joint ventures to diversify revenue streams.

Navigating Opportunities and Challenges

While the market conditions present positive prospects, AGB remains mindful of external risks that may indirectly impact the domestic market, including geopolitical uncertainties, potential trade restrictions, and fluctuations in global demand. However, with a disciplined approach to growth, leveraging favourable policy support, and executing a well-defined strategic roadmap, AGB is confident in delivering sustainable long-term value for its shareholders in 2025.

(Sources: Economic Outlook 2025, Ministry of Finance Malaysia; Economic and Financial Developments in Malaysia in the Fourth Quarter of 2024, Bank Negara Malaysia; Malaysia Property Market Report 2023, Valuation and Property Services Department Malaysia, Ministry of Finance Malaysia)

WELCOMING NEW LEADERSHIP AND EXPRESSING GRATITUDE

We are delighted to welcome Mr. Kenny Woo Chi Yoong as our new Executive Director. Kenny brings a distinguished track record and a wealth of strategic expertise that will be invaluable as we continue to drive innovation and growth. His leadership will be instrumental in shaping our strategic direction and enhancing our operational excellence. We also extend our sincere gratitude to our shareholders, customers, banking partners, contractors, consultants, and suppliers for their unwavering support and collaborative spirit. Their contributions are essential to our continued success.

PROFILE OF
DIRECTORS

Mok Juan Chek

Independent Non-Executive Chairman

Mr. Mok Juan Chek was appointed as Independent Non-Executive Chairman of Axteria on 10 February 2022. He began his career in 1976 at the Rubber Industry Smallholders Development Authority (RISDA), progressing to Senior RISDA Officer, where he managed grants and loans for rubber smallholders in Pahang.

Following his Bachelor's degree, Mr. Mok transitioned to the banking sector in 1984, joining Public Bank Berhad. He held various roles, including Senior Operations Officer and Senior Administrative Officer, focusing on credit facility marketing and proposal evaluation. In 1990, he joined Chung Khiaw Bank Limited, advancing to Assistant Vice President, where he managed corporate loans and credit administration.

In 1995, Mr. Mok joined Hong Leong Bank Berhad, serving as Branch Manager and later as General Manager for Credit Card Centre and Business Banking, Southern Region. His responsibilities encompassed branch operations, credit card business oversight, and business banking portfolio management.

Mr. Mok joined AmBank (M) Berhad in 2008, as General Manager, managing the business banking portfolio for the Southern and East Coast regions. He was promoted to Head of Mid Corporate Segment in 2016, and subsequently to Executive Vice President, where he oversaw the operation and management of the Mid Corporate Segment of the Bank until his retirement in June 2020. From September 2020 to December 2022, he served as Strategic Advisor at Affin Hwang Asset Management Berhad, focusing on business development.

In addition to his role at Axteria, Mr. Mok serves as an Independent Non-Executive Director at ITMAX System Bhd and Tiong Nam Logistics Holdings Berhad, both of which are public listed companies on the Main Market of Bursa Securities. He is also an Independent Non-Executive Chairman of Synergy House Berhad which is a public listed company on ACE Market of Bursa Securities.

Mr. Mok has no familial relationship with any directors or major shareholders and holds no shares in the Company. He has no convictions for major offenses within the past five years, and no regulatory penalties have been imposed on him during the financial year.

Qualifications
Diploma in Agriculture, Universiti Pertanian Malaysia (1976); Bachelor of Science (Agribusiness), Universiti Pertanian Malaysia (1984)

Age
68

Gender
Male

Nationality
Malaysian

Date Appointed
10 February 2022

PROFILE OF DIRECTORS
(cont'd)

Dato Abdullah Bin Abdul Mannan

Non-Independent Non-Executive Deputy Chairman

Dato Abdullah Bin Abdul Mannan assumed the role of Non-Independent Non-Executive Deputy Chairman of Axteria on 9 January 2023.

He began his career as an entrepreneur in the textile retail and wholesale industry, subsequently expanding into property development management and the liquid petroleum gas distribution business in Johor Bahru. His business ventures have diversified into various sectors, including electronic manufacturing, warehousing, shipping, logistics, natural resources, energy, palm oil, agriculture, and food and beverage industries across Malaysia, Indonesia, India, Singapore, Bangladesh, South Africa, and Saudi Arabia.

Since 2005, Dato Abdullah has served as a director in multiple private companies, overseeing all aspects of business operations, including managing relationships with authorities, joint ventures, and stakeholders. At Axteria, he oversees regulatory liaison and navigates regulatory-related matters.

Qualifications
Degree, Chartered Institute of Logistics and Transportation, Pasir Gudang, Johor (2007); Member, Chartered Institute of Logistics and Transportation, United Kingdom.

Age
37

Gender
Male

Nationality
Malaysian

Date Appointed
9 January 2023

Dato Abdullah holds a direct interest in 14,000,000 ordinary shares of Axteria, representing 1.78% of the total shares. He has no familial relationship with any directors or major shareholders and holds no directorships in other public listed companies. He has no convictions for major offenses within the past five years, and no regulatory penalties have been imposed on him during the financial year.

PROFILE OF DIRECTORS
(cont'd)

Woo Wai Onn @ Foo Wai Onn

Group Managing Director

Mr. Woo Wai Onn was appointed as Group Chief Executive Officer of Axteria on 1 December 2022, and subsequently assumed the role of Group Managing Director on 8 February 2023.

Prior to his involvement in property development, Mr. Woo established and led STX Group of Companies, a manufacturing conglomerate specializing in high-precision metal components for multinational corporations, with manufacturing plants across Malaysia and Indonesia. In 2013, he divested his shares in STX Group to a local private equity firm to focus on property development.

Since 2006, Mr. Woo has successfully developed numerous residential and industrial property projects in Johor Bahru. A notable achievement is the completion of Molek Regency in 2018, a 1,050-unit serviced apartment development in Taman Molek, Johor Bahru. Molek Regency received prestigious accolades in 2019, winning "Best Development of the Year" and "Best Residential High-rise Development" at the iProperty Idea award ceremony, recognizing his visionary leadership and commitment to quality.

As Group Managing Director of Axteria, Mr. Woo provides strategic leadership across all facets of the business, including strategic planning, financial management, business development, stakeholder relations, risk management, and corporate governance. He drives innovation, ensures regulatory compliance, and fosters a culture of collaboration, positioning Axteria for sustained growth and success in the real estate industry.

Mr. Woo holds a direct interest in 186,268,900 ordinary shares of the Company, representing 23.62% of the total shares. He is the father of Kenny Woo Chi Yoong, Executive Director of the Company. He holds no directorships in other public listed companies. He has a clean record, with no convictions for major offenses in the past five years, and no regulatory penalties during the financial year 2024.

Qualifications
Diploma of Finance and Accounting, North East London Polytechnic, UK (1983)

Age
65

Gender
Male

Nationality
Malaysian

Date Appointed
8 February 2023

Kenny Woo Chi Yoong

Executive Director

Kenny Woo was appointed as Executive Director of Axteria Group Berhad on 30 November 2024, having previously served as Group Project Development Manager since December 2022. He brings a robust blend of experience from the manufacturing and property development sectors.

Prior to joining Axteria, Kenny honed his operational expertise in manufacturing industry, where he supervised the production of precision metal and aluminium components. He transitioned to property development, demonstrating his strategic capabilities by co-managing the development of 1,050 serviced apartment units in Taman Molek, Johor Bahru, for a prominent regional developer.

At Axteria, Kenny plays a pivotal role in driving the Group's development strategy and execution. He is responsible for the comprehensive oversight of key projects, notably The Asteria Melaka Project, encompassing design, procurement, planning, scheduling, cost control, and stakeholder management. In addition, he actively leads sales and marketing initiatives, ensuring alignment with the Group's strategic objectives.

In his expanded leadership role as Executive Director, Kenny spearheads the sales and marketing team, driving strategic growth and business development. He continues to lead The Asteria Melaka Project while co-managing other key developments, ensuring adherence to quality standards and strategic alignment across the Group.

Kenny upholds the highest standards of professional integrity and independence. While he is the son of Mr. Woo Wai Onn, Group Managing Director of Axteria, he maintains a clear separation in his professional conduct and carries out his responsibilities in accordance with corporate governance principles. He does not hold directorships in other public listed companies and has no record of major offenses or regulatory penalties in the past five years, including during the financial year 2024.

Qualifications
Bachelor of Accounting, Central Queensland University, Melbourne, Australia (2009)

Age
40

Gender
Male

Nationality
Malaysian

Date Appointed
30 November 2024

PROFILE OF DIRECTORS
(cont'd)

Ng Lee Thin

Independent Non-Executive Director

Ms. Ng Lee Thin was appointed as Independent Non-Executive Director at Axteria on 15 May 2021.

She began her career in 1992 at Artwright Marketing Sdn Bhd as a Business Executive, handling project tendering and sales support. In 1994, she joined Chiang & Chiang as an Audit Associate before moving to Ernst & Young in 1996, where she progressed to Audit Senior by 1999.

In 2001, Ms. Ng became Finance Manager at Binaik Equity Berhad and later served as Financial Controller until 2009, overseeing financial and accounting matters, including quarterly and annual reporting.

She founded Yellow Business Solution in 2008, providing company secretarial services, and ceased to be sole proprietorship in 2015. She co-founded Yellow Tax Services Sdn Bhd in 2012, a licensed tax firm. In 2015, she established NLT & Co, an audit firm where she continues to serve as a Partner, managing audit engagements.

Beyond her finance, tax and audit expertise, Ms. Ng expanded into real estate, co-founding Wang Premier Assets Sdn Bhd in 2020 and Wang Asset Solutions Sdn Bhd in 2023.

At Axteria, Ms. Ng serves as Chairperson of the Audit and Risk Management Committee and is a member of both the Nomination Committee and Remuneration Committee. She does not hold any shares in the Company and has no familial relationships with any directors or major shareholders. She has no convictions for major offenses in the past five years, nor has she been subject to any regulatory penalties during the financial year.

Ms. Ng also serves as an Independent Non-Executive Director at Able Global Berhad, a company listed on the Main Market of Bursa Securities, where she is the Chairperson of the Remuneration Committee and a member of both the Nomination Committee and the Audit and Risk Management Committee. Additionally, she holds a similar role at UUE Holdings Berhad, a company listed on the ACE Market of Bursa Securities, where she serves as the Chairperson of the Audit and Risk Management Committee and a member of both the Nominating Committee and the Remuneration Committee.

Qualifications
Bachelor of Economics (Honours), Universiti Utara Malaysia (1992); Member, Malaysian Institute of Accountants (2000); Fellow, Association of Chartered Certified Accountants (FCCA) (2005)

Age
58

Gender
Female

Nationality
Malaysian

Date Appointed
15 May 2021

Kevin Low Ee Ming

Independent Non-Executive Director

Kevin Low Ee Ming was appointed as Independent Non-Executive Director of Axteria on 1 March 2023.

He began his career in 2000 at a Big Four accounting firm, gaining valuable experience before transitioning to entrepreneurship. In 2014, he co-founded Messrs. OKL & Partners PLT, where he currently serves as a Partner. He has extensive experience providing auditing and business advisory services to a diverse clientele, including listed companies across various industries.

Kevin holds no shares in Axteria and has no familial relationships with any directors or major shareholders. He has no convictions for major offenses within the past five years and no regulatory penalties have been imposed on him during the financial year 2024.

Qualifications

- Bachelor of Economics (Accounting and Finance), The University of Manchester, UK;
- Chartered Accountant, Malaysian Institute of Accountants (MIA);
- Fellow, Association of Certified Chartered Accountants (FCCA);
- Professional Member, Institute of Internal Auditors, Malaysia.

Age
47

Gender
Male

Nationality
Malaysian

Date Appointed
1 March 2023

PROFILE OF DIRECTORS (cont'd)

Yap Yung Chien

Independent Non-Executive Director

Ms. Yap Yung Chien was appointed as Independent Non-Executive Director of Axteria on 1 March 2023.

She began her legal career in 2011 as a Legal Secretary at Yusarn Audrey while pursuing her Diploma in Law, which she completed in 2013. She then joined Gallant Venture Ltd as a Legal Executive and was later promoted to Assistant Manager, Legal, by 2019, focusing on contract preparation and negotiation.

After earning her LL.B (Hons) in 2015 and completing the Certificate in Legal Practice in 2019, she briefly served as Regional Legal Counsel at Epson Singapore Pte Ltd before returning to Malaysia to manage her family business, Sushi House Master Sdn Bhd, as Chief Executive Officer ("CEO") until 2020.

Ms. Yap completed her pupillage at Messrs Lee & Tengku Azrina in 2021 and was admitted as an Advocate and Solicitor of the High Court of Malaya. Following her admission, she was retained as a Legal Associate before rejoining Sushi House Master Sdn Bhd as CEO in 2022. In August 2022, she established her own legal practice, Y.C. Yap & Co., specialising in corporate and commercial law, wills, trusts, and property.

Qualifications
- Diploma in Law (University of London, External) (2013)
- LL.B (Hons), University of London (External) (2015)
- Advocate and Solicitor, High Court of Malaya (2021)

Age
34

Gender
Female

Nationality
Malaysian

Date Appointed
1 March 2023

Ms. Yap holds no shares in Axteria and has no familial relationships with any directors or major shareholders. She has no convictions for major offenses in the past five years, no regulatory penalties have been imposed on her during the financial year 2024.

Beyond her role at Axteria, she serves as an Independent Non-Executive Director at Smart Asia Chemical Bhd, a company listed on the ACE Market of Bursa Securities, where she is the Chairperson of the Nomination Committee and a member of both the Remuneration Committee and the Audit and Risk Management Committee.

PROFILE OF DIRECTORS (cont'd)

Yau Yin Wee

Independent Non-Executive Director

Mr. Yau was appointed as Independent Non-Executive Director at Axteria on 13 March 2023, and was subsequently appointed Chairman of the Nomination Committee and Remuneration Committee on 12 April 2023.

He began his career in October 1983 as a Marketing and Credit Executive at Hong Leong Finance Berhad, where he was responsible for business and retail loan marketing. In June 1987, he was promoted to the position of Branch Manager, expanding his responsibilities to oversee branch operations. In August 1991, he was re-designated as Hire Purchase Centre Manager to lead the bank's automobile financing business in Perak, where he introduced new business concepts and built a dedicated team of Marketing and Credit Officers. He continued advancing within the company and was promoted to Corporate and Commercial Manager (Senior Manager) in February 1996.

In September 2005, Mr. Yau joined AmBank Group as a Senior Manager and was later promoted to Associate Director of Corporate and Institutional Banking in May 2010. During his tenure, he was actively involved in corporate advisory, business loan development, and assisting clients with their initial public offerings (IPOs) on both the Malaysian and Singaporean stock exchanges. He left AmBank in November 2014 and subsequently joined Hong Leong Bank Berhad in January 2015 as Head of Retail Community Business, where he worked to enhance business efficiency. In November 2015, he was transferred to serve as Senior Regional Head (Southern Region), a position he held until his retirement in March 2021.

Beyond his corporate career, Mr. Yau was actively involved in the banking and finance industry. He served as a Committee Member of the Institute of Bankers Malaysia (now the Asian Institute of Chartered Bankers) from 2001 to 2014 and was the Chairman of the Association of Finance Companies Malaysia (Johor Regional Committee) from 2000 to 2006.

Mr. Yau holds no shares in Axteria and has no familial relationship with any directors or major shareholders of the company. He has not been convicted of any major offenses in the past five years, and no regulatory penalties were imposed on him during the financial year 2024.

In addition to his role at Axteria, Mr. Yau serves as an Independent Director of I REIT Managers Sdn Bhd, the management company of AME Real Estate Investment Trust, and as an Independent Non-Executive Director of CAPE EMS Berhad, where he chairs the Remuneration Committee and is a member of the Nominating Committee and Audit Committee. He also holds the position of Independent Non-Executive Chairman at Smart Asia Chemical Bhd, a company listed on the ACE Market of Bursa Securities.

Qualifications
Bachelor of Science in Business Administration (Finance), University of South Alabama, United States of America (1983)

Age
67

Gender
Male

Nationality
Malaysian

Date Appointed
13 March 2023

PROFILE OF KEY SENIOR MANAGEMENT

Teo Seng Wei @ Vincent Teo

Group General Manager (Project)

Age	Gender	Nationality
55	Male	Malaysian

Qualifications
Diploma of Architecture, TAR College (1993)

Vincent Teo is a highly experienced professional with over three decades of expertise in the construction and property development industry.

His career commenced as a Quantity Surveyor at a leading construction company, providing a solid foundation in project management and execution. Over the years, he advanced to senior leadership roles, notably serving as Senior Project Manager Cum Contract Manager at Ace Empire Development Sdn Bhd, where he managed complex projects and contracts for a prominent property developer.

Joining Axteria Group Berhad in March 2023, Vincent plays a critical role in overseeing the planning, operations, procurement, and project management for the Group's development projects. His extensive industry expertise and strategic approach contribute significantly to Axteria's commitment to delivering high-quality real estate developments.

Vincent maintains full independence within Axteria, with no familial ties to any directors or major shareholders. He does not hold directorships in other public listed companies and has no conflicts of interest with Axteria. Furthermore, he has a clean record, with no convictions for major offenses within the past five years.

Sea Hong Peng

Chief Financial Officer

Age	Gender	Nationality
44	Female	Malaysian

Qualifications
Fellow, The Association of Chartered Certified Accountants (FCCA), United Kingdom; Member, Malaysian Institute of Accountants (MIA); Member, Institute of Singapore Chartered Accountants (ISCA); ASEAN Chartered Professional Accountant.

Ms. Sea joined Axteria Group Berhad as Chief Financial Officer on 12 July 2021. In this role, she provides strategic financial leadership, overseeing the Group's finance and accounting, administration, human resources, sales administration, and credit control functions.

With over 18 years of experience in accounting, taxation, and advisory within professional services, Ms. Sea brings a wealth of expertise to Axteria. Her career, marked by significant senior leadership roles, including in the healthcare sector, demonstrates her proven ability to navigate and manage complex financial operations across diverse industries.

Ms. Sea maintains complete independence within Axteria, with no familial ties to any directors or major shareholders. She holds no directorships in other public listed companies and has no conflicts of interest with Axteria. Furthermore, she has a clean record, with no convictions for major offenses within the past five years, underscoring her commitment to ethical conduct and professional integrity.

SUSTAINABILITY STATEMENT

Introduction

Axteria Group Berhad ("Axteria Group" or the "Company") and its subsidiaries (collectively, "the Group," "we," or "our") are a leading service provider in the property development and construction sectors. Recently, the Group has diversified into these sectors, with sustainability now central to our corporate philosophy, shaping our business activities. We are committed to transparent and meaningful disclosure of our initiatives, in line with Bursa Malaysia's efforts to enhance sustainability reporting.

Reporting Standards

This Statement has been prepared in accordance with the following guidelines, standards and framework as follows:

- Paragraph 29, Part A of Appendix 9C
- Practice Note 9 of Bursa Malaysia Securities Berhad ("Bursa")'s Main Market Listing Requirements ("Listing Requirements")
- Sustainability Reporting Guide ("SRG") 3rd Edition,
- Global Reporting Initiatives ("GRI") 2021; and
- Malaysia Code of Corporate Governance, updated in April 2021 (MCCG 2021")

Although this Statement was not subjected to an internal review by our internal auditors or assessed by any independent assurance providers under a recognised assurance standard, it was reviewed by the relevant Management personnel and the Board.

Reporting Scope

Our core business operations, conducted entirely through our property development and construction subsidiaries, are the focus of this statement. The reporting scope of this statement encompasses Axteria Group and its subsidiaries, as detailed below:

Group structure

100%	**Axteria Eco Sdn Bhd** *(Company No. 201101034651 (962784-H))*
100%	**Axteria Properties Sdn Bhd** *(Company No. 201601012758 (1183689-K))*
100%	**Axteria Construction Sdn Bhd** *(Company No. 201801037897 (1299927-K))*
100%	**Axteria Lenders Sdn Bhd** *(Company No. 202201002639)(1448336-K)*
100%	**Axteria Assets Sdn Bhd** *(Company No. 201901025663 (1334992-M))*
100%	**Axteria Cemerlang Sdn Bhd** *(Company No. 201301025086 (1054915-X))*
100%	**Axteria Development Sdn Bhd** *(Company No. 202101010547 (1410846-W))*
100%	**Axteria Capital Sdn Bhd** *(Company No. 202101043112 (1443412-W))*
100%	**Axteria Building Materials Sdn Bhd** *(Company No. 202201005740 (1451437-P))*
45%	**Harum Eco Dormitory Sdn Bhd** *(Company No. 201601030937 (1201878-X))*

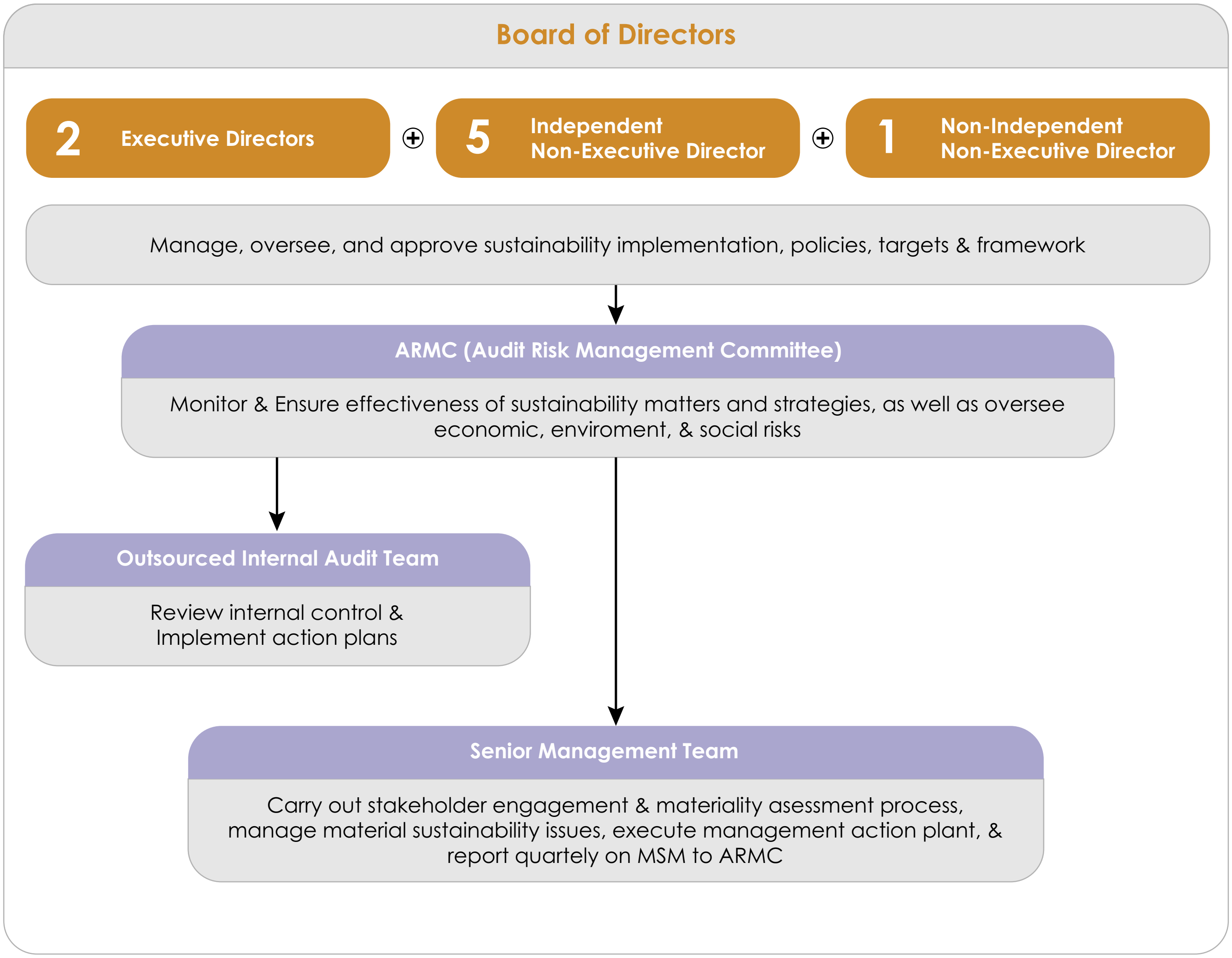
The projects completed or underway during the FY2024 under review are listed below:

Project Name	Estimated Gross Development Value ("GDV")	Project details	Project status as at 31 Dec 2024
Sentrio Commercial Hub	RM49.16 million	Development of 66 shop office units, including 17 units allocated to the landowner as their entitlement. This project comprises two-storey and three-storey shop offices situated on 5.94 acres of land in Pasir Gudang, Johor.	The project has been completed, and the Certificate of Completion and Compliance ("CCC") was issued on 8 January 2024.

Project Name	Estimated Gross Development Value ("GDV")	Project details	Project status as at 31 Dec 2024
Desa 88	RM145.40 million	A medium and light industrial development spanning 38 acres in Desa Cemerlang, Johor, comprising: ▪ Phase 1: 40 terrace factory units ▪ Phase 2: 36 terrace factory units ▪ 1 plot of Dormitory Land ▪ 7 plots of vacant industrial lands available for build-to-suit development.	Both Phase 1 and Phase 2 were completed with CCC obtained, and all units were successfully sold and handed over to purchasers in FY2024. The sale of dormitory land was successfully completed in January 2023. 5 out of 7 vacant industrial plots were sold over the past few years and during the current financial year, with 2 plots remaining available for sales.
The Asteria Melaka	RM217.28 million combining Block A and Block C	Development of a 16-storey hotel with 241 rooms (Block A) and a 44-storey tower featuring 306 serviced apartments (Block C)	Block A's construction is fully completed, with essential interior design elements in place. Due to a revised strategic focus, Block A is now positioned as a divestment opportunity. Therefore, most interior spaces remain flexible, allowing potential buyers to customise the fit-out according to their preferences. Block C's construction is progressing on schedule, with all regulatory approvals underway. The CCC for both Block A and Block C is targeted for Q2 2025.
A SOHO Johor Jaya	RM241.03 million	Mixed-use development featuring 474 units of Small Office Home Office ("SOHO") and 33 retail units	Construction commenced in December 2023. The official launch in July 2024 received overwhelming market demand, with all international SOHO units fully sold or reserved.

Sustainability Governance Structure

The Group's governance structure for managing and monitoring sustainability matters (including risks and opportunities) remained unchanged from the previous year, with the roles and responsibilities of the Board and Management outlined as follows:



In FY2024, the Board of Directors appointed a Sustainability Advisor in August 2024, to guide the Company and Group in developing and implementing sustainability initiatives. This includes establishing targets for Economic, Environmental, Social, and Governance ("EESG") performance, and creating action plans to address any performance gaps. A Senior Management representative was also designated as the Sustainability Officer. While sustainability discussions at the subsidiary level are in early stages, these appointments represent an initial step towards a more structured approach.

Stakeholder Engagement

The Group acknowledges the importance of our stakeholders to our long-term business success. To better understand our stakeholders, we periodically engage with our stakeholders, to understand their views and needs, including on our business impact on the economy, environment and society. These insights are instrumental in guiding our business and sustainability strategy.

The key stakeholders and the methods of engagement are as follows:

Key Stakeholders	Areas of Interests	Engagement methods	Frequency	Approach
Shareholders and Investors	▪ Corporate Governance ▪ Financial performance ▪ Return on Investment ▪ Sustainability Management	▪ General Meeting ▪ Interim results	▪ Annually ▪ Quarterly ▪ Periodically	▪ Importance on integrity of corporate governance through Anti-Bribery and Anti-Corruption Policy ▪ Monitoring financial performance and sustainability profitability
Customers	▪ Product quality and innovation ▪ Water ▪ Energy ▪ Data privacy & security ▪ Responsible development	▪ After sales service ▪ Defect liability period	▪ Regularly	▪ Emphasis on Responsible Marketing
Government/ Regulators	▪ Occupational health & safety ▪ Anti-Bribery and Anti-corruption	▪ Meeting ▪ Written communication	▪ Periodically	▪ Importance on Anti-Bribery and Anti-Corruption Policy ▪ Ensuring occupational health & safety
Employees	▪ Safe work environment ▪ Career advancement and Performance appraisal	▪ Performance evaluations ▪ Trainings and developments ▪ Meetings and briefings ▪ Compensation and benefits ▪ Corporate and Community Activities	▪ Regularly	▪ Prioritising Diversity & Inclusivity ▪ Ensuring Occupational Health & Safety ▪ Provision on Employee Development, Retention, and Training
Local communities	▪ Procurement practices ▪ Community investment	▪ Charity events	▪ Occasionally	▪ Emphasis on Community Investment
Consultants/ contractors	▪ Product quality and innovation ▪ Occupational safety & health ▪ Responsible development	▪ Meeting	▪ Periodically	▪ Monitoring Product technology & Innovation ▪ Ensuring Occupational Health & Safety
Media	▪ Economic performance ▪ Events, media releases, newsletters	▪ Media advertising	▪ Occasionally	▪ Importance on Responsible Marketing

Sustainability Policy

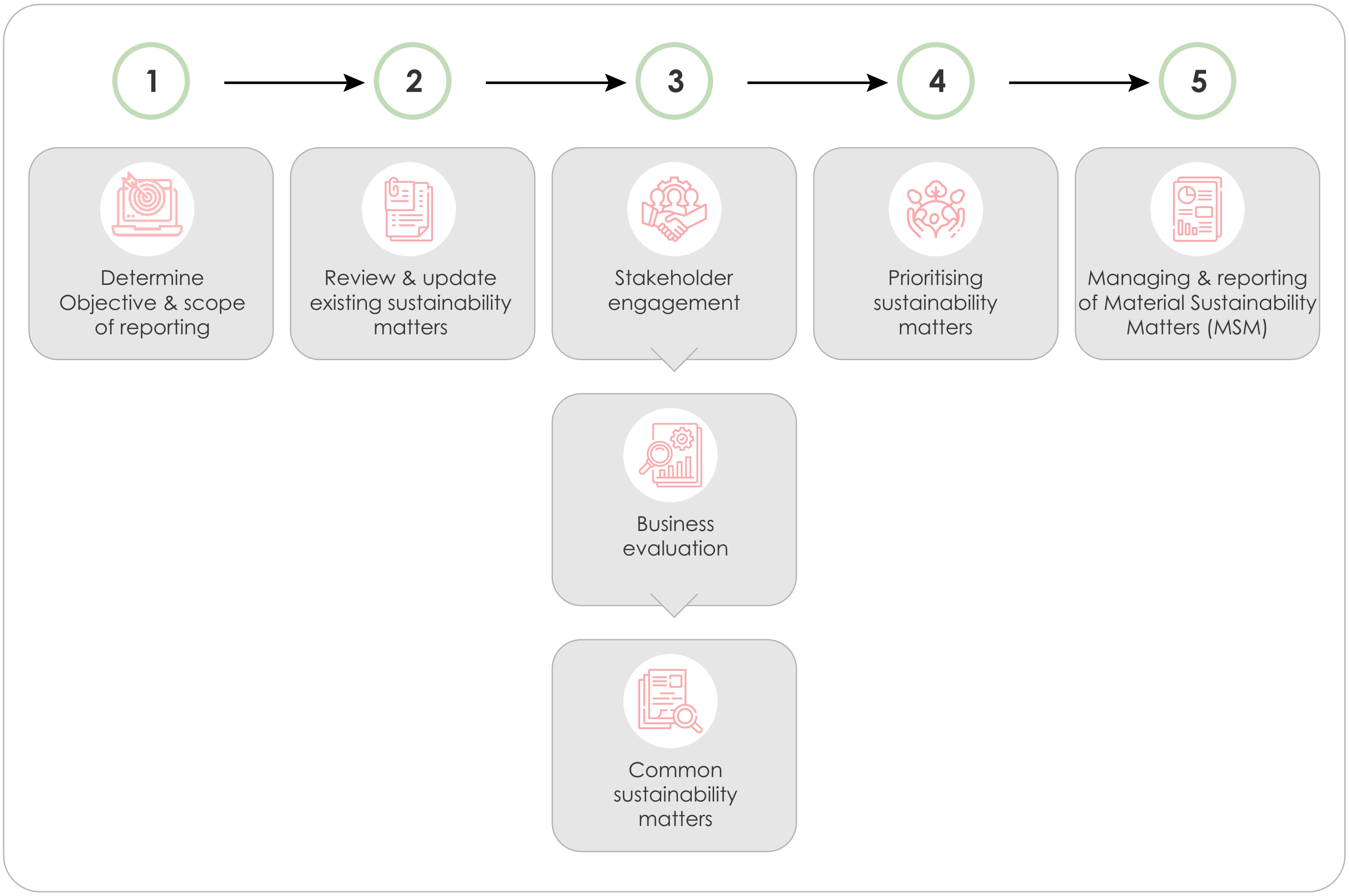
Materiality Assessment

The Group undertook materiality assessment, following the guidelines of the Sustainability Reporting Guide 3rd Edition, to evaluate and identify the Group's economic, environmental, and social risks and opportunities.

