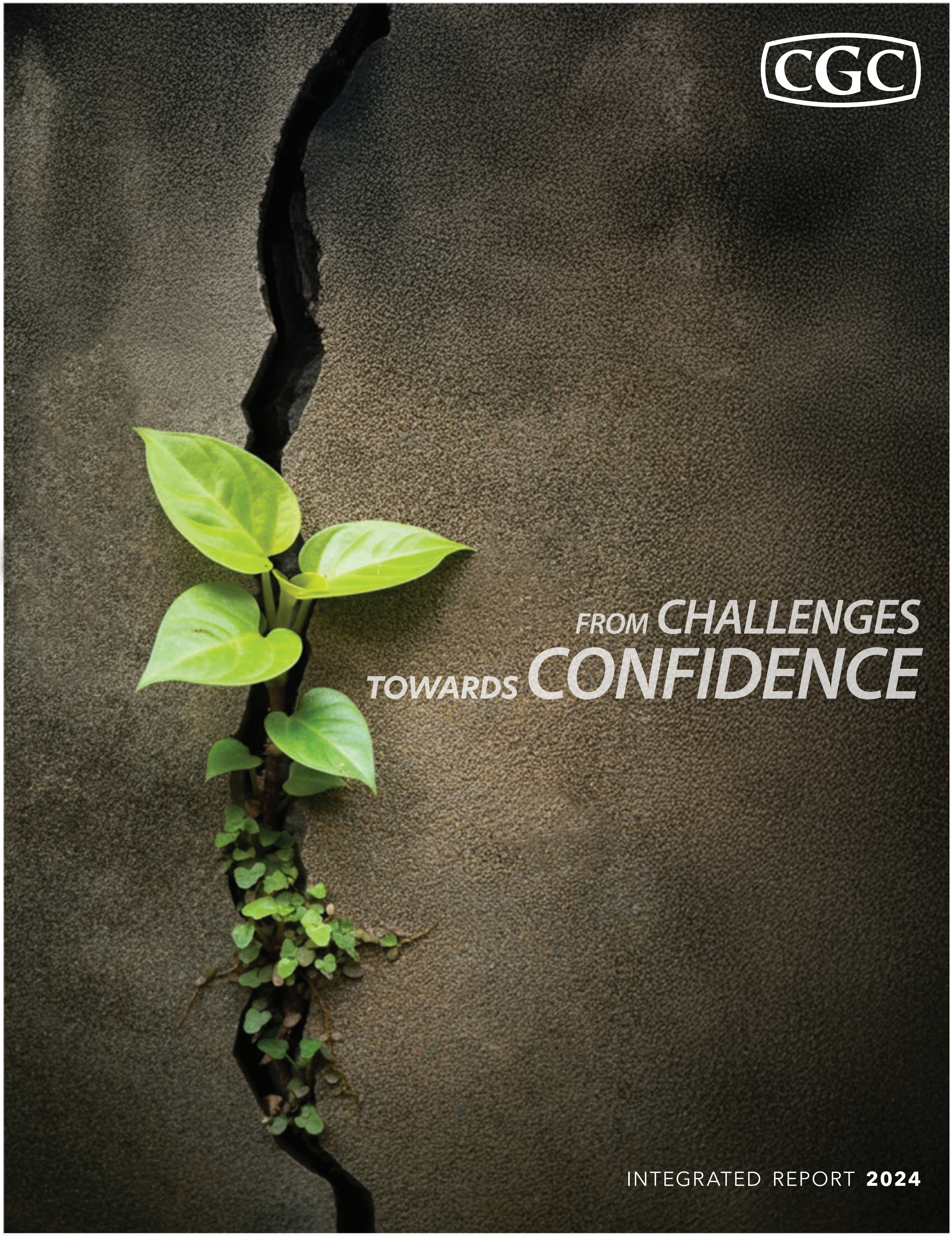


CGC

FROM CHALLENGES TOWARDS CONFIDENCE

INTEGRATED REPORT **2024**

COVER RATIONALE

Malaysian Micro, Small, and Medium Enterprises (MSMEs) are a vital force in driving our nation's economic growth and innovation. Yet, access to financing remains a persistent hurdle that limits their full potential. Amidst this disparity, Credit Guarantee Corporation Malaysia Berhad (CGC) stands as a catalyst for change, providing tailored guarantee schemes, innovative financial solutions, and strategic guidance that bridge financial gaps and open new pathways for success.

Beyond guarantee and financial support, CGC empowers Malaysian MSMEs with the tools, knowledge, and developmental resources they need to navigate evolving market landscapes, overcome uncertainties, and embrace emerging opportunities with agility and resilience.

Through unwavering support and a deep commitment to nurturing sustainable growth, CGC enables MSMEs not only to rise above challenges but to move forward with greater confidence, and build a future defined by strength, progress, and possibilities.

The cover design captures the spirit of resilience and growth, symbolising how CGC helps MSMEs rise from adversity with strength and optimism. The imagery of plants breaking through rock and cracks represents the determination and perseverance of Malaysian MSMEs progressing 'From Challenges Towards Confidence,' with their transformative journey supported by CGC and all key stakeholders within the MSME ecosystem.

ABOUT THIS REPORT

2024 marked another meaningful chapter in our journey, as we delivered noteworthy financial results while continuing to fulfil our mandate to empower Malaysian MSMEs, both financially and through broader developmental support.

This Annual Report captures the steady momentum we have built in helping MSMEs evolve 'From Challenges Towards Confidence' – breaking free from the lingering economic impacts of the pandemic. We have continued to refine our developmental programmes and enhance our digital platforms, unlocking greater access to alternative financing and strengthening our reach into unserved and underserved market segments. We have also deepened collaborations with financial and non-financial partners to launch innovative new solutions, while stepping up efforts to boost MSME capabilities, especially in digital adoption and sustainability.

As we approach the final year of our 2021-2025 Strategic Plan, we are focused on closing this period on a strong note while laying the groundwork for the next five years. This includes future-proofing our infrastructure, uplifting our people, enhancing our reach and solutions, and embedding EESG practices at the core of how we operate.

We remain committed to transparency and accountability, and this report reflects that. Building on the strides we made in enhancing our disclosures last year, we have continued to improve our reporting practices to better engage with stakeholders and foster a more connected, resilient Malaysian MSME ecosystem.

Thank you for joining us on this journey. I invite you to explore this year's report to see how CGC is moving forward with purpose–delivering impact today while shaping a more resilient tomorrow.

Datuk Mohd Zamree Mohd Ishak
President & Chief Executive Officer

SCOPE AND BOUNDARIES

This report presents CGC's financial and non-financial performance for the period of 1 January to 31 December 2024. It encompasses all business operations within CGC's reporting scope. Our objective is to provide a transparent account of how internal and external developments, key initiatives, and emerging risks and opportunities have shaped our business over the year.

REPORTING FRAMEWORK

This Annual Report is prepared with reference to relevant regulatory guidelines and standards. It aligns with the following national and global frameworks:

Integrated Reporting Frameworks

- Malaysian Code on Corporate Governance (MCCG) 2021 issued by Securities Commission Malaysia
- Bank Negara Malaysia's Corporate Governance Policy

Sustainability Reporting Frameworks

- Global Reporting Initiative (GRI) Standards
- Malaysian Code on Corporate Governance (MCCG) 2021 issued by Securities Commission Malaysia
- Sustainability Reporting Guide by Bursa Malaysia Securities Bhd
- FTSE4Good Bursa Malaysia Index's Environmental, Social and Governance (ESG) Indicators
- Task Force on Climate-related Financial Disclosures (TCFD)
- Climate Risk Management and Scenario Analysis by Bank Negara Malaysia
- United Nations Sustainable Development Goals (UNSDGs)
- Sustainability Accounting Standards Board (SASB) Sector Specific Disclosures
- Greenhouse Gas (GHG) Protocol: Corporate Accounting and Reporting Standard by the World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI)

MATERIALITY

We apply the principle of materiality to ensure our reporting remains focused, balanced, and relevant. The report highlights the issues, opportunities and challenges that have the most significant impact on the sustainability of our business and our ability to generate value for stakeholders over the short, medium and long term.

COMBINED ASSURANCE

A coordinated assurance approach underpins the credibility of this report. We leverage internal reviews and selected external inputs to evaluate key areas of our business and sustainability reporting, enhancing confidence in the reliability of the disclosures presented.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements that reflect our strategic direction and future priorities. These statements are based on current expectations and assumptions and are inherently subject to risks and uncertainties.

STATEMENT FROM THE BOARD OF DIRECTORS

The Board affirms its responsibility for the integrity of this report. It is the Board's opinion that this Annual Report provides a fair and comprehensive reflection of CGC's performance and addresses all key material matters.

FEEDBACK

CGC remains committed to improving the quality and transparency of our reporting. We invite stakeholders to visit our corporate website for more information or to share their thoughts and feedback via email.

Website : www.cgc.com.my
Email : ccsr@cgc.com.my
(Corporate Communications & Stakeholder Relations)

NAVIGATING OUR REPORT

This printed Annual Report is CGC's primary corporate disclosure document for the year ended 31 December 2024. It is supported by an interactive digital microsite designed for greater accessibility and stakeholder engagement.

NAVIGATION ICONS

Our Capitals

- FC Financial Capital
- HC Human Capital
- IC Intellectual Capital
- MC Manufactured Capital
- NC Natural Capital
- SRC Social & Relationship Capital

Stakeholders

- ST1 Partners and MSMEs
- ST2 Communities & NGOs
- ST3 Employees
- ST4 Suppliers
- ST5 Regulators

Key Risks

- R1 Business Risk
- R2 Credit Risk
- R3 Market Risk
- R4 Liquidity Risk
- R5 Operational Risk
- R6 Business Continuity Management (BCM) Risk
- R7 Information Technology and Cyber Risk

UNSDGs

3 Good Health and Well-being; 4 Quality Education; 5 Gender Equality; 7 Affordable and Clean Energy; 8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure; 10 Reduced Inequalities; 12 Responsible Consumption and Production; 13 Climate Action; 16 Peace, Justice and Strong Institutions

Key Focus Areas

- KFA 1 Expanding Offerings
- KFA 2 Prioritise the Needle Movers
- KFA 3 Building Resilience & Viable Catalysts
- KFA 4 Unleashing People's Potential
- KFA 5 Strengthening Sustainability Fundamentals

Material Matters

- M1 Climate Change
- M2 Digitalisation and Innovation
- M3 Financially Inclusive Solutions
- M4 Environmentally Friendly Solutions
- M5 Responsible Sourcing
- M6 Positive Socio-economic Impacts
- M7 Customer Experience
- M8 Diversity and Inclusion
- M9 Employee Health, Safety and Well-being
- M10 Talent Attraction, Development, Retention and Engagement
- M11 Promoting Financial Literacy
- M12 Community Investment and Development
- M13 Strategic Partnership
- M14 Good Governance
- M15 Regulatory Compliance
- M16 Privacy, Data Protection and Cybersecurity
- M17 Economic Performance

● Economic ● Environmental ● Social (Employee) ● Social (Community) ● Governance

Strategic Objectives

- SO1 Assist MSMEs to access financing through strategic partnerships
- SO2 Drive MSMEs' excellence through targeted developmental support
- SO3 Become a digitally-savvy organisation to propel scale and speed of MSMEs' impact
- SO4 Facilitate sustainability agenda encompassing Economic, Environment, Social and Governance aspects

Strategic Initiatives

- S1 Guarantees with Partner Ecosystems
- S2 Guarantee for Targeted Segments
- S3 Alternative Funding Model for MSMEs
- S4 Financing for Targeted Segments
- S5 SME Academy
- S6 imSME
- S7 Climate Impact Management
- S8 Sustainability Capability Enhancement

Strategic Enablers

- E1 Strategic Workforce Planning
- E2 Group Governance and Shared Services
- E3 Profit Mandate Review
- E4 GeMS
- E5 G-Core
- E6 Enterprise Data Warehouse (EDW)
- E7 Customer Relationship Management (CRM)
- E8 Data Intelligence

INSIDE THIS REPORT

ABOUT THIS REPORT

SECTION 1 OVERVIEW OF CGC

SECTION 2 KEY MESSAGES

SECTION 3 VALUE CREATION AT CGC

www.cgc.com.my

WHO WE ARE

Since our inception on 5 July 1972, Credit Guarantee Corporation Malaysia Berhad (CGC) has served as a vital bridge between financial institutions and Micro, Small, and Medium Enterprises (MSMEs), providing guarantees to unlock financing for unserved and underserved entrepreneurs.

Over the past 52 years, we have grown from a traditional guarantor into a dynamic and financially sustainable institution, with 78.65% ownership by Bank Negara Malaysia (BNM). Through strong partnerships with Financial Institutions (FIs) and Development Financial Institutions (DFIs), we have introduced solutions such as Portfolio Guarantee (PG) and Wholesale Guarantee (WG) schemes, offering customised products designed to fuel the ambitions of MSMEs and drive economic growth. Our commitment to MSMEs goes beyond financing. We take a comprehensive approach that adapts to evolving business landscapes, ensuring that entrepreneurs have the tools, resources, and support needed to thrive.

As part of our digital transformation, CGC Digital was established in July 2022 as the digital arm of the Corporation. CGC Digital's primary goal is to empower MSMEs by creating a simpler and more seamless financing experience in the digital ecosystem.

With over 538,000 guarantees and financing totalling more than RM99.4 billion provided since inception, we have empowered over 380,000 MSMEs to grow, scale, and transform their businesses. In 2018, we embraced digitalisation with the launch of imSME, an innovative fintech platform connecting MSMEs with a diverse range of financing solutions.

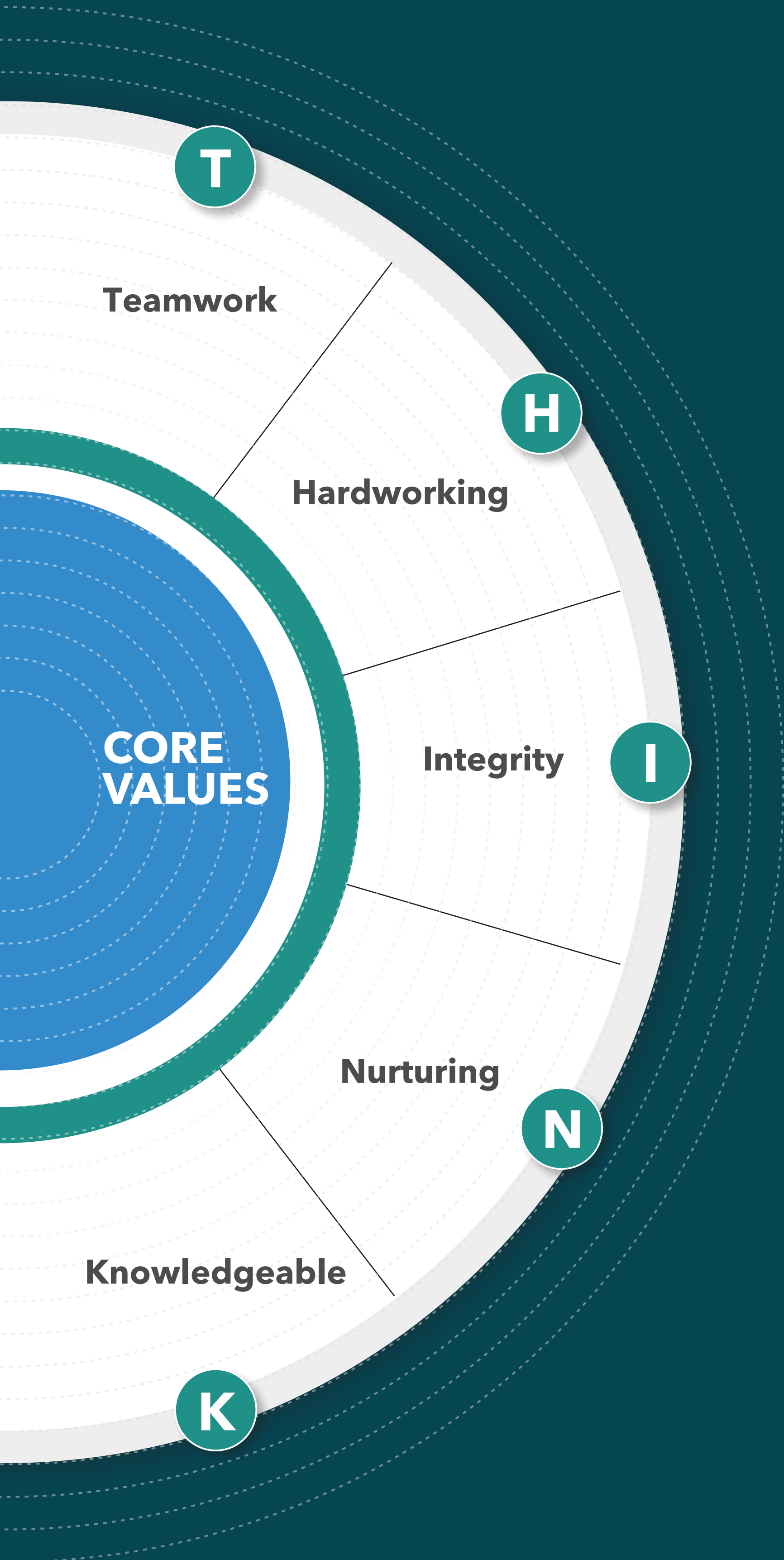
As we look ahead, our mission remains clear–to widen financial access, champion entrepreneurship, and create a thriving, inclusive MSME ecosystem. With a growing digital ecosystem complemented by 16 strategically located branches nationwide, we are committed to reaching and uplifting unserved and underserved MSMEs, ensuring they have the support to navigate challenges and seize new opportunities.

VISION

To be an effective financial institution dedicated to promoting the growth and development of competitive and dynamic micro, small and medium-sized enterprises

MISSION

To enhance the viability of micro, small and medium-sized enterprises through the provision of products and services at competitive terms and with the highest degree of professionalism, efficiency and effectiveness.



FULFILLING OUR MANDATE

538,873
Number of Accounts

RM99.4 BILLION
Guarantee and Financing

380,000
MSMEs Benefitted

16
Branches Nationwide

2018
Established

WHAT WE OFFER

Driven by our mandate to serve MSMEs, CGC facilitates access to financing through guarantee schemes offered in collaboration with Financial Institutions (FIs) and Development Financial Institutions (DFIs), as well as via financing solutions.

The CGC Developmental Programme®, a Beyond Guarantee initiative, complements these efforts by offering both Financial Advisory and Non-Financial Advisory services. Together, these products and services ensure that MSMEs not only gain access to funding but are also equipped with the capabilities to rebuild, adapt, and compete effectively in a dynamic market environment.