The identified sustainability matters are then evaluated against the following criteria (in accordance with Paragraph 6.3, Practice Note 9 of the Listing Requirements) to determine their materiality:

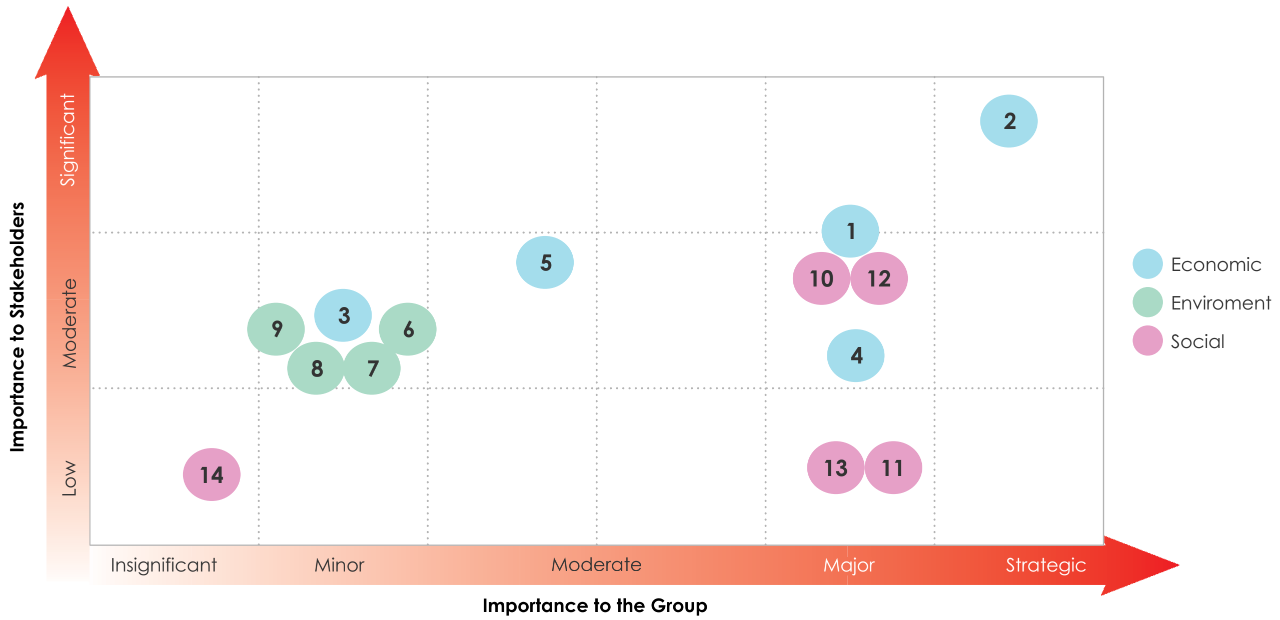
- The matter reflects the Group's significant economic, environmental, and social impacts
- The matter substantially influences the assessments and decisions of our stakeholders
- The matter aligns with the common material sustainability matters outlined in Annexure PN9-A of the Listing Requirements.

The approach to the materiality assessment is summarised as follows:



We reviewed our sustainability material matters by gathering feedback from our stakeholders, with support from selected Heads of Department and key management. These discussions helped us assess the risks and opportunities, guide our strategy, and plan our resource allocation for Environmental, Economic, and Social ("EES") matters.

Following the last assessment carried out in FY2023, where we mapped and ranked 12 material topics, the Group has reviewed and updated the list for FY2024. As a result, 2 new material topics were added based on their importance to stakeholders and the business. Additionally, the topic of Product Technology and Innovation was redefined and renamed as Product Quality to better reflect current priorities. The updated list of material topics is summarized below.



Economic

1. Economic Performance
2. Ethical Business Conduct
3. Supply Chain Management
4. Product Quality
5. Data Privacy and Security

Environmental

6. Energy Management
7. Emission
8. Water Consumption
4. Effluents and Waste Management

Social

10. Diversity and Inclusivity
11. Employee Development
12. Occupational Health and Safety
13. Responsible Marketing
14. Community Investment

Sustainability Highlights for FY2024

556m^3
Water consumption

Zero
Bribery and Corruption Cases in FY2024

100%
Local Suppliers

91 Hours
Total training hours

95,092kW/h
Energy Consumption

SUSTAINABILITY STATEMENT
(cont'd)

Risk, Opportunity and Management Action Plans

Our materiality assessment has identified key sustainability risks and opportunities significant to both our business and stakeholders. This understanding allows us to develop proactive strategies for addressing these issues.

Material Topics	Risks	Opportunities
Economy performance & Sustainability	• Vulnerable to economic downturns or changes in consumer behaviour in those regions. • Legal issues, fines, and damage to the company's reputation from non-compliance	• Investment in sustainable practices provide competitive advantage
Ethical Business Conduct	• Non-compliance with rules & regulations.	• Enhance governance best practices
Supply Chain Management	• Disruptions in the supply chain leading to delays • Cost overruns	• Identify supplier alternatives • Enhancing supplier relationship
Product Technology & Innovation	• Innovation deficit • Technology disruption risks	• Creating innovative and affordable property concept
Greenhouse Gas ("GHG") & Other Emissions	• Changes to the relevant GHG regulations leading to increase in compliance, operational costs and potential financial penalties	• Improves environmental reputation • Exploring the options to addresses climate-related challenges
Energy Management	• Rising operational expenses	• Integrating renewable solar energy system
Water Management	• Interruptions in water supply causes operational interruptions	• Integrate rainwater harvesting system to collect and store water for use, reducing water costs reducing
Employee Development, Retention and Training	• Breach of labour rights, insufficient compensation, or unfair labour practices	• Implementing competitive compensation benefits and career growth opportunities to increase employee satisfaction and retention • Ensuring fair compensation practices contributes to employee loyalty
Occupational Health & Safety	• Non-compliance to business operating rules and regulations	• Implementing Safety and Health (DOSH) recognised first-aid course
Responsible Marketing	• Inaccurate information delivered	• Adopt responsible advertising practices
Community Investment	• Negative impacts on brand reputation • Community dissatisfaction	• Increase community support • Attract local talent pool

1. ECONOMIC

1.1. Economic performance & Sustainability Profitability

At Axteria, we are committed to maintaining strong financial performance as the foundation for long-term sustainability. To achieve this, we have developed a yearly budget and financial plan that clearly outlines the resources needed to meet our economic targets. This plan is regularly reviewed and updated to ensure it stays aligned with our goals and strategies.

With this financial strength, Axteria is proud to be a leader in the Small Office Home Office (SOHO) development sector in Johor Jaya. Our success shows our ability to identify new market opportunities and create innovative property solutions that meet the evolving needs of urban living.

Despite our commitment to sustainable growth, our financial results in FY2024 reflect the cyclical nature of the industry. Compared to FY2023, our revenue decreased by RM17.27 million (26.41%). This drop was mainly caused by several key factors that impacted our performance.

a) No major unit sales from the Desa 88 project in FY2024 because it was fully sold in FY2023.
b) Most of the revenue from Sentrio Commercial Hub was already recognized earlier, as the sold units were already in the advanced stages of construction by FY2023.
c) In FY2024, revenue mainly came from a few land sales in Desa 88 and the early construction phase of A SOHO Johor Jaya, which means not much revenue could be recognised yet.
d) The late Q3 FY2024 commencement of sales for Asteria Melaka serviced apartment, which contributed marginally to revenue.

We are actively implementing strategies to mitigate these fluctuations and ensure sustainable, long-term economic stability, aligned with our commitment to responsible growth.

Total Revenue

Financial Year (FY)	FY2022	FY2023	FY2024
Total Revenue (RM '000)	17,040	65,381	48,112
(Loss)/Profit Before Tax (RM '000)	(9,604)	1,452	(9,283)
(Loss) After Tax (RM '000)	(10,025)	(984)	(10,490)

Target Revenue

	FY2022	FY2023	FY2024
Revenue (RM)	16,164,740	65,450,346	48,112,092
Budget (RM)	28,455,332	69,934,226	59,524,568

1.2. Ethical Business Conduct

Anti-Bribery and Anti-Corruption

The Group is committed to ethical business practices and has a strict zero-tolerance policy for bribery and corruption. To protect against risks, we conduct thorough corruption risk assessments across all business operations. Our publicly available Anti-Bribery and Anti-Corruption Policy provides clear guidelines for employees and third parties, ensuring compliance and accountability.

Key measures include:

- Due diligence on third parties
- Background checks for potential employees
- A strict ban on facilitation payments
- Clear rules on gifts and hospitality
- No political contributions allowed
- Mandatory policy compliance for employees and third parties

Notably, there have been no suspected cases of corruption in the past three financial years from FY2022 to FY2024.

In FY2023, we successfully conducted Anti-Bribery and Anti-Corruption (ABAC) training for our employees. However, no ABAC training was conducted in FY2024 due to staff turnover and ongoing workforce changes. The Group plans to resume the training in the upcoming financial year to ensure continued awareness and compliance across the organisation.

Designation	No. of employees	No. of employees categorised as Medium and High risk	% of employees trained in anti-corruption	% of Medium and High-risk employees trained on anti-corruption
Senior Management	3	2	67%	**50%**
Management	2	1	50%	**0%**
Non-management office staff	30	2	20%	**0%**
Site supervisors/ managers	**2**	**1**	**0%**	**0%**

The Group remains committed to upholding a strong ethical work environment by consistently reinforcing awareness of anti-bribery and anti-corruption (ABAC) principles. In FY2024, reminders highlighting the importance of ABAC have been regularly communicated to staff, particularly those in medium-to-high-risk roles, as part of our ongoing efforts to proactively mitigate the risks associated with unethical practices.

1.3. Supply Chain Management

Recognising the importance of a streamlined supply chain in property development and construction projects, we prioritise meticulous planning, coordination, and collaboration with outsourced contractors, subcontractors, suppliers, and logistics providers. For Head Office and Sales Gallery operations, procurement is managed internally by the Group. By continuously optimising procurement and transportation, we enhance efficiency, control costs, and improve overall project performance.

Procurement and Supplier Management

In construction projects, we maintain the suppliers and contractors Approved List, after reviewing their proven track record, compliance with project requirements, and ability to meet standards in areas like material quality, technical support, payment terms, and timely delivery.

While we prioritise using local materials to support the national economy, our main goal is to create value for stakeholders through efficient and cost-effective procurement practices. By evaluating the costs, quality, and material availability, we improve operational efficiency and deliver outstanding results in property development and construction.

The supplier numbers and purchase amounts for FY2022 to FY2024 are as follows:

	FY2022		FY2023		FY2024	
	No. of Suppliers	Proportion of Spending	No. of Suppliers	Proportion of Spending	No. of Suppliers	Proportion of Spending
Local	41	97%	45	100%	48	100%
Overseas	1	2%	0	0%	0	0%
Total	**42**	**100%**	**45**	**100%**	**48**	**100%**

Local Employment and Sourcing

The Group supports local sourcing to boost the economy, strengthen the supply chain, and build community relationships.

For its property and construction projects, the Group outsource to subcontractors and consultants for specialised work like building and infrastructure. These service providers are responsible for managing their own workers and complying with regulations. The Group also reviews their performance, fees, and deliverables to ensure quality and value.

The proportion of spending on local suppliers for the current and previous financial year is shown below.

	FY2022	FY2023	FY2024
Proportion of spending on local suppliers	97%	100%	100%

SUSTAINABILITY
STATEMENT
(cont'd)

1.4. Product Quality

The Group is committed to building high-quality, sustainable developments that meet changing market needs. In FY2023, we launched A SOHO Johor Jaya, a unique and affordable 3-in-1 property that combines living space, a home office, and a traditional office. It is one of the first SOHO projects in Johor Bahru, designed to support modern urban living.

The development includes co-working spaces, high-speed internet, and eco-friendly features like rainwater harvesting to improve liveability and sustainability. With a gross development value (GDV) of RM241.03 million, it consists of 474 SOHO units and 33 retail lots, built to high standards of quality and safety.

The construction has commenced in December 2023 and is expected to be completed by Q4 2027. After completion, the Group will implement a defect management system and customer feedback process to maintain product quality and user satisfaction.

1.5. Data Privacy and Security

At Axteria, we prioritise the privacy and security of sensitive information, including employee records, purchaser details, and project data like costings and budgets. To prevent data breaches, we have implemented strong security measures:

Centralised Data Management:

All customer data is stored securely on a centralised server. Only authorised personnel, based on their roles, can access this data to maintain integrity and confidentiality.

Strict Access Control:

We regularly review access permissions to ensure employees can only access information relevant to their job, reducing the risk of unauthorised access.

Clear Data Management Policies:

Our policies include strict rules for passwords, email use, and internet practices to protect confidential information.

Our dedication to safeguarding data is proven by maintaining zero complaints or incidents of privacy breaches or data loss over the last three financial years (FY2022, FY2023, and FY2024). This reflects our strong commitment to data protection.

2. ENVIRONMENTAL

2.1. Energy Management

The Group recognises energy consumption as a critical part of sustainability and has implemented several initiatives to promote energy conservation across its Property Development office, at Wisma Teras Eco, No. 56, Jalan Setia Tropika 1/14, Taman Setia Tropika, 81200 Johor Bahru, and sales gallery located at Johor Jaya.

Total Energy Consumption

Financial Year (FY)	FY2022	FY2023	FY2024
Total Energy Consumption (kWh)	43,146	55,446	95,092
Number of employees (as of 31 December)	17	22	20
Energy intensity (kWh/employee)	**2,538**	**2,520**	**4,755**

Head Office Energy Consumption

Energy consumption at our Head Office is primarily attributed to equipment, air conditioning, and lighting. To reduce our environmental impact and manage energy costs, the Group has adopted energy-saving practices, including encouraging employees to switch off unused lights and equipment, and selecting energy-efficient models when purchasing new office equipment.

The total energy consumption in the past three (3) years is as follows:

	Target	FY2022	FY2023	FY2024
Head Office Energy Consumption (kWh)	≤50,000	43,146	53,603	**49,842**
Number of employees (as of 31 December)	-	17	19	**17**
Energy Intensity (kWh/employee)	**-**	**2,538**	**2,821**	**2,932**

In FY2024, we successfully achieved our target of maintaining Head Office energy consumption below 50,000 kWh, with a recorded consumption of 49,842 kWh. However, the energy intensity per employee at the Head Office rose to 2,932 kWh/employee in FY2024, compared to 2,538 kWh/employee in FY2022 and 2,821 kWh/employee in FY2023. This increase is mainly attributed to fluctuations in staff numbers throughout the year, which influenced the average individual energy consumption.

Moving forward, the Group plans to reinforce its energy-saving initiatives by further improving air conditioning efficiency, accelerating the transition to energy-efficient office equipment, and strengthening employee awareness on energy conservation practices.

Sales Gallery Energy Consumption

The Sales Gallery mainly uses energy for air conditioning, lighting, and office equipment like laptops, computers, and photocopiers. These are the key contributors to its energy usage.

	Target	FY2023	FY2024
Sales Gallery Energy Consumption (kWh)	Nil	1,843	**45,250**
Number of employees stationed in sales gallery (as at 31 December)	-	3	**3**
Energy Intensity (kWh/Employee)	**-**	**614**	**15,083**

While energy consumption at the Sales Gallery appears to have increased significantly from 1,843 kWh in FY2023 to 45,250 kWh in FY2024, this comparison does not reflect typical operational patterns. In FY2023, the Sales Gallery was operational for only a few days towards the end of the financial year. In contrast, the FY2024 data represents a full year of operations, with extended operating hours and activities carried out seven days a week.

As the Sales Gallery only commenced operations towards the end of FY2023, the minimal energy consumption recorded was insufficient to establish a meaningful energy benchmark. Consequently, no specific energy consumption target was set for FY2024.

Future Plans for Energy Management

The increase in energy consumption at the Sales Gallery in FY2024, resulting from a full year of regular operations rather than inefficiencies or wastage, highlights the importance of proactive energy management. Moving forward, the Group plans to:

Establishing Baseline Data

Monitor energy usage regularly to create a reliable baseline for setting future targets.

Implementing Conservation Measures

Applying relevant energy-saving practices, similar to those in place at the Head Office, tailored to the Sales Gallery's operations.

Identifying Energy Saving Opportunities

Identify areas where energy efficiency can be improved.

Setting Future Targets

Create realistic and measurable energy targets based on the baseline and identified opportunities.

By managing energy use effectively across both the Head Office and the Sales Gallery, the Group aims to reduce its environmental impact, lower operating costs, and contribute meaningfully to its broader sustainability goals.

2.2. Emission

At Axteria, we recognise the importance of monitoring and managing our carbon footprint as part of our commitment to environmental sustainability. In this inaugural year of disclosure, we are reporting on Scope 1 and Scope 2 greenhouse gas (GHG) emissions—covering direct emissions from our operations and indirect emissions from purchased energy, respectively.

By quantifying our Scope 1 and 2 emissions, we aim to enhance internal awareness, identify potential areas for improvement, and lay the groundwork for future environmental initiatives.

The following table presents our emissions data for the year under review, providing transparency and reinforcing our dedication to sustainable development and responsible business practices.

Total Emissions Generated

Type of Emission	Elements Involved	FY2024
Scope 1 Emissions (tCO_2e)	• Petrol usage for company's car	14.44
Scope 2 Emissions (tCO_2e)	• Emissions from the electricity consumption	72.08

2.3. Water Management

The Group is dedicated to reducing water use in its operations to lessen environmental impact and support water security in its areas of activity. In FY2024, we introduced various initiatives to improve water efficiency throughout our business. The water usage data for FY2024 is as follows:

Total Water Consumption

Financial Year (FY)	FY2022	FY2023	FY2024
Head Office Water Consumption (m^3)	420	420	420
Sales Gallery Water Consumption (m^3)	-	16	136
Total Water Consumption (m^3)	**420**	**436**	**556**
Water Intensity (m^3/Employee)	24.71	19.82	27.80

Head Office and Sales Gallery

At our Head Office and Sales Gallery, water usage is primarily for essential needs such as restrooms and pantry facilities. We actively encourage water-saving habits among our employees by promoting practices like turning off taps when not in use and promptly reporting any leaks. These measures underscore our commitment to sustainability, reducing our environmental footprint, and safeguarding vital water resources.

The Head Office has consistently maintained its monthly water consumption below 35m^3, resulting in an annual consumption not exceeding 420m^3 from FY2022 to FY2024. The Sales Gallery commenced operations towards the end of FY2023, accounting for its minimal water consumption in that year. Conversely, the FY2024 data reflects a full year of operations for the Sales Gallery, characterized by extended operating hours and activities conducted seven days a week, which explains the increase in its water consumption compared to FY2023.

Property and Construction

At A SOHO Johor Jaya, we understand that the M-Facilities Deck, which includes landscaping and a water fountain, uses a lot of water. To address this, we installed a rainwater harvesting system to collect and reuse rainwater for these purposes. This helps reduce dependence on freshwater, cuts water expenses, and lowers maintenance fees for homeowners.

We are dedicated to water conservation, sustainable practices, and continuously monitoring and improving water usage while involving employees in finding more ways to save water.

2.4. Effluents & Waste Management

In property development and construction, contractors manage most waste, while we oversee waste and effluent management at the Head Office and Sales Gallery, where only small amounts of waste are generated.

We maintain high standards for waste and effluent management to reduce environmental impact and follow regulations.

Waste Management at Head Office and Sales Gallery

At the Head Office and Sales Gallery, waste is mostly domestic, like general office waste and recyclables. We use a waste segregation system to promote recycling and reduce the amount sent to landfills.

Below is the list of Axteria Waste Reduction program.

Type of Waste	Waste Management Approach
Domestic Waste	Collected by municipal services for proper disposal
Recycled Waste	Paper, plastics, and metal waste are segregated and sent for recycling
Scheduled Waste	Minimal generation; disposed of in compliance with regulations
Water Effluents	Primarily domestic effluents from restrooms and pantry

Total Waste

Financial Year (FY)	FY2022	FY2023	FY2024
Total Non-Hazardous Waste			
Domestic Waste (MT)	2.63	2.94	2.24
Total Water Effluents Discharged			
Water Effluents (MT)	94.21	105.29	104.41
Waste Diverted from landfill which was recycled			
Plastic (MT)	0.79	0.88	0.83
Used batteries (MT)	Minimal	Minimal	Minimal

Water Effluents Management

Our Head Office and Sales Gallery produce wastewater mainly from restrooms, pantry areas, sinks, and cleaning activities. To improve water efficiency and manage water responsibly, we focus on key measures such as reducing water waste, recycling where possible, and using water-saving equipment.

Employee Awareness Initiatives

Regularly encouraging responsible water usage and highlighting conservation practices.

Proactive Maintenance

Implementing scheduled maintenance to promptly identify and rectify and prevent water wastage.

Continuous Improvement

Actively exploring and evaluating additional water conservation measures for potential future implementation to further reduce our water footprint.

2.5. Pollution Prevention

Axteria takes steps to reduce pollution in office operations by sorting waste properly, cutting down on single-use plastics, and promoting eco-friendly practices. We are proud to have no environmental fines in FY2024, showing our strong commitment to sustainability.

Environmental Compliance

We follow all environmental rules and standards, checking our construction sites regularly to make sure we meet local and national requirements. We explore options to handle waste, save energy, and lower emissions. Our goal is to work responsibly and help protect the environment for the future.

3. SOCIAL

At Axteria Group, social sustainability is an important part of how we do business. We aim to make a positive impact in the communities we serve, create a respectful and inclusive workplace, and follow ethical business practices.

We focus on engaging with local communities, supporting local businesses, caring for our employees' well-being and growth, and maintaining safe and healthy working conditions. We believe that helping our people and communities leads to long-term success and steady growth.

3.1. Diversity and inclusivity

We strongly believe that diversity and inclusivity are essential for success and resilience. A lack of diversity can limit new ideas and slow down growth, so we make sure to encourage different perspectives.

To support this, we follow a merit-based system where hiring, development, and promotions are based on talent and performance. We do not tolerate any form of discrimination, whether based on gender, age, ethnicity, religion, or other personal traits, ensuring a workplace where everyone is respected and valued.

Equal Opportunity and Fair Treatment

At Axteria, we treat all employees with fairness and respect, no matter their experience, gender, race, religion, or marital status. Career growth and promotions are based on talent and performance, ensuring everyone has a chance to succeed.

Cultivating a Culture of Inclusivity

We create a diverse and welcoming environment where every employee feels valued, respected, and safe. Inclusivity is at the heart of our values, helping everyone thrive and contribute to our shared success.

Ethical Conduct and Whistleblower Protection

At Axteria, misconduct is not tolerated. We maintain a zero-tolerance policy and encourage employees and external partners to report unethical behavior to their Department Head, HR, or via our confidential whistleblower protection system. All reports are taken seriously, and prompt action is taken to resolve issues

SUSTAINABILITY STATEMENT
(cont'd)

The following table provides a breakdown of our directors and employees by gender and age group for the past three (3) years:

By gender - Employees					
Designation	**Gender**	**Target FY2024**	**FY2022**	**FY2023**	**FY2024**
Directors	Male	**6**	5	6	**6**
	Female	**2**	1	2	**2**
Senior management	Male	**2**	3	2	**1**
	Female	**1**	1	1	**1**
Management	Male	**2**	2	2	**1**
	Female	**0**	0	0	**0**
Non-management office staff	Male	**3**	0	3	**3**
	Female	**16**	13	16	**16**
Site supervisors / managers	Male	**3**	1	3	**1**
	Female	**0**	0	0	**0**
Total		**35**	**26**	**35**	**31**

By age group - Employees					
Designation	**Age**	**Target FY2024**	**FY2022**	**FY2023**	**FY2024**
Directors	≤ 30	**0**	0	0	**0**
	31 – 40	**2**	3	2	**3**
	41 – 50	**1**	1	1	**1**
	> 50	**5**	2	5	**4**
Senior management	≤ 30	**0**	0	0	**0**
	31 – 40	**1**	1	1	**0**
	41 – 50	**1**	1	1	**1**
	> 50	**1**	2	1	**1**
Management	≤ 30	**0**	0	0	**0**
	31 – 40	**0**	1	0	**0**
	41 – 50	**1**	1	1	**1**
	> 50	**1**	0	1	**0**
Non-management office staff	≤ 30	**8**	3	8	**6**
	31 – 40	**8**	6	8	**11**
	41 – 50	**2**	4	2	**1**
	> 50	**1**	0	1	**1**
Site supervisors/ managers	≤ 30	**1**	0	1	**0**
	31 – 40	**0**	0	0	**0**
	41 – 50	**2**	1	2	**1**
	> 50	**0**	0	0	**0**
Total		**35**	**26**	**35**	**31**

3.2. Investing in Our People: Employee Development, Retention and Training

At Axteria, we value our employees as our greatest asset and the key to our success. We are committed to providing a supportive environment that fosters growth and attracts top talent. Our initiatives for employee development, retention, and training are designed to build a skilled and motivated workforce.

Key Pillars of Our Commitment includes:

Competitive Rewards and Comprehensive Benefits

We offer competitive pay and comprehensive benefits to acknowledge and reward our employees' dedication, ensuring their well-being and financial security.

Empowering Career Growth and Advancement

We promote career growth through internal promotions and lateral moves, encouraging employees to develop new skills and pursue fulfilling career paths.

Continuous Learning and Development Programs

We provide diverse training programs, delivered both internally and through external partnerships, to enhance technical expertise, industry knowledge, and essential soft skills.

A Culture of Mentorship and Coaching

We foster a culture of mentorship and collaboration, where leaders and colleagues guide and support each other to maximize professional growth.

Constructive Performance Feedback and Development Reviews

Our performance reviews and feedback system, including annual evaluations, promote open communication, identify growth areas, and provide guidance to support and enhance employees' careers development.

By focusing on these priorities, we aim to create a workplace where employees feel valued, supported, and inspired. This commitment ensures their growth, meaningful contributions to strategic goals, and drives the Group's long-term success in Malaysia and beyond.

Employee type	Percentage (%)
Permanent employee	96
Contractors or temporary staff	4

Employee Turnovers and New Hires in FY2024

The following table provides a breakdown of employee turnover and new hires by designation during FY2024:

Employee Level	Number of Turnover	Number of New Hire
Senior management	1	1
Management	1	0
Non-management office staff	11	5
Site supervisors / managers	1	1
Total	14	7

In FY2024, a total of 14 employees resigned across various roles, while 7 new hires joined the team. The Group remains committed to maintaining an optimal workforce by actively recruiting to offset employee departures. These efforts ensure operational continuity and sufficient manpower to support business activities.

Analysis of Employee Turnover

The turnover figures above represent employees who voluntarily resigned. We will be further analysing the reasons behind the turnover, particularly within the Non-Management Office Staff and Site Supervisors/Managers categories, to identify areas for improvement in our retention strategies. The addition of 7 new hires demonstrates our ongoing need for talent to support our operation and growth.

Employee Training and Development Initiatives in FY2024

In FY2024, we invested in external training programs to enhance workforce skills and expertise. These programs, conducted by reputable training providers, focused on key industry requirements and organisational priorities. The topics covered included:

- Critical Path Method Dalam Pengurusan Projek Pembinaan
- Briefing on E-Invoicing
- Unlocking opportunities in Malaysia Budget 2025 – Tax measures, incentives and E-invoicing solutionsUnlocking opportunities in Malaysia Budget 2025 – Tax measures, incentives and E-invoicing solutions

The total external training hours undertaken by our employees in FY2024 are detailed below:

	FY2022		FY2023		FY2024	
Designation	**Total hours of training attended**	**Average hours of training**	**Total hours of training attended**	**Average hours of training**	**Total hours of training attended**	**Average hours of training**
Senior management	0	0	42	14	8	**4**
Management	0	0	23	12	2	**2**
Non-management office staff	26	2	109	6	81	**4.5**
Site supervisors / managers	0	0	0	0	0	**0**

Internal Knowledge Sharing and Continuous Learning

Alongside our external training investments, we prioritise internal knowledge sharing and foster a continuous learning environment. Throughout FY2024, various departments conducted small group training sessions and knowledge-sharing initiatives. These sessions allowed employees to learn from their colleagues' expertise, exchange practical insights, and stay updated on industry trends and best practices in Malaysia.