- Guarantee Schemes
- Financing Schemes
- imSME
- CGC Developmental Programme®
- MyKNP@CGC

PRODUCTS AND SERVICES

From our early beginnings as an institution supporting and promoting growth amongst Malaysia's small enterprises, CGC has evolved into a full-fledged partner to the MSME sector. We support, develop, and strengthen MSMEs progress and sustainability, enhancing business viability through a range of targeted financial products, advisory support, and capacity-building initiatives.

The ongoing CGC 5-Year Strategic Plan (2021–2025) reinforces our commitment to drive innovation and broaden our impact. In line with our aspiration to support MSMEs across all stages of development, we continue to develop customised products, innovative ideas and knowledge-sharing initiatives to uplift unserved and underserved market segments.

In 2024, we introduced new guarantee schemes under the Guarantee First Model, specifically designed to assist MSMEs in securing financing. Under this model, CGC processes the guarantee approvals in advance before the application is submitted to the bank for financing, thereby removing barriers and enhancing access to funding for these businesses.

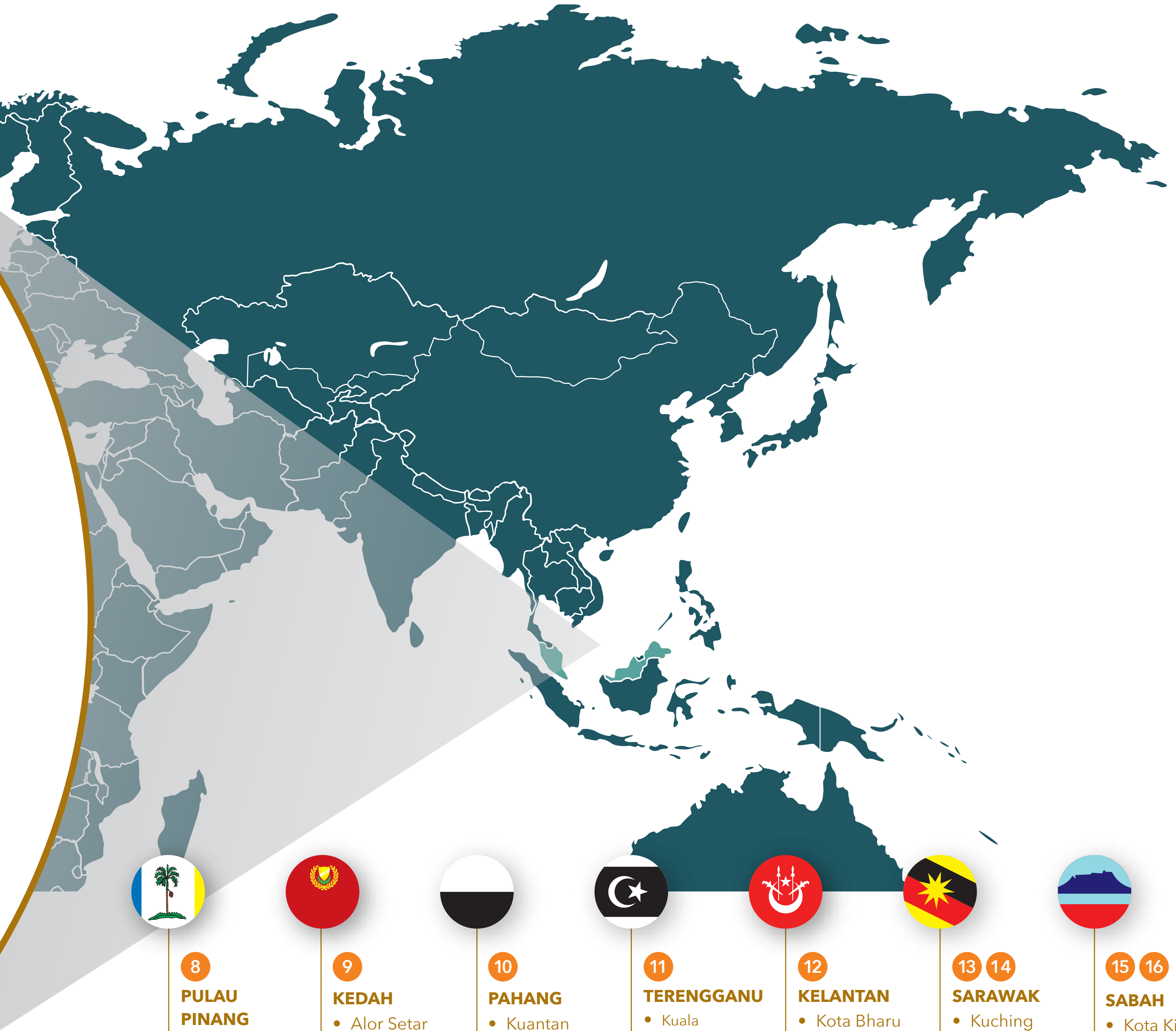
Through continuous innovation and the development of tailored financing solutions, CGC remains well-positioned to support MSMEs at every stage of growth, driving their long-term resilience, competitiveness, and contribution to the national economy.

- **Portfolio Guarantee Schemes**
- **Wholesale Guarantee Schemes**
- **Other Guarantee Schemes**
  - BizJamin
  - BizJamin-i
  - BizJamin Bumi
  - BizJamin Bumi-i
  - BizJamin Non-Resident Controlled Companies
  - BizJamin-i Non-Resident Controlled Companies
  - BizJamin-i Rakyat2E
  - BizJamin-i Micro TemanMesra
  - Flexi Guarantee Scheme (SME-All Economic Sectors)
  - Flexi Guarantee Scheme-i (SME-All Economic Sectors)
  - Franchise Financing Scheme
  - Green Technology Financing Scheme 4.0
  - Green Technology Financing Scheme-i 4.0
  - BizJamin High Tech & Green Facility
  - BizJamin-i High Tech & Green Facility
  - BizJamin Low Carbon Transition Facility
  - BizJamin-i Low Carbon Transition Facility
  - BizJamin Business Recapitalisation Facility
  - BizJamin-i Business Recapitalisation Facility
  - BizJamin Disaster Relief Facility 2022
  - BizJamin-i Disaster Relief Facility 2022

- Tabung Projek Usahawan Bumiputera-i (TPUB-i)

- **iMSME**
- **CGC DEVELOPMENTAL PROGRAMME®**
  - Financial Advisory
  - Non-Financial Advisory
- **MyKNP@CGC**

OUR PRESENCE



8 **PULAU PINANG**
- Prai

9 **KEDAH**
- Alor Setar

10 **PAHANG**
- Kuantan

11 **TERENGGANU**
- Kuala Terengganu

12 **KELANTAN**
- Kota Bharu

13 14 **SARAWAK**
- Kuching
- Miri

15 16 **SABAH**
- Kota Kinabalu
- Sandakan

Our reach extends across the nation, with 16 strategically located branches ensuring optimal coverage for our MSME customers. Driven by a commitment to financial inclusion, we continue to enhance accessibility through both digital and physical touchpoints, providing MSMEs with seamless and convenient access to our services.

GROUP PERFORMANCE HIGHLIGHTS

FINANCIAL

Share Capital
RM1.8
billion

Total Income
RM517.2
million

Revenue
RM241.1
million

Net Profit
RM52.2
million

Total Assets
RM5.2
billion

Liabilities
RM766.3
million

Equity
RM4.4
billion

Return on Equity
1.3%

Guarantee Reserve Ratio
1.6
Times

Cost-to-Income Ratio
34.4%

BUSINESS

Guarantee and Financing Approvals (Cumulative)
RM99.4
billion

Outstanding Guarantee & Financing Base
RM21.4
billion

Guarantee and Financing Approvals (Annual)
RM4.0
billion

MSMEs Assisted through Financial Advisory
3,117

MSMEs Assisted through Business Advisory and Branch Advisory Programme
4,604

Overall Customer Satisfaction
95%

SUSTAINABILITY

We are dedicated to shaping a sustainable future–one where economic progress goes hand-in-hand with environmental stewardship and social impact. Guided by robust EESG (Economic, Environmental, Social, and Governance) principles, we aim to create lasting value by harmonising the needs of our business and stakeholders with the well-being of communities and the planet. Our ultimate ambition is to embed sustainability across all our operations–supporting progress towards a better world while driving long-term value creation. The CGC Sustainability Framework established in 2022 has continued to guide our efforts in completing a host of impactful initiatives across our EESG pillars in 2024.

PILLAR 1

Sustainable Solutions

- **4,632** MSMEs assisted by CGC Developmental Programme®
- **225,816** imSME total visitors
- **RM9.2 million** imSME total approved financing

PILLAR 2

Towards a Low-Carbon Economy

- Established CGC's **SCOPE 1, SCOPE 2** and **SCOPE 3** emissions
- **75%** of light fittings in CGC Headquarters were retrofitted to LED
- Introduced **RM1.0 billion PG ESG** schemes
- **Green Technology Financing Scheme (GTFS 4.0)** administrator

PILLAR 3

Fostering Meaningful Partnerships

- **20** aspiring young entrepreneurs trained under CGC100 Programme
- Incorporated **ESG modules** in CGC100 Programme
- Continued **ESG training** in CGC Developmental Programme®

PILLAR 4

Embedding Sustainability into CGC

- Sustainability-related training and workshops for all staff
- CCPT sessions for branch and credit staff

GROUP PERFORMANCE HIGHLIGHTS

AWARDS & RECOGNITIONS

ASSOCIATION OF DEVELOPMENT FINANCING INSTITUTIONS IN ASIA AND THE PACIFIC (ADFIAP) DEVELOPMENT AWARDS 2023

ADFIAP DEVELOPMENT AWARDS

CGC Developmental Programme® appeared under the Financial Inclusion category

MARC RATINGS

MARC

MARC Ratings affirmed its AAA rating for CGC with a stable outlook

NATIONAL ANNUAL CORPORATE REPORT AWARDS (NACRA)

NACRA National Annual Corporate Report Awards 2024

GRADUAN BRAND AWARDS

GRADUAN BRAND AWARDS

Top 50 under Malaysia's Most Preferred Employers

OUR COMPETITIVE ADVANTAGE

With over five decades of experience since our establishment in 1972, CGC has stood as a cornerstone of Malaysia's financial ecosystem, steadfast in our mission to empower MSMEs. Our enduring legacy, deep-rooted expertise, and consistent delivery have positioned us as a highly competitive and trusted development financial institution. Today, we continue to build on this foundation through a variety of strategic advantages that differentiate us within the sector.

Strategic Regional Presence

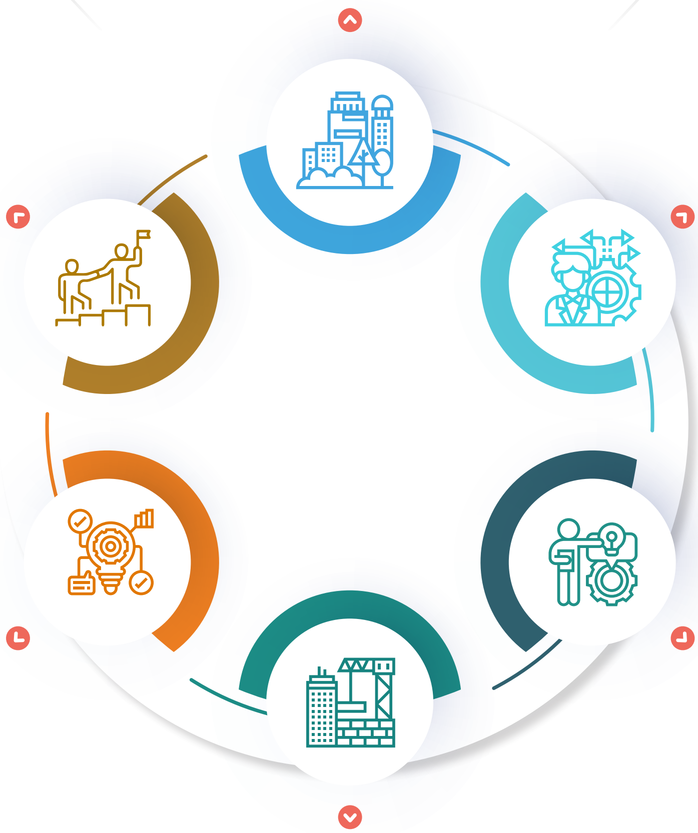
Operating 16 strategically located branches across Malaysia. We ensure that MSMEs nationwide have access to our services, reinforcing our commitment to inclusive financial support.

Visionary Leadership

Our experienced Senior Management Team and Board of Directors bring a wealth of experience in banking, finance and business, steering CGC with strategic foresight and unwavering dedication.

Holistic MSME Support Ecosystem

Through our Beyond Guarantee initiatives, we provide comprehensive financial and non-financial assistance to MSMEs. This includes advisory workshops and training under the CGC Developmental Programme®, complemented by the imSME digital platform, which facilitates streamlined financing referrals and approvals.



Innovative Financial Solutions

We offer a range of innovative financial solutions to address specific market needs, such as the Tabung Projek Usahawan Bumiputera-i (TPUB-i) scheme that drives financial inclusion for Bumiputera contractors.

Commitment to Sustainability

We are dedicated to sustainability and have implemented various initiatives to uphold this commitment, including employee upskilling courses, green financing programmes and diverse community initiatives, amongst other efforts across the EESG spectrum.

Strategic Partnerships and Collaborations

Our robust collaborative relationships with mandated bodies across the industry enables us to broaden our services beyond traditional financial institutions, supporting MSMEs at every stage of their growth journey.

OUR STRATEGIC PARTNERSHIPS

FINANCIAL INSTITUTIONS

AFFIN BANK

AFFIN ISLAMIC

AGRO BANK

ALLIANCE BANK

ALLIANCE ISLAMIC BANK

AmBank Group

BANK ISLAM

بنك معاملات Bank Muamalat

BANKRAKYAT

Boost Bank™ by axiata & RHB

BSN

CIMB BANK

CIMB ISLAMIC

HongLeong Bank

HongLeong Islamic Bank

HSBC

HSBC Amanah

Maybank

Maybank Islamic

MBSB BANK Part Of Your Journey

OCBC

OCBC Al-Amin

PUBLIC BANK

PUBLIC ISLAMIC BANK

RHB

RHB Islamic Bank

KUMPULAN SME BANK Perniagaan. Kemajuan. Untuk selamanya.

standard chartered

standard chartered saadiq islamic

UOB

NON-FINANCIAL INSTITUTIONS

TPUB-i Greenlane: Onboarded Contract Awarders

- Agensi Penguatkuasaan Maritim Malaysia
- Civil Aviation Authority of Malaysia
- Dewan Bandaraya Kuala Lumpur
- Indah Water Konsortium Sdn Bhd
- Jabatan Kerja Raya Perak
- Jabatan Pengairan dan Saliran
- Jabatan Pengairan dan Saliran Negeri Perak
- Jabatan Pengairan dan Saliran Negeri Pulau Pinang
- Kementerian Belia dan Sukan
- Kementerian Pembangunan Kerajaan Tempatan
- Kementerian Perdagangan Dalam Negeri dan Kos Sara Hidup
- Majlis Bandaraya Alor Setar
- Majlis Bandaraya Ipoh
- Majlis Bandaraya Johor Bahru
- Majlis Perbandaran Kluang
- Majlis Bandaraya Melaka Bersejarah
- Majlis Bandaraya Shah Alam
- Majlis Perbandaran Sandakan
- Majlis Perbandaran Seberang Prai
- Malaysian Resources Corporation Berhad & MRCB Builders Sdn Bhd
- Pengurusan Air Pahang Berhad
- Perbadanan Kemajuan Negeri Selangor
- Pertubuhan Keselamatan Sosial
- Radio Televisyen Malaysia
- Sabah Electricity Sdn Bhd
- SIRIM Berhad
- Suruhanjaya Syarikat Malaysia
- Syarikat Air Terengganu
- Syarikat Perumahan Negara Berhad
- Telekom Malaysia Berhad
- Tenaga Nasional Berhad
- TNB Research Sdn Bhd
- Universiti Teknologi MARA

KEY MILESTONES
1972-2024

1972-2004

1972
- Established as a Credit Guarantee Service Provider

1973
- Launched 1st Guarantee Scheme: General Guarantee Scheme (GGS)
- Published CGC's 1st Annual Report

1981
- Launched 2nd Guarantee Scheme: Special Loan Scheme (SLS)

1986
- Launched 3rd Guarantee Scheme: Hawkers & Petty Traders (HPT) Loan Scheme

1989
- Appointed administrator by Bank Negara Malaysia (BNM) for New Entrepreneurs Fund (NEF)
- Launched 4th Guarantee Scheme: Principal Guarantee Scheme (PGS)

1990
- Launched 5th Guarantee Scheme: Association of Special Loan Scheme (ASLS)

1992
- Started first joint collaboration with Amanah Ikhtiar Malaysia (AIM): AIM Revolving Fund

1994
- Launched New Principal Guarantee Scheme (NPGS)
- Launched Block Guarantee Scheme (BGS)

1996
- Appointed administrator for Small Entrepreneurs Financing Fund (SEFF) by then Ministry of Entrepreneur and Cooperative Development (MECD)
- Organised first Top FI Partner Awards, in recognition of significant contributions by Financial Institutions (FIs) & Development Financial Institutions (DFIs) to SME financing

1997
- Moved into Bangunan CGC, our 16-storey head office located at Kelana Business Centre, Kelana Jaya, Selangor Darul Ehsan
- Launched Interest Free Banking Scheme (IFBS)
- Launched Franchise Financing Scheme (FFS)

1999
- Launched Flexi Guarantee Scheme (FGS), including Fund for Small and Medium Industries (SMI), Rehabilitation Fund for SMI Fund for Food and New Entrepreneurs Fund

2000
- Opened new branches: Main Branch (Kelana Jaya), Alor Setar, Ipoh and Johor Bahru
- Launched Direct Access Guarantee Scheme (DAGS)
- Launched Small Entrepreneurs Guarantee Scheme (SEGS)
- Launched Enterprise Programme Guarantee Scheme (EPGS)

2001
- Launched iGuarantee, CGC's one-stop centre for online application from SMEs
- Appointed administrator by BNM for Small and Medium Industries Fund 2 (FSMI2) and New Entrepreneurs Fund 2 (NEF2)
- Opened new branches: Melaka, Kuantan, Kota Bharu, Prai, Seremban and Kuala Terengganu

2002
- Opened new branches: Kota Kinabalu and Kuching

2003
- Opened new branches: Kuala Lumpur and Batu Pahat
- Launched Islamic Banking Guarantee Scheme (IBGS) to replace IFBS and NPGS
- Launched Special Relief Guarantee Fund (SRGF)

2004
- Opened new branches: Miri and Sandakan

2005-2015

2005
- Appointed as Business Advisory Service Entity (BASE) to assist SMEs
- Launched Direct Access Guarantee Scheme: Islamic (DAGS-i)