Human Rights Record

Over the past three financial years (FY2022, FY2023, and FY2024), we are pleased to report that there have been no substantiated complaints regarding human rights violations within the Group. This reflects our ongoing commitment to ethical practices and a respectful workplace environment.

3.3. Occupational Health and Safety (OHS)

At Axteria, we prioritise the health, safety, and well-being of our employees across all operations. We are committed to providing a safe, secure, and comfortable working environment for everyone.

To reinforce this commitment, the Group has implemented a Safety Policy dated October 2022, that serves as a strong foundation for managing workplace health and safety. This policy reflects our dedication to protecting employees and includes proactive measures to prevent accidents, reduce risks, and promote overall well-being in all activities.

Safety Performance and Initiatives

Over the past three financial years (FY2022, FY2023, and FY2024), we proudly maintained a zero lost-time incident and zero fatality record. This achievement reflects our strong commitment to safety protocols and a proactive approach to risk management.

While most of our workforce operates in an office-based setting, we recognise the importance of preparedness for employees who visit project sites. In FY2022, we arranged for two (2) employees from our project department to complete a first-aid course accredited by the Department of Safety and Health (DOSH) Malaysia. This initiative ensured the presence of certified first aiders, a critical resource for handling potential incidents, particularly at our property development and construction sites.

Safety Management in Property and Construction

In our property and construction division, occupational health and safety management is primarily handled by our experienced contractors. These partners are required to implement internal controls and strictly adhere to Malaysian safety regulations and industry best practices.

Their responsibilities include:

- Appointing dedicated Safety Officers to oversee compliance.
- Establishing Safety Committees to manage safety protocols.
- Conducting regular risk assessments to identify and mitigate potential hazards.
- Promoting a strong safety culture across project sites.

We maintain active oversight to ensure these safety standards are consistently met.

Health and Safety Performance

Financial Year (FY)	FY2022	FY2023	FY2024
Number of work-related fatalities	0	0	0
Total man hours worked	0	0	67,968
Lost time incident rate*	0	0	0
No of employee trained on Health and Safety Standards	2	0	0 **

**No of lost time injuries /Total number of hours worked*

*** DOSH regulations require first-aider recertification every three years, no additional first-aid training was mandated or conducted in FY2024.*

SUSTAINABILITY STATEMENT
(cont'd)

3.4. Responsible Marketing

At Axteria, we uphold responsible marketing practices built on transparency, honesty, and integrity. We ensure that all marketing materials accurately represent our services, projects, and sustainability efforts, avoiding exaggeration or misleading claims.

Our communications are designed to inform, educate, and foster lasting trust with key stakeholders, including customers, investors, and the local community. We strongly advocate for ethical business practices and environmentally responsible development in all our outreach.

We actively promote our sustainability initiatives, highlighting our dedication to:

Reducing Environmental Impacts

Minimizing our ecological footprint across projects and operations in Malaysia.

Fostering Social Well-being

Contributing positively to the communities in which we operate.

Adhering to Governance Best Practices

Ensuring accountability and ethical conduct in all aspects of our business.

By championing responsible marketing, we aim to engage meaningfully with customers, investors, and the broader Malaysian community, reinforcing our long-term sustainability goals and maintaining the highest ethical standards. This approach is key to establishing Axteria as a reputable and trustworthy brand in the southern region and beyond.

3.5. Community Investment: Re-engaging Through Collaborative Initiatives

We are excited to reintroduce our Corporate Social Responsibility (CSR) programs in FY2024 where we focused on improving efficiency and ensuring sustainable returns for shareholders.

While achieving financial stability remains a priority, we are committed to reconnecting with the communities where we operate. In FY2024, we contributed to several meaningful programs with our business partners. These include a donation to RHB's initiative supporting a home for the elderly and a center for children with disabilities (OKU), and UOB's Heartbeat Fundraiser. These efforts focus on vital local causes, social welfare, and environmental sustainability.

By making CSR an integral part of our business strategy, we aim to make a positive impact and strengthen relationships with local communities. This reflects our long-term dedication to social and environmental stewardship, and we look forward to continuing this work in the future.

3.6. Responsible Growth at Axteria

We are committed to responsible development, focusing on environmental care, community well-being, and long-term success. We aim to minimize our environmental impact, support local communities, and ensure our business is sustainable. To achieve this, we're implementing eco-friendly practices, engaging with stakeholders, maintaining high ethical standards, and constantly improving our approach. We are actively working towards these goals to create a positive impact for everyone involved and the environment. Our aim is to build a strong business that also benefits Malaysia through sustainable practices and open communication.

Performance Data and Target

The following table summarises our performance for FY2022 to FY2024 and our target for FY2025:

Indicator	Unit	FY2022	FY2023	FY2024
Anti-Bribery and Anti-Corruption				
Bursa C1(a) Percentage of new employees who have received training on anti-corruption by employee category				
Management	Percentage	0	50	0
Executive	Percentage	0	20	0
Non-Executive	Percentage	0	0	0
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0	0	0
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Supply Chain Management				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	97	100	100
Energy Management				
Bursa C4(a) Total energy consumption	kW/h	43,146	55,446	95,092
Waste Management				
Bursa C10(a)(i) Total Waste Generated – Total waste diverted from disposal	Metric Tonne	0	0	0
Bursa C10(a)(ii) Total Waste Generated – Total waste directed to disposal	Metric Tonne	97.63	109.11	107.48
Emission				
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	tCO2e	Not Available	Not Available	14.44
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	tCO2e	Not Available	Not Available	72.08
Water Management				
Bursa C9(a) Total volume of water used	m^3	420	436	556
Health and Safety				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) LTI rate	Rate	0	0	0
Bursa C5(c) Number of employees trained on health and safety standards (Internal & External training)	Number	2	0	0

Indicator	Unit	FY2022	FY2023	FY2024
Labour Practices and Standards				
Bursa C6(a) Total hours of training by employee category				
Management	Number	0	23	2
Executive	Number	26	109	81
Non-Executive	Number	0	0	0
Bursa C6(b) Percentage of employees that are contractors or temporary Staff	Percentage	0	0	0
Bursa C6(c)Total number of employee turnover by employee category				
Management	Number	Not Available	0	1
Executive	Number	Not Available	13	1
Non-Executive	Number	Not Available	0	11
Bursa C6(d) Number of substantiated complaints concerning human rights violation	Number	0	0	0
Total number of new hire by employee category				
Management	Number	Not Available	1	0
Executive	Number	Not Available	18	5
Non-Executive	Number	Not Available	2	1
Diversity and Equal Opportunities				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Senior Management - Male	Percentage	75	67	50
Senior Management - Female	Percentage	25	33	50
Management - Male	Percentage	100	100	100
Management - Female	Percentage	0	0	0
Non-management - Male	Percentage	0	16	16
Non-management - Female	Percentage	100	84	84
Site Supervisor – Male	Percentage	100	100	100
Site Supervisor - Female	Percentage	0	0	0
Below 30 years old – Senior Management	Percentage	0	0	0
30 to 50 years old – Senior Management	Percentage	50	67	50
Above 50 years old - Management	Percentage	50	33	50
Below 30 years old - Management	Percentage	0	0	0
30 to 50 years old - Management	Percentage	100	50	100

Indicator	Unit	FY2022	FY2023	FY2024
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Above 50 years old - Management	Percentage	0	50	0
Below 30 years old – Non-management	Percentage	23	42	32
30 to 50 years old – Non-management	Percentage	77	53	63
Above 50 years old – Non-management	Percentage	0	5	5
Below 30 years old – Site Supervisor	Percentage	0	33	0
30 to 50 years old – Site Supervisor	Percentage	100	67	100
Above 50 years old – Site Supervisor	Percentage	0	0	0
Bursa C3(b) Percentage of Directors by gender and age group				
Male members	Percentage	83	75	75
Female members	Percentage	17	25	25
Below 30 years old	Percentage	0	0	0
30 to 50 years old	Percentage	67	38	50
Above 50 years old	Percentage	33	62	50
Community / Society				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0	0	5,900
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0	0	28
Data Privacy and Security				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0

Statement of Assurance

Internal Assurance

This Sustainability Statement has not been subjected to a formal external assurance process. However, it has undergone a thorough internal review and received approval from the Board of Directors and Management.

While the preparation of this Statement was supported by an external professional party, all data and information included were rigorously reviewed for accuracy and relevance before incorporation. In addition, Management conducted a detailed verification process to ensure that the data and disclosures are appropriate, relevant, and accurate.

Based on these internal review procedures, nothing has come to our attention that would cause us to believe that there are any material misstatements or inaccuracies in the information presented.

ADDITIONAL COMPLIANCE INFORMATION

The following information is presented in compliance with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"):

1. UTILISATION OF PROCEEDS

(a) Private Placement

On 10 August 2023, Axteria Group Berhad (the "Company") proposed a private placement of up to 71,676,649 new ordinary shares ("Axteria Shares"), representing 10% of its total issued shares (excluding treasury shares), to third-party investors ("Proposed Private Placement"). Bursa Securities granted its approval for the Proposed Private Placement via its letter dated 16 August 2023.

Recognising the need for additional time to engage investors and develop related strategies, the Company secured a four-month extension from Bursa Securities on 6 February 2024, setting a new deadline of 15 June 2024. A further three-month extension was approved by Bursa Securities on 10 June 2024, extending the implementation period to 15 September 2024.

On 6 September 2024, the Company announced that the Board had fixed the issue price for up to 71,676,600 Axteria Shares at RM0.1234 per share. This represented an approximate 9.99% discount to the 5-day volume-weighted average market price (VWAP) of RM0.1371 up to and including 6 September 2024.

The Private Placement was successfully completed following the listing of 71,676,600 Axteria Shares on the Main Market of Bursa Securities on 13 September 2024, raising a total of RM8,844,892.

The utilisation of proceeds from the Private Placement as of 31 December 2024 is detailed below:

Purpose	Intended Utilisation Period	Proposed Utilisation (RM'000)	Actual Amount Raised (RM'000)	Actual Amount Utilised (RM'000)	Balance Available (RM'000)
Financing of property development and construction project	Within 24 months	9,175	6,695	(6,695)	-
Working capital	Within 12 months	2,000	2,000	(2,000)	-
Defraying estimated expenses for the Shares Issuance	Within 2 months	150	150	(150)	-
Total		**11,325**	**8,845**	**(8,845)**	**-**

ADDITIONAL COMPLIANCE INFORMATION
(cont'd)

(b) Redeemable Convertible Preference Shares ("RCPS")

The following table details the funds raised through the issuance of RCPS as of 31 December 2024:

Purpose	Intended Utilisation Period	Proposed Utilisation (RM'000)	Balance to be raised as at 31 December 2023 (RM'000)	Amount raised in 2024 (RM'000)	Actual utilisation in 2024 (RM'000)	Balance to be raised as at 31 December 2024 (RM'000)
Financing of existing property development projects	Within 3 years	48,000	5,400	-	-	5,400
Financing of future property development Projects	Within 3 years	24,000	24,000	-	-	24,000
Working capital	Within 3 years	3,000	-	-	-	-
Expenses relating to RCPS	Within 5 years	5,000	1,600	-	-	1,600
Total		**80,000**	**31,000**	**-**	**-**	**31,000**

2. AUDIT AND NON-AUDIT FEES

For the financial year ended 31 December 2024, the audit and non-audit fees paid and/or payable by the Company and its subsidiaries to the external auditors, Crowe Malaysia PLT, and their affiliated company, Crowe JB Tax Sdn. Bhd. are as follows:

	Group (RM)	Company (RM)
Statutory audit fees		
- Crowe Malaysia PLT	200,500	60,000
Non-audit services fees		
- Crowe Malaysia PLT	5,000	5,000
- Crowe JB Tax Sdn. Bhd.	70,600	6,600

The non-audit fees, mainly pertained to the review of the Statement of Risk Management and Internal Control, as well as tax compliance services, encompassing assistance in the preparation and submission of tax computations and returns, tax estimations, and assistance in tax audit matters.

3. MATERIAL CONTRACTS

The Company and its subsidiaries did not enter into any material contracts involving the interests of Directors and major shareholders that were subsisting at the end of the financial year under review or entered into since the end of the previous financial year, except as disclosed in Note xx of the financial statements.

ADDITIONAL COMPLIANCE INFORMATION
(cont'd)

4. RELATED PARTY TRANSACTIONS

The Company has implemented a comprehensive compliance framework to ensure full adherence to the Listing Requirements, particularly in the disclosure and governance of related party transactions. The Audit and Risk Management Committee ("ARMC") plays a key role by reviewing and monitoring these transactions on a quarterly basis.

To ensure proper governance, any Directors with an interest in a related party transaction must abstain from participating in discussions and voting on relevant resolutions at all Board or Committee meetings, as well as at the Annual General Meetings ("AGM") or any Extraordinary General Meetings.

The Group has established the following procedures to govern its related party transactions:

- All related party transactions must be conducted on an arm's length basis and on standard commercial terms that are not more favourable than those generally available to the public and other suppliers, and must not detrimental to minority shareholders;
- All related party transactions must be reported to the ARMC. Any member of the ARMC may request for additional information pertaining to the transactions, including guidance and advice from independent sources or advisers; and
- Shareholders' approval will be sought at AGM for any non-mandated recurrent related party transactions of revenue or trading nature in the ordinary course of business ("RRPT") entered into by the Group.

During the financial year under review, Axteria Development Sdn. Bhd. ("ADSB"), a wholly-owned subsidiary of the Company, entered into RRPT with a company connected to the Company's Directors and/or Major Shareholders.

The aggregate value of these non-mandated RRPT exceeded 1% but remained below 5% of the percentage ratio stipulated in the Listing Requirements, based on the Company's latest audited financial statements for the financial year ended 31 December 2023. Further details of these transactions are available in the Company's announcements dated 22 November 2022 and 2 December 2022 respectively.

The ARMC reviewed these transactions and concluded that:
- They were in the best interests of the Company, fair, reasonable, conducted on normal commercial terms, and not detrimental to minority shareholders; and
- They had not, and were not expected to have, any material impact on the Company's earnings per share, net assets per share, gearing, share capital, or substantial shareholders' shareholding.

The Board of Directors (excluding interested Directors and Major Shareholders) concurs with the ARMC's assessment and believes these transactions align with the Company's best interests while safeguarding minority shareholders.

To facilitate these recurrent transactions and improve operational efficiency, the Company announced on 17 March 2025 its intention to seek shareholders' approval for a new mandate covering both existing and additional non-mandated RRPT in accordance with Paragraph 10.09(2) of the Listing Requirements at the upcoming AGM. Full details of the proposed mandate are set out in the Circular to Shareholders dated 29 April 2025, which is distributed alongside the Annual Report 2024.

AUDIT AND RISK MANAGEMENT COMMITTEE ("ARMC") REPORT

The Board of Directors (the "Board") of Axteria Group Berhad (the "Company") is pleased to present the following report on the activities of the Audit and Risk Management Committee (the "ARMC") Report for the financial year ended 31 December 2024 ("FY2024") and up to the date of this Annual Report.

A. Composition

Throughout FY2024, the ARMC comprised three (3) Independent Non-Executive Directors, in compliance with Paragraphs 15.09(1)(a) and (b) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad, as well as Practice 9.4 under Principle B of the Malaysian Code on Corporate Governance 2021 ("MCCG").

The members were:

Name	Designation
Ng Lee Thin	Chairperson
Kevin Low Ee Ming	Member
Yap Yung Chien	Member

The ARMC Chairperson, Ng Lee Thin, a member of the Malaysian Institute of Certified Public Accountants, also fulfilled the financial expertise criterion under Paragraph 15.09(1)(c)(i) of the Listing Requirements, which mandates that at least one (1) member of the audit committee be a qualified accountant.

B. Authority, Duties and Responsibilities

The ARMC discharges its responsibilities and performs its duties in accordance with its Terms of Reference ("ToR"), which is available on the Company's website at https://agb.my/.

C. Meetings

The ARMC convenes meetings on a quarterly basis. During FY2024, a total of five (5) meetings were conducted, with full attendance from all members:

Name	Designation	No. of Meetings Attended
Ng Lee Thin	Chairperson	5/5
Kevin Low Ee Ming	Member	5/5
Yap Yung Chien	Member	5/5

Led by the Chairperson, the ARMC actively engaged with the Group Managing Director ("MD"), Executive Director ("ED"), and key management personnels (the "Management"), along with the internal and external auditors. The MD, ED and the Management were invited to these meetings to facilitate direct communication and provide necessary clarification on audit matters and the Company's operations.

During these meetings, the internal and external auditors presented their respective audit reports. The discussions held were documented and brought to the attention of the Board. The ARMC Chairperson reported to the Board on the key findings of the external auditors and significant concerns raised by the internal auditor during their quarterly presentations. These reports, along with the ARMC's deliberations, were presented to the Board for consideration, approval and subsequent implementation by the Management.

AUDIT AND RISK MANAGEMENT COMMITTEE ("ARMC") REPORT
(cont'd)

D. Summary of Activities and Work

During the financial year under review, the ARMC diligently performed its duties across several key areas, as detailed below:

1. Financial and Compliance

The ARMC dedicated significant effort to overseeing the Company's financial reporting and compliance functions:

- **Financial Statements:** The ARMC thoroughly reviewed all four (4) unaudited quarterly financial statements and the audited financial statements presented by the Chief Financial Officer. This process involved seeking necessary explanations and focused specifically on:

  - o Changes in or implementation of major accounting policies and practices.
  - o Significant matters highlighted, including financial reporting issues, key judgements made by management, unusual events or transactions, and their resolution.
  - o Compliance with applicable accounting standards and other legal requirements.
  - o The appropriateness of the going concern assumption. The ARMC subsequently recommended these statements to the Board for approval.

- **Related Party Transactions and Conflicts of Interest:** The ARMC rigorously reviewed and deliberated related party transactions ("RPT"), recurrent RPT of revenue or trading in nature ("RRPT"), and any actual or potential conflict of interest ("COI") situation. The ARMC ensured that all RPTs and RRPTs were conducted at arm's length, in accordance with the usual business practices and policies of the Company and its subsidiaries (collectively referred to as the "Group"), and on terms no more favourable than those generally available to the public or other comparable suppliers, while also safeguarding the interests of minority shareholders.

- **Threshold Monitoring:** To ensure adherence to regulatory requirements, the ARMC actively monitored RPT and RRPT thresholds in compliance with the Listing Requirements.

- **Policy Review:** The ARMC played a key role in governance by reviewing and recommending the COI Policy and the ARMC's ToR to the Board for approval.

- **Report Review:** The ARMC undertook a thorough review of its own report and Statement on Risk Management and Internal Control before recommending them to the Board for approval and inclusion in the Annual Report.

- **Budget Review:** The ARMC reviewed the annual budgeted cash flow and provided its recommendation to the Board for approval.

- **Sustainability and EESG Oversight:** Demonstrating its commitment to responsible business practices, the ARMC oversaw the implementation of the sustainability framework, policies, strategies, and Economic, Environmental, Social, and Governance ("EESG") initiatives across the Group to meet market and global expectations.

- **EESG Integration:** The ARMC monitored the progress of sustainability efforts by reviewing key update concerning EESG developments and results of their integration into the Group's operations and principles, with the objective of building a sustainable business model.

- **MCCG Application:** The ARMC assessed the Company's adoption of corporate governance best practices by evaluating the application of the principles outlined in the MCCG. This included reviewing the suitability of any alternative practices adopted by the Board to achieve the intended outcomes of MCCG.

2. **External Audit**

The ARMC provided robust oversight of the external audit function:

- **Audit Planning:** The ARMC actively engaged with the external auditors in reviewing the Audit Planning Memorandum for FY2024. Discussions focused on the audit's nature, scope, areas of emphasis, and action plans to ensure comprehensive compliance with relevant accounting standards before the finalisation of the Group's audited financial statements.

- **Audit Report Deliberation:** The ARMC carefully deliberated on the external auditors' report, identifying significant areas and impact on financial matters based on findings from both interim and final audits.

- **Auditor Assessment:** The ARMC conducted its annual evaluation of the external auditors' suitability and independence, giving due consideration of their continued engagement with the Group.

- **Performance and Recommendation:** The ARMC reviewed the performance of the external auditors across various aspects, including calibre, quality process, audit team, scope, communication, adequacy of the firm's expertise and resources, audit governance independence, as well as the audit and non-audit fees. Based on this review, the ARMC recommended their re-appointment and remuneration to the Board.

- **Auditor Matters:** The ARMC addressed any matters related to the appointment, re-appointment, resignation, dismissal, or removal of the external auditors.

3. **Internal Audit and Risk Management**

The ARMC actively oversaw the internal audit function and the Group's risk management framework:

- **Internal Audit Plan Review:** The ARMC reviewed the outsourced internal audit plans for the financial year to ensure they provided adequate scope and comprehensive coverage of the Group's activities. The ARMC also assessed the methodology to ensure effective risk identification, analysis, assessment, monitoring, and communication.

- **Internal Audit Report Review:** The ARMC reviewed internal audit reports, providing constructive feedback and suggesting further improvements to enhance the adequacy and effectiveness of the internal control system across the Group's operations, systems, processes, and functions.

- **Service Provider Oversight:** The ARMC reviewed the performance of the outsourced internal audit service provider and approved any appointment, resignation, or termination.

- **Risk Register Review:** The ARMC regularly reviewed the risk register and updated risk profiles for key risk areas.

- **Anti-Bribery and Anti-Corruption:** The ARMC reviewed the Group's anti-bribery and anti-corruption risks and the corresponding mitigating activities, as well as the Anti Bribery and Anti-Corruption Policy and Whistleblower Policy. The ARMC noted with satisfaction that no complaints were received through the whistleblowing channel during the financial year.

- **Cyber Security and Data Privacy:** The ARMC reviewed the cyber security landscape and data privacy risks within the Group.

- **Internal Control Evaluation:** The ARMC evaluated the Group's overall system of internal control and the scope of the internal audit function to ascertain their adequacy in providing relevant assurance on the effectiveness of governance, risk, and control processes, in accordance with the Statement of Risk Management and Internal Controls.

AUDIT AND RISK MANAGEMENT COMMITTEE ("ARMC") REPORT
(cont'd)

3. **Internal Audit and Risk Management**

   The ARMC actively oversaw the internal audit function and the Group's risk management framework (cont'd):

   - **Risk Management Process Review:** The ARMC reviewed the risk management processes to assess compliance with established internal policies, standards, plans, and procedures, recommending improvements based on insights from internal and external auditors.
   - **Litigation and Claims Review:** The ARMC reviewed reports on any major litigation, claims, and/or issues with substantial financial impact.

E. Evaluation of the ARMC

During the financial year, the Board conducted a comprehensive evaluation of the performance of the ARMC and its individual members. This assessment included a review of the ARMC's ToR, which was subsequently examined by the Nomination Committee ("NC") before being presented to the Board.

The Board confirms its satisfaction that the ARMC and its members have effectively discharged their functions, duties and responsibilities as outlined in its ToR.

F. Internal Audit Function

During the financial year under review, the Company transitioned its outsourced internal audit function, initially engaging Matrix Corporate Consultancy Sdn Bhd ("Matrix"), an independent consulting firm, and subsequently appointing Axcelasia Sdn. Bhd. ("Axcelasia"), also an independent professional firm. Both firms were tasked with providing the ARMC with reasonable assurance on the adequacy and effectiveness of the Group's internal control systems through independent, systematic reviews. To preserve objectivity, the internal auditors had no direct authority or responsibility over the Group's operational or administrative activities.

Matrix's internal audit engagement was led by Mr. Edrian Syamsuar, a member of both the Malaysian Institute of Accountants and the Institute of Internal Auditors Malaysia. During their engagement, Matrix deployed a team of two (2) degree holders to carry out the internal audit work. The firm confirmed its independence and declared that it had no relationships or conflicts of interest with the Group or its Management that could impair their objectivity.

Following the transition, Axcelasia assumed the internal audit responsibilities. The engagement was led by Mr. David Low Tak Wei, Executive Director of Axcelasia, who brings over eighteen (18) years of experience in internal and external auditing, business transformation, and process consultancy. His credentials include:

- Certified Internal Auditor
- Certified Lead Assessor for Anti-Bribery Management Systems (ABMS)
- Fellow Member of the Association of Chartered Certified Accountants
- Chartered Accountant of the Malaysian Institute of Accountants
- Member of the Association of Certified Fraud Examiners

Axcelasia's internal audit team comprised an Engagement Director, an Engagement Manager, and two (2) professional staff members with relevant professional qualifications and/or university degrees. The firm is a corporate member of the Institute of Internal Auditors Malaysia, and its work is guided, in all material respects, by the International Professional Practices Framework (IPPF). Axcelasia also confirmed through written declarations that all personnel assigned to the Group were free from any relationships or conflicts of interest that might compromise their independence and objectivity.

Throughout their respective engagements, both Matrix and Axcelasia reported directly to the ARMC. Their audit work was conducted in accordance with the IPPF standards. Prior to engagement, the ARMC and the Board assessed the experience and qualifications of both firms. Post-engagement, the ARMC and the Board reviewed the internal audit findings, quality of advice rendered, adequacy of resources deployed, and fee structures.

The Group adopts a risk-based approach in implementing and monitoring its internal controls. A comprehensive risk identification and evaluation exercise was also carried out during the year.

A summary of the key works performed by the outsourced internal audit functions during the financial year under review is as follows:

- **By Matrix Corporate Consultancy Sdn Bhd:**
  - Review of the procurement process and accounts payable.

- **By Axcelasia Sdn Bhd:**
  - Review of the process for project development and planning.
  - Review of the process for post-development support.

The total cost incurred for the outsourced internal audit function for the financial year under review was approximately RM34,500 (FY2023: RM24,400).

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Axteria Group Berhad ("Company") acknowledges the critical importance of robust corporate governance and remains committed to upholding high standards and best practices across the Company and its subsidiaries ("Group").

The Board is also dedicated to ensuring the sustainability of the Group's business operations and financial performance, with the ultimate objective of safeguarding shareholders' investments and enhancing long-term shareholder value.

This Corporate Governance Overview Statement ("Statement") provides shareholders and other stakeholders with an overview of the Group's application of the three (3) core principles outlined in the Malaysian Code on Corporate Governance 2021 ("MCCG"), under the stewardship of the Board.

This Statement should be read in conjunction with the Corporate Governance Report 2024 and other relevant disclosures in the Annual Report 2024 ("Annual Report"), including the Statement on Risk Management and Internal Control, the Audit and Risk Management Committee ("ARMC") Report, and the Sustainability Statement, all of which are available on the Company's website at https://agb.my/ and on the website of Bursa Malaysia Securities Berhad ("Bursa Securities").

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Leadership

Board Roles and Responsibilities

The Board is the cornerstone of the Group's governance framework, maintaining effective control and providing oversight of the Group's strategic direction, policy formulation, and overall performance. The Group Managing Director ("MD") and Executive Director ("ED") are entrusted with day-to-day management of the Group's operations and resources.

Board members are appointed based on a diversity of expertise, contributing a broad range of perspectives and demonstrated competencies that enhance the Board's effectiveness. Detailed biographies, highlighting their qualifications and experience, are available on pages 26 to 33 of this Annual Report. Each director is committed to making objective decisions in the best interests of the Group, its shareholders, and other stakeholders, while discharging their fiduciary duties with care, skill and diligence.

To promote clarity in roles and responsibilities, the Board has adopted a comprehensive Board Charter. This document serves as a key reference for both current and prospective directors, outlining the expectations, authority and processes governing Board conduct. The Board Charter, which was last reviewed and updated in April 2025 to reflect applicable regulatory changes, is accessible on the Company's website at https://agb.my.

The Board retains full decision-making authority over the following matters, unless the Board decides to delegate the determination and/or approval of any such matter to the appropriate Board Committees or key management personnel (the "Management"):

- Conflict of interest ("COI") or potential COI involving substantial shareholders or directors;
- Material acquisitions or disposals outside the ordinary course of business;
- Major investments in capital projects;
- Approval of annual budgets, including significant capital commitments and strategic plans;
- Corporate or financial exercises and restructuring activities;
- Establishment of new substantial businesses;
- Declaration of dividends, and approval of directors' fees and benefits;
- Approval of annual and interim financial results.

The list of reserved matters may be reviewed and revised by the Board from time to time, subject to the provisions of the Company's Constitution and applicable laws and regulations.

Chairman and Managing Director

There is a clear separation of duties and responsibilities between the Chairman of the Board and the Group Managing Director ("MD") to ensure an appropriate balance of power and authority. The distinction fosters a segregation of responsibility and accountability, in line with the best practices recommended under the MCCG.

The day-to-day management of the Group's operations, including the implementation of policies and decisions set by the Board, is the responsibility of the MD, supported by the Executive Director ("ED"). The Board believes that this division of power ensures that no single individual has unfettered authority to make significant decisions unilaterally, thereby promoting effective governance.

The Chairman of the Board, who is an Independent Non-Executive Director, plays a pivotal role in leading the Board by setting the values and standards of the Company. In collaboration with fellow Directors, the Chairman oversees the following:

- The performance of the Management;
- The effective conduct of Board meetings, encouraging Directors to actively contribute and voice their views on matters discussed;
- Fostering a relationship of trust and collaboration between Executive and Non-Executive Directors;
- The provision of accurate, timely and clear information to Directors;
- Effective communication with shareholders and other stakeholders;
- In collaboration with the Nomination Committee ("NC"), conducting an annual evaluation of the performance of the Board, its Committees, and individual Directors.

This structure ensures that shareholder leadership is maintained at the Board level. The Board ensures that a balance of power is retained, preventing domination by the Chairman. The Independent Non-Executive Directors provide independent judgment and a check and balance on the Board.

Company Secretary

The Board is supported by a qualified Company Secretary, and all Directors have unrestricted direct access to the professional advice and services of the Company Secretary, as well as access to all relevant information within the Company, whether in their capacity as part of the full Board or individually.

The Company Secretary plays a crucial advisory role to the Board, ensuring that all Board procedures and governance matters are in compliance with Main Market Listing Requirements ("Listing Requirements") and other applicable laws and regulations. Additionally, the Company Secretary ensures that discussions at Board and Board Committee meetings are thoroughly documented and subsequently communicated to the Management for appropriate follow-up and action.

Board Delegation

To effectively discharge its stewardship responsibilities, the Board delegates certain authorities and powers to the Board Committees, namely the ARMC, NC, Remuneration Committee ("RC"), and Investment Working Committee. This delegation enhances business and operational efficiency. The ToR for each of the Board Committees can be accessed on the Company's website at https://agb.my/.