2006
- Introduced Risk Adjusted Pricing Mechanism (RAP)
- Launched Credit Enhancer Scheme (Enhancer) to replace NPGS
- Embarked on a 3-year Business Transformation Plan (2006-2008)

2007
- Launched Direct Access Guarantee Scheme: Start-up (DAGS: Start-up)
- Launched Direct Bank Guarantee Scheme (DBGS)
- Participated in Malaysia's first Securitisation of SME loans, amounting to RM600 million, with Malayan Banking Berhad (Maybank) and Cagamas Berhad

2008
- Appointed administrator by BNM for SME Modernisation Facility (SMF) and SME Assistance Facility (SAF) funds
- Launched Credit Enhancer-i Scheme (Enhancer-i)

2009
- Implemented web-based Comprehensive Approval System (COMPAS) to efficiently manage CGC's credit risks and loan application process
- Absorbed operations of Entrepreneur Rehabilitation Fund Sdn Bhd (ERF) and managed its ERF Bumiputera Entrepreneur Project Fund
- Launched Tabung Projek Usahawan Bumiputera-i (TPUB-i), a direct financing facility
- Launched SME Assistance Guarantee Scheme (SME AGS)

2010
- Launched SmallBiz Express Scheme (SBE) to replace SEGS
- Appointed administrator by Ministry of Finance (MoF) for Green Technology Financing Scheme (GTFS)
- Launched SmallBiz Express Scheme-i (SBE-i)
- Launched SME Express Scheme
- Launched SME Quick Financing Scheme
- SME Credit Bureau Sdn Bhd rebranded as Credit Bureau Malaysia

2011
- Launched Enhancer Express Scheme
- Launched Enhancer Direct Scheme

2013
- Appointed administrator by MoF for Intellectual Property Financing Scheme (IPFS)
- Launched CGC Book, Catalysing SME Growth

2014
- Launched BizMula-i, a direct financing facility for startups
- Received recognition under Development Awards in SME Development category by Association of Development Financing Institutions of Asia and the Pacific (ADFIAP) for Islamic Wholesale Guarantee (WG-i) scheme

2015
- Launched BizWanita-i, a direct financing facility for women entrepreneurs
- Received Best Website Award by ADFIAP at its 39th Annual Meeting on 2 May 2016, held in Samoa
- Awarded Plaque of Merit for BizWanita-i in SME Development category by ADFIAP
- Received Karlsruhe Sustainable Finance Award 2015 for Best Innovation in Financial Services award for BizMula-i

KEY MILESTONES 1972-2024

2016-2021

2016
- Launched Graduate Trainee Programme
- Received recognition for BizWanita-i at Karlsruhe Sustainable Finance Awards at Global Sustainable Finance Conference
- Launch of CGC Developmental Programme®, providing Financial Advisory and Non-Financial Advisory services to promote the development and growth of MSMEs

2017
- Launched new logo, rebranded for greater brand recall and visibility
- Won Light Rapid Transit (LRT) station naming rights bid and launched CGC – Glenmarie LRT station
- Launched SME Apprentice Scheme Programme for Technical and Vocational Education and Training (TVET) graduates
- Received Certificate of Merit (TPUB-i product scheme) presented by Karlsruhe Sustainable Finance Awards
- Received Financial Inclusion award (Portfolio Guarantee Scheme for Micro Financing) presented by ADFIAP
- Received award for Best Annual Report from ADFIAP

2018
- Launched imSME, Malaysia's 1st online SME financing/loan referral platform
- Won TalentCorp Career Comeback Reignite Award 2018
- Inaugurated CGC Developmental Programme®, International BizMatch, in Indonesia
- Won Outstanding SME Development Project award from ADFIAP for imSME

2019
- Marked 10th anniversary of strategic collaboration with Standard Chartered Bank and launch of WOWnita
- Won Outstanding SME Development Project award for imSME
- Received Certificate of Merit for imSME from Karlsruhe Sustainable Finance Awards
- Debuted imSME Digital Assistant (iDA) in English and Bahasa Malaysia
- Launched MyKNP (Khidmat Nasihat Pembiayaan) in collaboration with BNM and Agensi Kaunseling dan Pengurusan Kredit (AKPK)

2020
- Received awards from Association of Chartered Certified Accountants (ACCA):
  - ACCA Approved Employer – Professional Development
  - ACCA Approved Employer – Trainee Development (Platinum)
- Awarded Premier Partner Accreditation by Chartered Institute of Management Accountants (CIMA)
- Won Bronze at Australasian Reporting Awards (ARA)
- Launched TPUB-i 2.0 financing scheme for Bumiputera contractors
- Received Certificate of Merit for Best Innovation in Sustainable Financial Services (imSME) from Karlsruhe Sustainable Finance Awards 2020
- Awarded Operating Model Master, IDC DX Awards 2020 (Malaysia) at 4th annual IDC Digital Transformation Awards ASEAN
- Awarded Outstanding Development Project Award for Human Capital Development, and Merit Award for SME Development by Association of Development Financing Institutions in Asia and the Pacific (ADFIAP)
- Won Silver for Non-Listed Organisations category at the National Annual Corporate Report Awards (NACRA) 2020

2021
- Received award for imSME for Most Innovative SME Financing Platform in Malaysia by Global Economics Awards 2021
- Received two merit awards for BizMikro-i scheme and Robotic Process Automation (RPA) from ADFIAP at its Sustainable Development Awards 2021
- Provided BizBina-i Flood Relief Financing to CGC MSMEs affected by flood

2022

- Celebrated CGC's 50th Anniversary
- Launched CGC100 Youth Entrepreneurship Programme
- Received affirmed AAA ratings from Malaysian Rating Corporation (MARC), with stable outlook
- Won Silver for Excellence Awards: Non-Listed Organisations category at the National Annual Corporate Report Awards (NACRA) 2022

2024

- Received ASEAN Financial Institution Excellence Award
- Launched the new iGuarantee as the partner self-service platform for online submissions of application and claims, featuring a performance dashboard
- Hosted 29th FI/DFI & SME Awards 2023
- Strategic Collaboration between Public Bank Berhad and CGC for RM1 billion in SME Financing
- Launch of Alliance Bank Visa Platinum Business Credit Card guaranteed by CGC
- Strategic Partnership between CIMB and CGC for additional RM1.5 billion in SME Financing
- Inaugural Top Sales Guarantee Achiever Awards 2024
- Launched first Halal Portfolio Guarantee of RM70 million between Bank Muamalat and CGC
- Launched first Low Carbon Transition PG Facility between RHB Bank Berhad and CGC
- Won Silver for Excellence Awards: Non-Listed Organisations category at the National Annual Corporate Report Awards (NACRA) 2024

2022-2024

2023

- Celebrated imSME's 5th Anniversary
- Graduated 20 participants under CGC100 Fast Track Programme and launched Comprehensive Track Programme
- Won Financial Inclusion: Outstanding Development Project Awards for CGC Developmental Programme® from Association of Development Financing Institutions in Asia and the Pacific (ADFIAP)
- Bestowed CGC-MyPAC Scholarship Award 2023 to six deserving scholars
- Collaborated with 18 participating banks to offer RM1 billion Portfolio Guarantee scheme on ESG Financing to Malaysian SMEs, supporting the Joint Climate Change Committee
- Appointed Kellee Kam Chee Khiong as an Independent Non-Executive Director of CGC
- Won Silver for Excellence Awards: Non-Listed Organisations category at the National Annual Corporate Report Awards (NACRA) 2023
- Malaysian Rating Corporation Berhad (MARC) affirms AAA ratings for CGC with stable outlook

CORPORATE EVENTS

22 February

Kota Bharu Branch Relocation

Inaugurated by Dato' Mohammed Hussein, Chairman of CGC, the new Kota Bharu Branch reinforces CGC's commitment to serving over 1,000 MSMEs in Kelantan, backed by RM200 million in financing.

26 February

imSME Strategic Partners Briefing

CGC Malaysia and CGC Digital briefed over 50 representatives from financial institutions and partners on the enhanced imSME platform at Sasana Kijang, Bank Negara Malaysia. The session was led by Datuk Mohd Zamree Mohd Ishak, President & CEO of CGC and Director of CGC Digital, alongside Yushida Husin, CEO of CGC Digital, and Ila Dixit, Chief Digital and Innovation Officer.

Aligned with the goals of the New Industrial Master Plan (NIMP), the upgraded imSME platform–Malaysia's first online financing referral platform for MSMEs–offers improved scalability, an enhanced user experience, data-driven insights, and seamless collaboration. CGC Digital officially assumed full management of the platform on 31 March 2024.

7 March

ASEAN Financial Institution Excellence Award

CGC received the ASEAN Financial Institution Excellence Award for its outstanding commitment to advancing MSME growth. Datuk Mohd Zamree Mohd Ishak, CGC President & CEO, accepted the accolade from Tuan Yang Terutama Yang di-Pertua Negeri Sarawak Tun Pehin Sri Dr. Haji Wan Junaidi bin Tuanku Jaafar, affirming our proactive and dynamic approach to addressing evolving MSME needs.

7 May

Signing Ceremony for RM400 Million Portfolio Guarantee between AmBank (M) Berhad and CGC

CGC signed an additional RM400 million tranche under the Portfolio Guarantee (PG) Revival with AmBank, reinforcing a long-standing partnership committed to supporting financing access for MSMEs. The agreement was signed by Sean Tan, CBO of CGC, and Aaron Loo, Managing Director of Retail Banking at AmBank. The signing was witnessed by Datuk Mohd Zamree Mohd Ishak, President & CEO of CGC, and Jamie Ling, Group CEO of AmBank. To date, the collaboration has enabled nearly RM5 billion in financing for over 6,000 SMEs.

7 May

Signing Ceremony for Golden Eagle Award (GEA) 2024

CGC and Nanyang Siang Pau held a signing ceremony on 7 May 2024 at Bangunan CGC to commemorate CGC's seventh consecutive year as a co-sponsor of the Golden Eagle Award (GEA). The agreement was signed by Datuk Mohd Zamree Mohd Ishak, President & CEO of CGC, and Low Hoong Fee, CEO of Nanyang Siang Pau Sdn Bhd. The sponsorship signing was witnessed by Sean Tan, CGC Chief Business Officer (CBO), and Foo Tick Fat, Deputy General Manager of Nanyang Siang Pau Sdn Bhd.

23 May

Signing Ceremony for BizJamin-i Micro TemanMesra Scheme

CGC and BSN further expanded access to business financing guarantees with the introduction of the BizJamin-i Micro TemanMesra scheme, designed to empower MSMEs across Malaysia. Building on a collaboration that has supported entrepreneurs since 2017, our existing initiatives with BSN include the PG Micro Guarantee and Wholesale Guarantee schemes, which provide collateral-free financing to help underserved businesses grow and thrive.

5 June

Launch of Alliance BizSmart Challenge Accelerator Edition

The seventh edition of the Alliance BizSmart® Challenge Accelerator Edition was launched in June, with CGC proudly serving as a sponsor. This flagship initiative continues to empower aspiring entrepreneurs by providing targeted support to accelerate their business growth.

18 June

Signing Ceremony for RM300 Million Portfolio Guarantee between CGC and Standard Chartered Malaysia

CGC signed a RM300 million Portfolio Guarantee (PG) agreement with Standard Chartered Malaysia and Standard Chartered Saadiq Malaysia to support financing for SMEs, allocating RM200 million in conventional banking facilities and RM100 million in Islamic banking facilities. The agreement was signed by Sammeer Sharma, Head of Wealth and Retail Banking at Standard Chartered Malaysia, and Sean Tan, CBO of CGC. The signing was witnessed by Datuk Mohd Zamree Mohd Ishak, President & CEO of CGC, along with Mak Joon Nien, CEO of Standard Chartered Malaysia, and Bilal Parvaiz, CEO of Standard Chartered Saadiq Malaysia.

20 June

CGC's 51st Annual General Meeting

CGC successfully convened its 51st Annual General Meeting, which was attended by the Board of Directors and featured participation from shareholders.

25 June

Signing Ceremony for RM30 Million Islamic Portfolio Guarantee between CGC and Funding Societies

CGC strengthened our collaboration with Funding Societies with the launch of a RM30 million Islamic SME Portfolio Guarantee (SME PG-i) Scheme, following the success of the initial RM10 million programme introduced in April 2023. The agreement was signed by Wong Kah Meng, Group COO of Funding Societies, and Sean Tan, CBO of CGC.

18 July

29th FI/DFI & SME Awards 2023

CGC hosted its 29th Financial Institution (FI)/Development Financial Institution (DFI) & SME Awards at the InterContinental Kuala Lumpur, an event that continues to recognise the invaluable contributions of our FI and DFI partners in enhancing MSME access to financing while supporting the recovery and growth of their businesses. The awards ceremony, officiated by YB Madam Lim Hui Ying, the Deputy Minister of Finance, honoured 16 recipients across three categories, including Best Financial Partner, Top Bumiputera FI Partner, and Top SME Partnership.

25 July

Study Visit by Banco Central de Timor Leste (BCTL)

CGC hosted a study visit for Banco Central de Timor Leste (BCTL), which was attended by BCTL's Governor, Deputy Governor, and board members. Datuk Mohd Zamree Mohd Ishak, CGC President & CEO, welcomed the delegation and shared insights on credit guarantee schemes for MSMEs during the knowledge-sharing engagement.

25 July

National Chamber of Commerce and Industry of Malaysia (NCCIM) 62nd Anniversary Gala Dinner

CGC participated as a Platinum Sponsor at NCCIM's 62nd Anniversary Gala Dinner, reaffirming our support for efforts to strengthen Malaysia's trade and economic landscape. During the event, Prime Minister Datuk Seri Anwar Ibrahim acknowledged NCCIM's proposals on key national priorities, including the energy transition and MSME capacity building.

CORPORATE EVENTS

2 September

Malam Penghargaan CGC 2024 (CGC Appreciation Night 2024)

CGC hosted the "Malam Penghargaan CGC 2024" in Kota Kinabalu to honour partners who have supported the growth of MSMEs in Sabah. The event, which was graced by Dato' Mohammed Hussein, CGC Chairman, and Datuk Mohd Zamree Mohd Ishak, CGC President & CEO, underscored the vital role of MSMEs in Sabah's economy and reaffirmed CGC's commitment through initiatives such as the Green Technology Financing Scheme and the Sabah Maju Jaya Development Plan.

11 September

Launch of Alliance Bank Visa Platinum Business Credit Card guaranteed by CGC

Alliance Bank Malaysia launched the Visa Platinum Business Credit Card guaranteed by CGC, offering SMEs collateral-free financing to support their business needs. The launch was attended by Kellee Kam, Alliance Bank Group CEO, Datuk Mohd Zamree Mohd Ishak, CGC President & CEO, and Chavi Jafa, Head of Commercial & Money Movement Solutions for Visa Asia Pacific. This new offering marks a significant expansion of the Alliance Bank-CGC partnership, which has already channeled RM3.2 billion in financing under the Portfolio Guarantee scheme.

1 October

Strategic Partnership between CIMB and CGC for additional RM1.5 billion in SME Financing

CGC has expanded our partnership with CIMB Malaysia to provide an additional RM1.5 billion for SMEs through the portfolio guarantee scheme. The agreement was signed by Jaya Balan Kathiravalu, Head of SME Banking Malaysia, Group Commercial Banking, CIMB Bank, and Sean Tan, CGC CBO. The signing was witnessed by senior CIMB and CGC executives.

9 September

Strategic Collaboration between Public Bank Berhad and CGC for RM1 Billion in SME Financing

CGC, in collaboration with Public Bank Berhad, extended RM1.0 billion in financing to support Malaysian SMEs, highlighting our shared commitment to supporting the growth, resilience, and sustainability of this vital segment of the economy.

20-25 September

36th ACSIC Conference 2024

CGC participated in the 36th ACSIC Conference 2024 in Kathmandu, an event organised by the Deposit and Credit Guarantee Fund of Nepal (DCGF). Our delegation was led by Dato' Mohammed Hussein, CGC Chairman, Datuk Mohd Zamree Mohd Ishak, CGC President & CEO, Sean Tan, CGC CBO, and Azman Idrus, CGC Head of Strategic Management and Communications.

9 October

The National Conference on Integrity & Governance 2024

CGC was an active participant at the National Conference on Integrity & Governance 2024 organised by ADFIM. Datuk Mohd Zamree Mohd Ishak, CGC President & CEO, was a panelist at the CEO Roundtable and was honoured as an "Integrity Champion" at the conference for his significant contributions to enhancing integrity and governance within CGC and the industry. The event was also attended by senior representatives from CGC's Risk, Compliance, and Integrity departments.

8 November

Inaugural Top Sales Guarantee Achiever Awards 2024

CGC launched its first Top Sales Guarantee Achiever Awards 2024 to recognise 18 top performers from OCBC, CIMB, Maybank, Standard Chartered, and Funding Societies. Together, these achievers secured RM98 million in financing across 309 accounts from January to June 2024. The event was attended by Datuk Mohd Zamree Mohd Ishak, CGC President & CEO, and Sean Tan, CGC CBO, who acknowledged the winners for their significant contributions in advancing MSME financing.

21 November

Signing Ceremony for 1st Low Carbon Transition PG Facility between RHB Bank Berhad and CGC

CGC and RHB Group signed a RM100 million Portfolio Guarantee for the first Low Carbon Transition Facility (LCTF) between the two parties, aimed at expanding Malaysia's sustainable financing ecosystem and assisting SMEs in adopting sustainable practices. The PG agreement was signed by Sean Tan, CGC CBO, and Jeffrey Ng Eow Oo, RHB Managing Director, Group Community Banking. The signing was witnessed by Datuk Mohd Zamree Mohd Ishak, CGC President & CEO, and Dato' Mohd Rashid Mohamad, Group Managing Director, RHB Banking Group.

28 November

National Annual Corporate Report Awards (NACRA) 2024

CGC won the Silver Excellence Award in the Non-Listed Organisation category at NACRA 2024 for our Annual Report 2023. The accolade, which was accepted by Datuk Mohd Zamree Mohd Ishak, CGC President & CEO, validates our commitment to upholding excellence in corporate reporting as we empower Malaysia's MSMEs and spur economic growth.

13 November

Signing Ceremony for the First Halal Portfolio Guarantee of RM70 million between Bank Muamalat and CGC

CGC signed an agreement with Bank Muamalat to launch the First Halal Portfolio Guarantee-i (PG-i) scheme, aimed at supporting the growth of the Malaysian halal industry with a fund of RM70 million. The signing ceremony saw Sean Tan, CGC CBO, and Dato' Mohamed Nazir Nor Mohamed, Bank Muamalat Director of Commercial Banking, formalise the partnership, witnessed by senior leaders from both organisations.

27 November

BizSmart® Challenge Accelerator Edition 2024 Finale

CGC sponsored the BizSmart® Challenge Accelerator Edition 2024, where 13 winners were awarded cash prizes totalling RM550,000. As part of its sponsorship, CGC presented the CGC Selection Awards to 10 contestants recognised for their innovative business models, strong growth potential, and commitment to ESG practices. The awards were presented by Datuk Mohd Zamree Mohd Ishak, CGC President & CEO, and Sean Tan, CGC CBO.

6 December

MOU Signing Ceremony with Securities Commission Malaysia (SC), CGC Malaysia and CGC Digital

The Securities Commission Malaysia (SC) signed an MOU with CGC Malaysia and CGC Digital to expand capital market financing solutions for MSMEs and mid-tier companies (MTCs). The MOU was signed by Dato' Mohammad Faiz Azmi, SC Chairman, Datuk Mohd Zamree Mohd Ishak, CGC President & CEO, and Yushida Husin, CEO of CGC Digital. The signing was witnessed by Datin Azalina Adham, SC Managing Director, Sean Tan, CGC CBO, and Ila Dixit, Chief Digital & Innovation Officer of CGC Digital.

"DEAR SHAREHOLDERS,

WITH A CLEAR VISION AND DISCIPLINED EXECUTION, WE ARE STRENGTHENING CGC'S ROLE AS A CATALYST FOR THE GROWTH OF MALAYSIAN MSMEs, WHILE SIMULTANEOUSLY ENHANCING OUR INTERNAL COMPETENCIES AND DIGITAL ECOSYSTEM TO MEET FUTURE NEEDS. HARMONISING GROWTH WITH RESPONSIBILITY, WE REMAIN EQUALLY COMMITTED TO NURTURING OUR PEOPLE AND INTEGRATING SUSTAINABILITY INTO OUR OPERATIONS."

DATO' MOHAMMED HUSSEIN
Chairman

CHAIRMAN'S STATEMENT

LEADING FROM CHALLENGES TOWARDS CONFIDENCE

As a development financial institution (DFI) dedicated to the growth and development of MSMEs, we are always conscious of our countercyclical role. During and after the pandemic, when the economy was struggling and MSMEs faced unprecedented challenges, it was our responsibility to provide vital financial lifelines to ensure their survival and recovery. We went beyond extending moratoriums, offering additional credit and support that enabled businesses to sustain operations and rebuild their businesses.

This proactive approach reflects our long-term strategy to be more than just a financing facilitator, but also a holistic partner for MSMEs. By integrating targeted development initiatives with financial solutions, we play an important role in helping businesses to adapt to an evolving marketplace.

90%

OF OUR 5SP 2025 HEADLINE TARGET IN DEVELOPMENTAL SUPPORT ACHIEVED BY THE END OF 2024

For us, this is a key component of sustainability – creating a state of readiness for the future. As we reflect on the results achieved in 2024, it is encouraging to see that many MSMEs have managed to turn the corner, rebuild their businesses and expand into new areas.

We are also helping businesses embrace digitalisation to make financing more accessible and seamless, enabling both MSMEs and other unserved and underserved businesses to scale, innovate, and contribute to a more resilient and dynamic economy. Through tailored credit guarantee solutions, our support is now also being extended to Malaysian Mid-Tier Companies (MTCs).

CHAIRMAN'S STATEMENT

UPHOLDING GOOD GOVERNANCE AND OVERSIGHT

Underpinning our efforts is our commitment to robust governance and upholding the highest standards of business conduct, accountability, and transparency. In 2024, we updated our Anti-Bribery and Anti-Corruption Policy and Manual to provide greater clarity to employees on preventing and combating bribery and corruption. Further to this, we instituted a No Gift Policy and a formal Whistleblowing Policy, offering employees and external parties a secure avenue to report any genuine concerns regarding improper conduct within the Corporation.

We have also strengthened Anti-Money Laundering (AML) procedures, refining our screening and onboarding processes to enhance due diligence. Additionally, our risk governance structure now includes more granular reporting to the Board Risk Committee, ensuring that specific risks are monitored and addressed separately.

In line with our focus on technology risk management, we conducted a Cybersecurity Maturity Assessment (CMA) in 2024 to assess existing gaps and improve our security framework. We also incorporated Risk Management in Technology (RMiT) standards into our Technology Cyber Risk Management Framework, which was revised from the previous Technology Risk Management Framework, to reflect a more comprehensive approach to cybersecurity and digital risk oversight.

Aligned with our expansion into the MTC segment, we revised our credit policies, integrating enhanced ESG considerations and raising the Single Counterparty Exposure Limit (SCEL) to support larger-scale financing opportunities.

Moving forward, we will continue to strengthen our compliance culture through ongoing knowledge-sharing sessions, ensuring both directors and employees remain equipped to navigate evolving regulatory landscapes. At the same time, we will elevate governance competencies to support our strategic growth ambitions, ensuring CGC remains a trusted and responsible DFI aligning to Bank Negara Malaysia's compliance requirements.

MANAGING RISKS AND CAPITALISING ON OPPORTUNITIES

We remain vigilant in assessing industry trends, mitigating market challenges, and capitalising on emerging opportunities.

A key recent initiative was the enhancement of our pricing strategy through the introduction of a dynamic pricing structure. Products are now grouped into Commercial, Targeted and Developmental segments. This approach enables us to strike a balance between financial sustainability and our developmental role. The goal is to leverage the profitability generated from Commercial products to support more affordable guarantee pricing for underserved MSME segments, reinforcing our commitment to inclusive support across all life stages.

Our enhanced risk assessment and pricing models ensure that our pricing aligns more closely with customer risk profiles. We have also introduced stricter evaluation and monitoring of partner banks with higher NPF/L ratios, strengthening oversight and mitigating exposure to high-risk financing. Additionally, our product grouping strategy allows us to provide tailored financing solutions that better meet their specific needs.

At the same time, we continue to strengthen partnerships with Financial Institutions and DFIs by offering value-added services such as workshops and capacity-building programmes for MSMEs. These initiatives aim to enhance their business and financial competencies, reducing delinquency rates and improving long-term financial sustainability.

Leveraging on big data analytics, we will further enhance our credit scoring models for more precise risk assessments and optimised pricing strategies. At the same time, strategic fintech partnerships will enable us to reach underserved MSMEs digitally, reducing distribution costs while expanding financial accessibility.

With these efforts, we believe CGC is better-positioned to capitalise on emerging opportunities, including within sectors such as green technology businesses and women or youth-led enterprises.

"

WE CONTINUE TO STRENGTHEN PARTNERSHIPS WITH FINANCIAL INSTITUTIONS AND DFIS BY OFFERING VALUE-ADDED SERVICES SUCH AS WORKSHOPS AND CAPACITY-BUILDING PROGRAMMES FOR MSMES. THESE INITIATIVES AIM TO ENHANCE THEIR BUSINESS AND FINANCIAL COMPETENCIES, REDUCING DELINQUENCY RATES AND IMPROVING LONG-TERM FINANCIAL SUSTAINABILITY.

BOARD FOCUS AREAS IN 2024

Taking both internal strategies and external factors into account, the Board prioritised key aspects of the business during 2024 to ensure sustained progress and impact. A primary focus was driving the delivery of the Group's mandate and strategic targets. On this note, I am pleased to report that by the end of 2024, we had already reached 90% of our 2025 target for providing developmental support to MSMEs.

Strategic collaborations were another key focus area. By leveraging partnerships, we strengthened our ability to provide a broader range of financial solutions and developmental initiatives tailored to business needs. A prime example is our three-year Memorandum of Understanding (MoU) signed with the Securities Commission, which will play an important role in expanding MSME access to capital markets.

Digitalisation remained a central focus area, directly complementing our partnership-driven approach. Leveraging the increasing functionality of our digital platforms, we have steadily expanded MSMEs' access to financing while simultaneously striking important digitally-driven partnerships to enhance our services and processes. A notable example is our work with MITI to integrate grant management within imSME, which will ultimately streamline all government grants onto our platform to enhance the accessibility and transparency of government grant processes.

As part of our strategic business expansion, we sought to diversify our portfolio and tap into high-growth or previously underserved segments. This included expanding financing solutions for MTCs, gig economy workers, and ESG-linked financing, ensuring our offerings remain relevant and aligned with national economic and sustainability goals.

Lastly, recognising that our internal capabilities must evolve alongside our strategic ambitions, we placed importance in driving internal advancement. We intensified training and leadership programmes to strengthen expertise at all levels, focusing on upskilling and reskilling our workforce. Additionally, we conducted a review of our Board tenure and competency policy, allowing for new perspectives to enhance governance, while the introduction of new members within management teams has similarly admitted fresh and innovative insights into our organisation. By future-proofing our talents, we ensure that CGC remains resilient in an ever-changing financial landscape and retains the ability to thrive and lead the industry.

Looking ahead, we remain committed to supporting MSME growth as we work towards concluding our 5-Year Strategic Plan 2021-2025 while laying the foundation for CGC Group 2030, our new five-year plan set to commence in 2026.

In 2025, our approach will be anchored in four key focus areas: Expanding Offerings, Elevating Innovation and Operational Efficiency, Nurturing People's Capacity, and Mitigating Group Climate Impact. These priorities ensure a comprehensive and balanced strategy, addressing both internal business needs and external market developments to drive operational resilience and sustainable growth across our business.

CHAIRMAN'S STATEMENT

Launch of CGC100 Fast Track Programme – Cohort 2.

GIVING BACK TO THE COMMUNITY

In 2024, we continued our commitment to corporate social responsibility (CSR) through 19 programmes and donation initiatives, benefitting over 7,000 individuals.

The CG100 Youth Entrepreneurship Development Programme remains one of our key initiatives, providing aspiring entrepreneurs with support, resources, and training to build successful businesses. Now in its third year, the CG100 programme continues to be a pillar of our community impact efforts, delivering benefits to participants while contributing to broader socioeconomic progress.

ASSISTED OVER
7,000 INDIVIDUALS
THROUGH 19 CSR AND DONATION INITIATIVES

Beyond our mandate of serving MSMEs, we extended our outreach by providing fresh groceries to underprivileged families. This initiative supported sustainable farming and food waste reduction by sourcing surplus produce from local farmers, promoting food security and healthier communities. Additionally, through our "Back to School" assistance programme, we distributed 100 school kits to children from low-income families, ensuring they had access to essential educational supplies.

We also played an active role in disaster relief, providing critical aid to flood-affected families during the year. Our impact further extended to the visual and hearing-impaired community, where we provided tailored support and resources to improve their quality of life.

These initiatives reinforce CGC's commitment to embedding social responsibility into our business, ensuring that our efforts generate long-term, meaningful impact for the communities we serve.

AWARDS AND RECOGNITIONS

In 2024, CGC's commitment to excellence was recognised through multiple prestigious awards, reflecting our superior reporting practices and desirability as an employer. These accolades affirm our dedication to transparency, innovation, and fostering a thriving workplace culture, while reinforcing our position as a top employer and a trusted financial institution.

AWARD

- **NACRA 2024**
  Excellence Award (Non-Listed Organisation): **Silver**
- **Graduan**
  2nd Runner-Up in the Professional Services Category
- **Jobstore.com**
  Top Employer Award of the Year
  – Public Sector (Financial Services)

  Top Employer of Graduate Choice – Public Sector (Financial Services)

  Top Recruitment Team of the Year – Public Sector (Financial Services)
- **Jobstore.com (Individual Award)**
  Top HR Leader Award 2024
- **Malaysia's 100 Leading Graduate Employers 2024**
  Winner – *Financial Services Category*
- **SEEK People and Purpose Awards 2024**
  The People Leader of the Year 2024 (Gold)
  – (Individual Award)

36th ACSIC Conference (Nepal) – Meeting with KODIT.

ACKNOWLEDGEMENTS

On behalf of the Board and Management, I would like to express my gratitude to the Ministry of Finance and Bank Negara Malaysia for their continued support. Our close collaboration with stakeholders and strategic partners within the MSME ecosystem has resulted in CGC's accomplishments in 2024. Despite a demanding year, their collaboration has helped us stay focused on achieving our mandate.

My appreciation goes to Datuk Mohd Zamree Mohd Ishak, President & Chief Executive Officer of CGC, and the management team for their steadfast commitment. Their efforts, alongside the dedication of all CGC employees, have helped us accelerate towards greater progress and stability in the years ahead.

To my fellow Board members, thank you for your continued support and counsel. As we move forward, I believe our shared resilience and clarity of purpose will help us shift from navigating challenges towards inspiring confidence for CGC and the ecosystem that we serve.

DATO' MOHAMMED HUSSEIN
Chairman

PRESIDENT & CEO'S OVERVIEW

DEAR SHAREHOLDERS,

I AM PLEASED TO SHARE THAT 2024 WAS A YEAR OF PROGRESS ON ALL FRONTS FOR CGC MALAYSIA (CGC) DESPITE RISING GLOBAL UNCERTAINTIES. FROM DELIVERING ENCOURAGING FINANCIAL PERFORMANCE AND EXPANDING OUR DEVELOPMENTAL SUPPORT FOR MSMEs TO ADVANCING SUSTAINABILITY AND FORGING IMPACTFUL PARTNERSHIPS THAT STRENGTHEN THE MALAYSIAN MSME ECOSYSTEM, WE HAVE CONTINUED TO NAVIGATE AN EVOLVING INDUSTRY LANDSCAPE WITH RESILIENCE AND PURPOSE.

DATUK MOHD ZAMREE MOHD ISHAK
President & Chief Executive Officer

HIGHLIGHTS OF THE YEAR

CGC's role in driving economic development remains significant, with the RM4.0 billion we provided in guarantees and financing for over 6,500 MSMEs in 2024 playing a meaningful role in stimulating economic activity and strengthening the resilience of our nation's economy.

Beyond financial results, our commitment to MSME development was evident in the 18.1% increase in MSMEs engaged through the CGC Developmental Programme®, reaching out to over 8,700 MSMEs. This underscores our growing focus on providing holistic support to our customers, enabling them to expand their businesses, create jobs, and contribute to the Malaysian economy.

The strategic partnerships that CGC established with industry peers throughout 2024 further reinforce our commitment to enhancing the financial ecosystem for MSMEs in Malaysia. These collaborations, including our work with government agencies such as the Securities Commission to expand MSMEs' and Mid-Tier Companies' (MTCs) access to capital market instruments, will continue to amplify our market impact while ensuring our initiatives align with national development goals.

Sustainability remains a key focus in ensuring the long-term resilience of our business, underscored by the launch of our first Low Carbon Transition Facility (LCTF) Portfolio Guarantees (PG) tranche with RHB Bank in April 2024. Beyond sustainable financing, we also planted 200 mangrove trees during the year, which bear the potential to absorb 8 tonnes of CO_2 annually in the long term. These efforts not only contribute to reducing our carbon footprint but also strengthen CGC's position as a leader in environmental stewardship within the financial sector.

Our performance in 2024 was marked by noteworthy financial growth, with revenue increasing by 3.5% to RM241.1 million, and profitability rising by 12.7% to RM65.8 million. These results reflect the strength of our strategic initiatives and prudent financial management, which have enabled us to maintain a strong balance sheet and deliver consistent value to our stakeholders. A key contributor to this performance was our greater focus on asset quality management, which resulted in lower expected credit losses (ECL) in 2024. This directly strengthened our bottom line while ensuring that our outreach was uncompromised.

"

SUSTAINABILITY REMAINS A KEY FOCUS IN ENSURING THE LONG-TERM RESILIENCE OF OUR BUSINESS, UNDERSCORED BY THE LAUNCH OF OUR FIRST LOW CARBON TRANSITION FACILITY (LCTF) PORTFOLIO GUARANTEES (PG) TRANCHE WITH RHB BANK IN APRIL 2024.

RM4.0 BILLION

PROVIDED IN GUARANTEES AND FINANCING FOR OVER 6,500 MSMEs IN 2024

18.1% INCREASE

IN MSMEs ENGAGED THROUGH THE CGC DEVELOPMENTAL PROGRAMME®, REACHING OUT TO OVER 8,700 MSMEs.

PRESIDENT & CHIEF EXECUTIVE OFFICER'S OVERVIEW

During the year, we also received an accolade for our integrated reporting disclosures, winning the Silver Excellence Award in the Non-Listed Organisation Category at NACRA 2024. Our robust reporting frameworks ensure transparency and accuracy, strengthening stakeholder relationships and enhancing our reputation as a responsible organisation.

OPERATING ENVIRONMENT

Our results were achieved in a dynamic and challenging operating environment, shaped by expanding regulatory compliance requirements, supply chain disruptions, and a tight labour market. Despite these challenges, we showcased agility to capitalise on emerging opportunities in the green sector, technological innovation, and domestic market growth.

While MSMEs faced additional hurdles, including cash flow constraints and rising operational costs, they were supported by stronger economic sentiment and various supportive initiatives by key stakeholders in the financial industry. The favourable environment resulted in a 2024 being a year of resilience and recovery for MSMEs, with many regaining pre-pandemic revenue levels. As MSMEs continue to rely on financial support to navigate evolving market conditions, our commitment to providing both financial and non-financial assistance, while leveraging digital tools to enhance accessibility and convenience, has been instrumental in driving their growth.

Given the rapidly evolving regulatory landscape, we remain vigilant and closely monitor any new or revised national acts or regulations to ensure we adopt emerging best practices. A notable regulatory milestone in 2024 was the enforcement of the Cybersecurity Act 2024 on 26 August 2024, which governs the management of cyber threats and incidents related to National Critical Information Infrastructure (NCII). Although CGC has not been designated as an NCII entity, we have proactively assessed the requirements and taken steps to strengthen our cybersecurity controls to ensure that risks are effectively managed.

Additionally, 2024 saw revisions to the Personal Data Protection Act (PDPA) 2010, which will come into effect in stages from 2025. In response, we have initiated a review of our privacy policies and processes to ensure compliance with the updated requirements.

PRESERVING RESILIENT FINANCIAL FUNDAMENTALS

Upholding steadfast financial discipline as we deliver our mandate to support unserved and underserved MSMEs remains vital, with our proactive asset quality management and targeted approach to new guarantee and financing schemes playing a key role in our financial performance. Recognising emerging concerns over asset quality, we took a cautious approach in launching new schemes by segmenting product ranges to targeted MSMEs and tightening eligibility criteria. These prudent measures contributed to stronger-than-expected financial performance while ensuring responsible risk management.

Our topline has continued to demonstrate consistent growth, with guarantee fee income increasing at a 10-year compound annual growth rate (CAGR) of 11%. Cost discipline remained a key focus, with both the cost-to-income ratio (CIR) and financial sustainability ratio (FSR) staying within expected levels, reflecting prudent cost management and operational efficiency.

While we made progress in asset quality management, it remains a concern due to the persistently high provisions for expected credit losses on our NPFs and NPLs. Additionally, the slower-than-expected take-up of new guarantee and financing schemes introduced in 2024 impacted business income to some extent, requiring further refinements in product positioning and outreach strategies.