The Chairpersons of the respective Board Committees report the outcome of the Committee meetings to the Board. If necessary, further deliberations are conducted at the Board level.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

Audit and Risk Management Committee

The ARMC reviews and evaluates, amongst others, the audit plan and audit report from external auditors, the adequacy of the internal control systems, and the effectiveness of the internal audit functions. The ARMC also reviews, comments on, and presents the quarterly financial results and year end results for approval of the Board.

A comprehensive ARMC Report, enumerating its membership, terms of reference ("ToR"), and summary of activities is set out on pages 63 to 67 of this Annual Report.

Nomination Committee

The NC performs the following duties and functions:

- Recommends candidates to the Board for directorship positions, ensuring alignment with the Group's strategic direction, sourced either from shareholders, the Board, or independent sources.
- Recommends Directors for appointment to the Board Committees.
- Review the required skills, experience, and core competencies for Non-Executive Directors on an annual basis.
- Assesses the effectiveness of the Board as a whole, the performance of the Board Committees, and the contributions of individual Directors annually.

Remuneration Committee

The RC is responsible for reviewing and recommending the remuneration packages and employment policies for the Chairman, MD, ED and senior executives.

Investment Working Committee

The roles of the Investment Working Committee include the following:

- Evaluating and approving all investment opportunities;
- Requesting reports on existing investments and assessing them in light of current developments and future contingencies;
- Assisting the Board in reviewing investment proposals, providing oversight on new and/or major investments, and offering guidance and recommendations on investment matters.

Board Composition and Leadership

The MCCG underscores the importance of an appropriately composed Board to enhance the quality of decision-making and ensure transparency in the selection and evaluation of its members.

The current Board composition reflects a blend of Executive and Non-Executive Directors, comprising suitably qualified and experienced professionals who collectively enable the Board to discharge its responsibilities effectively. The Company's Constitution, under Clause 103, stipulates the number of directors shall not be less than two (2) and not more than eleven (11), unless otherwise determined by a General Meeting.

As at the date of this statement, the Board consists of eight (8) members, with a composition of one (1) Non-Independent Non-Executive Director, one (1) MD, one (1) ED, and five (5) Independent Non-Executive Directors. This composition ensures that Independent Directors constitute a majority on the Board, exceeding the minimum requirements under the Listing Requirements, which mandates at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, to be independent.

The Board also complies with Practice 5.2 of the MCCG, which recommends that at least half the Board comprise Independent Directors. The Company's consistent maintenance of a 5:3 ratio of Independent to Non-Independent Directors demonstrates its commitment to good governance, ensuring that Board decisions are made objectively and in the best interest of the Company, with consideration given to diverse prospectives and insights.

The Board operates in a manner that prevents domination by any individual or group. The significant presence of Independent Directors contributes independent viewpoints, sound judgement, professional expertise, and constructive challenge to Board deliberations. This fosters a necessary and effective system of checks and balances, bringing detached impartiality to decision-making process.

The MD and ED are supported by the complementary experience and independent views of the Independent Non-Executive Directors, who are professionals in their respective fields. These Independent Non-Executive Directors maintain their independence from management and are not involved in the Company's business dealings, thereby ensuring effective management of any COI situations and upholding the integrity of Board proceedings through a robust system of independent oversight.

The Board values generational diversity, with members ranging in age from 34 to 68. This mix contributes to a dynamic and well-rounded Board, enriching discussions with a broad range of experiences, skills, and perspectives.

To facilitate open communication, the Chairman of the Board, Mr. Mok Juan Chek, serves as the Senior Independent Non-Executive Director to whom concerns relating to the Company can be conveyed by the Directors, shareholders and other stakeholders.

The NC plays a crucial role in supporting the Board's effectiveness. Its responsibilities include assessing the adequacy and appropriateness of the Board composition, identifying and recommending suitable candidates for Board membership, and conducting annual evaluations of the performance of Directors. The NCC also reviews succession planning, Board diversity (encompassing gender, age, and ethnicity), Directors' training needs, and other essential qualities such as the core competencies that Independent Non-Executive Directors should bring to the Board. While the NC makes recommendations, the ultimate responsibility for appointments rests with the Board. This process ensures that the Board's composition remains aligned with the Company's long-term strategic direction and evolving business needs.

Based on the NC's review of the Board composition in April 2025, and considering the scope and nature of the Company's operations, the Board is of the view that its present composition represents an appropriate balance of Executive and Non-Executive Directors. This balance supports effective governance and promotes interests of shareholders, while also facilitating efficient decision-making. The Board values the extensive and diverse business experience of its Independent Non-executive Directors, which enhances the Board's collective ability to provide constructive opinions and exercise independent judgement.

Supply and Access of Information

The Board has unrestricted access to timely and accurate information necessary to discharge its duty effectively. At each Board Meeting, the MD and ED provides updates on the Group's activities and operational matter to ensure the Board remains well-informed. Directors also have access to the advice and support of the Company Secretary and, where necessary, may seek independent professional advice at the Group's expense to assist them in fulfilling their responsibilities.

Conduct of Meetings and Attendances

The Company's Constitution and Board Charter govern the conduct of Board meetings, including quorum requirements. As per Clause 131 of the Constitution, the quorum necessary for transacting business of Directors shall be a majority of Directors.

The Board Charter emphasises the Directors' commitment to allocate sufficient time to fulfil their responsibilities, a commitment secured upon their appointment. Each Director is required to dedicate the necessary time to fulfil their duties, including active participation in meetings of the Board and the Board Committees.

The Board convenes meetings on a regular basis, holding a minimum of four (4) scheduled meetings per financial year, with additional meetings convened as circumstances necessitate. These meetings are scheduled well in advance, by the last quarter of the preceding financial year, to facilitate effective planning by the Directors. Special meetings may also be called at any time when circumstances warrant.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

To facilitate informed participation and effective deliberation, Board and Board Committee meeting materials, including accompanying notes and explanations for all agenda items, were circulated to the Directors at least seven (7) days prior to each meeting. Sufficient time is also allocated during each meeting for Directors to raise additional pertinent matters.

The following table summarises the attendance of each Directors at Board and Board Committees meetings held during the financial year:

Name of Board Members	Board Meetings Attended (Total Held: 5)	ARMC Meetings Attended (Total Held: 5)	NC Meetings Attended (Total Held: 2)	RC Meetings Attended (Total Held: 3)
Mok Juan Chek*	5/5	N/A	N/A	N/A
Dato Abdullah Bin Abdul Mannan	3/5	N/A	N/A	N/A
Woo Wai Onn @ Foo Wai Onn	5/5	N/A	N/A	N/A
Tee (Tay) Eng Joo ***(Resigned on 30 November 2024)***	5/5	N/A	N/A	N/A
Ng Lee Thin^	5/5	5/5	2/2	3/3
Kevin Low Ee Ming	5/5	5/5	N/A	N/A
Yap Yung Chien	5/5	5/5	2/2	3/3
Yau Yin Wee^	5/5	N/A	2/2	3/3
Kenny Woo Chi Yoong ***(Appointed on 30 November 2024)***	N/A	N/A	N/A	N/A

Remarks:
** Chairman of the Board*
^ Chairperson of the Board Committee(s)

All proceedings, deliberations, and conclusions of the Board and Board Meetings are meticulously recorded in the minutes of meetings, which are subsequently confirmed and signed by the Chairman of the meeting as a true and correct record.

The Board also exercises oversight and decision-making on routine matters requiring its approval through written Directors' Resolutions, as permitted by the Company's Constitution. Minutes of each Board and Board Committee meeting are circulated to the respective members as soon as practically possible for their review before confirmation at the following meeting.

Code of Conduct and Ethics

The Code of Conduct and Ethics (the "Code") provides a guiding framework for the Board in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity. This Code establishes the expected standards of conduct for all employees and relevant personnel across all aspects of the Group's daily business operations. Complementing the Code is a Whistleblowing Policy, which offers a channel for raising concerns regarding potential breaches of business conduct, non-compliance with laws and regulations, as well as other malpractices such as bribery and corruption.

All Directors and employees of the Group are expected to uphold high standards of integrity and fair dealings in their interactions with customers, staff, the Management, and regulators within the jurisdictions where the Group operates. Compliance with all applicable rules, laws, and regulations is mandatory. Both the Code and Whistleblowing Policy are available on the Company's website at https://agb.my/.

Board Independence and Fit and Proper Policy

Recognising the critical importance of independence and objectivity in its decision-making, the Board aligns its practices with the principles of the MCCG.

The NC undertakes an annual review of the independence of the Independent Directors. This assessment adheres to the definition and requirements of an "independent director" as stipulated in the Listing Requirements. As part of this process, Independent Directors are required to provide the Board with a written confirmation of their independence on an annual basis.

Furthermore, the NC assesses whether Independent Directors meet the minimum criteria of the "fit and proper" test for independence. This assessment, which forms part of the annual evaluation detailed in the policy on the appointment and continuous assessment of Directors, considers the suitability and ability of the Independent Non-Executive Directors to effectively perform their duties and responsibilities. The evaluation is based on their calibre, qualifications, experience, expertise, personal qualities, and knowledge of the Company and the industry.

Following recommendation of the NC, the Board affirms its satisfaction that the independence of the current Independent Non-Executive Directors remains unimpaired. The Board is also satisfied that these Directors adequately fulfil the fit and proper criteria as specified in the Directors' Fit and Proper Policy. Their judgement regarding the Company's business dealings has not been influenced by the interests of the other Directors or substantial shareholders, and no member of the Board is an active politician.

The Directors' Fit and Proper Policy is accessible on the Company's website at https://agb.my/.

Conflict of Interest

The Code and COI Policy set out clear and uncompromising standards, with a particular emphasis on the duty of all Directors and employees to disclose any situation that could give rise to a COI. These standards are underpinned by the following fundamental principles:

- Avoid any conduct that may harm or jeopardise the Company, the Group, or its reputation.
- Act in compliance with the law and uphold honesty and integrity at all times; and
- Prioritise the interests of the Group over personal or external interests.

A structured process is in place to ensure the effective identification, review, and ongoing monitoring of COI matters. The Board, through the ARMC, regularly reviews both actual or potential conflicts, including any interests in competing businesses. To institutionalise this oversight, the review of COI is a standing agenda items at all ARMC meetings.

Directors are required to disclose any significant external commitments prior to their appointment and to provide timely updates should there be any changes. All actual or potential COI are recorded in a dedicated register maintained by the Company Secretary, which is reviewed annually to ensure accuracy and compliance.

Consistent with the Company's commitment to transparency and ethical conduct, all employees across the Group are also required to declare any COI on a regular basis.

Tenure of Independent Directors

In accordance with the recommendations of the MCCG, the Board Charter imposes a cumulative nine (9) years tenure limit for Independent Non-Executive Directors. Upon reaching this limit, such Directors may be re-designated as a Non-Independent Non-Executive Directors.

If the Board intends to retain a Director as an Independent Non-Executive Director beyond the nine-year threshold, it must provide a strong justification and seek shareholders' approval at the Annual General Meeting ("AGM") through a two-tier voting process, as stipulated by the MCCG.

As at the date of this Statement, none of the Independent Non-Executive Directors have reached a cumulative tenure of nine (9) years since their respective appointments and/or elections to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

Gender Diversity

The Board is committed to promoting gender diversity in the boardroom, in line with the recommendations of the MCCG. Gender balance is a key consideration when assessing candidates for Board appointments.

Although the Board has yet to formalise a boardroom diversity policy or establish specific targets for female representation, it remains dedicated to fostering diversity and inclusion. The selection of Board candidates is based on merit, with careful consideration of factors such as competency, character, time commitment, integrity, and relevant experience, without discrimination based on age, gender, ethnicity, cultural background, or race.

As at the date of this Statement, the Board comprises 25% female representation, with two (2) women serving as Independent Non-Executive Directors. Their contributions bring diverse perspectives and approaches that enrich Board discussions and decision-making processes.

Beyond gender, the Board also recognises the value of diversity in ethnicity and age. These aspects are taken into account when evaluating potential Board appointments to ensure a well-balanced and effective composition.

Appointments to the Board

The Company has established a formal and transparent process for the selection, nomination, and appointment of suitable candidates to the Board. The NC is responsible for reviewing the current composition of the Board, identifying any gaps, and determining the selection criteria to address those gaps and further strengthen the Board's overall effectiveness.

To identify qualified candidates, the NC leverages on the Directors' broad network of professional and business contacts, as well as and external sources. Shortlisted candidates are engaged in preliminary discussions prior to the NC's final recommendation to the Board for approval.

In line with the Directors' Fit and Proper Policy adopted in 2023, the Company Secretary conducts a comprehensive reference check for all appointments and re-elections of Directors. This includes verification of financial background, character and integrity, and professional qualifications of shortlisted candidates. Each candidate also undergoes an interview with NC to assess their technical expertise, skills, experience, compatibility with the Board, and alignment with the terms of appointment.

Upon completion of the reference checks and interview process, the NC will recommend the most suitable candidate to the Board. The Board will deliberate on the recommendation and, if in agreement, approve the appointment. Once approved, the appointment is formalised via directors' circular resolution signed by all current Directors.

Additionally, in line with the MCCG and as incorporated in the ToR of the ARMC, the Board has adopted a cooling-off period policy for the appointment of a former key audit partner or any of his/her affiliates as Director.

Board Assessment

In alignment with the MCCG, the annual Board evaluation is a key mechanism to ensure the effectiveness, accountability, and continuous improvement of the Board of Directors. The NC plays a pivotal role in this process by assisting the Board in reviewing its structure, size and composition, as well as advising on the appointment, re-election, or retirement of Directors, including the appointment of additional and/or replacement of Directors. The NC is also responsible for reviewing succession plans for Directors, including the Chairman, MD and other senior executives. The NC's ToR, which outlines its authority and responsibilities, is available on the Company's website at https://agb.my/.

The effectiveness of the Board and its members is evaluated annually across the following key areas:

(i) Board responsibilities
(ii) Board composition
(iii) Board remuneration
(iv) Board Committees: evaluation and self-evaluation
(v) Board conduct
(vi) Board administration and process

As part of this evaluation, each Director is required to complete a set of questionnaires covering the financial year under review, which include:

(i) Independent Directors' Self-Assessment Form
(ii) Directors' Fit & Proper Evaluation Form
(iii) Board Skills Matrix Form
(iv) Board & Board Committee Evaluation Form

Insights gathered from the evaluation form the basis for re-election considerations and guide the formulation of strategies and training programs to further enhance the Board's capabilities. This process ensures that the Board remains competent, focused, and well-positioned to discharge its fiduciary duties and steer the Company towards achieving its strategic objectives.

During the financial year under review, the NC undertook the following key activities in discharging its responsibilities:

- Reviewed and assessed the independence of Independent Non-Executive Directors;
- Reviewed and recommended the re-election of Directors retiring by rotation;
- Evaluated the size and composition of the Board to ensure an appropriate mix of skills, experience, knowledge, and diversity;
- Assessed the performance of the Board as a whole, its Committees, and individual Directors;
- Considered potential COI situations involving Directors and companies within the Group that may impact their ability to act in the best interests of the Company;
- Reviewed and assessed the term of office and performance of the ARMC and its members; and
- Reviewed the ToR of all Board Committees.

Re-election of Board Members

In accordance with the Company's Constitution, all Directors, including those holding executive positions such as Chief Executive Officer or Managing Director, are subject to retirement at each AGM. Every Director is required to retire at least once every three (3) years and is eligible for re-election. Any Director appointed to the Board during the financial year will serve until the following AGM, where they will also be eligible for re-election. These interim appointments are not considered when determining the number of Directors retiring by rotation at that meeting.

All Directors standing for re-election at the Twenty-Sixth (26th) AGM have submitted their COI disclosure and fulfilled the criteria set out in the Directors' Fit and Proper Policy. They have abstained from deliberating and voting on matters relating to their own re-election at the 26th AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

The performance evaluation carried out during the financial year confirmed the continued effectiveness and valuable contributions of the Directors. Based on the assessment, the NC deliberated and reported the following to the Board:

(i) The Board and its Committees continued to function effectively. Each Director was well prepared, actively contributed during meetings, demonstrated sound knowledge of matters under review, and maintained a strong understanding of the Group's operations and financial affairs.

(ii) Board meetings were conducted with open and constructive dialogue, allowing Directors to freely express their views and engage in robust discussions that fostered informed decision-making.

(iii) The Chairman of the Board provided strong leadership and contributed meaningfully to the Board's overall effectiveness.

(iv) Each Director standing for re-election demonstrated the requisite skills, expertise, commitment, and performance to fulfil their duties and responsibilities effectively.

Upon the NC's recommendation, the Board endorses the re-election of the retiring Directors at the 26^{th} AGM.

Succession Planning

The Board is responsible for overseeing the appointment and succession planning of both Directors and the Management. To ensure a robust leadership pipeline, the Board has implemented a strategy to identify and nurture younger candidates as Director positions and senior management roles, empowering them to take on greater responsibilities within the organisation. At the senior management level, promising young executives are selected and provided with exposure to current management practices. They are guided and mentored by senior staff through continuous job training and development opportunities.

During the financial year under review, the Board, in collaboration with the NC and the MD, assessed the Company's succession plan. The Board also reviewed the succession pipeline for each senior management role to ensure a strong leadership foundation for the future.

Directors' Training

All Directors are committed to fulfilling their obligations under the Listing Requirements, including attending the Mandatory Accreditation Programme (MAP), both Part I and Part II within the prescribed timeframe. Newly appointed Directors also participate in a structured orientation programme, which includes guided project site visits conducted by the ED and members of senior management to familiarise themselves with the Group's operations and business environment.

Throughout the financial year under review and up to the date of this Statement, the Directors attended various training programmes aimed at enhancing their skills and knowledge, particularly in areas relevant to the Company's business and in keeping abreast with the latest regulatory development.

The training programmes attended by the Directors are as follows:

Directors	Training Attended	Date of Training
Mok Juan Chek	• Conflict of Interest	20 February 2024
	• Unleashing the Transformation power of AI	10 June 2024
	• Anti Bribery and Anti-Corruption	18 July 2024
	• Economic Outlook for 2nd half of 2024	17 August 2024
	• Board Ethics, Growing concerns from New Technology, Stakeholders Interest and COI	16 October 2024
	• Tax and Business Summit	17 November 2024
Dato Abdullah Bin Abdul Mannan	• Personal Data Protection (PDP) Act Briefing Order Seminar	20 January 2025
Woo Wai Onn @ Foo Wai Onn	• Personal Data Protection (PDP) Act Briefing Order Seminar	20 January 2025
Kenny Woo Chi Yoong ***(Appointed on 30 November 2024)***	• MAP Part I	24 to 26 March 2025
Ng Lee Thin	• Turning Tough into Triumph: Strategic Planning for Malaysia's 2025 Fiscal Shift	12 November 2024
	• Webinar Series: Sustainability – Related Risks & Opportunities ["Sro"] – Implications of Regulatory Changes, Including Proposed Changes, To Listed Issuers on Sustainability Governance, Management and Reporting	14 November 2024
Kevin Low Ee Ming	• MIA Webinar Series: Financial Audit: Planning and Execution	5 to 6 September 2024
	• MIA Webinar Series: Advanced Auditing Techniques: Applying ISA 315 (Revised) and ISA 330 - With Case Studies	16 to 17 December 2024
Yap Yung Chien	• MAP Part II	18 to 19 September 2024
Yau Yin Wee	• Preparing for 2025 : Key Tax, Accounting and Legal Highlights on E-Invoicing and Finance Act 2024 for Malaysian Businesses webinar	16 January2025
Tee (Tay) Eng Joo ***(Resigned on 30 November 2024)***	• Kursus Integriti Dan Kod Etika Kontraktor	18 July 2024

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

Directors' Remuneration

The RC is entrusted with implementing the Group's remuneration strategies, as outlined in its ToR, which are available on the Company's website at https://agb.my/. The RC assist the Board in overseeing the execution of a fair and competitive compensation framework that supports the Group's objectives and sustainability.

Operating under a structured mandate, the RC works with the Management, when necessary, to develop appropriate remuneration proposals. It exercises independent judgment to ensure transparency, competitiveness, and alignment with the Company's performance, while mitigating any potential COI.

The RC is committed to ensuring that the Group's remuneration policies do not incentivise excessive risk-taking or unethical conduct. Instead, a balanced, performance-based compensation structure is maintained to cultivate a high-performance, responsible culture that support long-term growth.

Where appropriate, the RC may seek independent advice to ensure the relevance and competitiveness of remuneration packages. Individual Directors abstain from discussions on matters relating to their own remuneration. The determination of Non-Executive Directors' remuneration is decided collectively by the Board.

During the financial year under review, the RC convened three (3) meetings to review the Board's principles and guidelines on Directors' remuneration, and to assess the appropriateness remuneration levels.

The ED and senior management are remunerated through a combination of fixed salaries, allowances, performance-based incentives (including bonuses), and customary benefits. Their compensation is determined based on market benchmarks, performance, qualifications, experience and geographic factors. In particular, the remuneration of the MD, ED, and senior management reflects the complexity of their roles, the performance of the Group, individual contribution, and market positioning.

The remuneration package for Independent Non-Executive Directors includes directors' fees, monthly and meeting allowances, and other benefits. The Board ensures that their remuneration does not impair their ability to exercise independent and objective judgement at Board and Committee meetings.

Details of each Director's remuneration from both the Company and the Group are disclosed under Practice 8.1 of the Corporate Governance Report, which is uploaded on the Company's website at https://agb.my/.

Sustainability Governance

The Company is committed to embedding sustainability into its operations, strategy, and stakeholders' engagement efforts. Each year, the Group engages with employees and stakeholder through various platforms to understand their views, concerns, and expectations on economic, environment and social matters.

To uphold sustainable practices across its supply chain, the Company integrates its sustainability strategies into its sustainability strategies into procurement and operational processes, fostering mutually beneficial partnership with external stakeholders such as vendors and subcontractors.

The Board possesses a sufficient understanding of the sustainability matters relevant to the Company and plays an active role in guiding and overseeing sustainability initiatives. During the year under review, the Group placed increased focus on its sustainability journey in line with evolving business demands and regulatory expectations. The materiality assessment in financial year 2024 reflected these developments, incorporating changes in the business environment and stakeholder priorities.

The ARMC, on behalf of the Board, is tasked with ensuring that the Company has in place a robust and aligned sustainability strategy that supports the Group's long-term business objectives. The Board emphasises the strategic management of material sustainability risks and opportunities, including the integration of Economic, Environmental, Social and Governance (EESG) considerations into business decision-making and daily operations.

Following a review by the senior management, twelve (12) material sustainability aspects were identified as high priority. These were mapped into a materiality matrix based on their significance to stakeholders and impact on the Company. The matrix, along with the associated Materiality Sustainability Key Performance Indicators, was reviewed and approved by the Board on 28 April 2025.

The Group's approach to sustainability, including its initiatives and performance during the year, is detailed in the Sustainability Statement found on pages 35 to 59 of this Annual Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit and Risk Management Committee

The ARMC comprises three (3) Independent Non-Executive Directors. It is chaired by Ms. Ng Lee Thin, who is a member of the Malaysian Institute of Accountants and a Fellow of the Association of Chartered Certified Accountants. The ARMC discharges its duties and responsibilities as outlined in the ARMC Report on pages 63 to 67 of this Annual Report.

Financial Reporting

The Board is committed to presenting a balanced and meaningful assessment of the Group's financial performance and prospects, primarily through the annual financial statements, quarterly reports, and corporate announcements made to the Bursa Securities. The ARMC supports the Board by reviewing the information to be disclosed, ensuring its accuracy, adequacy, and compliance with applicable accounting standards and disclosure requirements.

Relationship with the External Auditors

The Board maintains a formal and transparent relationship with the external auditors, Crowe Malaysia PLT. Through its statutory audit function, the external auditors continue to evaluate and enhance the Group's accounting policies, internal controls, and financial reporting practices. The Company has established clear channels of communication to support the auditors in meeting their professional obligations.

Each year, the ARMC conducts a formal assessment of the external auditors' performance, which includes a review of their Annual Transparency Report and the Annual Inspection Report issued by the Audit Oversight Board. During the financial year under review, the ARMC held two (2) private sessions with the engagement partner and manager of Crowe Malaysia PLT, without the presence of the Management. Following this assessment, the ARMC is satisfied that the external auditors discharged their duties effectively and provided independent and valuable insights to both the Committee and the Management.

Crowe Malaysia PLT has confirmed its independence and compliance with regulatory and professional standards for the audit of the financial year ended 31 December 2024. The firm declared that no relationships or circumstances existed that could compromise their independence. Both the ARMC and the Board were satisfied with the external auditors' independence and objectivity.

Furthermore, Crowe Malaysia PLT confirmed that it met the criteria prescribed under Paragraph 15.21 of the Listing Requirements and that it possessed the necessary expertise and resources to serve as the external auditors for the Group.

Internal Control and Risk Management

The Directors acknowledges its responsibility for the Group's internal control system and its effectiveness. The main objective of this system is to identify, manage, and monitor significant financial and business risks in pursuit of the Group's strategic objectives, including protecting shareholders' value and safeguarding the Group's assets.

The ARMC plays a key role in communicating critical key business risks to the Board for deliberation and resolution. Internal audit activities are conducted according to an annual audit plan tabled and approved by the ARMC. These audits are conducted with independence, professional competence, and due care. Reports arising from the audits are presented to the ARMC, with the Management in attendance to provide necessary explanations or additional information where required.

The Group also operates a comprehensive budgeting and financial reporting system, enabling regular comparison between actual and budgeted performance. This framework supports the monitoring of both financial and operational performance on a continuous basis.

Further details on the Group's risk management and internal control systems are provided in the Statement on Risk Management and Internal Control of the Group are set out on pages 82 to 87 of this Annual Report.

Internal Audit Function

During the financial year under review, the Company outsourced its internal audit function, initially to Matrix Corporate Consultancy Sdn. Bhd., and subsequently to Axcelasia Sdn. Bhd. Throughout their respective tenures, both firms reported directly to the ARMC to ensure objectivity and independence in the internal audit process. Further details on the internal audit function are provided in the ARMC Report on pages 63 to 67 of this Annual Report.

Anti-Bribery and Anti-Corruption Policy

The Group has adopted a zero-tolerance policy on bribery, corruption, and political interference through its Anti-Bribery and Anti-Corruption Policy. This policy aligns with the Malaysian Anti-Corruption Commission Act 2009 and its subsequent amendments. It includes procedures for conducting due diligence on relevant stakeholders, including Directors, employees, suppliers, and business partners, prior to entering into any formal engagements.

The full Anti-Bribery and Anti-Corruption Policy is accessible on the Company's website at https://agb.my/.

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

Relations With Stakeholders

The Board recognises the fundamental importance of transparency and accountability in fostering a strong relationship with all the Company's stakeholders. It acknowledges that continuous, two-way communication enhances mutual understanding of objectives and expectations.

Throughout the financial year ended 31 December 2024, the Company maintained its commitment to providing clear, comprehensive, and timely information through various disclosures and announcements, including quarterly and annual financial results and significant corporate updates. These updates ensure that shareholders and investors are kept well-informed of the Group's financial performance, strategic direction and significant developments. All announcements and relevant corporate information are readily accessible via the Company's website at https://agb.my/, serving as a central platform for shareholders, investors and the public.

Relationship between the Company and Shareholders

General Meetings remain a principal platform for effective communication and direct engagement between the Company and its shareholders. The Board actively encourages shareholder participation to foster accountability and ensure alignment with the Group's strategic direction.

The Twenty-Fifth (25th) AGM of the Company was conducted as a fully virtual meeting on 5 June 2024 via the TIIH Online platform at https://tiih.online or https://tiih.com.my. All Directors attended the AGM virtually and were available to address shareholders' queries on matters relating to the Company's performance and governance. Shareholders actively participated, and the Board, together with senior management, addressed questions raised during the live Question & Answer session. All the resolutions tabled were voted on by electronic poll, verified by an independent scrutineer. To further promote transparency, the minutes of the 25th AGM, along with the Company's written responses to questions received before and during the meeting, were published on the Company's website within thirty (30) business days of the meeting.

STATEMENT ON MCCG COMPLIANCE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The Board of Directors affirms that the Group's corporate governance framework was substantially in compliance with the principles and practices outlined in the MCCG and the Listing Requirements throughout the financial year ended 31 December 2024.

Notwithstanding the above, the Group has not adopted the following MCCG practice in full:

- *Practice 5.9: At least 30% women directors on the Board*

While the Company supports gender diversity as an important component of board effectiveness, the target of 30% women representation has yet to be achieved. In accordance with the MCCG's guidance, the Company has disclosed in the Corporate Governance Report 2024 the reasons for this deviation, alongside the alternative measures undertaken, proposed future actions, and indicative timelines for achieving this goal. The Board remains committed to enhancing diversity and will continue to review and improve its approach to meet this objective.

Comprehensive details regarding the application of each MCCG Practice during the financial year ended 31 December 2024 are available in the full Corporate Governance Report 2024.

CORPORATE GOVERNANCE PRIORITIES FOR 2025

While reflecting on our 2024 practices, the Board is firmly focused on the future. Looking ahead to the financial year 2025, we have identified advancing our Sustainability Governance frameworks, particularly concerning climate change reporting, as a key strategic priority. We recognise the increasing importance of transparency and accountability regarding environmental impact and are committed to meeting the heightened expectations of our stakeholders and regulators.

A significant focus for 2025 will be the implementation of enhanced climate-related disclosures. This includes preparing for and adopting the new reporting requirements for Scope 3 Greenhouse Gas (GHG) emissions, specifically addressing Category 6 (business travel), Category 7 (employee commuting), and other relevant categories like upstream transportation, which take effect for reporting periods commencing after 31 December 2024. Building upon foundational work conducted in 2024, the Board will oversee the embedding of robust methodologies to ensure accurate and comprehensive emissions calculations and reporting.

Furthermore, the Board will dedicate attention to ensuring the Company's sustainability reporting practices are fully aligned with critical national and international benchmarks. This involves diligent adherence to the forthcoming National Sustainability Reporting Framework (NSRF), the adoption of international standards such as IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures), and continued compliance monitoring against Bursa Malaysia's enhanced Matrix on Climate Reporting. This proactive alignment is crucial for maintaining investor confidence and ensuring our disclosures meet global best practices.