In terms of our investment portfolio, our investment profitability was a key contributor in supporting our financial performance in 2024. Market uncertainties related to geopolitical tensions contributed to higher-than-expected unrealised mark-to-market losses in external fund management and REIT investments, which were partly offset by the stronger performance of the fixed income portfolio.

Amidst these challenges, our prudent financial strategies and disciplined cost management will enable us to navigate economic uncertainties while reinforcing our long-term financial sustainability. Moving forward, we will continue refining our portfolio, strengthening risk controls, and optimising investment strategies to ensure sustainable growth and enhanced value creation for our stakeholders.

Meeting GMF Multi Marketing founder at Menggatal, Sabah.

ADVANCING OUR BUSINESS TRANSFORMATION JOURNEY

This successful transformation of our business has been guided by two 5-Year Strategic Roadmaps (2016-2020 and 2021-2025), making CGC an increasingly relevant and recognised brand.

Over the past decade, we have achieved exponential growth, with a 10-year CAGR of 11% driving the expansion of our outstanding base from RM7.2 billion in 2014 to RM21.4 billion in 2024. Achieving this amidst economic and health crises underscores the effectiveness of our strategic approach and calibre of leadership across all levels in CGC, which enabled us to provide critical support to MSMEs during those challenging times.

This progress has been driven by a deliberate expansion beyond our core guarantee business, coupled with the strengthening of strategic collaborations across the MSME ecosystem, enabling us to offer a more holistic support framework for our customers.

Since our inception in 1972, we have issued RM99.4 billion in guarantees and financing, supporting over 380,000 Malaysian MSMEs. Notably, in the last 10 years alone, we have introduced over 345 guarantee schemes, delivering RM43.3 billion in guarantees and financing.

RM99.4 BILLION

IN GUARANTEES AND FINANCING ISSUED, SUPPORTING OVER 380,000 MALAYSIAN MSMEs, SINCE 1972.

Beyond guarantee and direct financing, we have launched several initiatives to extend our role as an enabler of MSME growth. These include the CGC Developmental Programme®, which cultivates sustainable and financially savvy business practices; imSME, Malaysia's 1st digital financing referral platform designed to streamline MSME access to financing; and MyKNP, a financial advisory service developed in collaboration with Bank Negara Malaysia and AKPK to guide MSMEs in their financing journey.

PRESIDENT & CHIEF EXECUTIVE OFFICER'S OVERVIEW

Further strengthening our position in digital transformation, we established CGC Digital Sdn Bhd in 2022 to accelerate the Group's digital evolution. CGC Digital will serve as the centre of digital innovation for the CGC Group, developing next-generation digital solutions in guarantees and ancillary products by leveraging partnerships with digital-native players. It will be a key driver in our next phase of growth, ensuring we remain at the forefront of digital advancements in financial services.

As CGC Digital advances its role in the national digital agenda, we remain committed to supporting broader national ambitions by strengthening the MSME ecosystem, a critical pillar of Malaysia's economic and socioeconomic progress. Building on this, we are working with various parties to quantify our impact, aiming to measure metrics such as the jobs we help to create and GDP contributions of our customers, to lend greater meaning and purpose to our organisational mission.

SETTING THE STAGE FOR CGC GROUP 2026-2030 (CGC GROUP 2030)

Since 2015, People, Process and Technology has been the cornerstone of our strategy, and will remain central as we move forward, with an expanded focus to include digital transformation and sustainability integration. As we enter the final year of our 2021-2025 Strategic Roadmap, we are taking stock of the significant progress we have made while laying the groundwork for the next phase of our journey.

While overall progress is creditable, with all targets surpassing 75% completion, our strongest performances are seen in our provision of developmental support as well as in managing our costs. However, we will need to step up our focus and resilience in other key areas, particularly in expanding financing accessibility, digitalisation, and ESG-linked guarantees, to ensure full achievement of our five-year goals in 2025.

As we move towards the completion of our current roadmap, we have started the groundwork to launch our next 5-year Strategic Plan in Q1 2026. The high-level strategic plan CGC Group 2030 was approved during CGC Board Meeting on 2 September 2024 and has set the direction for the next phase of our growth through 9 Strategic Priorities:

Strategic Priority (SP) of the CGC Group 2030 (5-Year Strategic Plan: 2026 – 2030)

SP1 People-Centric Synergy
Fostering a collaborative and inclusive workplace that prioritises employee well-being.

SP2 Diversify Guarantee Solutions
Expanding guarantee products to cater to diverse business needs and sectors.

SP3 imSME as the Marketplace
Establish imSME as a comprehensive digital hub offering financial and non-financial solutions.

SP4 New Revenue for Both Emerging & Established Business Lines
Generating new revenue streams through innovation across business lines.

SP5 Broaden Financing Solutions
Enhancing and expanding financing options to support diverse MSME needs.

SP6 Targeted Developmental Support
Providing tailored assistance to address specific challenges faced by MSMEs.

SP7 Deepening MSME Engagement
Strengthening engagement with MSMEs to understand and meet their needs.

SP8 Amplified Process Excellence
Improving efficiency and effectiveness through process optimisation.

SP9 Intelligence Solutions
Leveraging data analytics for informed decision-making and strategy.

Datuk Mohd Zamree was honoured as an Integrity Champion at ADFIM's National Conference on Integrity & Governance 2024.

> OUR ABILITY TO EVOLVE ALONGSIDE THE BUSINESSES WE SERVE ENSURES THAT CGC REMAINS A RELEVANT, RESILIENT, AND FORWARD-THINKING DEVELOPMENT FINANCIAL INSTITUTION THAT CONTINUES TO GROW IN TANDEM WITH MALAYSIA'S MSME ECOSYSTEM.

Guided by the above 9 strategic priorities, we will place emphasis on objectives such as further diversifying into untapped and growth segments, such as ESG-linked guarantees, MTCs and the Sharing/Gig Economy, while positioning imSME as a comprehensive marketplace for MSMEs to access a wide range of financial and non-financial services.

This forward-looking strategic plan reinforces our ambition to further advance a digitally enabled and financially inclusive ecosystem, enabling CGC to continue driving long-term MSME sustainability, economic growth, and business resilience. Our ability to evolve alongside the businesses we serve ensures that CGC remains a relevant, resilient, and forward-thinking development financial institution that spurs progress across Malaysia's MSME ecosystem.

DRIVING STRATEGIC EXPANSION

To remain relevant in a dynamic financial industry landscape, continuous product and service innovation, coupled with strategic partnerships, are essential. These efforts enable us to better address the diverse and changing needs of MSMEs. At the same time, with growing regulatory expectations for greater corporate responsibility, we are deepening our commitment to the national sustainability agenda. This includes not only integrating sustainability into our own operations but also actively supporting MSMEs in their transition towards more resilient, inclusive, and environmentally sustainable business practices.

Promoting sustainable access to financing through our guarantee products and advisory services remains central to our expansion strategy, and we have continued to make progress towards achieving our RM1.0 billion ESG-linked guarantee target by 2025. In 2024, we secured an additional RM500.0 million approval for the Low Carbon Transition Facility (LCTF), with RM400.0 million allocated to five FI partners. Additionally, RM108.4 million was approved under the Green Technology Financing Scheme (GTFS) during the year. Moving into 2025, we will continue driving the utilisation of the GTFS limit while securing an additional RM100.0 million allocation for the High Tech & Green Facility (HTG), further strengthening our commitment to expand our green financing portfolio.

PRESIDENT & CHIEF EXECUTIVE OFFICER'S OVERVIEW

Throughout the year, we also introduced several new offerings, which included the first tranche of the Low Carbon Tranche Facility under the portfolio guarantee model, the introduction of Malaysia's first business credit card tailored specifically for Malaysian MSMEs, and the launch of a shared-risk guarantee scheme under an innovative Guarantee-First model scheme, BizJamin-i Rakyat2E.

We also rolled out a full-fledged Islamic portfolio guarantee facility to support Shariah-compliant financing needs. To further diversify financing avenues for MSMEs and MTCs, we signed a memorandum of understanding to facilitate access to capital markets, broadening the landscape of sustainable financing options available to them.

Through these expansions in product offerings, strategic partnerships, financial inclusion initiatives, and sustainability financing, we continue to strengthen our position as a key enabler of MSME growth, supporting businesses in navigating an increasingly complex economic environment in alignment with national development priorities.

SUPPORTING MSME DEVELOPMENT AND ACCESS

Our vision to promote the growth and development of competitive and dynamic Malaysian MSMEs is fundamental to building a resilient MSME ecosystem that drives long-term success for both CGC Group and the businesses we support. By enhancing MSME resilience through capacity-building, financial literacy, and expanded financing access, we play a pivotal role in strengthening Malaysia's entrepreneurial landscape.

In 2024, the CGC Developmental Programme® provided MSMEs with crucial training and advisory services through various events and platforms. This included Intermediate Advisory Workshops in partnership with Sunway University, covering design thinking and consumer persona development, as well as financial advisory workshops with topics such as e-invoicing and debt collection, facilitated by Boss Boleh. To further equip MSMEs for sustainability and growth, we introduced ESG and Halal compliance topics through our Non-Financial Advisory sessions with participating partners. Additionally, we expanded financial literacy engagement through guest speaking sessions at events such as FEN's Financial Literacy Month (FLM) 2024 Roadshow.

During the year, we supported MSMEs in gaining international exposure through participation in CAEXPO 2024 with MATRADE, while facilitating digital adoption by onboarding businesses to MESINKIRA for bookkeeping and helping them establish and grow their presence on TikTok. Concurrently, we strengthened our financial advisory outreach through workshops, partner events, and social media campaigns, ensuring MSMEs have the knowledge and resources to grow sustainably. We also welcomed the second cohort to our CGC100 programme in 2024, providing support and resources to deserving aspiring young entrepreneurs to fast track their business aspirations.

Beyond capacity-building, ensuring MSMEs are aware of available financing opportunities is equally critical. Our imSME platform now plays an instrumental role in consolidating financing options, channelling MSMEs to the most suitable financing products offered by Participating FIs/IFIs/DFIs as well as P2P players to meet their financing needs.

A key development in 2024 was the expansion of the imSME platform's scope to include government grants, broadening its role as a one-stop gateway for MSME financing solutions. This significant decision aligns closely with national objectives for bridging MSMEs with financing solutions, as outlined in the New Industrial Master Plan (NIMP 2030). Our efforts were acknowledged by the Ministry of Investment, Trade and Industry (MITI), which recognised imSME as a transformative platform in enhancing MSME awareness and access to financing, further reinforcing CGC's role in driving inclusive and sustainable economic growth.

To this end, we are working closely with MITI to integrate grant management within imSME. Phase 1 has been implemented, which provides grant information provided by MATRADE, MDEC, MIDA and Yayasan Innovasi Malaysia. Under Phase 2, a digital application process will be introduced to streamline grant accessibility and ensure that funding reaches genuinely deserving businesses.

Over the long term, imSME plans to consolidate government grants into a single, transparent platform, further supporting our efforts to enhance financing access for MSMEs.

During the year, we also strengthened our outreach efforts, undertaken via partnerships, to ensure MSMEs and emerging entrepreneurs are aware of the financing solutions we provide. Key initiatives during 2024 include the following collaborations:

PARTNERS

- **CIDB Malaysia**
  Expanded collaboration to raise awareness of Tabung Projek Usahawan Bumiputera-i (TPUB-i) among CIDB-registered contractors. In 2025, this initiative will extend to CIDB branches nationwide for wider exposure.
- **Johor Centre for Construction Development (JCCD)**
  Organised a briefing session for Johor-based contractors on CGC's products and services. Future engagements will expand outreach to other agencies in Johor.
- **Perbadanan Kemajuan Negeri Selangor (PKNS)**
  Partnered with PKNS to create further awareness of CGC's products and services amongst PKNS contractors.
- **Suruhanjaya Syarikat Malaysia (SSM)**
  Collaborated on MSME training programmes, covering both financial and non-financial topics to improve financial literacy and business acumen.
- **MoneySave Collaboration**
  Co-hosted training events for contractors, focusing on financial literacy and grant application guidance. This initiative generated 300 contractor leads, who will be further engaged on financing opportunities.
- **Syarikat Perumahan Negara Berhad (SPNB)**
  Launched a specialised financing product, leading to over 270 approved applications totalling RM17.0 million, supporting contractors awarded SPNB projects.
- **PLUS Malaysia Berhad**
  Partnered with PLUS to provide financial assistance to its registered vendors through their 2025 roadshow.
- **Koperasi JKR**
  Jointly promoted Tabung Projek Usahawan Bumiputra-i for JKR Contractors.
- **TM Technology Sdn. Bhd.**
  Collaborated on developing financing solutions for TM Vendors.

EMPOWERING A FUTURE READY WORKFORCE

In 2024, we continued strengthening workforce capabilities and engagement, with a strong emphasis on Strategic Workforce Planning. This approach enhances workforce agility and role alignment through job evaluations, leadership development, and workforce analytics, allowing us to identify training priorities and optimise employee deployment. Central to this effort is the importance of leadership at all levels across CGC Group, as we believe empowering leaders, regardless of role or seniority, is key to driving performance, fostering innovation, and building a resilient and future-ready organisation.

To equip our workforce for an evolving business landscape, we have embedded a culture of continuous learning with structured training programmes and 24/7 access to an e-learning platform. Over the past year, we significantly ramped up our training efforts, conducting over 100 training sessions covering core and technical competencies, leadership, sustainability, risk, and compliance. Recognising that leadership development is key to long-term success, we introduced targeted programmes across different management levels to identify high-potential employees and build a strong leadership pipeline, ensuring a steady flow of talent ready to take on future challenges.

Beyond training and development, we reinforced our commitment to employee engagement by fostering a culture where leadership demonstrates genuine care, employees find purpose in their roles, and growth opportunities inspire excellence. Our well-being initiatives, spanning mental health, financial literacy, and physical wellness, are complemented by recognition programmes that reinforce a sense of value and belonging. Through these efforts, we continue to instil our 5 Core Values THINK – Teamwork, Hardworking, Integrity, Nurturing, and Knowledgeable, while championing diversity, equity, and inclusion throughout CGC Group.

Our ongoing efforts have yielded strong results across various employment metrics in 2024. Training participation doubled compared to FY2023, and our attrition rates declined by a remarkable 50% in 2024, reflecting the effectiveness of our workforce strategies in fostering a balanced and fulfilling work environment. Our most recent Impact Survey, which assessed across the three categories of Senior Leadership Effectiveness, Compensation & Benefits, and Organisational Effectiveness, recorded an even higher score of 80%.

PRESIDENT & CHIEF EXECUTIVE OFFICER'S OVERVIEW

Our dedication to people development has been widely recognised by the industry, with CGC receiving eight industry HR awards in 2024 from esteemed organisations such as Graduan, Jobstore, and M100. These accolades reflect our success in harmonising CGC's pursuit of a high-performance workforce with fulfilling work experiences for our people.

Looking ahead, we will continue future-proofing our talent by ensuring employees stay abreast of industry developments and remain aligned with the Future Skills Framework for the Financial Industry introduced by Bank Negara Malaysia. Through our strategic workforce planning framework, we will further drive digital fluency, innovation, accountability, and productivity, while enhancing retention strategies to ensure the long-term sustainability of our talent pool.

DIGITAL TRANSFORMATION

With People, Process and Technology being key drivers of CGC's transformation journey, we continued to advance our digital and process transformation agenda in 2024, ensuring greater efficiency, security, and data-driven decision-making.

A key milestone was the launch of iGuarantee, a self-service partner platform developed in-house using Agile methodology and a modern technology stack. iGuarantee enhances collaboration with Participating FIs/IFIs/DFIs, enabling seamless guarantee application submissions, real-time performance tracking, claims processing, and more. This platform has significantly streamlined processes and improved operational efficiency, strengthening our engagement with partners.

To support a data-driven culture, we have continued to expand our Enterprise Data Warehouse (EDW) as a central data repository for fast and secure data access. This ensures that we can leverage analytics to enhance business insights, improve risk assessments, and refine our decision-making capabilities.

In embracing the latest technological advancements to future-ready our workforce, we introduced Microsoft Copilot across the corporation, allowing employees to harness generative AI to enhance productivity. This tool enables faster drafting of documents and emails, as well as real-time transcription of online meetings, fostering efficiency in day-to-day operations.

In line with rapid digitalisation, cybersecurity remains a top priority, with continued investments in advanced protection, detection, and recovery solutions serving to fortify CGC's resilience against cyber threats. In 2024, we engaged an external service provider to conduct a comprehensive cybersecurity maturity assessment, leading to the development of a three-year roadmap to enhance CGC's security framework.

Key initiatives under this roadmap include implementing an identity access management tool, which strengthens authorisation protocols, and laying the foundation for Development, Security, and Operations (DevSecOps), enabling secure coding practices and streamlined application deployment. Additionally, we produce short, impactful cybersecurity awareness videos featuring CGC staff, ensuring that cybersecurity awareness remains embedded within our organisational culture.

2025 OUTLOOK

As we move into 2025 and beyond, we are mindful of the continuing challenges facing MSMEs in Malaysia. As reported by the Securities Commission, access to financing remains an issue based on the financing gap of RM290 billion that was recorded in 2022. Cognisant of the evolving global landscape and its potential impact on Malaysia's MSME ecosystem, we are actively engaging with stakeholders to better understand and assess the implications of global shifts, including policy changes and broader geopolitical developments. The outlook for global growth, inflation, and trade remains clouded by considerable uncertainties, which could contribute to greater volatility in financial markets.

Rising business expenses due to increased labour costs and the removal of utility subsidies is likely to result in cash flow constraints for MSMEs, but their lack of awareness of capital market fundraising opportunities, coupled with high issuance and compliance costs, will hinder their ability and likelihood of securing financing. We are also cognisant of a low prevalence of digitalisation and e-commerce adoption, with nearly 70% of MSMEs yet to start their digital journey, and a lack of technical skills limiting their business expansion and sustainability transitions.

We view these challenges as opportunities to reinforce CGC's role as a catalyst for MSME growth and development. In 2025, our focus will be on broadening access to financing by enhancing supply chain financing for local vendors and expanding our guarantee schemes to serve high-potential, but underserved segments such as the sharing and gig economy. At the same time, we will introduce Portfolio Guarantees (PGs) for MTCs, enabling us to extend our reach and impact across a wider spectrum of businesses. To support long-term MSME resilience, we will also scale up the CGC Developmental Programme® to close critical gaps

WE WILL CONTINUOUSLY STRENGTHEN THE ROLE OF CGC DIGITAL AS THE GROUP'S DIGITAL ARM, DRIVING THE ADOPTION OF TECHNOLOGY TO ENABLE FASTER, MORE SEAMLESS ACCESS TO FINANCIAL SERVICES FOR MSMEs VIA OUR FI PARTNERS.