This Corporate Governance Overview Statement was approved by the Board of Directors on 28 April 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

A. Introduction

The Board of Directors ("BOD" or "Board") of Axteria Group Berhad (the "Company") is pleased to present this Statement on Risk Management and Internal Control ("Statement") for the financial year ended 31 December 2024 ("FY 2024"). This Statement, prepared in accordance with Paragraph 15.26(b) of Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, outlines the scope and nature of our risk management and internal controls across the Company and its subsidiaries (collectively, the "Group") during the reporting period.

B. Board's Responsibility: Oversight and Assurance

The Board recognises its paramount responsibility to maintain a robust risk management framework and internal control system. This is crucial for safeguarding the shareholders' investments and the Group's assets. The Board and the Management are committed to regularly reviewing the adequacy and effectiveness of these systems to ensure they remain relevant and responsive. The Audit and Risk Management Committee ("ARMC") supports the Board in monitoring risk exposures and the effectiveness of the underlying systems.

Throughout FY 2024, the ARMC, supported by independent outsourced internal auditors ("OIA"), conducted periodic assessments. These assessments were designed to ensure effective risk governance and to identify significant risks that could potentially impede the Group's strategic objectives.

The OIA's findings, along with management's agreed-upon corrective actions, were presented to the ARMC. These discussions were documented in meeting minutes, which were subsequently submitted to the Board for thorough review and deliberation.

The Group's risk management and internal control systems encompass financial, operational, and compliance aspects. The Board acknowledges that inherent limitations exist in any system of this nature. Consequently, while these systems are designed to manage risks effectively, they can only provide reasonable, not absolute, assurance against material misstatements, losses, or fraud.

C. Management's Responsibility: Implementation and Action

The day-to-day risk management responsibilities lie with the Management, supported by their respective teams in each functional/business unit. They serve as risk owners accountable for managing and assessing the identified risks, as well as executing mitigation controls. The Management collaborates with the respective functional/business units to review and ensure ongoing identification, evaluation, measurement, monitoring and reporting of long term and short-term risks across various areas, including business, financial, geographical, governance, sustainability, and climate related matters. The adequacy and effectiveness of related controls are assessed, and any deficiencies or non-compliance with internal controls are reported with action plans are developed and undertaken in a timely manner.

D. Risk Policy: A Culture of Awareness and Proactive Management

The Board recognises that risk is an inherent part of all business activities. Therefore, The Board emphasises a culture where all employees understand and accept responsibility for the risks within their areas of authority. Senior Management Team, defined for the purposes of this Statement as the Group Managing Director ("MD"), the Executive Director ("ED"), and the Management, are committed to providing the necessary support and resources to facilitate effective risk management. These individuals are responsible for the strategic and operational management of their respective areas and are accountable for the effective implementation of risk management and internal control processes.

Our risk management objectives are to:
- Integrate risk management seamlessly into the organisation's culture.
- Manage risk in accordance with best practices, providing reasonable assurance of achieving the Group's objective and maximising stakeholders' value.
- Ensure strict legal and regulatory compliance as fundamental requirement.
- Proactively anticipate and respond to social, environmental, and legislative changes.
- Prevent injury and damage, and reduce the financial impact of risk.
- Raise awareness of the importance of effective risk management.

To achieve these objectives, the Group will:
- Implement processes that demonstrate the consistent application of risk management principles across the organization.
- Maintain a robust system for recording incidents, conducting post-event reviews, and implementing preventative measures.
- Develop and maintain contingency plans for key risk areas to ensure business continuity.
- Foster effective communication and engagement with all staff and stakeholders.
- Continuously monitor and evaluate our risk management arrangements.

The Group employs a comprehensive Risk Management Framework that aligns the strategic objectives with the principal risks we face. These risks are then translated into actionable controls and opportunities, which are implemented through specific actions and programs.

E. Risk Management: A structured and Proactive Approach

The Group's risk management framework is designed to be comprehensive and dynamic, ensuring that we effectively navigate potential challenges while safeguarding our stakeholders' interests. This framework is built upon several key elements:

Risk Governance: Clear Roles and Responsibilities

- BOD: The BOD is responsible for ensuring compliance with the Listing Requirements. This is achieved by maintaining a sound system of internal controls to safeguard shareholders' investments and the Group's assets. The BOD, through the ARMC, ensures adherence to these requirements.

- ARMC: The ARMC is responsible for ensuring that significant risks are identified through risk assessments, that appropriate systems are implemented to manage these risks, and that the adequacy and integrity of internal controls are regularly reviewed.

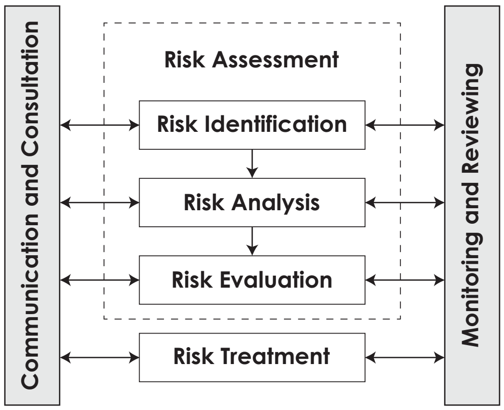
- MD and ED: The MD is responsible for overall control and oversight of the Group's risk management process. The ED, along with designated management personnel, are responsible for implementing this process.

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

Risk Assessment Process: A Comprehensive Methodology

The Group employs the Control Self-Assessment ("CSA") methodology to establish a Group-wide risk management framework. CSA involves each department identifying and evaluating controls within their key functions and activities. Workshops are conducted to familiarise departmental representatives with the concepts and framework, ensuring a systematic approach.

The CSA process utilises both a "bottom-up" approach for operational risks and a "top-down" approach for strategic risks.



This process is ongoing, evaluating and managing significant risks faced by the Group. It includes updating internal controls to reflect changes in the business environment and regulatory guidelines.

Risk Guidelines: Defining and Managing Risks

The Group's risk management framework categorises risks into three levels: Major, Medium, and Low. These categories, defined and described within our guideline, are approved and endorsed by the ARMC and BOD.

The Group's risk profile is established through collaborative risk assessment sessions with the Senior Management Team. This team, comprising the MD, the ED, and the Management, is responsible for the strategic and operational management of their respective areas and is accountable for the effective implementation of risk management and internal control processes. Facilitated by the Management, these sessions are a key component of our ongoing risk management activities.

During these sessions, members of the Senior Management Team identify and review key risk areas within their functions, ensuring the adequacy and effectiveness of mitigating plans. The resulting risk landscape and mitigation plans are then assessed and categorised based on their impact and likelihood, using our established risk management matrix.

In response to amendments to the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act 2009"), which holds commercial organizations liable for acts of corruption by associated persons from 1 June 2020, the Group has formalised an Anti-Bribery Anti-Corruption Policy. This policy, developed based on the Guidelines on Adequate Procedures under Section 17A(5) of the MACC Act 2009, has been disseminated to all employees and is accessible to external stakeholders via the Company's website: https://agb.my/.

Reporting: Transparency and Accountability

The Board delegates the day-to-day management of operations to the Senior Management Team, who conduct regular meetings to discuss and review significant changes in business and external environment, with a particular focus prevailing and emerging risks.

Proposals for major expenditures and new investments are presented by the Senior Management Team to both the ARMC and the BOD. The ARMC reviews these proposals, and the BOD provides final approval. Post-implementation reviews are conducted and reported to the Board as necessary.

The MD and ED provide annual assurance to the ARMC and BOD regarding the CSA conducted by each department.

Monitoring and Review: Continuous Improvement

Risk management is a dynamic and ongoing process. The OIA, reporting directly to the ARMC, monitor compliance with policies, procedures, guidelines, and legislation.

The Management is actively involved in continuously improving control processes within the respective departments.

Annual re-assessments ensure the effective management of business and operational risks and the effectiveness of the control environment. Follow-up reviews by the OIA evaluate the status of management's action plans in addressing audit findings.

F. Internal Control Function

The Group has engaged an OIA to perform its internal audit function. OIA, reports directly to the ARMC. The OIA's role is to provide objective assessments and assurance, thereby strengthening the Group's internal control framework. The internal control systems do not apply to the associate company, which falls within the control of the associate.

The OIA conducts independent reviews to assess the adequacy and integrity of the Group's risk management and internal control processes. This ensures that the ARMC and the Board receive reasonable assurance that control measures implemented by Senior Management Team are sound, adequate and effective.

During FY 2024, the OIA's reviews focused on key aspects of internal control processes, including:

(i) Procurement Process and Account Payable;
(ii) Project Development and Planning; and
(iii) Post Development Support.

The OIA submitted comprehensive reports to the ARMC, detailing audit findings, identified internal control weaknesses, and recommendations for corrective actions. These reports were reviewed and approved by the ARMC and subsequently deliberated with the Board.

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

Key Processes of Internal Control

The Group's system of internal controls is underpinned by the following key processes, designed to ensure effective governance, financial integrity, operational efficiency, and ethical conduct:

1. **Governance and Oversight:**

   (i) **Clear Management Structure:** The Group maintains a clearly defined management structure with distinct lines of authority and responsibility, ensuring accountability at all levels.

   (ii) **Board Updates and Strategic Direction:** The MD and ED provide regular updates to the Board on industry trends, key customer relationships, and project performance. The Board actively endorses strategic responses to ensure alignment with organisational goals.

   (iii) **Related Party Transaction Review:** The Board, through ARMC conducts quarterly reviews of Recurrent Related Party Transactions to ensure transparency and compliance.

   (iv) **Whistleblowing Policy and Procedures ("Whistleblowing Policy"):** The Board has adopted a Whistleblowing Policy, providing a confidential channel for employees, clients, third-party service providers, vendors, suppliers, and the public to report genuine concerns or alleged misconduct without fear of reprisal. Details of the Whistleblowing Policy and reporting procedures are available on the Company's website at https://agb.my/.

   (v) **Anti-Bribery and Anti-Corruption Policy ("ABAC Policy"):** In compliance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Group established an ABAC Policy. This policy reflects a zero-tolerance approach to bribery and corruption, ensuring Directors, Management, and employees conduct business with integrity. Details of the ABAC Policy and reporting procedures are available on the Company's website at https://agb.my/.

   (vi) **Conflict of Interest Policy ("COI Policy"):** To comply with Listing Requirements and other regulations, the Board established a COI Policy, aiming to identify, address, and manage COI and potential COI situations, protect the Group's interests, and safeguard its reputation. Details of the COI Policy and reporting procedures are available on the Company's website at https://agb.my/.

2. **Financial Management and Reporting:**

   (i) **Financial Reporting and Review:** Periodic and annual results are monitored and reviewed by the MD, Chief Financial Officer ("CFO"), and the ARMC, before being tabled for approval by the Board, prior to being released to regulators and stakeholders whilst the full year financial statements are audited by the external auditors and subsequently to be approved by the ARMC and the Board before their issuance to regulators, shareholders, and other stakeholders.

   (ii) **Accounting Procedure Communication:** Clear and consistent communication of accounting policies and procedures are emphasised to ensure adherence to established financial standards across all staff levels.

   (iii) **Annual Business Planning and Budgeting:** Detailed annual business plans and budgets, including strategic initiatives, financial and operational targets, and capital expenditure proposals, are prepared by CFO, reviewed by the MD, and endorsed by the Board.

3. **Operational Controls and Risk Management:**

   (i) **Continuous Performance Assessment:** Regular evaluation of operational controls and business performance at all levels, with timely implementation of corrective actions to address identified deficiencies.

   (ii) **Management Meetings and Risk Assessment:** Senior Management Team meets regularly to discuss operational and management issues, financial performance, and the identification and mitigation of relevant risks.

(iii) **Independent Internal Audits:** The OIA, reporting directly to the ARMC, conducts independent reviews to assess the effectiveness and adequacy of the Group's internal controls and risk management systems. These reviews, conducted according to the annual Internal Audit plan approved by the ARMC, identify significant risks and control deficiencies. Internal Audit reports are tabled and reviewed by the ARMC quarterly, or as needed, with significant findings escalated to the Board for final decision.

4. **Human Resources and Ethical Standards:**

(i) **Performance Management and Development:** Formal performance appraisals are conducted to ensure staff professionalism and competency, coupled with regular reviews of internal resources and authority.

(ii) **Ethical and Quality Standards:** The Group establishes and maintains corporate values and ethical standards, documented in the Terms & Conditions of Employment, to promote a culture of integrity and accountability.

G. Review of the Statement by External Auditors

In compliance with paragraph 15.23 of the Listing Requirements, the external auditors, Crowe Malaysia PLT, conducted a review of this Statement for inclusion in the Company's Annual Report 2024 ("Annual Report"). This review was performed in accordance with the Audit and Assurance Practice Guide 3 ("AAPG 3"), *Guidance for Auditors on Engagements to Report on Statement on Risk Management and Internal Control,* issued by the Malaysian Institute of Accountants.

Based on their review, the external auditors reported to the Board that nothing came to their attention indicating the Statement was not prepared, in all material respects, in accordance with the disclosure requirements of Paragraphs 41 and 42 of the *Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers,* or that it contained factual inaccuracies.

It is important to note that AAPG 3 does not require the external auditors to assess whether this Statement comprehensively covers all risks and controls, nor to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system, including the Board's and Management's assessments and opinions. The external auditors are also not required to assess whether the processes described to address material internal control aspects of any significant problems disclosed in the Annual Report will effectively remedy those problems.

H. Conclusion

Taking into consideration the assurances from the Management and inputs from relevant assurance providers, and to the best of its knowledge, the Board is satisfied that the Group's overall risk management and internal control systems are adequate and effective in safeguarding shareholders' investment and the Group's assets. The Board is not aware of any significant weaknesses that would result in material losses, contingencies, or uncertainties requiring separate disclosure in this Annual Report.

The Board has received assurance from the MD and the CFO that the risk management and internal control system operates adequately and effectively in all material respects, based on the Group's established framework.

The Board and the Management are committed to continuously reviewing, reinforcing, and strengthening the Group's processes and procedures, adapting to changes and emerging challenges in operating environment, and enhancing risk management and internal control systems accordingly.

This Statement is made in accordance with a resolution of the Board, which was presented and approved at the meeting of the Board on 28 April 2025.

DIRECTORS' RESPONSIBILITY STATEMENT IN PREPARING THE FINANCIAL STATEMENTS

The Board of Directors of Axteria Group Berhad acknowledges its responsibility under the Companies Act 2016 (the "Act") to prepare financial statements that present a true and fair view of the state of affairs of the Company and its subsidiaries (the "Group") at the end of each financial year, as well as their results, cash flows, and financial position for the year then ended.

These financial statements are prepared in accordance with applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards, the provisions of the Act, and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

In preparing the financial statements for the year ended 31 December 2024, the Directors have:

- Consistently applied appropriate and relevant accounting policies.
- Made reasonable and prudent judgements and estimates.
- Ensured compliance with all applicable accounting standards.
- Prepared the financial statements on going concern basis, having satisfied themselves that the Group and the Company have adequate resources to continue operating for the foreseeable future.

The Directors are also responsible for ensuring that the Company maintains proper accounting and other records that accurately disclose the financial position, results, and cash flows of the Group and the Company, and that the financial statements comply with relevant accounting standards and regulatory requirements. Furthermore, the Directors have a general responsibility to take reasonable steps to safeguard the assets of the Group and the Company and to prevent fraud and other irregularities.

In fulfilling these responsibilities, the Directors have relied on the Group's risk management and internal control systems, as well as the independent functioning of the internal audit and compliance functions. These systems provide assurance that the Group's accounting and other relevant records have been maintained in a manner that allows for a sufficient understanding of the Group's transactions, financial position, results, and cash flows. This enables the preparation of true and fair financial statements and other documents required by the Act for the financial year to which these statements relate.

This statement is made in accordance with a resolution of the Board of Directors (the "Board"), which was presented and approved at the meeting of the Board on 28 April 2025.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of Axteria Group Berhad (the "Company") and its subsidiaries (collectively referred to as the "Group") for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding.

The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the holding company in each subsidiary company are set out in the "Subsidiaries" section of this report.

There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS

	The Group RM	The Company RM
Loss after taxation for the financial year	10,490,406	3,240,216
Attributable to:-		
Owners of the Company	10,490,406	3,240,216

DIVIDEND

No dividend was recommended by the directors for the financial year.

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) the Company increased its issued and paid-up shares capital from RM192,186,762 to RM200,832,756 by way of:-

(i) issuance of 71,676,600 new ordinary shares at RM0.1234 each for a cash consideration of RM8,844,892 through private placement; and

(ii) capitalisation of private placement expenses amounting to RM198,898.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

ISSUES OF SHARES AND DEBENTURES (CONT'D)

During the financial year (Cont'd):-

(b) there were no issues of debentures by the Company.

TREASURY SHARES

During the financial year, the Company did not repurchase any of its issued ordinary shares from the open market. The shares purchased are held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and are presented as a deduction from equity.

As at 31 December 2024, the Company held a total of 111,840 treasury shares out of its 788,554,930 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM92,187. Further details of the treasury shares are disclosed in Note 21 to the financial statements.

WARRANTS

On 12 August 2020, the Company issued 97,211,694 free warrants pursuant to the Bonus Issue of Warrants at RM0.29 per Warrant on the basis of one warrant for every two existing ordinary shares. The warrants were constituted under the Deed Poll dated 23 July 2020. No warrants were exercised during the financial year and the total number of warrants that remain unexercised is 97,211,694. The salient terms of the Warrants 2020/2025 are disclosed in Note 22 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

DIRECTORS' REPORT

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

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

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Woo Wai Onn @ Foo Wai Onn
Kenny Woo Chi Yoong (Appointed on 30.11.2024)
Tee (Tay) Eng Joo (Resigned on 30.11.2024)
Dato Abdullah Bin Abdul Mannan
Kevin Low Ee Ming
Mok Juan Chek
Ng Lee Thin
Yap Yung Chien
Yau Yin Wee

The names of directors of the Company's subsidiaries who served during the financial year until the date of this report are as follows:-

Woo Wai Onn @ Foo Wai Onn
Kenny Woo Chi Yoong (Appointed on 30.11.2024)
Tee (Tay) Eng Joo (Resigned on 30.11.2024)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	← Number of Ordinary Shares →			
	At 1.1.2024	**Bought**	**Sold**	**At 31.12.2024**
The Company				
Direct Interests				
Woo Wai Onn @ Foo Wai Onn	186,268,900	-	-	186,268,900
Dato Abdullah Bin Abdul Mannan	14,000,000	-	-	14,000,000
Indirect Interests				
Kenny Woo Chi Yoong#	-	186,268,900	-	186,268,900

\# Deemed interested through parent's shareholding in the Company.

The other director holding office at the end of the financial year had no interest in shares, options over unissued shares or debentures of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" section of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from the following transactions:-

	The Group RM	The Company RM
Interest expenses to subsidiaries	-	1,351,444
Property development costs paid/payable to companies in which certain director has controlling interests	1,082,253	-
Interest income from an associate	(247,524)	(247,524)
Interest income from subsidiaries	-	(2,763,015)

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Group and of the Company during the financial year are as follows:-

	The Group RM	The Company RM
Fees	372,000	372,000
Salaries, bonuses and other benefits	1,122,071	361,000
Defined contribution benefits	38,355	-
	1,532,426	733,000

INDEMNITY AND INSURANCE COST

During the financial year, there was no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Company.

SUBSIDIARIES

The details of the Company's subsidiaries are as follows:-

Name of Subsidiaries	Country of Incorporation	Percentage of Issued Share Capital Held by Parent %	Principal Activities
Subsidiaries of the Company			
Axteria Eco Sdn. Bhd.	Malaysia	100	Property development and investment holding
Axteria Cemerlang Sdn. Bhd.	Malaysia	100	Property development and investment holding
Axteria Assets Sdn. Bhd.	Malaysia	100	Hotelier and investment holding
Axteria Construction Sdn. Bhd.	Malaysia	100	Project management and construction related works
Axteria Properties Sdn. Bhd.	Malaysia	100	Property development and investment holding
Axteria Development Sdn. Bhd.	Malaysia	100	Property development and investment holding
Axteria Capital Sdn. Bhd.	Malaysia	100	Dormant
Axteria Realty Sdn. Bhd.	Malaysia	100	Dormant
Axteria Building Materials Sdn. Bhd.	Malaysia	100	Trading of building materials

The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

DIRECTORS' REPORT

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

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

	The Group RM	The Company RM
Audit fees	200,500	60,000
Non-audit fees	5,000	5,000
	205,500	65,000

Signed in accordance with a resolution of the directors dated 28 April 2025.

Woo Wai Onn @ Foo Wai Onn

Kenny Woo Chi Yoong

STATEMENT BY DIRECTORS

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

We, Woo Wai Onn @ Foo Wai Onn and Kenny Woo Chi Yoong, being two of the directors of Axteria Group Berhad, state that, in the opinion of the directors, the financial statements set out on pages 102 to 167 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2024 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 28 April 2025.

Woo Wai Onn @ Foo Wai Onn **Kenny Woo Chi Yoong**

STATUTORY DECLARATION

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

I, Sea Hong Peng, MIA Membership Number: 47568, being the officer primarily responsible for the financial management of Axteria Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 102 to 167 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Sea Hong Peng
at
in the State of Johor
on this 28 April 2025.

Before me **Sea Hong Peng**

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AXTERIA GROUP BERHAD
(INCORPORATED IN MALAYSIA)
REGISTRATION NO: 199901021765 (496665-W)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Axteria Group Berhad, which comprise the statements of financial position of the Group and of the Company as at 31 December 2024, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 102 to 167.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key audit matters

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

Impairment Assessment of Goodwill on Consolidation ("Goodwill") Refer to Notes 4.3 and 10 to the financial statements	
Key Audit Matter	**How our audit addressed the key audit matter**
We focused on this area due to:- • The carrying value of RM9.84 million relating to Goodwill which arose from the acquisition of subsidiaries by the Group in previous financial years; • The Group performs annual impairment review of Goodwill by estimating the recoverable amount of its cash-generating units ("CGU") relating to the Goodwill based on value in use ("VIU"). Estimating the VIU of the CGU includes estimating the future cash flows of the relevant CGU and discounting them at an appropriate rate; and • Due to the significance of the Goodwill and the subjectivity involved in estimating the VIU, we considered this impairment review to be a Key Audit Matter.	Our procedures include obtaining the future cash flow projections and the assumptions used by the management for the purpose of these projections together with the calculations for deriving the VIU of the relevant CGU and:- • Evaluating the key assumptions applied such as sales of property units, gross profit margins, operating overhead; • Assessing whether the discount rate used to determine the present value of the future cash flows reflects the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile comparable to those that the entity expects to derive; and • Performing sensitivity analysis to stress test the key assumptions in the impairment model.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AXTERIA GROUP BERHAD (CONT'D)
(INCORPORATED IN MALAYSIA)
REGISTRATION NO: 199901021765 (496665-W)

Key audit matters (Cont'd)

Reasonableness of revenue recognition arising from contracts with customers Refer to Notes 4.1(g) and 29 to the financial statements	
Key Audit Matter	**How our audit addressed the key audit matter**
Most of the Group's revenue is derived from property development activities. Pursuant to MFRS 15, revenue may be recognised at a point in time or progressively over time. Judgement is required to assess the performance obligations and revenue recognition. Judgements impacting the revenue recognition are as follow:- • interpreting of contract terms and conditions; • assessing and identifying the performance obligations; • assessing the computation of revenue recognition.	To address this risk, our audit procedures involved the following:- • reviewing the contract terms and identifying performance obligations stipulated in the contracts, on sample basis; • evaluating whether the performance obligations are satisfied at point in time or over time; • evaluating the reasonableness of percentage of completion using the input method; • assessing the revenue recognised are in accordance with MFRS 15 "Revenue with Contract Customers"; and • Performing site visits to assess the status of the property development.

Reasonableness of attributable profits arising from property development projects Refer to Notes 4.1(g), 14 and 29 to the financial statements	
Key Audit Matter	**How our audit addressed the key audit matter**
The Group's property development division recognises revenue and cost by reference to the progress towards complete satisfaction of the performance obligation at the end of the reporting period. This requires the use of estimates, namely on project development revenue and cost. Significant judgement is required in determining the completeness and accuracy of the estimates. Substantial changes to project development revenue and cost estimates in the future can have a significant effect on the Group's results.	To address this risk, our audit procedures involved the following:- • Making inquiries and obtaining an understanding from management on the procedures and controls in relation to the estimation of and revision to the project development revenue and cost; • Reviewing the reasonableness of the estimated project development revenue by comparing the selling prices of units sold, on sample basis; and • Reviewing the reasonableness of the estimated project development cost by reviewing the contract works awarded, assessing the basis of estimation for contract works not awarded and comparing to the actual costs incurred up to the end of the reporting period, on sample basis.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AXTERIA GROUP BERHAD (CONT'D)
(INCORPORATED IN MALAYSIA)
REGISTRATION NO: 199901021765 (496665-W)

Responsibilities of Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AXTERIA GROUP BERHAD (CONT'D)
(INCORPORATED IN MALAYSIA)
REGISTRATION NO: 199901021765 (496665-W)

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

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

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

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

OTHER MATTERS

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

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Tan Lin Chun
02839/10/2025 J
Chartered Accountant

Johor Bahru

28 April 2025

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		The Group		The Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	117,520,943	119,253,353
Investments in an associate	6	4,615,619	4,387,778	5,178,138	5,178,138
Property, plant and equipment	7	44,846,309	44,738,034	-	-
Investment properties	8	12,467,400	19,624,296	-	-
Right-of-use assets	9	376,932	457,483	-	-
Goodwill	10	-	9,840,976	-	-
Deferred tax assets	11	95,300	95,300	-	-
Other receivables	12	-	1,916,421	67,431,545	39,630,633
Other financial asset	13	1,564,074	1,552,257	-	-
		63,965,634	82,612,545	190,130,626	164,062,124
CURRENT ASSETS					
Inventories	14	94,114,931	93,645,734	-	-
Trade receivables	15	15,132,101	5,735,417	-	-
Other receivables, deposits and prepayments	12	3,202,622	586,579	2,173,662	7,075
Contract assets	16	3,933,322	-	-	-
Current tax assets		983,787	409,698	240,964	371,309
Fixed deposits with a licensed bank	17	-	1,018,778	-	-
Cash and bank balances		7,226,754	13,418,513	777,945	4,566,870
		124,593,517	114,814,719	3,192,571	4,945,254
Assets held for sale	18	4,790,546	-	-	-
		129,384,063	114,814,719	3,192,571	4,945,254
TOTAL ASSETS		193,349,697	197,427,264	193,323,197	169,007,378

The annexed notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024 (CONT'D)

		The Group		The Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	19	200,832,756	192,186,762	200,832,756	192,186,762
Treasury shares	21	(92,187)	(92,187)	(92,187)	(92,187)
Accumulated losses		(54,560,318)	(44,069,912)	(42,026,807)	(38,786,591)
TOTAL EQUITY		146,180,251	148,024,663	158,713,762	153,307,984
NON-CURRENT LIABILITIES					
Lease liabilities	23	158,866	285,700	-	-
Term loans	24	16,758,210	18,925,731	-	-
Hire purchase creditors	25	61,718	124,479	-	-
		16,978,794	19,335,910	-	-
CURRENT LIABILITIES					
Trade payables	26	16,530,790	13,787,921	-	-
Contract liabilities	16	5,411,663	6,262,522	-	-
Other payables and accruals	27	3,835,762	6,434,995	34,609,435	15,699,394
Lease liabilities	23	229,272	177,899	-	-
Term loans	24	4,080,588	1,660,610	-	-
Hire purchase creditors	25	62,552	71,685	-	-
Current tax liabilities		40,025	1,671,059	-	-
		30,190,652	30,066,691	34,609,435	15,699,394
TOTAL LIABILITIES		47,169,446	49,402,601	34,609,435	15,699,394
TOTAL EQUITY AND LIABILITIES		193,349,697	197,427,264	193,323,197	169,007,378

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	The Group 2024 RM	The Group 2023 RM	The Company 2024 RM	The Company 2023 RM
REVENUE	29	48,112,092	65,380,969	-	-
COST OF SALES		(38,457,147)	(45,517,897)	-	-
GROSS PROFIT		9,654,945	19,863,072	-	-
OTHER INCOME		517,096	612,771	3,032,061	1,793,880
		10,172,041	20,475,843	3,032,061	1,793,880
SELLING AND MARKETING EXPENSES		(1,238,708)	(5,373,870)	-	-
ADMINISTRATIVE EXPENSES		(7,661,869)	(8,864,759)	(1,179,248)	(1,066,651)
OTHER EXPENSES		(9,840,976)	(4,627,080)	-	-
FINANCE COSTS		(941,584)	(483,742)	(1,351,871)	(312,387)
NET REVERSAL OF IMPAIRMENT/ (IMPAIRMENT LOSSES) ON FINANCIAL ASSETS	30	-	7,243	(3,231,991)	-
SHARE OF PROFITS OF EQUITY ACCOUNTED ASSOCIATE		227,841	318,558	-	-
(LOSS)/PROFIT BEFORE TAXATION	31	(9,283,255)	1,452,193	(2,731,049)	414,842
INCOME TAX EXPENSE	32	(1,207,151)	(2,436,287)	(509,167)	(27,559)
(LOSS)/PROFIT AFTER TAXATION/ TOTAL COMPREHENSIVE (EXPENSES)/INCOME FOR THE FINANCIAL YEAR		(10,490,406)	(984,094)	(3,240,216)	387,283
(LOSS)/PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		(10,490,406)	(984,094)	(3,240,216)	387,283
LOSS PER SHARE (SEN)	33				
Basic		(1.42)	(0.14)		
Diluted		(1.42)	(0.14)		

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Share Capital RM	Treasury Shares RM	Redeemable Convertible Preference Shares RM	Accumulated Losses RM	Total Equity RM
The Group						
Balance at 1.1.2023		164,479,262	(92,187)	1,000,000	(43,085,818)	122,301,257
Loss after taxation/Total comprehensive expenses for the financial year		-	-	-	(984,094)	(984,094)
Issuance of shares	19	26,707,500	-	-	-	26,707,500
Conversion of redeemable convertible preference shares	19	1,000,000	-	(1,000,000)	-	-
Total contributions by and distributions to owners		27,707,500	-	(1,000,000)	-	26,707,500
Balance at 31.12.2023		192,186,762	(92,187)	-	(44,069,912)	148,024,663

	Note	Share Capital RM	Treasury Shares RM	Accumulated Losses RM	Total Equity RM
The Group					
Balance at 1.1.2024		192,186,762	(92,187)	(44,069,912)	148,024,663
Loss after taxation/Total comprehensive expenses for the financial year		-	-	(10,490,406)	(10,490,406)
Issuance of shares	19	8,844,892	-	-	8,844,892
Capitalisation of private placement expenses	19	(198,898)	-	-	(198,898)
Total contributions by and distributions to owners		8,645,994	-	-	8,645,994
Balance at 31.12.2024		200,832,756	(92,187)	(54,560,318)	146,180,251

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

	Note	Share Capital RM	Treasury Shares RM	Redeemable Convertible Preference Shares RM	Accumulated Losses RM	Total Equity RM
The Company						
Balance at 1.1.2023		164,479,262	(92,187)	1,000,000	(39,173,874)	126,213,201
Profit after taxation/ Total comprehensive income for the financial year		-	-	-	387,283	387,283
Issuance of shares	19	26,707,500	-	-	-	26,707,500
Conversion of redeemable convertible preference shares	19	1,000,000	-	(1,000,000)	-	-
Total contributions by and distributions to owners		27,707,500	-	(1,000,000)	-	26,707,500
Balance at 31.12.2023		192,186,762	(92,187)	-	(38,786,591)	153,307,984

	Note	Share Capital RM	Treasury Shares RM	Accumulated Losses RM	Total Equity RM
The Company					
Balance at 1.1.2024		192,186,762	(92,187)	(38,786,591)	153,307,984
Loss after taxation/Total comprehensive expenses for the financial year		-	-	(3,240,216)	(3,240,216)
Issuance of shares	19	8,844,892	-	-	8,844,892
Capitalisation of private placement expenses	19	(198,898)	-	-	(198,898)
Total contributions by and distributions to owners		8,645,994	-	-	8,645,994
Balance at 31.12.2024		200,832,756	(92,187)	(42,026,807)	158,713,762

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES				
(Loss)/Profit before taxation	(9,283,255)	1,452,193	(2,731,049)	414,842
Adjustments for:-				
Bad debts written off	-	-	20,061	-
Depreciation of:				
- property, plant and equipment	317,358	223,256	-	-
- investment properties	9,900	133,650	-	-
- right-of-use assets	182,988	196,160	-	-
Fair value (gain)/loss on other financial assets	(11,817)	334,076	-	-
Impairment loss:				
- goodwill	9,840,976	4,625,649	-	-
- investment in subsidiaries	-	-	3,231,991	-
Interest expenses	941,584	483,742	1,351,444	311,890
Loss on investment in a subsidiary	-	-	419	-
Property, plant and equipment written off	-	1,431	-	-
Share of profit of an associate, net of taxation	(227,841)	(318,558)	-	-
Gain on lease termination	-	(31,508)	-	-
Interest income	(282,268)	(320,766)	(3,032,061)	(1,793,243)
Gain on disposal of investment property	(43,550)	-	-	-
Reversal of impairment loss on:				
- trade receivables	-	(7,243)	-	-
Operating profit/(loss) before working capital changes	1,444,075	6,772,082	(1,159,195)	(1,066,511)

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

		The Group		The Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
Operating profit/(loss) before working capital changes		1,444,075	6,772,082	(1,159,195)	(1,066,511)
(Increase)/Decrease in inventories		(292,745)	7,819,235	-	-
(Increase)/Decrease in trade and other receivables		(9,848,782)	829,876	(2,642)	3,023,020
(Increase)/Decrease in contract assets		(3,933,322)	65,075	-	-
Increase/(Decrease) in trade and other payables		3,760,757	(4,589,276)	71,641	(68,893)
Decrease in contract liabilities		(850,859)	(326,286)	-	-
Decrease in provision		-	(284,954)	-	-
CASH (FOR)/FROM OPERATIONS		(9,720,876)	10,285,752	(1,090,196)	1,887,616
Income tax refunded		-	818,544	-	-
Income tax paid		(3,412,274)	(496,074)	(378,822)	(103,500)
NET CASH (FOR)/FROM OPERATING ACTIVITIES		(13,133,150)	10,608,222	(1,469,018)	1,784,116
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Additional investments in subsidiaries		-	-	(1,500,000)	(999,998)
Repayment from an associate		-	126,625	-	126,625
Advances to subsidiaries		-	-	(26,974,379)	(21,649,959)
Interest income received		34,744	51,590	21,522	9,447
Proceeds from disposal of investment properties		2,400,000	-	-	-
Purchase of:					
- investment properties		-	(341,000)	-	-
- property, plant and equipment	34(a)	(3,122,747)	(17,287,595)	-	-
Withdrawal from/(Placement of) fixed deposits with tenure more than 3 months		1,018,778	(134,217)	-	-
NET CASH FROM/(FOR) INVESTING ACTIVITIES		330,775	(17,584,597)	(28,452,857)	(22,513,885)

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

		The Group		The Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Advances from subsidiaries	34(b)	-	-	21,073,160	2,340,297
Repayment to subsidiaries		-	-	(3,586,204)	-
Repayment to a director		-	(1,420)	-	(420)
Drawdown of term loans	34(b)	5,535,233	5,772,803	-	-
Interest paid	34(b)	(2,038,043)	(1,190,731)	-	-
Proceeds from issuance of:					
- ordinary shares	19	8,844,892	18,257,267	8,844,892	18,257,267
Proceeds from private placement expenses capitalised	19	(198,898)	-	(198,898)	-
Repayment of lease liabilities	34(b)	(177,898)	(186,853)	-	-
Repayment to term loans	34(b)	(5,282,776)	(9,392,461)	-	-
Repayment to hire purchase creditors	34(b)	(71,894)	(68,822)	-	-
NET CASH FROM FINANCING ACTIVITIES		6,610,616	13,189,783	26,132,950	20,597,144
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(6,191,759)	6,213,408	(3,788,925)	(132,625)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		13,418,513	7,205,105	4,566,870	4,699,495
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	34(d)	7,226,754	13,418,513	777,945	4,566,870

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	No. 2 (1st floor), Jalan Marin, Taman Marin, Jalan Haji Abdullah, Sungai Abong, 84000 Muar, Johor.
Principal place of business	:	L2-01, No. 56, Jalan Setia Tropika 1/14, Taman Setia Tropika, 81200 Johor Bahru, Johor.

These financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries are collectively referred to as "the Group".

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 28 April 2025.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

3. BASIS OF PREPARATION (CONT'D)

3.1 During the current financial year, the Group and the Company have adopted the following new accounting standards (including consequential amendments, if any):-

MFRSs (Including the Consequential Amendments)
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current
Amendments to MFRS 101: Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

The adoption of the above accounting standards (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company.

3.2 The Group and the Company have not applied in advance the following accounting standards (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs (Including the Consequential Amendments)	**Effective Date**
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

The adoption of the above accounting standards (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application.

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment and Investment Properties

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment and investment properties are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment and investment properties will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amounts of property, plant and equipment and investment properties as at the reporting date are disclosed in Notes 7 and 8 to the financial statements respectively.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(b) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at the reporting date is disclosed in Note 10 to the financial statements.

(c) Impairment of Property, Plant and Equipment, Investment Properties and Right-of-use Assets

The Group determines whether an item of its property, plant and equipment, investment properties and right-of-use assets are impaired by evaluating the extent to which the recoverable amount of the asset is less than their carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows.

The independent professional valuers have exercised judgement in determining discount rates, estimates of future cash flows, capitalisation rate, terminal value and market rental, used in the valuation process. Also, judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting fair value.

The carrying amounts of property, plant and equipment, investment properties and right-of-use assets as at the reporting date are disclosed in Notes 7, 8 and 9 to the financial statements respectively.

(d) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 14 to the financial statements.

(e) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 15 and 16 to the financial statements respectively.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(f) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables and amounts owing by subsidiaries as at the reporting date are disclosed in Note 12 to the financial statements.

(g) Revenue and Cost Recognition of Property Development Activities

The Group recognises property development revenue as and when the control of the asset is transferred to a customer and it is probable that the Group will collect the consideration to which it will be entitled. The control of the asset may transfer over time or at a point in time depending on the terms of the contract with the customer and the applicable laws governing the contract.

When the control of the asset is transferred over time, the Group recognises property development revenue and costs by reference to the progress towards complete satisfaction of the performance obligation at the end of the reporting period. This is measured based on the Group's efforts or budgeted inputs to the satisfaction of the performance obligation. Significant judgement is required in determining the completeness and accuracy of the budgets and the extent of the costs incurred. Substantial changes in property development cost estimates in the future can have a significant effect on the Group's results. In making the judgement, the Group evaluates and relies on past experience and works of specialists.

(h) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

(i) Deferred Tax Assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences could be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits. The carrying amount of deferred tax assets as at the reporting date is disclosed in Note 11 to the financial statements.

(j) Discount Rates used in Leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(b) Contingent Liabilities

The recognition and measurement for contingent liabilities are based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business. Furthermore, management is of the view that the chances of the financial institutions to call upon the corporate guarantees issued by the Group and the Company are remote.

4.2 FINANCIAL INSTRUMENTS

(a) Financial Assets

Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

Financial Assets Through Other Comprehensive Income

The Group has elected to designate the equity instruments as financial assets through other comprehensive income at initial recognition.

The financial assets are initially measured at fair value plus transaction costs. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes taken up in other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference of a debt instrument which are recognised directly in profit or loss. The fair value changes do not include interest and dividend income.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.2 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities

Financial Liabilities Through Profit or Loss

The financial liabilities are initially measured at fair value. Subsequent to the initial recognition, the financial liabilities are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include expense.

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

(c) Equity

Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

Treasury Shares

Treasury shares are recorded on initial recognition at the consideration paid less directly attributable transaction costs incurred. The treasury shares are not remeasured subsequently.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the treasury shares. If such shares are issued by resale, any difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity. Where treasury shares are cancelled, their carrying amounts are shown as a movement in retained profits.

(d) Redeemable Convertible Preference Shares

The proceeds from the issuance of redeemable convertible preference share are first allocated to the liability component, determined based on the fair value of a similar liability that does not have a conversion feature or similar associated equity component. The residual amount is allocated as the equity component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Subsequent to the initial recognition, the liability component is measured at amortised. The equity component is not remeasured subsequently.

(e) Financial Guarantee Contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.3 GOODWILL

Goodwill is initially measured at cost. Subsequent to the initial recognition, the goodwill is measured at cost less accumulated impairment losses, if any.

4.4 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries which are eliminated on consolidation, are stated in the financial statements of the Company at cost less impairment losses, if any.

4.5 INVESTMENTS IN ASSOCIATES

Investments in associates are stated in the financial statements of the Company at cost less impairment losses, if any, and accounted for using the equity method in the financial statements of the Group.

4.6 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost.

Subsequent to the initial recognition, all property, plant and equipment, other than freehold land and buildings, are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Shophouses	2%
Computer and software	10% - 33%
Furniture and fittings	10% - 20%
Motor vehicles	10% - 20%
Office equipment	10% - 20%
Renovation and installation	10%
Signboard	10%

Assets under construction included in property, plant and equipment are not depreciated until such time when the asset is available for use.

4.7 INVESTMENT PROPERTIES

Investment properties are initially measured at cost. Subsequent to the initial recognition, the investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Depreciation on investment properties are calculated using the straight-line method to allocate the depreciable amounts over the estimated useful lives. The principal annual depreciation period and rate is:-

Building	2%

Investment properties under construction is not depreciated until such time when the asset is available for use.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.8 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Short-term Leases and Leases of Low-value Assets

The Group applies the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(b) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

(c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

4.9 INVENTORIES

(a) Completed Properties Held for Sale

Completed properties are stated at the lower of cost and net realisable value. Cost is determined on specific identification and comprises cost associated with the purchase of land (including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended use), construction costs and other related development costs incurred in bringing the inventories to their present location and condition.

(b) Property Development Costs

Property development costs are stated at the lower of cost and net realisable value. Cost comprises cost associated with the purchase of land, conversion fees, aggregate cost of development, materials and supplies, wages and other direct expenses, an appropriate proportion of common infrastructure costs and borrowing costs capitalised.

The property development costs of unsold units are transferred to inventories once the development is completed.

5. INVESTMENTS IN SUBSIDIARIES

	The Company 2024 RM	The Company 2023 RM
Unquoted shares, at cost	156,542,759	155,043,178
Accumulated impairment losses	(39,021,816)	(35,789,825)
	117,520,943	119,253,353
Accumulated impairment losses:-		
At 1 January	35,789,825	35,789,825
Addition during the year	3,231,991	-
At 31 December	39,021,816	35,789,825

The details of the Company's subsidiaries are as follows:-

Name of Subsidiaries	Principal Place of Business and Country of Incorporation	Percentage of Issuesd Share Capital Held by Parent 2024 %	Percentage of Issuesd Share Capital Held by Parent 2023 %	Principal Activities
Axteria Eco Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
Axteria Cemerlang Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
Axteria Assets Sdn. Bhd.	Malaysia	100	100	Hotelier and investment holding
Axteria Construction Sdn. Bhd.	Malaysia	100	100	Project management and construction related works
Axteria Properties Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
Axteria Development Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
Axteria Capital Sdn. Bhd.	Malaysia	100	100	Dormant
Axteria Realty Sdn. Bhd.	Malaysia	100	100	Dormant
Axteria Building Materials Sdn. Bhd.	Malaysia	100	100	Trading of building materials
General Trust Holdings Limited*	Labuan, Malaysia	-	100	Dormant

* Not required to be audited under the laws of the place of incorporation.

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

a) During the financial year ended 31 December 2024, the Company increased its investment in its subsidiary, Axteria Development Sdn. Bhd., by subscribing for an additional 1,500,000 ordinary shares at RM1 per share. This followed the subscription of 999,998 ordinary shares at RM1 per share in the previous financial year ended 31 December 2023.

b) During the current financial year, the Company's Labuan-incorporated subsidiary, General Trust Holdings Limited, was struck off. Consequently, the Company wrote off its investment of 100 ordinary shares, amounting to RM419.

6. INVESTMENTS IN AN ASSOCIATE

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unquoted shares, at cost	5,778,138	5,778,138	5,778,138	5,778,138
Share of post acquisition losses	(298,490)	(526,331)	-	-
Elimination of unrealised profits	(864,029)	(864,029)	-	-
	4,615,619	4,387,778	5,778,138	5,778,138
Accumulated impairment losses	-	-	(600,000)	(600,000)
	4,615,619	4,387,778	5,178,138	5,178,138

The details of the associate is as follows:-

Name of Associate	Principal Place of Business and Country of Incorporation	Percentage of Ownership 2024 %	Percentage of Ownership 2023 %	Principal Activities
Harum Eco Dormitory Sdn. Bhd.	Malaysia	45	45	Investment holding and letting of dormitory

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7. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.1.2024 RM	Additions (Note 34(a)) RM	Depreciation Charges (Note 31) RM	At 31.12.2024 RM
2024				
Carrying Amount				
Shophouses	1,747,758	-	(35,607)	1,712,151
Computer and software	253,412	79,036	(38,409)	294,039
Furniture and fittings	304,122	67,449	(54,056)	317,515
Motor vehicles	323,341	-	(49,997)	273,344
Office equipment	79,609	5,000	(13,790)	70,819
Renovation and installation	1,034,706	55,751	(123,999)	966,458
Signboard	7,750	-	(1,500)	6,250
Asset under construction	40,987,336	218,397	-	41,205,733
	44,738,034	425,633	(317,358)	44,846,309

The Group	At 1.1.2023 RM	Additions (Note 34(a)) RM	Written off (Note 31) RM	Depreciation Charges (Note 31) RM	At 31.12.2023 RM
2023					
Carrying Amount					
Shophouses	-	1,780,330	-	(32,572)	1,747,758
Computer and software	104,687	176,536	(1,431)	(26,380)	253,412
Furniture and fittings	281,056	67,661	-	(44,595)	304,122
Motor vehicles	373,338	-	-	(49,997)	323,341
Office equipment	70,370	21,692	-	(12,453)	79,609
Renovation and installation	165,548	924,917	-	(55,759)	1,034,706
Signboard	9,250	-	-	(1,500)	7,750
Asset under construction	25,467,384	15,519,952	-	-	40,987,336
	26,471,633	18,491,088	(1,431)	(223,256)	44,738,034

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At Cost RM	Accumulated Depreciation RM	Accumulated Impairment Loss RM	Carrying Amount RM
The Group				
2024				
Shophouses	1,780,330	(68,179)	-	1,712,151
Computer and software	454,210	(160,171)	-	294,039
Furniture and fittings	607,339	(289,824)	-	317,515
Motor vehicles	499,967	(226,623)	-	273,344
Office equipment	145,982	(75,163)	-	70,819
Renovation and installation	1,246,351	(279,893)	-	966,458
Signboard	15,000	(8,750)	-	6,250
Asset under construction	53,548,846	-	(12,343,113)	41,205,733
	58,298,025	(1,108,603)	(12,343,113)	44,846,309
2023				
Shophouses	1,780,330	(32,572)	-	1,747,758
Computer and software	375,693	(122,281)	-	253,412
Furniture and fittings	539,890	(235,768)	-	304,122
Motor vehicles	499,967	(176,626)	-	323,341
Office equipment	140,982	(61,373)	-	79,609
Renovation and installation	1,190,600	(155,894)	-	1,034,706
Signboard	15,000	(7,250)	-	7,750
Asset under construction	53,330,449	-	(12,343,113)	40,987,336
	57,872,911	(791,764)	(12,343,113)	44,738,034

(a) Included in the property, plant and equipment were motor vehicles with a total carrying amount of RM271,524 (2023: RM321,241) held under hire purchase arrangements. These assets had been pledged as security for the hire purchase creditors of the Group as disclosed in Note 25 to the financial statements.

(b) The asset under construction of the Group has been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 24(a) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

8. INVESTMENT PROPERTIES

	The Group 2024 RM	The Group 2023 RM
Cost:-		
At 1 January	21,066,624	20,725,624
Additions	-	341,000
Disposal during the year	(2,500,000)	-
Transfer to assets held for sale (Note 18)	(6,099,224)	-
At 31 December	12,467,400	21,066,624
Accumulated depreciation:-		
At 1 January	(133,650)	-
Depreciation during the financial year (Note 31)	(9,900)	(133,650)
Disposal during the year	143,550	-
At 31 December	-	(133,650)
Accumulated impairment losses:-		
At 1 January	(1,308,678)	(1,308,678)
Transfer to assets held for sale (Note 18)	1,308,678	-
At 31 December	-	(1,308,678)
	12,467,400	19,624,296
Represented by:-		
Commercial units under construction	12,467,400	17,257,946
Freehold industrial buildings	-	2,366,350
	12,467,400	19,624,296
Fair value	12,467,400	20,057,946

(a) In previous financial year, included in the investment properties of the Group was an amount of RM2,500,000 which has been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 24(a) to the financial statements.

(b) The fair values of the investment properties are within level 2 of the fair value hierarchy and are arrived at by reference to market evidence of transaction prices for similar properties and are performed by registered valuers having appropriate recognised professional qualification and recent experience in the locations and category of properties being valued. The most significant input into this valuation approach is the price per square foot of comparable properties. Adjustments are then made for differences in location, size, facilities available, market conditions and other factors in order to arrive at a common basis. Commercial units under construction are reflected at carrying amount for fair value disclosure purpose until completion of these properties where fair value are more readily available by then.

9. RIGHT-OF-USE ASSETS

	At 1.1.2024 RM	Additions (Note 34(a)) RM	Depreciation Charges (Note 31) RM	At 31.12.2024 RM
The Group				
2024				
Carrying Amount				
Office premises	457,483	-	(182,988)	274,495
Showroom	-	102,437	-	102,437
	457,483	102,437	(182,988)	376,932

	At 1.1.2023 RM	Additions (Note 34(a)) RM	Depreciation Charges (Note 31) RM	Derecognised Due to Lease Termination RM	At 31.12.2023 RM
2023					
Carrying Amount					
Office premises	423,864	548,978	(176,267)	(339,092)	457,483
Hostel	19,893	-	(19,893)	-	-
	443,757	548,978	(196,160)	(339,092)	457,483

The Group leases office premises, hostel and showroom of which the leasing activities are summarised below:-

(i) Office premises — The Group has leased an office premises within a commercial building for term of 2 (2023: 2) years, with an option to renew the tenancy for a further term of 1 (2023: 1) years which subject to a rental rate at the prevailing market rate or to be mutually agreed rate by both parties prior to the execution of the fresh tenancy agreement. Any increase in rent shall not exceed 20% of the last rent.

(ii) Hostel — The Group has leased a hostel for term of 1 year, with an option to renew the tenancy for a further term of 1 year which subject to a rental to be mutually agreed rate by both parties.

(iii) Showroom — The Group has leased a showroom for term of 1 year, with an option to renew the tenancy for a further term of 1 year which subject to a rental rate at the prevailing market rate or to be mutually agreed rate by both parties.

The Group also has leases with lease terms of 12 months or less and leases of office equipment with low value. The Group has applied the 'short-term leases' and 'leases of low-value assets' recognition exemptions for these leases.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

10. GOODWILL

	The Group 2024 RM	The Group 2023 RM
Cost:-		
At 1 January	23,469,424	23,469,424
Accumulated impairment losses:-		
At 1 January	(13,628,448)	(9,002,799)
Impairment during the financial year (Note 31)	(9,840,976)	(4,625,649)
At 31 December	(23,469,424)	(13,628,448)
	-	9,840,976

(a) The carrying amount of goodwill allocated to the cash-generating unit is as follows:-

	The Group 2024 RM	The Group 2023 RM
Axteria Eco Sdn. Bhd.	-	9,840,976

(b) During the current financial year, an impairment loss of RM9,840,976 was recognised in "Other Expenses" line item of the statement of profit or loss and other comprehensive income, in respect of goodwill allocated to Axteria Eco Sdn. Bhd. This recognition was due to management's assessment that the cash flows expected from cash-generating unit will be limited in the near future. This goodwill pertains to the Group's 'Investment Holding Segment' reportable segment.

The Group has assessed the recoverable amounts of allocated goodwill. The recoverable amount of the CGU is determined using the VIU approach, which is derived from the present value of the future cash flows from each CGU. These cash flows are computed based on management-approved financial budget projections covering a 2-year period. The key assumptions used in determination of the recoverable amounts are as follows:

(i) Pre-tax cash flow projections based on the management's most recent two (2023: two) years' business plans.

(ii) Pre-tax discount rates of 10.4% (2023: 16%).

The values assigned to the key assumptions represent management's assessment of future trends in the CGUs and are based on both external sources and internal historical data.

11. DEFERRED TAX ASSETS

	At 1.1.2024 RM	Recognised in Profit or Loss (Note 32) RM	At 31.12.2024 RM
The Group			
2024			
Deferred Tax Assets			
Property, plant and equipment	4,100	-	4,100
Provisions	91,200	-	91,200
	95,300	-	95,300

	At 1.1.2023 RM	Recognised in Profit or Loss (Note 32) RM	At 31.12.2023 RM
2023			
Deferred Tax Assets			
Property, plant and equipment	4,100	-	4,100
Provisions	91,200	-	91,200
	95,300	-	95,300

11. DEFERRED TAX ASSETS (CONT'D)

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

	The Group	
	2024	**2023***
	RM	**RM**
Unused tax losses:		
- expires year of assessment 2028	3,961,000	4,175,000
- expires year of assessment 2029	1,231,000	1,231,000
- expires year of assessment 2030	1,571,000	1,571,000
- expires year of assessment 2031	520,000	520,000
- expires year of assessment 2032	35,000	35,000
- expires year of assessment 2033	424,000	422,000
- expires year of assessment 2034	3,246,000	-
Unabsorbed capital allowances	-	225,000
Other deductible temporary differences	814,000	2,658,000
	11,802,000	10,837,000

*Certain comparative figures have been restated to reflect the revised tax losses carry-forward and other temporary differences available to the Group.

Based on the current legislation, the unused tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment, whereas, the unabsorbed capital allowances are allowed to be carried forward indefinitely.

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-current				
Other receivables:-				
Amount owing by subsidiaries	-	-	67,431,545	37,714,212
Amount owing by an associate	-	5,871,778	-	5,871,778
	-	5,871,778	67,431,545	43,585,990
Allowance for impairment losses:-				
Amount owing by an associate	-	(3,955,357)	-	(3,955,357)
	-	1,916,421	67,431,545	39,630,633
Current				
Other receivables:-				
Third parties	159,639	45,762	-	-
Amount owing by an associate	6,119,302	-	6,119,302	-
	6,278,941	45,762	6,119,302	-
Allowance for impairment losses:-				
Third parties	(36,440)	(36,440)	-	-
Amount owing by an associate	(3,955,357)	-	(3,955,357)	-
	(3,991,797)	(36,440)	(3,955,357)	-
	2,287,144	9,322	2,163,945	-
Deposits	567,128	292,625	7,075	7,075
Prepayments	77,293	163,659	2,642	-
Deferred expenditure	271,057	120,973	-	-
	3,202,622	586,579	2,173,662	7,075
Allowance for impairment losses:-				
At 1 January/31 December	3,991,797	3,991,797	3,955,357	3,955,357

(a) The amounts owing by subsidiaries (non-current) represent advances and payments made on behalf, which are unsecured and bear interest at rates ranging from 5.13% to 5.40% (2023: 4.97% to 5.49%) per annum. The amounts owing are not expected to be repayable within the next 12 months and are to be settled in cash.

(b) In the previous financial year, the amounts owing by an associate (non-current) represented advances and payments made on behalf, which were unsecured and bore interest at rates ranging from 4.97% to 5.49% per annum. The amounts owing were not expected to be repayable within the next 12 months and were to be settled in cash.

(c) The amounts owing by an associate (current) represent advances and payments made on behalf, which are unsecured and bear interest at rates ranging from 5.13% to 5.40% per annum. The amounts owing are expected to be repayable within the next 12 months and are to be settled in cash.

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

(d) Deferred expenditure relating to sales agent commission and legal costs incurred to secure sales of property units are recognised in profit and loss in proportion to the revenue recognised for the respective financial years.

13. OTHER FINANCIAL ASSET

	The Group	
	2024 RM	2023 RM
At 1 January	1,552,257	1,886,333
Gain/(Loss) on fair value (Note 31)	11,817	(334,076)
At 31 December	1,564,074	1,552,257

Other financial asset represents a keyman insurance policy (the "Policy") taken up to insure a director of the Group (the "Insured Person"). Under the policy, the beneficiary is a bank (the "Bank") and the total insured sum is RM9,554,000. In the event of an insured occurrence involving the Insured Person, the insured sum will first be used to settle the Group's outstanding loan with the Bank, and any excess amount, if any, will be payable to the Group. The Policy may be withdrawn at any time; however, surrender charges apply if the withdrawal occurs before the Policy's maturity date. In such a case, a cash refund will be based on the Policy's cash surrender value as at the withdrawal date.

At 31 December 2024, the directors of the Group expect that the Policy will be held until its maturity date on 26 July 2028 and that no specific surrender charges will apply at that time, in accordance with the terms of the Policy. The directors consider that the expected life of the Policy remains unchanged from its initial recognition.

In the event of death of the Insured Person, the Policy will be derecognised and any resulting gain or loss will be recognised in profit or loss.

14. INVENTORIES

	The Group	
	2024 RM	2023 RM
Completed properties held for sale	7,743,014	1,983,932
Property development costs	86,371,917	91,661,802
	94,114,931	93,645,734

(a) Completed properties held for sale

	The Group	
	2024 RM	2023 RM
At 1 January	1,983,932	13,233,601
Costs recognised as an expense in profit or loss	(6,347,091)	(17,168,228)
Costs transferred from property development	12,106,173	5,918,559
At 31 December	7,743,014	1,983,932

14. INVENTORIES (CONT'D)

(b) Property development costs

	The Group	
	2024	**2023**
	RM	**RM**
Freehold land		
At 1 January	17,281,886	23,701,265
Additions of costs incurred during the year	-	1,030,519
Costs recognised as an expense in profit or loss	(11,706,252)	(6,096,483)
Costs transferred to completed properties	-	(1,353,415)
At 31 December	5,575,634	17,281,886
Development costs		
At 1 January	74,379,916	64,530,103
Additional costs incurred during the year	38,626,502	37,472,086
Costs recognised as an expense in profit or loss	(20,103,962)	(23,057,129)
Costs transferred to completed properties	(12,106,173)	(4,565,144)
At 31 December	80,796,283	74,379,916
	86,371,917	91,661,802

(c) Included in the property development costs of the Group at the end of the reporting period is an amount of RM15,946,239 (2023: RM44,557,230) which has been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 24(a) to the financial statements.

15. TRADE RECEIVABLES

	The Group	
	2024	**2023**
	RM	**RM**
Third parties	15,236,350	5,839,666
Allowance for impairment losses	(104,249)	(104,249)
	15,132,101	5,735,417
Allowance for impairment losses:-		
At 1 January	104,249	111,492
Reversal during the financial year (Note 30)	-	(7,243)
At 31 December	104,249	104,249

The Group's normal trade credit terms range from 14 to 90 (2023: 14 to 90) days.

16. CONTRACT ASSETS/(LIABILITIES)

	The Group	
	2024	2023
	RM	RM
Contract Assets		
Property development contracts	3,933,322	-
Contract Liabilities		
Construction contracts	-	(2,623,301)
Property development contracts	(5,411,663)	(3,639,221)
	(5,411,663)	(6,262,522)

(a) The changes to contract assets and contract liabilities balances during the financial year are summarised below:-

	The Group	
	2024	2023
	RM	RM
Construction contracts		
At 1 January	(2,623,301)	65,075
Billings to customers during the financial year (transferred to trade receivables)	2,623,301	(2,688,376)
At 31 December	-	(2,623,301)
Represented by:-		
Contract liabilities	-	(2,623,301)
Property development contracts		
At 1 January	(3,639,221)	(6,588,808)
Revenue recognised in profit or loss during the financial year	48,112,092	65,450,346
Billings to customers during the financial year (transferred to trade receivables)	(45,951,212)	(62,500,759)
At 31 December	(1,478,341)	(3,639,221)
Represented by:-		
Contract liabilities	(1,478,341)	(3,639,221)

(b) The contract assets primarily relate to the Group's right to consideration for work completed but not yet billed as at the reporting date. The amount will be transferred to trade receivables when the Group issues billing in the manner as established in the contracts with customers.

(c) The contract liabilities primarily relate to amounts billed for unfulfilled performance obligations. The amount will be recognised as revenue when the performance obligations are satisfied.

16. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(d) Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied at the reporting date are as follows:-

	The Group	
	2024 RM	2023 RM
Within 1 year	48,187,105	4,483,880

The amounts disclosed include variable consideration which is constrained.