CGC's new core competencies, introduced on 13 February 2025 align with the Future Skills Framework for the Malaysian Financial Sector.

in technical capabilities and sustainability readiness–ensuring that MSMEs are equipped to adapt, grow, and thrive in an increasingly dynamic and digitalised economy.

On this note, we will continuously strengthen the role of CGC Digital as the Group's digital arm, driving the adoption of technology to enable faster, more seamless access to financial services for MSMEs via our FI partners. This effort not only expands accessibility and accelerates processing times but also reduces transaction and operational costs–delivering greater efficiency and contributing positively to our financial sustainability.

To further safeguard long-term financial stability, we will undertake several internal measures. Key among them is the refinement of our profit mandate and pricing mechanism to ensure that our offerings remain competitive while sustaining our financial strength. We will also reinforce our credit risk management through the establishment of an Asset Quality Taskforce (AQT), which will work closely with FIs/IFIs/DFIs partners to mitigate non-performing accounts and reduce claims exposure. At the same time, we are exploring new avenues to enhance the resilience of our investment income, including opportunities in listed equities to diversify our investment returns.

Regarding the current issue concerning global trade, CGC has taken proactive steps to assess the potential impact of the proposed US tariff on Malaysian MSMEs – particularly those under our guarantee schemes. Recognising the possible ripple effects on MSME exports and business continuity, we have initiated engagements with key stakeholders in the Malaysian MSME ecosystem. This timely initiative seeks to identify vulnerabilities and explore responsive measures to help our MSMEs navigate evolving global trade dynamics.

With a clear strategy and well-defined initiatives, CGC remains steadfast in its mandate of empowering MSMEs, strengthening financial resilience, and driving inclusive economic growth in Malaysia.

ACKNOWLEDGEMENTS

In a time marked by growing global uncertainties, the importance of collaboration and collective resilience has never been more critical. By leveraging one another's strengths, we can continue to support and uplift the Malaysian MSME ecosystem.

At CGC, we remain committed to continuous innovation, agility, and embracing emerging technologies such as generative AI to future-proof our workforce and drive process improvements. Guided by People, Process and Technology, we remain focused on our mandate, ensuring our relevance and impact, particularly for the unserved and underserved segments.

I extend my sincere appreciation to our valued Malaysian MSMEs, Federal and State Governments, Bank Negara Malaysia, and our Strategic Partners in the financial industry and MSME ecosystem for their unwavering support. To my Chairman and Board of Directors, thank you for your guidance and invaluable support. Last but not least, to all my colleagues in CGC Group, your commitment and dedication remain our greatest strength.

Together, we will forge ahead in building a resilient and sustainable CGC for the future of Malaysian MSMEs.

DATUK MOHD ZAMREE MOHD ISHAK
President & Chief Executive Officer

OUR INTEGRATED APPROACH TO VALUE CREATION – HOW WE CREATE VALUE

Assessing Our Context

Assess and Evaluate Our Operating Context

Evaluating our operating context involves a comprehensive assessment of internal and external factors that may impact our success and effectiveness. Internally, this includes our financial capacity, organisational expertise, resource availability, operational infrastructure, risk management frameworks, and compliance with legal and regulatory requirements. Externally, we consider macroeconomic conditions, industry and market trends, interest rates, funding costs, government policies and support measures, alongside stakeholder engagement – all of which shape and inform CGC's strategic direction.

Cultivating Stakeholder Relationships

Read more on pages 48 to 55

Engaging with stakeholders and fostering strong relationships is vital to CGC's long-term success. Meaningful and collaborative engagement ensures open communication, addresses stakeholder concerns, and builds trust and support for our initiatives. Our key stakeholders include financial institutions, government agencies, regulators, MSMEs, borrowers, and the wider community.

- ST1 Partners and MSMEs
- ST2 Communities & NGOs
- ST3 Employees
- ST4 Suppliers
- ST5 Regulators

Addressing Risks and Opportunities

Read more on pages 69 to 77

Our strategic decisions are underpinned by a comprehensive Enterprise Risk Management (ERM) Framework that safeguards the sustainability and resilience of our business. We actively manage core risks–liquidity, market, credit, and operational–while identifying emerging opportunities to support the growth and innovation of the MSMEs we serve.

Our ERM approach remains responsive to the evolving dynamics of the financial sector, fostering both organisational resilience and sustainable value creation. It ensures that risk management is integrated with strategic enablers and initiatives, reinforcing our mission to unlock new opportunities for financial empowerment and inclusive growth.

By integrating risk mitigation with proactive opportunity identification, we uphold a robust value proposition for our stakeholders. Our commitment to a risk-aware culture and strategic agility ensures we remain a resilient force in advancing a sustainable economy.

Sustainability at CGC

Read more on pages 122 to 129

Our Sustainability Framework serves as a strategic compass, shaping our initiatives, operations, and long-term direction. In line with our commitment to responsible business, we acknowledge the economic, environmental, and social risks and opportunities inherent in our practices. We are firmly aligned with the United Nations Sustainable Development Goals (UNSDG) and have identified 10 goals where our business can make the most meaningful impact. To ensure accountability and quantify our progress, we actively track our contributions to these SDGs.

Identify and Prioritise Our Material Matters

Read more on pages 58 to 65

Sustainability Focus Areas	Material Matters
Unlocking Innovative Pathways	M2 M3
Strengthening Customer Engagement	M7
Managing CGC's Climate Impact	M1
Introducing Environmentally Friendly Solutions	M4
Empowering MSMEs to Drive Growth	M6 M11 M13
Supporting Local Socio-Economic Development	M12
Enhancing Workforce Readiness	M8 M9 M10
Upholding Responsible Business Practices	M5 M14 M15 M16 M17

Our value creation is intrinsically linked to the global economic landscape and its influence on the financial sector. Through in-depth analysis of the key factors affecting our operations, we uncover trends and opportunities – allowing us to adapt strategies, mitigate risks, and make informed decisions that enhance long-term value.

Formulating Strategies & Strengthening Our Business Model

Formulate Business Strategy

Read more on pages 78 to 83

The strategic objectives of our strategic roadmap are supported by focused initiatives executed across the Group and its divisions. Backed by a digital-first strategy, renewed ambitions, and growing digital capabilities, CGC is well-positioned to advance our goals, drive MSME support, and achieve long-term sustainable success.

- **SO1** Assist MSMEs to access financing through strategic partnerships
- **SO2** Drive MSMEs' excellence through targeted developmental support
- **SO3** Become a digitally-savvy organisation to propel scale and speed of MSMEs' impact
- **SO4** Facilitate sustainability agenda encompassing Economic, Environment, Social and Governance aspects

Our Capitals

Read more on pages 46 to 47

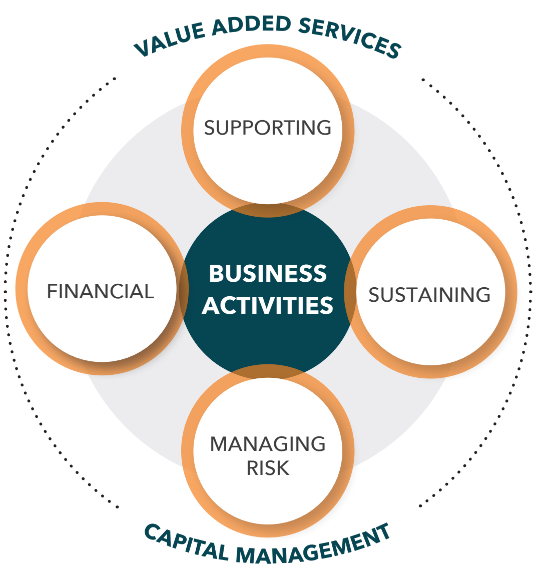
- **FC** Financial Capital
- **HC** Human Capital
- **IC** Intellectual Capital
- **MC** Manufactured Capital
- **NC** Natural Capital
- **SRC** Social & Relationship Capital

Business Model

Read more on pages 44 to 45

Our business model is built to maximise the effective use of six key capitals – financial, human, intellectual, manufactured, natural, and social & relationship – which serve as our core business inputs. These are strategically channelled through four key activities: financial, supporting, sustaining, and managing risk. Through these, we generate outputs and outcomes that deliver value to our six primary stakeholder groups.

At the same time, our sustainability agenda, anchored on four key pillars, ensures that we pursue economic progress responsibly, balancing growth with environmental and social stewardship.



Creating Value

VALUE, FOR US, MEANS ACHIEVING OUR STAKEHOLDER GOALS

STRATEGIC PARTNERS
We broaden risk mitigation and protection coverage by bridging information gaps and cultivating impactful collaborations

MSMEs
We enhance access to financing and non-financial assistance through our various award-winning guarantee schemes and targeted developmental support initiatives

COMMUNITIES & NGOs
We champion meaningful community contributions through initiatives focused on education, empowerment, and entrepreneurship–driving social value and long-term impact

EMPLOYEES
We offer fulfilling career opportunities, nurture our people, and promote personal and professional growth, aspiring to be Malaysia's Most Preferred Employer

SUPPLIERS
We foster enduring partnerships with our vendors to uphold efficient, ethical, and sustainable supply chain relationships

REGULATORS
We uphold robust compliance and regulatory alignment while advancing MSME empowerment, creating meaningful value for regulators and contributing to inclusive economic growth

Read more on our identified stakeholders on pages 48 to 55

OUR VALUE CREATING BUSINESS MODEL

ASPIRATION

Partner for MSME Growth across Life Stages

VISION

To be an effective financial institution dedicated to promoting the growth and development of competitive and dynamic micro, small and medium-sized enterprises

MISSION

To enhance the viability of micro, small and medium-sized enterprises through the provision of products and services on competitive terms and with the highest degree of professionalism, efficiency and effectiveness

CORE VALUES

- T Teamwork
- H Hardworking
- I Integrity
- N Nurturing
- K Knowledgeable

OUR CAPITALS...

FINANCIAL CAPITAL

- Total Equity: RM4.4 billion
- Total Assets: RM5.2 billion
- Guarantee Reserve Ratio: 1.6 times

HUMAN CAPITAL

- 606 personnel (577 CGC Malaysia and 29 CGC Digital)
- Invested over RM1.85 million in employees' upskilling

INTELLECTUAL CAPITAL

- Launched EDW Phase 2, Product Profitability Report (PPR)
- Launched iGuarantee, centralised platform for PFIs

MANUFACTURED CAPITAL

- 16 branches nationwide
- imSME platform
- Client Service Centre (CSC)

NATURAL CAPITAL

- Established CGC Sustainability Framework
- Developed green products to empower MSMEs to embrace low-carbon practices

SOCIAL AND RELATIONSHIP CAPITAL

- Continuous financial support to MSMEs
- Strategic alliance with Financial Institutions (FIs)
- CGC Developmental Programme®
- CGC100 Programme

...ENABLE VALUE-ADDING ACTIVITIES

STRATEGIC OBJECTIVES

1. Assist MSMEs to access financing through strategic partnership.
2. Drive MSMEs' excellence through targeted developmental support.
3. Become a digitally savvy organisation to propel scale and speed MSMEs' impact.
4. Facilitate sustainability agenda encompassing Economic, Environmental, Social and Governance aspects.

MARKET TRENDS

1. A dynamic and uncertain global economic landscape.
2. Increased scrutiny on sustainability practices and performance.
3. Accelerated digital transformation across markets and industries.

Read more about Business Environment Key Market Trends on pages 66 to 68

MATERIAL MATTERS

17 CGC Material Matters:
- 1 Environmental
- 6 Economic
- 6 Social
- 4 Governance

Read more about our Material Matters on pages 58 to 65

KEY RISKS

- Business
- Credit
- Market
- Liquidity and Funding
- Operational
- Business Continuity
- Technology/Cyber

Read more about our Key Risks and Mitigation on pages 69 to 77

BUSINESS ACTIVITIES

FINANCIAL

1. Enhancing the creditworthiness of MSMEs by providing guarantees in collaboration with FI partners, enabling them to secure financing and achieve their business goals effectively.
2. Offering tailored contract financing solutions for Bumiputera entrepreneurs to support and accelerate their business endeavours.
3. Executing effective fund management strategies to ensure targeted returns are consistently achieved, fostering sustainable growth and financial stability.

SUPPORTING

1. Forming strategic partnerships with relevant agencies and trade associations to broaden outreach and connect with a wider range of MSMEs.
2. Delivering comprehensive support through the CGC Developmental Programme®, which combines Financial Advisory and Non-Financial Advisory services to strengthen MSME capabilities.
3. Offering a centralised, seamless digital platform via imSME, enabling MSMEs to easily access, compare, and apply for financing solutions–enhancing convenience and financial inclusion.

SUSTAINING

Continuously investing in, optimising, and maintaining our operations, technology, and infrastructure to support efficiency, scalability, and long-term growth.

MANAGING RISK

Enterprise-wide risk management that includes Credit Risk; Operational Risk; Strategy, Business and Financial Risk; Market Risk; Regulatory and Compliance Risk; IT Risk and Reputational Risk.

SUSTAINABILITY PILLARS

Pillar 1 Sustainable Solutions

Pillar 2 Towards a low-carbon economy

Pillar 3 Fostering meaningful partnerships

Pillar 4 Embedding Sustainability into CGC

UNDERPINNED BY **OUR OVERARCHING GOVERNANCE**

FY2024 Outputs

FINANCIAL PERFORMANCE

Total Income
RM517.2 million

Revenue
RM241.1 million

Net Profit
RM52.2 million

...THAT CREATE

...VALUE FOR OUR STAKEHOLDERS.

FY2024 PERFORMANCE

MSME Outreach
Total number of approved guarantee and financing
6,571 accounts

Total value of approved guarantee and financing
RM4.0 billion

Premised on the Shariah Principles, we commit to upholding the highest level of integrity supporting our everyday decisions and actions, in our efforts to uplift our communities and our nation.

Read more on our identified stakeholders on pages 48 to 55

Outcomes	Stakeholders	UNSDG
FINANCIAL CAPITAL • Shareholder's equity grew by 1.32%, totalling RM4.4 billion • Total assets rose by 1.3%, reaching RM5.2 billion	ST1 ST2 ST4 ST5	8
HUMAN CAPITAL • Increased our investment in human capital to RM114.1 million (FY2023: RM99.1 million) • Deployed strategic workforce planning by re-mobilisation and re-skilling employees • Throughout 2024, our 114 training programs filled over 9,000 seats, resulting in an average of 15 sessions per employee	ST1 ST2 ST4 ST6	3 5 10
INTELLECTUAL CAPITAL • Our PPR modules cover key areas such as revenue, net profit/loss, income, cost of funds, and asset quality, which empowers quick insights into trends for improved decision-making • Offers a range of features designed to enhance partner experience and streamline processes	ST1 ST2 ST4 ST5	8 9
MANUFACTURED CAPITAL • RM205 million financing approved through branches • Nearly 85,000 MSMEs have registered on imSME to-date • Ensured timely and accurate responses to enquiries via CSC, with improved customer service standards	ST1 ST2 ST4 ST5	4 9 10
NATURAL CAPITAL • Established CGC's Scope 1, Scope 2 and Scope 3 emissions • Embedded sustainability criteria in our procurement processes • Served as Green Technology Financing Scheme (GTFS 4.0) and Low Carbon Transition Facility (LCTF) administrator • Offered over RM400 million worth of ESG-linked portfolio guarantees	ST1 ST2 ST3 ST5	7 12 13
SOCIAL AND RELATIONSHIP CAPITAL • To date, CGC has provided RM99.4 billion in guarantee and financing across 538,873 accounts • Expanded strategic alliances with existing FI partners to provide RM3.4 billion worth of PG and WG in FY2024 • Over 87,000 MSMEs have been assisted through the CGC Developmental Programme® • A total of 70 youth entrepreneurs have been trained under the CGC100 Programme	ST1 ST2 ST3 ST5	4 8 10

OUR KEY CAPITALS

In shaping strategies for business growth and expansion, we deploy our operational resources across six key capitals within our business model. These capitals drive our business activities, generating outputs that lead to meaningful outcomes, both in terms of delivering financial returns as well as creating lasting value for our stakeholders.

FC FINANCIAL CAPITAL

Our primary sources of funding include guarantee fees, diverse liability instruments, operational revenue, and equity. These financial capital resources support the management of our business activities and facilitate ongoing investments into developmental and operational endeavours. The continued growth in our guarantee and financing portfolio reflects our expanded outreach efforts, reinforcing our core purpose of helping MSMEs achieve their entrepreneurial aspirations.

- Total Equity: **RM4.4 billion**
- Total Assets **RM5.2 billion**
- Total Income: **RM517.2 million**
- Cost-to-Income Ratio: **34.4%**

HC HUMAN CAPITAL

Anchored by our Core Values 'THINK', our people are the driving force behind CGC's success. Consequently, we are committed to nurturing our workforce, fostering a supportive and high-performing culture that supports their career progression and encourages the pursuit of personal and professional goals. This, in turn, strengthens our ability to support MSMEs with the expertise and resources they need to thrive.

- **Total workforce of 606 personnel**
- Invested over **RM1.85 million** in upskilling employees through various learning and development programmes.

IC INTELLECTUAL CAPITAL

To remain agile and competitive, we continually strengthen our intellectual capital, which encompasses patents, copyrights, organisational structures, software, and other proprietary knowledge. We also place high value on intangibles such as brand trust and institutional credibility, including emphasis on enhancing and safeguarding our digital infrastructure. Our ongoing innovation drives process automation, faster turnaround time, improved customer experience, and inclusive solutions.

- **Launched Enterprise Data Warehouse (EDW)** Phase 2, which includes Product Profitability Report (PPR) to facilitate more rapid and robust financial analysis and decision making, while enhancing operational efficiency, data accuracy, and visualisation.
- **Launched iGuarantee**, a centralised platform that enables collaboration, online submissions, and provides self-service capabilities to improve efficiency and strengthen relationships between CGC and our Partner FIs.

MC MANUFACTURED CAPITAL

Our manufactured capital encompasses cutting-edge technology, robust infrastructure, and optimised processes that form the backbone of our operations. This synergy enables us to deliver consistent quality, drive productivity, and adapt swiftly to changing demands. Through ongoing innovation and strategic investments into our manufactured capital, we continue to strengthen our operational capabilities, meet evolving stakeholder needs and support sustainable business growth.

- Our **16 strategically located branches** nationwide provide convenient physical access to our services.
- **imSME is our innovative digital referral platform**, pioneering online services to drive greater inclusivity and accessibility for MSMEs seeking financing.
- **Our Client Service Centre (CSC)** ensures timely and accurate responses to enquiries, upholding continually improving high standards of customer service.

NC NATURAL CAPITAL

Our natural capital embodies our commitment to environmental stewardship, where responsible resource management and eco-conscious practices guide our operations. We strive to balance business growth with sustainability, ensuring long-term resilience for both the environment and the communities we serve. With a focus on innovation, we continue to enhance our environmental impact and contribute meaningfully to a greener future.

- Established the **CGC Sustainability Framework** to guide progress across the EESG spectrum.
- Developed **green and sustainable financing products** to empower MSMEs in embracing low-carbon practices.

SRC SOCIAL & RELATIONSHIP CAPITAL

We actively strengthen relationships with our stakeholders and partners, embedding their needs into our business practices to nurture our social and relationship capital. This collaborative approach fosters mutual growth, builds long-term trust, and reinforces our role as an enabler of inclusive development. In a dynamic operating landscape, we remain committed to forging strategic partnerships that amplify our impact and deliver shared value.

- Leveraged **robust partnerships with FIs, DFIs and non-DFIs and DFs** to provide continuous financial support to MSMEs
- **Continued strengthening strategic alliances** with FIs to expand access and introduce innovative new financing solutions.
- Assisted thousands of MSMEs through the **CGC Developmental Programme®**
- Conducted the **CGC100 Programme** annually to provide invaluable support and guidance for upcoming entrepreneurs.

STAKEHOLDER ENGAGEMENT & VALUE CREATION

Quality of Engagement: D Daily W Weekly M Monthly Q Quarterly A Annually R As required

ST1 PARTNERS AND MSMEs

Robust relationships with financial institutions, MSMEs and other partners are vital to our mission of fostering an accessible and inclusive financial ecosystem.

QUALITY OF RELATIONSHIP

Engagement Purpose (Why We Engage)

- Build strong relationships with stakeholders, especially Financial Institutions (FIs), non-FIs, partners, and MSMEs, to support our mandate of providing financial guarantees to MSMEs lacking collateral and financial track records.
- Maintain close ties with MSMEs, aligning with our goal to be 'the Partner for MSME Growth across life stages' via the CGC Developmental Programme, offering Advisory Workshops, New Market Access, and Networking Sessions.
- Assist MSMEs through our digital platforms and 16 nationwide branches with targeted financing and non-financing support, including Tabung Projek Usahawan Bumiputera-i (TPUB-i) contract financing, shared risk schemes, bank referral programs, and advisory services to boost their growth.
- Foster robust partnerships with new and existing Contract Awarders (CA) to expand our TPUB-i outreach.
- Provide advisory assistance to MSMEs who are unsuccessful in financing with FIs (MyKNP).
- Celebrate the achievements of MSMEs, FIs, non-FIs, and their sales staff with award programmes, such as the annual CGC SME Award, PG Sales Challenge Award, and bi-annual Top Sales Guarantee Achievers Award.
- Handle product, process, and feedback enquiries professionally via an omnichannel platform at our Customer Service Centre, delivering an outstanding customer experience.

Channel & Frequency of Engagement

- Regular meetings with strategic partners to discuss business opportunities and asset quality management.
- Scheduled events undertaken in collaboration with Contract Awarders, partner financiers, agencies and associations. These are conducted nationwide at CGC branches to enhance outreach and awareness amongst MSMEs
- Year-round activities conducted under our CGC Developmental Programme, leveraging the following channels to connect with MSMEs:
  - One-to-one financial advisory consultations to help MSMEs address shortcomings behind unsuccessful financing applications.
  - Financial Advisory Workshops to boost MSMEs' financial literacy and long-term financial health.
  - Advisory Workshops on business topics to strengthen MSMEs' capabilities.
  - Access to New Markets programs, including seminars and local and international trade fairs, that help MSMEs expand their reach and increase sales.
  - Networking sessions to foster MSME collaboration for improved business outcomes.

Key Concerns Raised

- Financing access difficulties and stringent FI/non-FI requirements faced by MSMEs.
- Guarantee fee pricing concerns.
- Inadequate scorecard or data granularity for assessment.
- Negative cash flow, repayment issues or a weak CCRIS record.
- Limited borrowing capacity, knowledge, market access and higher risk profiles for startups seeking financing.
- Low understanding of ESG matters and its potential impact on businesses.

Responses

- Collaborating with partner FI and non-FIs to support unserved and underserved MSMEs.
- Adopting risk-based pricing with attractive pricing solutions for lower risk customers.
- Improving eligibility criteria, guidelines, processes, systems, and data collection to enhance efficiency and access to financing.
- Providing restructuring and handholding programs for MSMEs facing challenges in meeting their financing obligations.
- Developing financially savvy MSMEs through educational support initiatives.
- Customising learning and development programmes to address knowledge and technical gaps faced by MSMEs
- Leveraging digital channels to improve the customer journey and experience.

RISKS

- MSMEs have inherently higher risk profiles, especially within unserved and underserved segments.
- Limited borrowing capacity of MSMEs.
- Money laundering and fraudulent activities.
- Regulatory and compliance risks.

OPPORTUNITIES

Value Created for Stakeholder

- FI and non-FI partners are encouraged to extend financing to underserved MSMEs with the support of CGC's guarantee, facilitating the expansion of their loan and financing portfolios.
- FI partners can provide lower capital requirements on risk-weighted assets for financing backed by CGC's guarantee.
- Partners gain from collaboration opportunities, idea exchange, best practice sharing, industry networking, and regular feedback on asset quality.
- Enhanced partner experience through faster, seamless processing enabled by iGuarantee and API integrations.
- MSMEs benefit from financial coaching, tailored financing solutions, access to new markets, and valuable networking opportunities.

Value Created for CGC

- Fulfilment of mandate to serve unserved and underserved MSME segments.
- Improved MSMEs outreach by leveraging on partner networks.
- Improved asset quality driven by improvements in response to shared feedback.
- Leveraging collaboration to drive the creation of new guarantee products and beyond guarantee solutions for MSMEs.
- Enhanced capacity-building and business knowledge to support MSMEs' operations and expansion goals.

BUSINESS INITIATIVES

- Partnering with financial institutions, non-FIs, and agencies for MSME outreach.
- Engaging frequently with MSMEs and partners to explore collaboration opportunities, share insights, and discuss developments.
- Launching new products and guarantees that deepen our relationship with partners.
- Providing personalised guidance for financial literacy and capacity building through the CGC Developmental Programme and Branch Advisory Programme, including advisory workshops, financial advisory services, networking sessions, e-commerce, digital tools, and export opportunities.

VALUE CREATION INDICATORS & HIGHLIGHTS/ACHIEVEMENTS

- Extended guarantee and financing to 6,571 MSMEs (75% against target).
- Approved guarantees and financing valued at RM4.02 billion (84% against target) despite a challenging business environment.
- Organised 53 workshops through the CGC Developmental Programme, benefitting 3,610 MSMEs and resulting in a 64% increase in average sales.
- Assisted 8,362 MSMEs via Targeted Developmental Support, 1,772 MSMEs via Branch Advisory services and 1,317 MSMEs through referral program.
- Launched new guarantee products:
  - First PG Property with Public Bank Berhad.
  - First Islamic PG with non-FI (Funding Societies).
  - First in Asia – PG Visa Business Credit Card with Alliance Bank Malaysia Berhad.
  - First PG-i partnership with Islamic FI and PG-i for Halal business (Bank Muamalat Malaysia Berhad).
  - Guarantee First Model with Bank Rakyat (BizJamin-i Rakyat2E) and Bank Simpanan Nasional (BizJamin-i Micro TemanMesra).

Capitals Impacted: FC IC MC NC SCR | **Material Matters:** M1 M2 M3 M4 M6 M7 M11 M13 | **UNSDGs:** 4 8 9 10

STAKEHOLDER ENGAGEMENT & VALUE CREATION

Quality of Engagement: D Daily W Weekly M Monthly Q Quarterly A Annually R As required

ST2 COMMUNITIES & NGOs

Communities & NGOs are integral to the success of our initiatives – their collaboration, dedication, and commitment play a vital role in achieving our strategic goals and driving meaningful social impact.

QUALITY OF RELATIONSHIP

Engagement Purpose (Why We Engage)

- Building strategic alliances with communities and NGOs helps us further enhance support for MSMEs.
- Contribute to fostering sustainable communities that generate positive social impact.
- Champion development support for unserved and underserved populations.
- Enhance the alignment of our initiatives with the United Nations Sustainable Development Goals (UNSDGs).

Channel & Frequency of Engagement

- Meetings and discussions held as part of strategic alliances formed with NGOs.
- Corporate Social Responsibility (CSR) initiatives and donations that are conducted and made regularly.
- Virtual meetings and in-person interactions held as and when required.

Key Concerns Raised

- Difficulty in accessing unserved and underserved communities.
- Limited channels for meaningful engagement with unserved and underserved communities.

Responses

- Teaming up with NGOs to drive impactful CSR initiatives, across our key focus areas of Education, Healthcare and Entrepreneurship.
- Conducting the CGC100 programme, an entrepreneurship initiative designed to empower young adults from underrepresented and underserved communities.
- Forging partnerships with reputable NGOs dedicated to supporting and uplifting unserved and underserved populations.

RISKS

- Miscommunication and misinformation could cause confusion and distrust, potentially harming the community's perception of CGC.

OPPORTUNITIES

Value Created for Stakeholder

- Empowering unserved and underserved communities through inclusive CGC initiatives.
- Customised youth programme focused on business skills and financial literacy, fostering entrepreneurship as a viable livelihood.
- Nationwide access to CGC facilities to enhance outreach and support.

Value Created for CGC

- Improved financial inclusion amongst unserved and underserved communities in line with CGC's mandate.
- Enhanced brand reputation and recognition among grassroots entrepreneurs and communities.
- Greater social impact in alignment with CGC's sustainability objectives.

BUSINESS INITIATIVES

- Aligning our efforts with national priorities and NGO objectives to advance sustainable development.
- Integrating unserved and underserved communities into CGC's outreach and support programmes.
- Designing tailored youth programmes to enhance business skills and financial literacy, empowering entrepreneurship as a viable source of income.
- Expanding nationwide access to CGC facilities to strengthen reach and ensure inclusive support across communities.

VALUE CREATION INDICATORS & HIGHLIGHTS/ACHIEVEMENTS

- 21 community outreach programmes organised in 2024.
- CGC has developed collaborative relationships with 19 NGOs.
- Continued to conduct the CGC100 programme, with 20 new participants in 2024 and 70 total participants since inception in 2022.

Capitals Impacted: NC SCR | **Material Matters:** M6 M7 M11 M12 M13 | **UNSDGs:** 4 QUALITY EDUCATION, 10 REDUCED INEQUALITIES

STAKEHOLDER ENGAGEMENT & VALUE CREATION

Quality of Engagement: D Daily W Weekly M Monthly Q Quarterly A Annually R As required

ST3 EMPLOYEES

Employees are the backbone of the Group. Their skills, dedication and commitment is central to achieving our strategic priorities

QUALITY OF RELATIONSHIP

Engagement Purpose (Why We Engage)

- Implement effective workforce right-sizing and manpower optimisation strategies to enhance productivity and performance.
- Ensure alignment of overall employee development and engagement activities with CGC's strategic direction.
- Continue to build and nurture a robust leadership pipeline across CGC.

Channel & Frequency of Engagement

- Q CGC Group Town Hall.
- A Employee Engagement Survey/Impact Survey.
- R Recongitions of Achievements celebration.
- Q Talent Development Programme.
- R Internal Communication Platforms.
- M Corporate and Divisional Engagement Activities.

Key Concerns Raised

- Access to learning and development support.
- Quality of support provided by leadership and management.
- Burnout and well-being concerns.
- Inefficiency resulting in negative impacts on employee morale.

Responses

- Expanding digital learning platform with personalised learning programmes and remotely accessible on-demand learning.
- Continuing to promote high impact leadership programmes at various management levels.
- Implementing proactive well-being initiatives, mental health support and work-life integration programmes.
- Enhancing our organisational structure, leveraging macro and micro realignment to boost internal efficiencies.

RISKS

- Disengaged employees due to lack of growth opportunities.
- Attrition of key talent.
- Employee facing burnout and well-being challenges.
- Higher operational costs due to inefficiencies working processes.

OPPORTUNITIES

Value Created for Stakeholder

- Robust career development and future leadership role prospects.
- Strong sense of belonging and organisational alignment.
- Improved well-being and work-life integration.
- Enhanced operational efficiencies that support employee job satisfaction.

Value Created for CGC

- Improved workforce agility and future-ready talent.
- Enhanced employee experience that reduces attrition and increases morale.
- Increased productivity, innovation and business resilience.
- Enhanced operational efficiency, reducing costs and improving overall business performance.
- Stronger employer brand and industry positioning.

BUSINESS INITIATIVES

- Undertaking employee Engagement Survey/Impact Survey to gain employee feedback.
- Establishing learning and development metrics for targeted upskilling efforts.
- Improving the retention rate of key talents (C-1 & C-2).
- Implementing leadership development metrics to boost succession planning readiness.
- Building strong employer branding to attract top industry talent.

VALUE CREATION INDICATORS & HIGHLIGHTS/ACHIEVEMENTS

- Increased engagement scores by 13% through various corporation and divisional engagement activities.
- Training participation increased 100% from FY2023, with various new learning initiatives introduced.
- Successfully improved attrition rates by 50% compared to the previous year.
- Successfully identified and placed 18% of high-potential employees in leadership pipelines.
- Win 8 HR Awards in 2024 from various prestigious organisations i.e Graduan, Jobstore and M100.

Capitals Impacted: FC HC | **Material Matters:** M8 M9 M10 | **UNSDGs:** 3 4

ST4 SUPPLIER

Suppliers are essential partners in our value chain. Their reliability, quality and alignment with our standards are critical to delivering our commitments and sustaining operational excellence.

QUALITY OF RELATIONSHIP

Engagement Purpose (Why We Engage)

- Cultivate strategic and sustainable relationships that support our business operations.
- Ensure our suppliers maintain adherence with our expectations, codes and policies.

Channel & Frequency of Engagement

- Q Communication during Strategic Vendor Relationship (SVR) activities, which may include online meetings or site visits with key vendors.
- D Day-to-day engagement during procurement sourcing activities.
- Q Discussions during Proof of Concept (POC) presentations by vendors to demonstrate goods and services that cater to our requirements.
- M Engagement during performance evaluations and feedback monitoring activities undertaken for continuous improvement purposes.
- R Contract discussions undertaken to ensure mutually beneficial agreements are reached.

Key Concerns Raised

- Inability to meet the stipulations of service agreements, resulting in substandard goods or services.
- Uncertainty over expectations surrounding business conduct and regulatory requirements.
- Unclear or incomplete quotation processes resulting in unexpected costs and pricing.
- The impartiality and transparency of the procurement process.

Responses

- Automating monthly performance and monitoring feedback mechanisms to analyse supplier performance and escalate issues in a timely manner.
- Driving engagement through SVR activities and highlighting the importance of adherence to CGC's Vendor Code of Conduct (VCOC) standards.
- Conducting proactive negotiation exercises aimed at achieving mutually beneficial agreements that maximises value for both parties.
- Upholding the highest standards of integrity and ensuring ethical and fair treatment of all vendors.

STAKEHOLDER ENGAGEMENT & VALUE CREATION

RISKS

- Unexpected cost increases and budget overruns due to fluctuations in raw materials or currency exchange rates, impacting operational costs.
- Supply chain disruptions due to natural disasters, geopolitical issues, pandemics or supplier default.
- Substandard goods or services provided by vendors.

OPPORTUNITIES

Value Created for Stakeholder

- CGC's advocation for local suppliers provides more business opportunities for Malaysian vendors.
- Our use of a centralised procurement process ensures consistency, ethical standards and fair practices.
- A standardised and transparent procurement ensures CGC's expectations are clearly established.
- Streamlined communication undertaken by a single point of contact for vendors.

Value Created for CGC

- Enhanced synergy, clear demarcation of roles and improved operational efficiency across the Corporation.
- Fair procurement practices build trust and loyalty, encouraging vendors to prioritise their strategic relationship with CGC.
- The constructive feedback we provide vendors on quality, delivery or service can enhance their offerings in a manner that benefits CGC in the long run.
- Open communication and transparency will drive the alignment of vendor practices, priorities and timelines with CGC requirements and expectations.
- Long term contracts established with vendors helps CGC hedge against cost volatility.
- The development of a database with diversified vendors provides CGC with a contingency plan that mitigates against potential supply chain disruptions.

BUSINESS INITIATIVES

- Setting strict quality standards and conducting Strategic Vendor Relationship (SVR) engagements to ensure vendors prioritise meeting our requirements and expectations.
- Supporting Malaysian MSMEs through CGC's commitment to prioritise local sourcing.

VALUE CREATION INDICATORS & HIGHLIGHTS/ACHIEVEMENTS

- Supported local vendors, with 99% of our annual procurement requests directed to Malaysian companies:
  - Issued 653 (99%) local Purchase Orders (PO) valued at RM39.5 million.
  - Issued 6 (1%) international POs valued at USD60,000.
- A total of 96% of our vendors achieved an acceptable performance rate in delivering goods or services on time, within budget and in accordance with quality standards.
- CGC consistently maintained zero non-compliance issues related to ISO 9001:2015 standards, reflecting the suitability, adequacy and effectiveness of our procurement processes.

Capitals Impacted: FC SR | **Material Matters:** M1 M5 | **UNSDGs:** 12

Quality of Engagement: D Daily W Weekly M Monthly Q Quarterly A Annually R As required

ST5 REGULATORS

Maintaining strong and collaborative relationships with our regulators is essential for CGC to uphold the highest standards of governance, ensure regulatory compliance, and deliver long-term value to our stakeholders.

QUALITY OF RELATIONSHIP

Engagement Purpose (Why We Engage)

- Gain clarity on complex or ambiguous regulatory requirements to ensure accurate implementation.
- Keep informed on emerging industry risks and regulators' expectations for addressing such risks.
- Identify potential compliance gaps or areas of concern, enabling proactive risk management and avoidance of penalties or sanctions.

Channel & Frequency of Engagement

- A Conferences.
- A Continuous communication with regulators.
- A Industry and stakeholder briefings.
- R Periodic updates.

Key Concerns Raised

- Alignment of CGC's controls and processes with current industry and regulatory best practices and standards.

Responses

- Organising compliance awareness and training initiatives to inculcate compliance culture across CGC.
- Conducting benchmarking exercises on our current practices and operations against industry and regulatory best practices to identify areas for improvement.

RISKS

- Inadequate controls or failure to detect compliance gaps resulting in weak compliance risk management.
- Regulatory lapses, non-compliance or breaches leading to financial and non-financial impact, such as reputational damage or loss of trust amongst stakeholders and MSMEs.
- Lack of awareness on regulatory developments and emerging compliance risks leading to misconduct, misreporting and incidents of non-compliance.

OPPORTUNITIES

Value Created for Stakeholder

- Regulators benefit from CGC's consistent and timely compliance with relevant regulatory requirements.
- Our adherence to regulatory standards and expectations contributes towards the stability of the financial industry.