17. FIXED DEPOSITS WITH A LICENSED BANK

The fixed deposits with a licensed bank of the Group at the end of the last reporting period bore effective interest rates ranging from 2.55% to 2.70% per annum and had maturity periods of 365 days for the Group.

18. ASSETS HELD FOR SALE

During the current financial year, the Group entered into sale and purchase agreements with third parties for the disposal of investment properties. The disposals are expected to be completed in 2025.

The assets classified as held for sale are as follows:-

	The Group	
	2024 RM	2023 RM
Assets		
Investment properties (Note 8)	4,790,546	-

19. SHARE CAPITAL

	The Group/The Company			
	2024	2023	2024	2023
	Number of Shares		RM	RM
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 January	716,878,330	498,672,875	192,186,762	164,479,262
Issuance of new shares for cash	71,676,600	213,660,000	8,844,892	26,707,500
Conversion from Redeemable Convertible Preference Shares("RCPS") (Note 20)	-	4,545,455	-	1,000,000
Capitalisation of private placement expenses	-	-	(198,898)	-
At 31 December	788,554,930	716,878,330	200,832,756	192,186,762

(a) The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

19. SHARE CAPITAL (CONT'D)

(b) During the financial year, the Company increased its issued and paid-up share capital from RM192,186,762 to RM200,832,756 by way of:-

(i) Issuance of 71,676,600 new ordinary shares at RM0.1234 each for a cash consideration of RM8,844,892 through private placement; and

(ii) Capitalisation of private placement expenses which amounted to RM198,898.

(c) In the previous financial year, the Company increased its issued and paid-up share capital from RM164,479,262 to RM192,186,762 by way of:-

(i) Issuance of 213,660,000 new ordinary shares at RM0.125 each for a cash consideration of RM26,707,500 through private placement; and

(ii) Conversion of 10,000,000 RCPS to 4,545,455 new ordinary shares which amounted to RM1,000,000.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

20. CUMULATIVE REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS")

	The Group/The Company	
	2024	2023
	RM	RM
At 1 January	-	1,000,000
Conversion to ordinary shares (Note 19)	-	(1,000,000)
At 31 December	-	-

On 10 July 2020, the shareholders of the Company approved the proposed issuance of up to 800,000,000 new RCPS at an issue price of RM0.10 each. The RCPS were to be issued in 32 equal sub-tranches of RM500,000 each over five (5) tranches.

In the previous financial year, 10,000,000 RCPS were converted into 4,545,455 new ordinary shares, amounting to RM1,000,000.

The salient features of RCPSs are as follows:-

(a) Tenure

60 months from and including the First Issuance Date up to the Maturity Date.

(b) Maturity Date

The business day immediately before the fifth anniversary of the First Issuance Date.

(c) Dividend

Each RCPS shall carry the right to receive out of profits of the Company a cumulative preferential dividend at 2% per annum.

20. CUMULATIVE REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS") (CONT'D)

The salient features of RCPSs are as follows (Cont'd):-

(d) Conversion Right

Any RCPS may be converted into duly authorised, validly issued, fully-paid and unencumbered shares, at the option of the RCPS holder thereof, at any time, during the conversion period.

The number of conversion shares arising from the conversion of the RCPS to which a RCPS holder is entitled on conversion of the RCPS shall be determined by the product of the number of RCPS and issue price divided by the applicable conversion price, determined as hereinafter provided, in effect on the relevant conversion date, subject to adjustments from time to time in the event of rights issue, capitalisation issue, consolidation or subdivision of shares or reduction of capital howsoever being effected.

(e) Conversion Upon Maturity

Any remaining outstanding RCPS must be converted into ordinary shares in the Company on the RCPS Maturity Date, unless the Company exercises its rights in respect of RCPS Non-Default Redemption prior to the Maturity Date, together with payment by the Company of all accumulated and unpaid dividend accrued on the converted RCPS.

Any remaining RCPS which are not converted due to a breach of the RCPS Conversion Cap shall be redeemed by the Company at the RCPS Non-Default Redemption amount.

(f) Conversion Cap

The extent of conversion of the RCPS by the RCPS subscriber shall be capped such that its resultant ordinary shareholding in the Company shall not exceed 10% of the enlarged total number of ordinary shares of the Company.

21. TREASURY SHARES

	The Group/The Company			
	2024	2023	2024	2023
	Number of Shares		RM	RM
At 1 January/31 December	111,840	111,840	(92,187)	(92,187)

There were no shares repurchased during the financial year ended 31 December 2024.

Of the total 788,554,930 (2023: 716,878,330) issued and fully paid-up ordinary shares at the end of the reporting period, 111,840 (2023: 111,840) ordinary shares are held as treasury shares by the Company. None of the treasury shares have been sold as at 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

22. WARRANTS

On 12 August 2020, the Company issued 97,211,694 free warrants on the basis of one (1) warrant for every two (2) existing ordinary shares held in the Company. The warrants were listed on the Main Market of Bursa Malaysia Securities Berhad on 17 August 2020.

The issued warrants are constituted by a Deed Poll dated 23 July 2020.

The salient features of the warrants are as follows:

(a) Each warrant entitles the registered holder at any time during the exercise period to subscribe for one new ordinary share in the Company at an exercise price of RM0.29.

(b) The warrants shall be exercisable at any time within the period commencing from and inclusive the date of issue of the warrants and ending on the date immediately preceding the fifth (5th) anniversary of the date of issue, or if such day is not a Market Day, then it shall be the Market Day immediately preceding the said non-Market Day.

(c) All new ordinary shares to be issued pursuant to the exercise of the warrants shall, upon issue and allotment, be of the same class and rank pari passu in all respects with the existing ordinary shares, save and except that such new ordinary shares shall not be entitled to any dividends, rights, allotments and/or other distributions, at the entitlement date of which is prior to the date of the allotment of these new ordinary shares.

(d) Any warrants not exercised during the exercise period will lapse and cease to be valid.

(e) Movements in the warrants since the listing and quotation thereof are as follows:

	The Group/The Company	
	2024	2023
	Number of Shares	
At 1 January/31 December	97,211,694	97,211,694

23. LEASE LIABILITIES

	The Group	
	2024	2023
	RM	RM
At 1 January	463,599	472,074
Additions (Note 34(b))	102,437	548,978
Interest expense recognised in profit or loss (Note 31)	20,911	28,758
Derecognition due to lease termination (Note 34(b))	-	(370,600)
Repayment of principal	(177,898)	(186,853)
Repayment of interest expense	(20,911)	(28,758)
At 31 December	388,138	463,599
Analysed by:-		
Current liabilities	229,272	177,899
Non-current liabilities	158,866	285,700
	388,138	463,599

24. TERM LOANS (SECURED)

	The Group	
	2024 RM	2023 RM
Current liabilities	4,080,588	1,660,610
Non-current liabilities	16,758,210	18,925,731
	20,838,798	20,586,341

(a) The term loans at the end of the reporting period are secured by:-

(i) Legal charge over the investment properties and freehold land of the Group as disclosed in Notes 8 and 14 to the financial statements respectively;

(ii) Legal charge over asset under construction of the Group as disclosed in Note 7 to the financial statements;

(iii) Joint and several guarantee by the directors and a third party;

(iv) Corporate guarantee by the Company and a third party; and

(v) Specific debenture on the project as disclosed in Note 14 to the financial statements.

(b) The interest rate profile of the term loans is summarised below:-

	Effective Interest Rate %	The Group 2024 RM	2023 RM
Floating rate term loans	5.36 - 5.76	20,838,798	20,586,341

(c) Certain term loans totalling RM17,203,500 (2023: RM18,558,958) are secured by a negative pledge that imposes certain covenants on a subsidiary that has received those loans. The significant covenants of the term loans are as follows:-

(i) A subsidiary's gearing ratio shall not exceed 1.50 times.

(ii) Dividend payment made by a subsidiary shall not exceed 30% of its respective year's profit after tax.

25. HIRE PURCHASE CREDITORS (SECURED)

	The Group	
	2024	2023
	RM	RM
Minimum hire purchase payments		
- not later than 1 year	66,582	78,625
- later than 1 year and not later than 5 years	65,367	123,328
- more than 5 years	-	8,631
	131,949	210,584
Less: Future finance charges	(7,679)	(14,420)
	124,270	196,164
Current liabilities	62,552	71,685
Non-current liabilities	61,718	124,479
	124,270	196,164

The hire purchase of the Group is secured by the Group's motor vehicles under the hire purchase arrangements as disclosed in Note 7(a) to the financial statements. The hire purchase agreements are expiring from 1 to 5 years (2023: 2 to 6 years) and bear effective interest rates of 4.11% to 4.72% (2023: 4.11% to 4.72%).

26. TRADE PAYABLES

	The Group	
	2024	2023
	RM	RM
Third parties	16,406,313	13,787,921
Related party	124,477	-
	16,530,790	13,787,921

(a) The normal trade credit term granted to the Group ranging from 30 to 60 (2023: 30 to 60) days.

(b) Included in the Group's trade payables are retention sum payables totalling RM8,026,305 (2023: RM5,093,285).

27. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Other payables:				
Third parties	2,858,045	3,899,987	30,303	11,262
Unpaid balance for acquisition of property, plant and equipment	9,674	2,208,348	-	-
Amount owing to subsidiaries	-	-	34,451,632	15,613,232
	2,867,719	6,108,335	34,481,935	15,624,494
Deposit	394,652	95,000	-	-
Accruals	573,391	231,660	127,500	74,900
	3,835,762	6,434,995	34,609,435	15,699,394

(a) Amount owing to subsidiaries represents unsecured advances granted to the Company and payments made on behalf at interest rate ranging 5.13% to 5.40% (2023: 4.97% to 5.49%) per annum. The amounts are repayable on demand and is to be settled in cash.

(b) Included in the Group's other payables are retention sum payables totalling RM554,811 (2023: RM2,277,534).

28. PROVISION

	The Group	
	2024	2023
	RM	RM
Liquidated Ascertained Damages		
At 1 January	-	284,954
Provision utilised during the financial year	-	(284,954)
At 31 December	-	-

29. REVENUE

	The Group	
	2024	2023
	RM	RM
Revenue from Contracts with Customers		
<u>Recognised over time</u>		
Property development	19,034,877	30,088,995
<u>Recognised at a point in time</u>		
Sales of completed properties	10,819,815	28,827,006
Sales of land	18,257,400	6,534,345
Sales of goods	-	(69,377)
	48,112,092	65,380,969

29. REVENUE (CONT'D)

(a) The information on the disaggregation of revenue by business segments is disclosed in Note 37.1 to the financial statements.

(b) The information on the unsatisfied performance obligations is disclosed in Note 16(d) to the financial statements.

(c) The revenue of the Group is derived entirely in Malaysia.

(d) The information about the performance obligations in contracts with customers is summarised as below:-

Sale of Properties under Construction

The contracts contain a late penalty charge at 10% on the selling price, calculated daily. Revenue is measured at the selling price (net of discount) agreed under the contract and after considering the estimated late penalty charges which are immaterial.

Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the performance of the Company does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract using the input method by reference to the property development cost incurred up to the end of the reporting period as a percentage of total estimated costs for complete satisfaction of the contract. Otherwise, revenue is recognised at a point in time when the asset has been completed and delivered to the customer.

Billings to customers are based on agreed milestones under the contracts, certified by architects. The credit period is 14 to 90 (2023: 14 to 90) days from the date of progress billing. There is no significant financing component in the selling price as the billing is made on the normal credit terms not exceeding 12 months.

A defect liability period of 12 to 24 (2023: 12) months is given to the customers.

Sale of Completed Properties and Vacant Land

The Company recognises revenue (net of discount) for the sale of completed properties and vacant land at a point in time when the properties have been delivered to and accepted by the customers.

The credit period is 14 to 90 (2023: 14 to 90) days from the date of progress billing. There is no significant financing component in the selling price as the billing is made on the normal credit terms not exceeding 12 months.

A defect liability period of 6 to 12 (2023: 12) months is given to the customers.

Sales of Goods

Revenue from sale of goods is recognised at a point in time when goods have been transferred and accepted by customers, net of discount.

There is no material right of return and warranty provided to the customers on the sale of goods.

30. REVERSAL OF IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Reversal of impairment losses:				
- trade receivables (Note 15)	-	(7,243)	-	-

31. (LOSS)/PROFIT BEFORE TAXATION

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
(Loss)/Profit before taxation is arrived at after charging:-				
Auditors' remuneration:				
- audit fees:				
- current financial year	200,500	176,000	60,000	60,000
- underprovision in the previous financial year	-	10,100	-	-
- non-audit fees	5,000	5,000	5,000	5,000
Bad debts written off	-	-	20,061	-
Depreciation:				
- property, plant and equipment (Note 7)	317,358	223,256	-	-
- investment property (Note 8)	9,900	133,650	-	-
- right-of-use assets (Note 9)	182,988	196,160	-	-
Directors' remuneration (Note 35)	1,532,426	898,485	733,000	484,494
Fair value loss on other financial asset (Note 13)	-	334,076	-	-
Impairment loss:				
- goodwill (Note 10)	9,840,976	4,625,649	-	-
- investment in subsidiaries	-	-	3,231,991	-
Interest expense on lease liabilities (Note 23)	20,911	28,758	-	-
Lease expenses:				
- short term leases	42,600	16,800	-	-
- low value assets	17,079	7,436	-	-
Loss on investment in subsidiaries	-	-	419	-
Property, plant and equipment written off (Note 7)	-	1,431	-	-
Staff costs (including other key management personnel as disclosed in Note 35)				
- short term employee benefits	2,353,405	1,974,292	-	-
- defined contribution benefits	296,119	245,136	-	-
Total interest expenses on financial liabilities that are not at fair value through profit or loss	920,673	454,984	1,351,444	311,890
And (crediting):-				
Fair value gain on other financial asset (Note 13)	(11,817)	-	-	-
Gain on disposal of investment property	(43,550)	-	-	-
Gain on lease termination	-	(31,508)	-	-
Rental income	(7,500)	(29,000)	-	-
Total interest income on financial assets measured at amortised cost	(282,268)	(320,766)	(3,032,061)	(1,793,243)

32. INCOME TAX EXPENSE

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Income tax expense:				
- current year	1,070,633	2,519,051	353,700	106,251
- under/(over)provision in the previous financial year	136,518	(82,764)	155,467	(78,692)
	1,207,151	2,436,287	509,167	27,559

A reconciliation of income tax expense applicable to the (loss)/profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company are as follows:-

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
(Loss)/Profit before taxation	(9,283,255)	1,452,193	(2,731,049)	414,842
Tax at the statutory tax rate of 24% (2023: 24%)	(2,227,981)	348,526	(655,452)	99,562
Tax effects of:-				
Non-taxable income	(54,682)	(78,193)	-	-
Non-deductible expenses	3,122,397	2,332,818	1,009,152	6,689
Deferred tax assets not recognised during the financial year	230,899	-	-	-
Utilisation of deferred tax assets previously not recognised	-	(84,100)	-	-
Under/(Over)provision of income tax in the previous financial year	136,518	(82,764)	155,467	(78,692)
	1,207,151	2,436,287	509,167	27,559

Income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the financial year.

33. LOSS PER SHARE

(a) Basic Loss Per Share

The basic loss per share is calculated by dividing the consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year after deducting for treasury shares.

	The Group	
	2024 RM	2023 RM
Loss attributable to owners of the Company (RM)	(10,490,406)	(984,094)
Weighted average number of ordinary shares in issue	738,112,800	689,827,152
Basic loss per share (sen)	(1.42)	(0.14)

(b) Diluted Loss Per Share

The effects of potential ordinary shares arising from the conversion of warrants is anti-dilutive and accordingly, they have been ignored in the calculation of diluted loss per share. As a result, the diluted loss per ordinary share is the same as basic loss per share.

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34. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment, and the addition of right-of-use assets is as follows:-

	The Group	
	2024	**2023**
	RM	**RM**
Property, Plant and Equipment		
Cost of property, plant and equipment purchased (Note 7)	425,633	18,491,088
Add: Payments in respect of previous financial year's purchases	3,626,795	1,711,844
Less: Other payables - amounts not yet due for payment (Note 27)	(9,674)	(2,208,348)
Less: Capitalisation of interest expenses (Note 34(b))	(920,007)	(706,989)
	3,122,747	17,287,595
Right-of-use Assets		
Cost of right-of-use assets acquired (Note 9)	102,437	548,978
Less: Additions of new lease liabilities (Note 34(b))	(102,437)	(548,978)
	-	-

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34. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

	Lease Liabilities RM	Term Loans RM	Hire Purchase Creditors RM	Others # RM	Total RM
The Group					
2024					
At 1 January	463,599	20,586,341	196,164	-	21,246,104
Changes in Financing Cash Flows					
Proceeds from drawdown	-	5,535,233	-	-	5,535,233
Repayment of principal	(177,898)	(5,282,776)	(71,894)	-	(5,532,568)
Repayment of interests	(20,911)	(1,086,746)	(6,742)	(923,644)	(2,038,043)
	(198,809)	(834,289)	(78,636)	(923,644)	(2,035,378)
Other Changes					
Acquisition of new leases (Notes 23 and 34(a))	102,437	-	-	-	102,437
Interest expense recognised in profit or loss (Note 31)	20,911	166,739	6,742	747,192	941,584
Interest expense capitalised as:-					
- property, development costs	-	-	-	176,452	176,452
- property, plant and equipment (Note 34(a))	-	920,007	-	-	920,007
	123,348	1,086,746	6,742	923,644	2,140,480
At 31 December	388,138	20,838,798	124,270	-	21,351,206

34. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

	Lease Liabilities RM	Term Loans RM	Hire Purchase Creditors RM	Total RM
The Group				
2023				
At 1 January	472,074	24,205,999	264,986	24,943,059
Changes in Financing Cash Flows				
Proceeds from drawdown	-	5,772,803	-	5,772,803
Repayment of principal	(186,853)	(9,392,461)	(68,822)	(9,648,136)
Repayment of interests	(28,758)	(1,152,158)	(9,815)	(1,190,731)
	(215,611)	(4,771,816)	(78,637)	(5,066,064)
Other Changes				
Acquisition of new leases (Notes 23 and 34(a))	548,978	-	-	548,978
Interest expense recognised in profit or loss (Note 31)	28,758	445,169	9,815	483,742
Interest expense capitalised as property, plant and equipment (Note 34(a))	-	706,989	-	706,989
Termination of leases (Note 23)	(370,600)	-	-	(370,600)
	207,136	1,152,158	9,815	1,369,109
At 31 December	463,599	20,586,341	196,164	21,246,104

Others comprise bank interests and revolving credit interests.

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34. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

	Other Payables - Amount owing to subsidiaries RM
The Company	
2024	
At 1 January	15,613,232
Changes in Financing Cash Flows	
Advances from subsidiaries	21,073,160
Repayment to subsidiaries	(3,586,204)
	17,486,956
Other Changes	
Interest expense recognised in profit or loss (Note 31)	1,351,444
At 31 December	34,451,632
2023	
At 1 January	12,961,045
Changes in Financing Cash Flows	
Advances from subsidiaries	2,340,297
Other Changes	
Interest expense recognised in profit or loss (Note 31)	311,890
At 31 December	15,613,232

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

34. CASH FLOW INFORMATION (CONT'D)

(c) The total cash outflows for leases as a lessee are as follows:-

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Payment of short-term leases	42,600	16,800	-	-
Payment of low-value assets	17,079	7,436	-	-
Interest paid on lease liabilities	20,911	28,758	-	-
Payment of lease liabilities	177,898	186,853	-	-
	258,488	239,847	-	-

(d) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Fixed deposits with a licensed bank	-	1,018,778	-	-
Cash and bank balances	7,226,754	13,418,513	777,945	4,566,870
	7,226,754	14,437,291	777,945	4,566,870
Less: Fixed deposits with tenure of more than 3 months and pledged to a licensed bank	-	(1,018,778)	-	-
	7,226,754	13,418,513	777,945	4,566,870

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35. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year is as follows:-

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
(a) Directors				
Directors of the Company				
Short-term employee benefits:				
- fees	372,000	433,694	372,000	433,694
- salaries, bonuses and other benefits	1,122,071	422,991	361,000	50,800
	1,494,071	856,685	733,000	484,494
Defined contribution benefits	38,355	41,800	-	-
	1,532,426	898,485	733,000	484,494
(b) Other Key Management Personnel				
Short-term employee benefits	636,467	644,921	-	-
Defined contribution benefits	82,288	83,205	-	-
Total compensation for other key management personnel (Note 31)	718,755	728,126	-	-

36. RELATED PARTY DISCLOSURES

(a) Subsidiaries

The subsidiaries are disclosed in Note 5 to the financial statements.

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Subsidiaries				
Interest expenses	-	-	1,351,444	311,890
Interest income	-	-	(2,763,015)	(1,514,620)
Associate				
Interest income	(247,524)	(269,176)	(247,524)	(269,176)
Company in which certain director has controlling interest				
Property development costs paid/payable	1,082,253	-	-	-

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.

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37. OPERATING SEGMENTS

The Company and its subsidiaries are principally engaged in property development and construction, investment holding and trading.

The Company has identified at three (2023: three) reportable segments that are organised and managed separately according to the business segments, which requires different business and marketing strategies. The reportable segments are summarised as follows:-

- Property development and construction segment – developing properties, securing and carrying out construction contracts and a hotel under construction intended for the Group's occupancy.
- Investment holding segment – investing activities where investments contribute dividend income and interest income, as well as sharing the results of investee companies.
- Trading segment – trading of building materials to third party customers.

Segment performance is evaluated based on operating profit, excluding non-recurring losses, and in certain aspects, it is measured differently from operating profit in the consolidated financial statements.

Inter-segment revenue is transacted on terms and conditions not materially different from those obtainable in transactions with unrelated parties and is eliminated in the consolidated financial statements. These policies have been consistently applied throughout the current and previous financial years.

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37. OPERATING SEGMENTS (CONT'D)

Segment assets exclude tax assets, investments and assets used primarily for corporate purposes.

Segment liabilities exclude tax liabilities. Details are provided in the reconciliations from segment assets and liabilities to the financial position of the Group.

37.1 BUSINESS SEGMENTS

	Property Development and Construction Segment RM	Investment Holding Segment RM	Trading Segment RM	Consolidation Adjustments RM	The Group RM
2024					
Revenue					
External revenue	48,112,092	-	-	-	48,112,092
Inter-segment revenue	13,893,064	-	-	(13,893,064)	-
	62,005,156	-	-	(13,893,064)	48,112,092
Results					
Segment profit/(loss)	3,733,751	(1,379,178)	(10,254)	(10,913,831)	(8,569,512)
Finance costs	(3,129,038)	(1,351,871)	(6,987)	3,546,312	(941,584)
Share of profits of equity-accounted associate	-	227,841	-	-	227,841
Profit/(Loss) before taxation	604,713	(2,503,208)	(17,241)	(7,367,519)	(9,283,255)
Other Information					
Bad debt written off	-	20,061	-	(20,061)	-
Depreciation of property, plant and equipment	317,358	-	-	-	317,358
Depreciation of investment property	9,900	-	-	-	9,900
Depreciation of right-of-use assets	182,988	-	-	-	182,988
Impairment loss on goodwill	-	-	-	9,840,976	9,840,976
Impairment loss on investment in subsidiaries	-	3,231,991	-	(3,231,991)	-
Interest expenses	3,129,038	1,351,871	6,987	(3,546,312)	941,584
Fair value gain on other financial asset	(11,817)	-	-	-	(11,817)
Gain on disposal of investment property	(43,550)	-	-	-	(43,550)
Interest income	(1,364,666)	(3,032,061)	-	4,114,459	(282,268)
Rental income	(7,500)	-	-	-	(7,500)
Share of profit of equity accounted associate	-	-	-	(227,841)	(227,841)

37. OPERATING SEGMENTS (CONT'D)

37.1 BUSINESS SEGMENTS (CONT'D)

	Property Development and Construction Segment RM	Investment Holding Segment RM	Trading Segment RM	Consolidation Adjustments RM	The Group RM
2024					
Assets					
Segment assets	245,997,034	187,904,095	142,904	(246,389,042)	187,654,991
Investments in an associate					4,615,619
Unallocated assets:-					
- deferred tax assets					95,300
- current tax assets					983,787
Consolidated total assets					193,349,697
Additions to non-current assets other than financial instruments					
Property, plant and equipment	425,633	-	-	-	425,633
Right-of-use assets	102,437	-	-	-	102,437
Liabilities					
Segment liabilities	138,553,946	34,609,435	166,255	(126,200,215)	47,129,421
Unallocated liabilities:-					
- current tax liabilities					40,025
Consolidated total liabilities					47,169,446

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

37. OPERATING SEGMENTS (CONT'D)

37.1 BUSINESS SEGMENTS (CONT'D)

	Property Development and Construction Segment RM	Investment Holding Segment RM	Trading Segment RM	Consolidation Adjustments RM	The Group RM
2023					
Revenue					
External revenue	65,450,346	-	(69,377)	-	65,380,969
Inter-segment revenue	-	-	75,416	(75,416)	-
	65,450,346	-	6,039	(75,416)	65,380,969
Results					
Segment profit/(loss)	7,119,321	726,732	(12,991)	(6,215,685)	1,617,377
Finance costs	(1,984,946)	(311,890)	(13,416)	1,826,510	(483,742)
Share of profits of equity-accounted associate	-	318,558	-	-	318,558
Profit/(Loss) before taxation	5,134,375	733,400	(26,407)	(4,389,175)	1,452,193
Other Information					
Depreciation of property, plant and equipment	223,256	-	-	-	223,256
Depreciation of investment property	133,650	-	-	-	133,650
Depreciation of right-of-use assets	196,160	-	-	-	196,160
Fair value loss on other financial asset	334,076	-	-	-	334,076
Interest expenses	1,984,946	311,890	13,416	(1,826,510)	483,742
Property, plant and equipment written off	1,431	-	-	-	1,431
Interest income	(354,033)	(1,793,243)	-	1,826,510	(320,766)
Gain on lease termination	(31,508)	-	-	-	(31,508)
Reversal of impairment loss on other receivables	(7,243)	-	-	-	(7,243)
Share of profit of equity accounted associate	-	(318,558)	-	-	(318,558)

37. OPERATING SEGMENTS (CONT'D)

37.1 BUSINESS SEGMENTS (CONT'D)

	Property Development and Construction Segment RM	Investment Holding Segment RM	Trading Segment RM	Consolidation Adjustments RM	The Group RM
2023					
Assets					
Segment assets	193,649,742	163,457,931	147,816	(164,721,001)	192,534,488
Investments in an associate					4,387,778
Unallocated assets:-					
- deferred tax assets					95,300
- current tax assets					409,698
Consolidated total assets					197,427,264
Additions to non-current assets other than financial instruments					
Property, plant and equipment	18,491,088	-	-	-	18,491,088
Investment properties	341,000	-	-	-	341,000
Right-of-use assets	548,978	-	-	-	548,978
Liabilities					
Segment liabilities	85,281,138	15,699,394	150,702	(53,399,692)	47,731,542
Unallocated liabilities:-					
- current tax liabilities					1,671,059
Consolidated total liabilities					49,402,601

37.2 GEOGRAPHICAL INFORMATION

The Group operates predominantly in three business segments in Malaysia. Accordingly, the information by geographical segments is not presented.

37.3 MAJOR CUSTOMERS

There is no single customer that contributed 10% or more to the Group's revenue.

38. CAPITAL COMMITMENTS

	The Group	
	2024 RM	2023 RM
Purchase of property, plant and equipment	2,547,041	3,906,646

39. FINANCIAL INSTRUMENTS

The activities of the Group and of the Company are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and of the Company.

39.1 FINANCIAL RISK MANAGEMENT POLICIES

The policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group and the Company do not have any transactions or balances denominated in foreign currencies and hence, are not exposed to foreign currency risk.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group adopts a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The fixed rate debt instruments of the Group are not subject to interest rate risk since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 24 to the financial statements.

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	The Group	
	2024	**2023**
	RM	**RM**
Effects on Loss After Taxation		
Increase of 25 (2023: 25) basis points	(45,735)	(13,759)
Decrease of 25 (2023: 25) basis points	45,735	13,759

There is no impact on the Group's equity.

(iii) Equity Price Risk

The Group and the Company do not have any quoted investments and hence, are not exposed to equity price risk.

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group and the Company manage their exposures to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

In addition, the Company's exposure to credit risk includes loans and advances to subsidiaries, and corporate guarantees given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their loans on an individual basis.

(i) Credit Risk Concentration Profile

The Group and the Company do not have any significant credit risk related to any individual customer or counterparty.

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of Impairment Losses

The Group and the Company have an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group and the Company closely monitor the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group and the Company evaluate whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:
- Significant financial difficult of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty; or
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group and the Company consider a receivable to be in default when the receivable is unlikely to repay its debt to the Group and the Company in full or is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more a lagging default criterion is more appropriate.

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables including related parties and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on an individual basis.

The expected loss rates are based on the historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts using the linear regressive analysis. The Group has identified the unemployment rate, Gross Domestic Product (GDP) and inflation rate as the key macroeconomic factors of the forward-looking information.

Purchasers are generally financed by loan facilities from reputable financiers. In addition, the credit risk is limited as the ownership and rights to the properties sold will revert to the Group in the event of default, and the products do not suffer from physical, technological and fashion obsolescence. Therefore, there is minimal exposure to credit risk from its property development activities.

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39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses

The information about the credit exposure and loss allowances recognised for trade receivables and contract assets are as follows:-

	Gross Amount RM	Individual Impairment RM	Carrying Amount RM
The Group			
2024			
Current (not past due)	13,068,564	-	13,068,564
1 to 90 days past due	123,886	-	123,886
More than 91 days past due	1,939,651	-	1,939,651
Credit impaired	104,249	(104,249)	-
Trade receivables	15,236,350	(104,249)	15,132,101
Contract assets	3,933,322	-	3,933,322
	19,169,672	(104,249)	19,065,423
2023			
Current (not past due)	63,642	-	63,642
1 to 90 days past due	2,255,201	-	2,255,201
More than 91 days past due	3,416,574	-	3,416,574
Credit impaired	104,249	(104,249)	-
Trade receivables	5,839,666	(104,249)	5,735,417

Trade receivables and contract assets that are individually determined to be impaired relate to debtors who are in significant financial difficulties and have defaulted on payments. These debtors are not secured by any collateral or credit enhancements.

Trade receivables and contract assets that are collectively determined to be impaired relate to expected credit losses measured based on the Group's observed default rates.

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses (Cont'd)

There has not been any significant change in the gross amounts of trade receivables and contract assets that impacted the allowance for impairment losses.

Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

Allowance for Impairment Losses

No expected credit loss is recognised on other receivables as it is negligible.

Fixed Deposits with A Licensed Bank, Cash and Bank Balances

The Group and the Company consider the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owing by Subsidiaries (Non-trade Balances)

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances. Generally, the Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when the subsidiary is unlikely to repay its loan or advance in full or the subsidiary is continuously loss making or the subsidiary is having a deficit in its total equity.

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Owing by Subsidiaries (Non-trade Balances) (Cont'd)

Allowance for Impairment Losses

	Gross Amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
The Company			
2024			
Low credit risk	67,431,545	-	67,431,545
2023			
Low credit risk	37,714,212	-	37,714,212

The movements in the loss allowances are disclosed in Note 12 to the financial statements.

Amount Owing by Associate (Non-trade Balances)

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company applies the 3-stage general approach to measuring expected credit losses for amount owing by associate. Generally, the Company considers loans and advances to associate to have low credit risks. The Company assumes that there is a significant increase in credit risk when an associate's financial position deteriorates significantly. As the Company is able to exercise significant influence over the timing of payments of the associate's loans and advances, the Company considers the loans and advances to be in default when the associate is not able to pay when demanded. The Company considers an associate's loan or advance to be credit impaired when the associate is unlikely to repay its loan or advance in full or the associate is continuously loss making or the associate is having a deficit in its total equity.

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Owing By Associates (Non-trade Balances) (Cont'd)

Allowance for Impairment Losses

The Group/The Company	Gross Amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
2024			
Significant increase in credit risk	6,119,302	(3,955,357)	2,163,945
2023			
Significant increase in credit risk	5,871,778	(3,955,357)	1,916,421

The movements in the loss allowances are disclosed in Note 12 to the financial statements.

Financial Guarantee Contracts

Corporate guarantees for borrowing facilities granted to subsidiaries and associate are financial guarantee contracts.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company closely monitors the subsidiaries' financial strength to mitigate the risk of potential losses.

The Company considers there is a significant increase in credit risk when the subsidiaries' and associate's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:
- The subsidiaries and associate are unlikely to fulfil their obligations to the bank in full; or
- The subsidiaries and associate have a deficit in equity and are continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually, based on available internal information.

Allowance for Impairment Losses

All of the financial guarantee contracts are considered to be performing, with low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were recognised based on 12-month expected credit losses.

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
The Group						
2024						
Non-derivative Financial Liabilities						
Trade payables	-	16,530,790	16,530,790	16,530,790	-	-
Other payables and accruals	-	3,441,110	3,441,110	3,441,110	-	-
Lease liabilities	5.13 - 5.46	388,138	406,215	243,810	162,405	-
Term loans	5.36 - 5.76	20,838,798	22,573,459	4,513,632	17,359,827	700,000
Hire purchase creditors	4.11 - 4.72	124,270	131,949	66,582	65,367	-
		41,323,106	43,083,523	24,795,924	17,587,599	700,000
2023						
Non-derivative Financial Liabilities						
Trade payables	-	13,787,921	13,787,921	13,787,921	-	-
Other payables and accruals	-	6,339,995	6,339,995	6,339,995	-	-
Lease liabilities	5.46	463,599	497,025	198,810	298,215	-
Term loans	4.85 - 5.59	20,586,341	22,385,165	2,055,288	17,901,107	2,428,770
Hire purchase creditors	4.11 - 4.72	196,164	210,584	78,625	123,328	8,631
		41,374,020	43,220,690	22,460,639	18,322,650	2,437,401

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
The Company				
2024				
Non-derivative Financial Liabilities				
Other payables	5.13 - 5.40	34,451,632	36,212,110	36,212,110
Other payables and accruals	-	157,803	157,803	157,803
Financial guarantee contracts in relation to corporate guarantee given to:				
- certain subsidiaries	-	-	20,838,798	20,838,798
- an associate	-	-	10,994,509	10,994,509
		34,609,435	68,203,220	68,203,220
2023				
Non-derivative Financial Liabilities				
Other payables	4.97 - 5.49	15,613,232	16,464,153	16,464,153
Other payables and accruals	-	86,162	86,162	86,162
Financial guarantee contracts in relation to corporate guarantee given to:				
- certain subsidiaries	-	-	20,586,341	20,586,341
- an associate	-	-	12,482,769	12,482,769
		15,699,394	49,619,425	49,619,425

The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

39. FINANCIAL INSTRUMENTS (CONT'D)

39.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group are able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payments, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory requirements, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to-equity ratio of the Group at the end of the reporting period is as follows:-

	The Group	
	2024 RM	**2023 RM**
Term loans (Note 24)	20,838,798	20,586,341
Hire purchase creditors (Note 25)	124,270	196,164
	20,963,068	20,782,505
Less: Fixed deposits with a licensed banks (Note 17)	-	(1,018,778)
Less: Cash and bank balances	(7,226,754)	(13,418,513)
Net debt	13,736,314	6,345,214
Total equity	146,180,251	148,024,663
Debt-to-equity ratio	0.09	0.04

There was no change in the approach to capital management during the financial year.

The Group is also required to comply with certain loan covenants as disclosed in Note 24(c) to the financial statements, failing which, the banks may call an event of default. The Group has complied with this requirement.

39. FINANCIAL INSTRUMENTS (CONT'D)

39.2 CAPITAL RISK MANAGEMENT (CONT'D)

The debt-to-equity ratio of the Company is not presented as its cash and cash equivalents exceeded the total external borrowings.

39.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Financial Assets				
Fair Value Through Profit or Loss				
Other financial asset (Note 13)	1,564,074	1,552,257	-	-
Amortised Cost				
Trade receivables (Note 15)	15,132,101	5,735,417	-	-
Other receivables (Note 12)	2,287,144	1,925,743	69,595,490	39,630,633
Fixed deposits pledged with a licensed bank (Note 17)	-	1,018,778	-	-
Cash and bank balances	7,226,754	13,418,513	777,945	4,566,870
	24,645,999	22,098,451	70,373,435	44,197,503
	26,210,073	23,650,708	70,373,435	44,197,503
Financial Liabilities				
Amortised Cost				
Trade payables (Note 26)	16,530,790	13,787,921	-	-
Other payables and accruals (Note 27)	3,441,110	6,339,995	34,609,435	15,699,394
Lease liabilities (Note 23)	388,138	463,599	-	-
Term loans (Note 24)	20,838,798	20,586,341	-	-
Hire purchase creditors (Note 25)	124,270	196,164	-	-
	41,323,106	41,374,020	34,609,435	15,699,394

39. FINANCIAL INSTRUMENTS (CONT'D)

39.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Financial Assets				
Fair Value Through Profit or Loss				
Net gains/(losses) recognised in profit or loss	11,817	(334,076)	-	-
Amortised Cost				
Net gain recognised in profit or loss	282,268	328,009	3,032,061	1,793,243
Financial Liabilities				
Amortised Cost				
Net losses recognised in profit or loss	(941,584)	(483,742)	(1,351,444)	(311,890)

39.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts, as these instruments have relatively short-term maturities or are repayable on demand.

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39. FINANCIAL INSTRUMENTS (CONT'D)

39.5 FAIR VALUE INFORMATION (CONT'D)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instrument Carried at Fair Value			Fair Value of Financial Instrument not Carried at Fair Value				
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	Total Fair Value RM	Carrying Amount RM
The Group								
2024								
Financial Asset								
Other financial asset	-	1,564,074	-	-	-	-	1,564,074	1,564,074
Financial Liabilities								
Hire purchase creditors	-	-	-	-	130,620	-	130,620	124,270
Term loans	-	-	-	-	20,838,798	-	20,838,798	20,838,798
2023								
Financial Asset								
Other financial asset	-	1,552,257	-	-	-	-	1,552,257	1,552,257
Financial Liabilities								
Hire purchase creditors	-	-	-	-	206,855	-	206,855	196,164
Term loans	-	-	-	-	20,586,341	-	20,586,341	20,586,341

39. FINANCIAL INSTRUMENTS (CONT'D)

39.5 FAIR VALUE INFORMATION (CONT'D)

(a) The fair value of the other financial asset is determined based on its surrender value as at the end of the financial year.

(b) The fair value of hire purchase creditors with fixed interest rates is estimated by discounting expected future cash flows using prevailing market interest rates.

(c) The fair value of the term loans with floating interest rates approximates their carrying amounts as the interest rates are repriced to market interest rates on or near the reporting date.

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ANALYSIS OF SHAREHOLDINGS

AS AT 29 MARCH 2025

Issued Share Capital and Shareholding Information

Total Number of Shares Issued	:	788,443,090 (excluding 111,840 treasury shares held)
Class of Shares	:	Ordinary shares ("Share(s)")
Voting Rights	:	One (1) vote per Share

Distribution of Shareholdings

Size of Shareholdings	Number of Shareholders (%)	Percentage of Shares (%)	Number of Shares	Percentage of Shareholders (%)
1 - 99	62	1.407	2,565	0.000 (1)
100 – 1,000	299	6.787	210,131	0.026
1,001 – 10,000	1,914	43.451	10,499,808	1.332
10,001 – 100,000	1,569	35.619	59,958,953	7.605
100,001 – 39,422,153(2)	560	12.713	531,502,733	67.412
39,422,154 and above(3)	1	0.023	186,268,900	23.625
Total	**4,405**	**100.00**	**788,443,090**	**100.000**

Notes:
(1) Negligible.
(2) Holdings representing less than 5% of issued shares.
(3) Holdings representing 5% and above of issued shares.

Substantial Shareholders

Name of Shareholder	Direct Number of Shares	Direct Percentage (%)	Indirect Number of Shares	Indirect Percentage (%)
Woo Wai Onn @ Foo Wai Onn	186,268,900	23.625	-	-

Directors' Shareholdings

Name of Director	Direct Number of Shares	Direct Percentage (%)	Indirect Number of Shares	Indirect Percentage (%)
Mok Juan Chek	-	-	-	-
Dato Abdullah Bin Abdul Mannan	14,000,000	1.776	-	-
Woo Wai Onn @ Foo Wai Onn	186,268,900	23.625	-	-
Kenny Woo Chi Yoong	-	-	186,268,900(i)	23.625
Ng Lee Thin	-	-	-	-
Kevin Low Ee Ming	-	-	-	-
Yap Yung Chien	-	-	-	-
Yau Yin Wee	-	-	-	-

Note:
(i) Indirect interest by virtue of his father, Mr. Woo Wai Onn @ Foo Wai Onn's interest (186,268,900 shares) pursuant to Section 59(11)(c) of the Companies Act 2016.

ANALYSIS OF SHAREHOLDINGS
AS AT 29 MARCH 2025 (cont'd)

Listing of the Thirty (30) Largest Shareholders

No.	Name	Number of Shares Held	Percentage (%)
1	Woo Wai Onn @ Foo Wai Onn	186,268,900	23.625
2	Yoong Li San	26,138,300	3.315
3	Tay Hwee Peng	18,622,800	2.362
4	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo Chai Hock	14,890,578	1.889
5	Abdullah Bin Abdul Mannan	14,000,000	1.776
6	Hang Chew Chee	12,305,000	1.561
7	Zhibo Realty Sdn.Bhd.	10,938,300	1.387
8	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Samuel Tan Hock Khoon	10,868,800	1.379
9	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hang Chew Chee	10,549,700	1.338
10	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chua Tick Yaw (3010752)	10,000,000	1.268
11	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Samuel Tan Hock Khoon (MY4360)	9,568,600	1.214
12	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Tee (Tay) Eng Joo (MF00316)	7,666,000	0.972
13	Lim Ee Loong	7,500,000	0.951
14	NSK Trading Sdn. Bhd.	7,500,000	0.951
15	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeo Ann Seck	7,320,000	0.928
16	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Yan Ten	7,150,000	0.907
17	Kenanga Nominees (Asing) Sdn Bhd Exempt AN For Phillip Securities Pte Ltd (Client Account)	6,968,216	0.884
18	Chong Tong Siew	6,805,300	0.863
19	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ang Chin How (M04)	6,736,513	0.854
20	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Koo Yu Ling	6,603,800	0.838
21	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kelvin Teo	6,358,513	0.806
22	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kom Huan Chee	6,190,909	0.785
23	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Sock Eng (MF00317)	6,000,000	0.761
24	Chew Seng Guan	5,668,900	0.719
25	Yeoh Phek Leng	5,594,000	0.709
26	Chua Eng Guan	5,393,500	0.684
27	Ng Teng Yau	5,310,500	0.674
28	Chua Tick Yaw	4,926,000	0.625
29	Hsin Tsai Ying	4,750,000	0.602
30	Wong Kim Hung	4,710,000	0.597

ANALYSIS OF WARRANTS A HOLDINGS

AS AT 29 MARCH 2025

Warrant Information

Number of Unexercised Warrants	:	97,211,694
Exercise Price	:	RM0.29 per warrant
Expiry Date	:	11 August 2025

Distribution of Warrant Holdings

Size of Warrant Holdings	Number of Warrant Holders	Percentage of Holders (%)	Number of Warrants	Percentage of Warrants (%)
1 - 99	184	7.513	7,962	0.008
100 – 1,000	699	28.543	562,295	0.578
1,001 – 10,000	1,075	43.895	4,723,352	4.859
10,001 – 100,000	371	15.149	13,080,407	13.456
100,001 – 4,860,583(1)	118	4.818	60,252,130	61.980
4,860,584 and above(2)	2	0.082	18,585,548	19.119
Total	**2,449**	**100.000**	**97,211,694**	**100.000**

Notes:

(1) Holdings representing less than 5% of unexercised warrants
(2) Holdings representing 5% and above of unexercised warrants

Substantial Warrant Holders

Warrant Holder	Number of Warrants	Percentage (%)
Liew Kok Chiang	11,950,000	12.293
ACTE Properties Sdn Bhd	6,635,548	6.826

Directors' Warrant Holdings

Director	Number of Warrants	Percentage (%)
Mok Juan Chek	-	-
Dato Abdullah Bin Abdul Mannan	-	-
Woo Wai Onn @ Foo Wai Onn	-	-
Kenny Woo Chi Yoong	-	-
Ng Lee Thin	-	-
Kevin Low Ee Ming	-	-
Yap Yung Chien	-	-
Yau Yin Wee	-	-

ANALYSIS OF WARRANTS A HOLDINGS

AS AT 29 MARCH 2025 (cont'd)

Thirty (30) Largest Warrant Holders

No.	Warrant Holder	Number of Warrants Held	Percentage (%)
1	Liew Kok Chiang	11,950,000	12.293
2	ACTE Properties Sdn Bhd	6,635,548	6.826
3	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Solomon Tan Yiin Yuh	3,700,000	3.806
4	Lai Thiam Poh	3,211,500	3.304
5	Kenanga Nominees (Asing) Sdn Bhd Exempt AN For Phillip Securities Pte Ltd (Client Account)	3,199,608	3.291
6	Yeo Swee Wee	3,095,700	3.184
7	Chua Eng Guan	2,696,750	2.774
8	Leong Ngai Seng	1,796,978	1.849
9	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Goh Mon Chiuan	1,718,900	1.768
10	Lee Hong Peng	1,496,850	1.540
11	Chong Chin Onn	1,352,100	1.391
12	Adscore Sdn.Bhd.	1,348,545	1.387
13	Tan Yau Lam	1,162,600	1.196
14	Tan Hui Poh	1,065,000	1.096
15	Moomoo Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Low Bak Guan	1,000,000	1.029
16	Chua Eng Guan	819,231	0.843
17	Chua Soo Chai	800,000	0.823
18	Junaidi Bin Rahman	798,000	0.821
19	C.L.P. Industries Sdn Bhd	739,000	0.760
20	Tan Bee Leng	701,200	0.721
21	Chai Ming Luh	700,000	0.720
22	Ling Ah Keng	700,000	0.720
23	Johan Enterprise Sdn. Bhd.	690,000	0.710
24	Yew Sau Ling	676,000	0.695
25	Loh Jun Hui	640,000	0.658
26	Teo Hock Leong	610,000	0.627
27	Chu Wan Chek	605,000	0.622
28	Tan Boon Hua	602,500	0.620
29	Chu Wan Chek	600,000	0.617
30	Ng Shan Kuan	559,500	0.576

LIST OF PROPERTIES HELD BY THE GROUP

No.	Location / Postal address	Descriptions	Built-up Approximate Areas (sq. m.)	Land Approximate Areas (sq. m.)	Existing Use	Net Book Value (RM'000)
1.	Hakmilik Strata No. PN 69492/M1-Menara A/1-18/11, No. Bangunan M1 - Menara A, No. Tingkat 1-18, No. Petak 11, Bandar Melaka, Kawasan Bandar XLIV, Daerah Melaka Tengah, Negeri Melaka.	Hotel	17,634	-	Unoccupied, pending Certificate of Completion and Compliance ("CCC")	**44,742**
2.	Unit No. A-S13-G, Hakmilik Strata No. PN 69492/M1/1/14, No. Bangunan M1, No. Tingkat 1, No. Petak 14, Bandar Melaka, Kawasan Bandar XLIV, Daerah Melaka Tengah, Negeri Melaka.	Retail unit	473	-	Unoccupied, pending CCC	**1,832**
3.	Unit No. A-S8, Hakmilik Strata No. PN 69492/M1/1-4/8, No. Bangunan M1, No. Tingkat 1-4, No. Petak 8, Bandar Melaka, Kawasan Bandar XLIV, Daerah Melaka Tengah, Negeri Melaka.	4 storey shophouse	684	-	Investment property, pending CCC to complete the disposal	**1,606**
4.	Unit No. A-S9, Hakmilik Strata No. PN 69492/M1/1-4/10, No. Bangunan M1, No. Tingkat 1-4, No. Petak 10, Bandar Melaka, Kawasan Bandar XLIV, Daerah Melaka Tengah, Negeri Melaka.	4 storey shophouse	574	-	Investment property, pending CCC to complete the disposal	**1,594**
5.	Unit No. A-S10, Hakmilik Strata No. PN 69492/M1/1-4/10, No. Bangunan M1, No. Tingkat 1-4, No. Petak 10, Bandar Melaka, Kawasan Bandar XLIV, Daerah Melaka Tengah, Negeri Melaka.	4 storey shophouse	604	-	Investment property, pending CCC to complete the disposal	**1,591**
6.	Unit No. C-S3-G, Hakmilik Strata No. PN 69492/M1/1/19, No. Bangunan M1, No. Tingkat 1, No. Petak 19, Bandar Melaka, Kawasan Bandar XLIV, Daerah Melaka Tengah, Negeri Melaka.	Retail unit	391	-	Unoccupied, pending CCC	**1,459**
7.	Unit No. A-S13A-G, Hakmilik Strata No. PN 69492/M1/1/15, No. Bangunan M1, No. Tingkat 1, No. Petak 145, Bandar Melaka, Kawasan Bandar XLIV, Daerah Melaka Tengah, Negeri Melaka.	Retail unit	473	-	Unoccupied, pending CCC	**1,082**

LIST OF PROPERTIES HELD BY THE GROUP

(cont'd)

No.	Location / Postal address	Descriptions	Built-up Approximate Areas (sq. m.)	Land Approximate Areas (sq. m.)	Existing Use	Net Book Value (RM'000)
8.	Unit No. C-S3-01, Hakmilik Strata No. PN 69492/M1/2/29, No. Bangunan M1, No. Tingkat 2, No. Petak 29, Bandar Melaka, Kawasan Bandar XLIV, Daerah Melaka Tengah, Negeri Melaka.	Retail unit	531	-	Unoccupied, pending CCC	**1,046**
9	Geran 504464, Lot 28093, Mukim Plentong, Johor Bahru (Address: No. 1, Jalan Bakawali 35, Taman Johor Jaya, 81100 Johor Bahru, Johor.)	Double-storey shop house	370	185	Sales gallery for project	**968**
10.	Unit No. B-S1-01, Hakmilik Strata No. PN 69492/M1/2/26, No. Bangunan M1, No. Tingkat 2, No. Petak 26, Bandar Melaka, Kawasan Bandar XLIV, Daerah Melaka Tengah, Negeri Melaka.	Retail unit	480	-	Unoccupied, pending CCC	**862**

ADMINISTRATIVE GUIDE FOR THE TWENTY-SIXTH ANNUAL GENERAL MEETING ("26TH AGM")

This guide provides information and procedures for shareholders attending or participating in the 26th AGM of Axteria Group Berhad.

Meeting Details:

Date	:	**Friday, 30 May 2025**
Time	:	**10:00 a.m.**
Venue	:	**Event Hall, Daiman 18 Golf Club, No. 18, Jalan Pesona, Taman Johor Jaya, 81100 Johor Bahru, Johor Darul Takzim.**

1. REGISTRATION ON THE DAY OF THE AGM

1.1 Registration will commence at **10:00 a.m.** and will remain open until the conclusion of the 26th AGM or as determined by the Chairman of the meeting.

1.2 Upon arrival, please present your original National Registration Identity Card (NRIC) or Passport (for non-Malaysian shareholders) to the registration staff for verification.

1.3 Following successful verification, you will be issued an identification wristband, which is required for voting purposes. Entry to the meeting hall will not be permitted without this wristband. Please note that lost or misplaced wristbands will not be replaced.

1.4 Registration must be completed in person. No registration on behalf of another individual will be allowed, even with the original identification document.

1.5 The registration counter will handle identity verification, registration, and the processing of proxy appointments or revocations.

2. CORPORATE MEMBERS

2.1 Corporate members intending to appoint corporate representatives (instead of proxies) are required to lodge their original certificate of appointment of corporate representative with Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") before the 26th AGM, or present the original certificate at the registration counter on the day of the AGM.

Attorney appointed under a power of attorney must deposit the original power of attorney with Tricor no later than 10:00 a.m. on Thursday, 29 May 2025, to be eligible to attend and vote at the 26th AGM.

3. ENTITLEMENT TO PARTICIPATE AND APPOINTMENT OF PROXY

3.1 Only shareholders whose names appear on the Record of Depositors as at 23 May 2025 are entitled to participate in the 26th AGM or to appoint proxy(ies) and/or the Chairman of the meeting to attend and vote on their behalf.

3.2 Shareholders who are unable to attend the 26th AGM may appoint the Chairman of the meeting as their proxy by indicating their voting instructions in the Form of Proxy.

3.3 Shareholders who wish to attend and participate in the 26th AGM personally should not submit a Form of Proxy. Shareholders attending in person will not be permitted to participate if a proxy has also been appointed on their behalf.

3.4 The appointment of a proxy may be made in hardcopy form or by electronic means, and must be received by the Company **no later than 10:00 a.m. on Thursday, 29 May 2025,** or in case of an adjourned general meeting, by the time of the adjourned meeting at which the appointed proxy intends to vote. **Otherwise, the Forms of Proxy will not be considered valid**.

ADMINISTRATIVE GUIDE FOR THE TWENTY-SIXTH ANNUAL GENERAL MEETING ("26TH AGM")

(cont'd)

(i) Hardcopy Submission

Completed Forms of Proxy can be submitted by hand or by post to the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or placed in the designated drop box located at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

(ii) By Electronic means

Shareholders have the option to submit Form of Proxy electronically via the TIIH Online platform. The steps for submission are outlined below:

Procedures	Actions
i. Steps for Individual Shareholders	
Register as a User with TIIH Online	• Please visit https://tiih.online using your computer and register as a user under the "e-Services Login" section. • Refer to the tutorial guide on the homepage for detailed instructions. • If you are already a registered TIIH Online user, this step is not required.
Submit your Form of Proxy	• Upon release the Notice of Meeting by the Company, log in using your email address (as the user ID) and password. • Once logged in, locate and select the corporate event labeled as **"AXTERIA GROUP BERHAD 26TH AGM - Submission of Proxy Form"**. • Read the Terms and Conditions carefully and confirm your agreement to the Declaration. • Enter your Central Depository System (CDS) account number and indicate the number of shares your proxy(ies) is authorised to vote on your behalf. • You may appoint one or more individuals as your proxy(ies) by providing the required details, or alternatively, appoint the Chairman of the meeting as your proxy. • For each resolution, indicate your voting instruction by selecting either "FOR" or "AGAINST". If no voting instructions is given, your proxy(ies) may vote at their discretion. • Review your proxy appointment details and voting instructions thoroughly before confirming your submission. • After successful submission, print a copy of the completed form of proxy for your records.
ii. Steps for corporate or institutional shareholders	
Register as a User with TIIH Online	• Access TIIH Online at https://tiih.online. • Under "e-Services Login", the authorised or nominated representative of the corporate or institutional shareholder should select "**Create Account by Representative of Corporate Holder**". • Complete the registration form and upload the required documents. • Your registration will be verified, and you will be notified via email within one (1) to two (2) working days. • Once received, activate your account using the temporary password provided in the email, and set a new password. Note: The representative of a corporate or institutional shareholder must complete the user registration as outlined above before they can proceed with electronic proxy submission on behalf the corporate holder. Please contact our Share Registrar if you need clarifications on the registration process.

ADMINISTRATIVE GUIDE FOR THE TWENTY-SIXTH ANNUAL GENERAL MEETING ("26TH AGM")

(cont'd)

Procedures	Actions
ii. Steps for corporate or institutional shareholders (cont'd)	
Submit your Form of Proxy	• Login to TIIH Online at https://tiih.online • Select the corporate event: "**AXTERIA GROUP BERHAD 26th AGM: Submission of Proxy Form**" • Read and agree to the Terms & Conditions and confirm the Declaration. • Download the prescribed file format for "Submission of Proxy Form" in accordance with the Guidance Note provided. • Prepare the proxy appointment file by inserting all required information. • Return to TIIH Online, select the corporate event: "**AXTERIA GROUP BERHAD 26th AGM - Submission of Proxy Form**", and upload the duly completed proxy appointment file. • Click "Submit" to complete your submission. • Print the confirmation report of for your records.

4. POLL VOTING

The voting at the 26th AGM will be conducted by way of poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor as Poll Administrator to facilitate the polling process.

Upon the conclusion of the voting session, the appointed Scrutineers will verify the poll results, after which the Chairman will announce whether the resolutions have been duly passed.

5. NO DISTRIBUTION OF DOOR GIFTS OR VOUCHERS

There will be no distribution of door gifts or vouchers in connection with the 26th AGM.

6. RECORDING OR PHOTOGRAPHY

Unauthorised recording or photography of the proceedings of the 26th AGM is strictly prohibited.

7. ENQUIRY

If you have any enquiries regarding the 26th AGM, please contact the following persons during office hours, Mondays to Fridays from 9:00 a.m. to 5:30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line	:	+603-2783 9299
Fax Number	:	+603-2783 9222
Email	:	is.enquiry@vistra.com
Contact persons	:	Mr. Mohammad Amirul Iskandar +603-2783 9279 (mohammad.amirul@vistra.com) Mr. Syafiqul Hafidz +603-2783 9024 (syafiqul.hafidz@vistra.com)

AXTERIA GROUP BERHAD
Registration No.: 199901021765 (496665-W)

FORM OF PROXY

CDS Account No.	
Number of Shares held	

I/We, ____ (full name in block letters)

NRIC No./Passport No./Company No. ____

of ____
(full address)

being member of **AXTERIA GROUP BERHAD ("Company")**, hereby appoint the following person(s) as my/our proxy:

Name of proxy & NRIC No. / Passport No.	Contact No.	Email address	No. of ordinary shares represented by proxy	Percentage of shareholding
1.				
2.				
			TOTAL	**100%**

or failing him/her, the Chairman of the Meeting as my/our proxy to vote on my/our behalf at the Twenty-Sixth (26th) Annual General Meeting ("AGM") at Event Hall, Daiman 18 Golf Club, No. 18, Jalan Pesona, Taman Johor Jaya, 81100 Johor Bahru, Johor Darul Takzim on Friday, 30 May 2025 at 10:00 a.m. and at every adjournment thereof, and to vote as indicated below:

No.	Ordinary Resolutions	For	Against
1.	Approval of Directors' fees for the financial year ending 31 December 2025		
2.	Approval of benefits payable to Directors		
3.	Re-election of Mr. Woo Wai Onn @ Foo Wai Onn as Director		
4.	Re-election of Ms. Ng Lee Thin as Director		
5.	Re-election of Mr. Kenny Woo Chi Yoong as Director		
6.	Re-appointment of Crowe Malaysia PLT as Auditors		
7.	Authority to Issue Shares and Waiver of Pre-Emptive Rights over Shares		
8.	Proposed Shareholders' Mandate for new Recurrent Related Party Transactions of a Revenue or Trading Nature		

Please indicate with [✓] on how you wish your votes to be cast. (Unless otherwise instructed, the proxy may vote as he/she thinks fit). If no specific direction as to voting is given, the proxy will vote or abstain at his/their discretion.

Dated this ____________ day of _____________ 2025

____
Signature of Shareholder(s) or Common Seal

fold this flap for sealing

Stamp

The Share Registrar of
AXTERIA GROUP BERHAD
Company No. : 199901021765 (496665-W)

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur.

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Notes:

1. *A member shall be entitled to appoint another person as his/their proxy to exercise all or any of his/their rights to attend, speak and vote in his/their stead pursuant to Section 334 of the Companies Act 2016. There shall be no restriction as to the qualification of the proxy.*

2. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney, must be deposited at Tricor's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or placed in the drop box located at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 24 hours before the time appointed for holding this meeting or any adjournment thereof as Paragraph 8.29A(1) of the Listing Requirements of Bursa Securities requires all resolutions set out in the Notice of 26th AGM to be voted on by way of poll. Alternatively, the form of proxy may be lodged electronically via TIIH Online website at https://tiih.online. Please refer to the Administrative Guide for the 26th AGM for on the procedures on electronic submission of the form of proxy.*

3. *In the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the Meeting as his/their proxy, provided always that the rest of the form of proxy, other than the particulars of the proxy, has been duly completed by the member(s).*

4. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/their shareholdings to be represented by each proxy.*

5. *If the appointer is a corporation, the instrument must be executed under its Common Seal or under the hand of an attorney duly authorised.*

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

7. *Only depositors whose names appear in the Register of Depositors as at 23 May 2025 shall be entitled to attend in person or appoint proxies to attend and/or vote on their behalf at the 26th AGM.*

Personal data privacy

By submitting the duly executed proxy form, the member and his/their proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of the 26th AGM and any adjournment thereof.

AXTERIA GROUP BERHAD
199901021765 (496665-W)
Suite 02-01, Level 2, Wisma Teras Eco, No. 56, Jalan Setia Tropika 1/14,
Taman Setia Tropika, 81200 Johor Bahru, Johor, Malaysia.
Tel: + 607-233 0911
Fax: + 607-233 0910