Value Created for CGC

- Upholding good business conduct, consistent compliance and robust governance across CGC enhances stakeholder confidence.
- A strong compliance culture minimises regulatory lapses and safeguards our reputation.

Capitals Impacted: FC HC MC NC | **Material Matters:** M1 M14 M15 M16 | **UNSDGs:** 13 16

HOW WE DISTRIBUTE VALUE CREATED

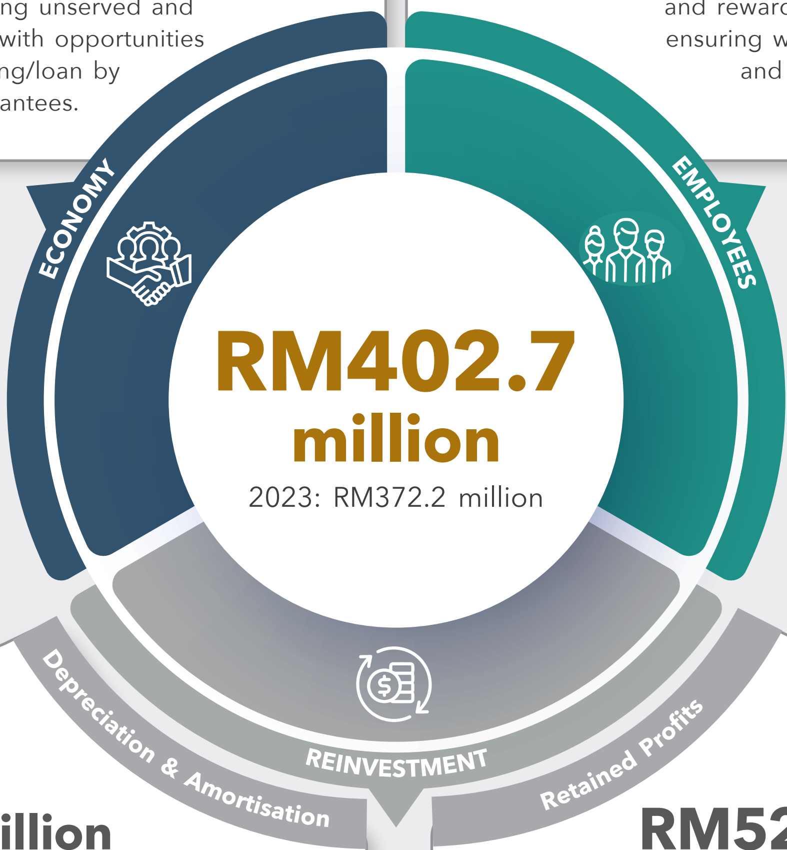
In fulfilling our stakeholder obligations and delivering on our mandate to support MSMEs' growth and development, we channel the value we create into areas of meaningful impact. This includes fulfilling our commitments attributable to the credit guarantees provided, rewarding our employees and reinvesting in our business to strengthen our people, processes and technology.

RM227.7 million
Claims Paid/Payable
(2023: RM213.0 million)

57%
This represents our contribution to the economy by supporting unserved and underserved MSMEs with opportunities and access to financing/loan by providing credit guarantees.

RM114.1 million
Personnel Expenses
(2023: RM99.1 million)

28%
This value is distributed towards salaries and rewards for our employees, ensuring we retain a competent and motivated workforce.



RM8.6 million
(2023: RM10.0 million)

2%
We reinvest generated value back into our infrastructure to ensure future readiness.

RM52.2 million
(2023: RM50.0 million)

13%
The value we generate that is reinvested back into our operations, expanding our services and capabilities to future-ready our business.

Note:
Due to rounding, the sum of individual component may not equal to the total.

MSME SUCCESS STORIES

HOW A SINGLE LOAN INSPIRED A FINTECH POWERHOUSE

iPay88, now known as NTT Data E-Commerce Solutions Sdn Bhd, is a leading provider of digital payment services in Malaysia and the Asia Pacific region. With a footprint that has empowered tens of thousands of MSMEs, the company has played a key role in advancing Malaysia's digital economy. But its journey didn't begin with a major tech breakthrough – it started with a business loan that sparked a path of innovation and impact.

In 1999, founder Lim Kok Hing was running Grand Dynamic Resources, a growing telecommunications company that distributed prepaid mobile SIM cards. Although Lim had sharp market instincts and drive, his initial capital of RM10,000 was insufficient to scale the business. At a time when business was still largely conducted face to face, the RM500,000 CGC-backed loan he secured through Bank Bumiputra Malaysia Berhad (now CIMB Bank) proved instrumental. It enabled him to expand distribution touchpoints nationwide and grow his team from five to over 200 within just two years.

Recognising the shift toward online commerce, Lim and his team channelled the earnings from Grand Dynamic Resources to launch the Mobile88 website in the early 2000s. Initially serving as an information hub for mobile devices and telco plans, Lim soon sought to complete the customer experience by enabling online sales of SIM cards and prepaid reloads. This created the need for a secure online payment solution – an opportunity Lim seized by collaborating with banks to build gateways that enabled Mobile88 to accept VISA, MasterCard and online banking payments. iPay88 was born, and the rest is history.

Looking back, Lim credits that initial CGC-backed loan as the catalyst for his entrepreneurial success. In an era when startups with limited capital found it difficult to secure meaningful bank financing, CGC's role was pivotal in helping him launch and scale his vision.

Importantly, as a former startup owner, Lim also understood the struggles MSMEs faced in earning the trust of financial institutions. While many banks hesitated to serve small merchants, iPay88 stepped in to bridge the gap – taking on the risk and providing accessible, secure payment solutions that helped MSMEs digitalise. The result was transformational: merchants gained modern capabilities, and iPay88 became a household name in Malaysia's digital economy.

LIM KOK HING
iPay88

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By 2015, the company had grown substantially and required more advanced IT infrastructure and global reach. Lim and his team invited Japan's NTT Data Corporation to invest, bringing the scale, expertise, and capital needed to propel iPay88 into its next phase of growth as part of a global technology network. The acquisition was a powerful endorsement that a Malaysian-born company could gain the confidence of an international conglomerate.

Reflecting on his journey, Lim underscores the importance of building a financial ecosystem that supports innovative entrepreneurs – of which there are many in Malaysia. Without access to early support, companies like iPay88 – and the thousands of MSMEs they serve – may never reach their full potential.

His story is a compelling reminder of the ripple effect that well-placed financing can create – fueling ambition, unlocking innovation, and empowering Malaysia's MSMEs to grow with confidence in an evolving landscape.

MATERIAL MATTERS

MATERIAL MATTERS

A clear understanding of industry trends, operational challenges and stakeholder expectations is critical to delivering long-term value. At CGC, we shape our strategies around material aspects that influence business performance and stakeholder needs. These material matters serve as a compass for our Board and Leadership Team in driving sustainable growth.

MATERIALITY METHODOLOGY

In Q4 2022, we conducted a comprehensive materiality assessment exercise involving both internal and external stakeholders through a combination of virtual sessions, physical engagement and online surveys. This inclusive approach allowed us to gather diverse perspectives across our stakeholder base, including employees, Financial Institutions (FIs) and Non-Financial Institutions (NFIs) partners, regulators, Non-Governmental Organisations (NGOs), suppliers and government agencies.

Our materiality determination process comprises of four key steps:

STEP 1:

Identification

Identify the Economic, Environmental, Social and Governance (EESG) topics most significant and relevant to CGC by:

- Analysing CGC's business activities and value chain
- Reviewing EESG global standards and emerging industry trends
- Benchmarking against peers and industry players

STEP 2:

Prioritisation

A total of 17 material topics were identified as relevant to CGC's operations and strategic direction.

STEP 3:

Stakeholder Engagement

We gathered stakeholder feedback through physical, virtual, and online survey platforms to ensure diverse perspectives were captured.

STEP 4:

Validation

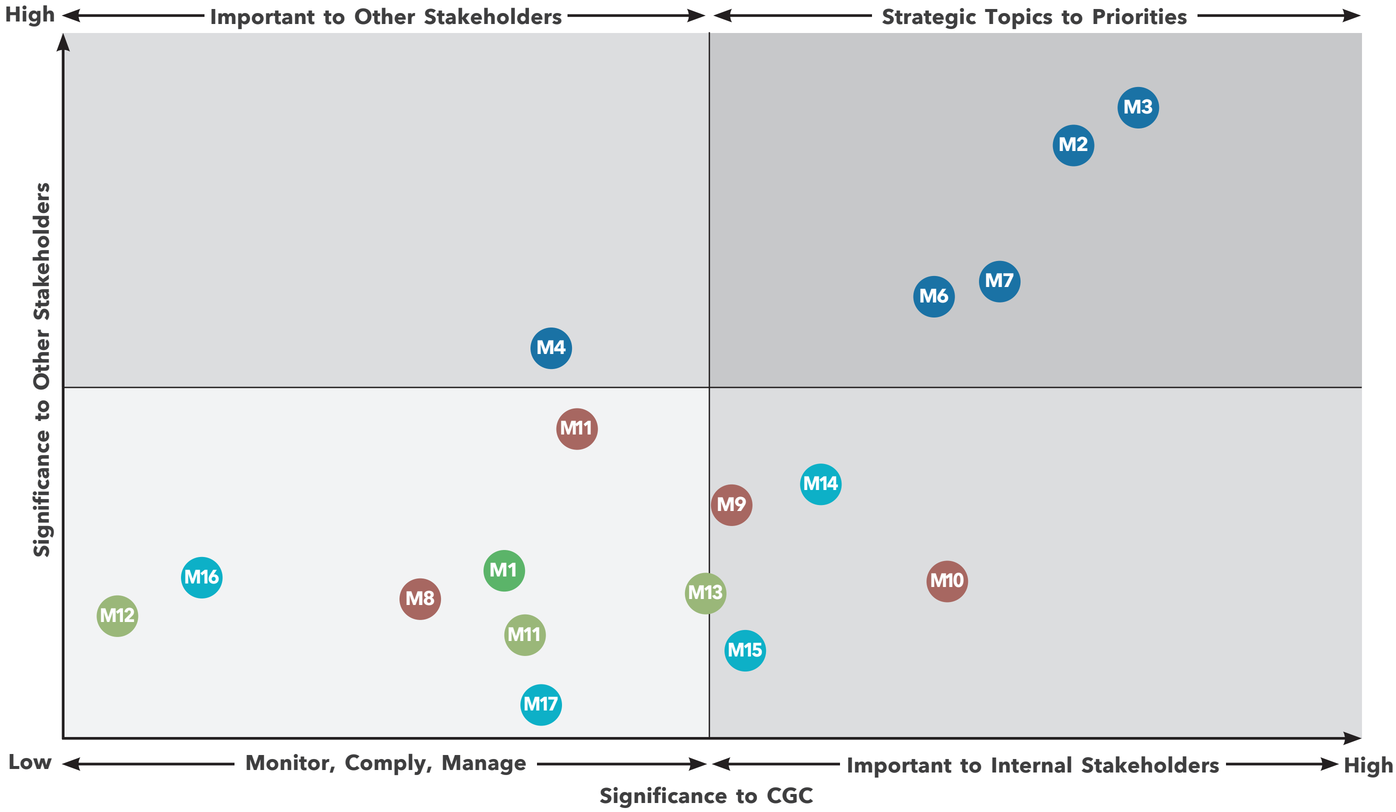
Stakeholder input was subsequently analysed and consolidated into a Materiality Matrix, which was tabled to the Group Management Committee and subsequently to the Board for validation.

MATERIALITY MATRIX

We utilise a materiality matrix to visualise and contextualise the outcomes of our materiality assessment. It illustrates how the identified material issues align with both our business priorities and stakeholder expectations, enabling us to stay responsive to emerging concerns while pinpointing the areas of greatest risk and opportunity. The matrix is reviewed regularly to inform external communication and reporting, while guiding the allocation of resources to provide the most value to stakeholders.

- M1 Climate Change
- M2 Digitalisation and Innovation
- M3 Financially Inclusive Solutions
- M4 Environmentally Friendly Solutions
- M5 Responsible Sourcing
- M6 Positive Socio-economic Impacts
- M7 Customer Experience
- M8 Diversity and Inclusion
- M9 Employee Health, Safety and Well-being
- M10 Talent Attraction, Development, Retention and Engagement
- M11 Promoting Financial Literacy
- M12 Community Investment and Development
- M13 Strategic Partnership
- M14 Good Governance
- M15 Regulatory Compliance
- M16 Privacy, Data Protection and Cybersecurity
- M17 Economic Performance

● Economic ● Environmental ● Social (Employee) ● Social (Community) ● Governance



MATERIAL MATTERS

Creating sustainable value hinges on how effectively we manage our material matters. To ensure our efforts and resources are well directed, we have established eight sustainability focus areas that reflect core aspects of our business and directly support the management of all material topics. By recognising the risks and opportunities linked to each sustainability focus area, our leadership is better equipped to integrate material considerations into strategic planning–ensuring every decision contributes to long-term value creation for our diverse stakeholders.

Sustainability Focus Areas	Link to Material Topics
Unlocking Innovative Pathways	M2 M3
Strengthening Customer Engagement	M7
Managing CGC's Climate Impact	M1
Introducing Environmentally Friendly Solutions	M4
Empowering MSMEs to Drive Growth	M6 M11 M13
Supporting Local Socio-Economic Development	M12
Enhancing Workforce Readiness	M8 M9 M10
Upholding Responsible Business Practices	M5 M14 M15 M16 M17

MATERIAL MATTERS

SF1: UNLOCKING INNOVATIVE PATHWAYS TO FINANCE M2 M3

DESCRIPTION

Expanding financial access for unserved, underserved and strategic segments by enhancing digital infrastructure and employee skills, developing tailored MSMEs' products, collaborating with industry peers, and growing our product portfolio.

WHY IT IS IMPORTANT

As digitalisation becomes increasingly prevalent among FIs, we must intensify our efforts to remain competitive in the market. Moreover, we should prioritise embedding ESG-related considerations into our financial solutions. This approach aligns with our 5-Year Strategic Plan and our vision to become an effective DFI dedicated to promoting the growth and development of competitive, dynamic MSMEs.

RISKS

- Failing to adapt leads to digital disruptions in the banking industry
- Loss of competitiveness

OPPORTUNITIES

- Strengthen our technological resilience
- Create new business opportunities by delivering innovative, sustainable finance products and services

RESPONSE/APPROACH

We are dedicated to cultivating an innovation-driven environment and continually seek new and improved ways to support MSME growth. We firmly believe that innovation is critical to unlocking the full potential of MSMEs. To support this, we plan to continually expand our micro and priority guarantees through partnerships with other FIs. Additionally, we are digitalising our guarantee processes to streamline the application procedure and reduce barriers to access.

Capitals

FC IC MC NC SRC

Strategy

SO1 SO2 SO3 SO4

UNSDG

4 8 9 10

Stakeholders

ST1 ST2

SF2: STRENGTHENING CUSTOMER ENGAGEMENT M7

DESCRIPTION

Increasing direct engagement with MSMEs by dedicating resources to scale up the CGC Developmental Programme®, while collaborating with industry players to enhance and co-develop new modules for the programme.

WHY IT IS IMPORTANT

As the financial industry places greater emphasis on customer-centricity, we are cultivating a more customer-focused culture within our organisation to elevate the overall customer experience.

RISKS

- Low customer loyalty due to lack of understanding of customers' needs or poor relationship management

OPPORTUNITIES

- Tap into new market segments with products designed to meet specific socio-economic needs
- Maintain long-term relationships to ensure customer satisfaction

RESPONSE/APPROACH

Our commitment lies in establishing long-term relationships with our partners and customers. We recognise the importance of effective communication and engagement in fulfilling our customers' needs. Through close collaboration with our partners, we ensure that our customer engagement efforts deliver meaningful outcomes. To support this, we are developing comprehensive customer satisfaction metrics that incorporate feedback from both FIs and MSMEs.

Capitals

FC MC SRC

Strategy

SO1 SO2 SO3

UNSDG

9 12

Stakeholders

ST1

SF3: MANAGING CGC'S CLIMATE IMPACT M1

DESCRIPTION

Optimising resource consumption through tracking mechanisms, enhancing operational efficiency through digitalisation, and supporting sustainable internal practices by developing robust environmental policies.

WHY IT IS IMPORTANT

Climate change is a critical concern for both CGC and society as a whole. We are dedicated to demonstrating our commitment to reducing greenhouse gas (GHG) emissions and mitigating the impact of climate change.

RISKS

- Companies disregarding EESG principles risk reputational damage in an era of heightened social consciousness
- Failure to anticipate and mitigate physical risks in our operational footprint and supply chain could result in operational disruptions and losses

OPPORTUNITIES

- Build greater client trust by helping them manage their climate risks
- Increase efficiency and reduce costs through efficient practices that safeguard the environment

RESPONSE/APPROACH

We are committed to reducing our environmental footprint and driving climate action by implementing centralised data tracking systems to closely monitor performance and progress. This will enable us to establish a baseline for GHG emissions and identify areas for improvement through targeted, data-driven initiatives.

Capitals

FC MC NC

Strategy

SO4

UNSDG

13

Stakeholders

ST2 ST4 ST6

SF4: INTRODUCING ENVIRONMENTALLY FRIENDLY SOLUTIONS M4

DESCRIPTION

Supporting MSMEs' transition to a low-carbon economy by upskilling employees in sustainability, developing environmental policies, and enhancing partnerships to expand our range of green products.

WHY IT IS IMPORTANT

Our goal is to support MSMEs in contributing to a low-carbon economy by aligning with national priorities and positioning CGC as a trusted partner in their sustainability journey.

RISKS

- Heightened competition from FIs and non-FIs if we do not provide alternative sustainable or transitional solutions
- Inadvertent financing of activities that may negatively impact the environment and surrounding communities

OPPORTUNITIES

- Capture new business opportunities
- Contribute towards the transition to a low-carbon economy

RESPONSE/APPROACH

To support MSMEs in reducing their environmental impact and promoting sustainable growth, we promote environmentally friendly financing solutions that are sustainable, cost-effective, and easy to adopt. At present, CGC is actively promoting the Green Technology Financing Scheme (GTFS 4.0), Low-Carbon Transition Facility (LCTF), and Portfolio Guarantee ESG (PG ESG). We remain committed to ongoing research and innovation to develop solutions that help MSMEs achieve their sustainability ambitions.

Capitals

FC MC NC

Strategy

SO4

UNSDG

7 12 13

Stakeholders

ST1 ST2 ST6

MATERIAL MATTERS

SF5: EMPOWERING MSMEs TO DRIVE GROWTH M6 M11 M13

DESCRIPTION
Enhancing the capabilities of our advisory team through targeted training, integrating digital platforms with partners, and strengthening strategic partnerships to offer comprehensive support services to MSMEs.

WHY IT IS IMPORTANT
With a distinct role in the MSME ecosystem and as a provider of financial services across various industries, CGC recognises the importance of aligning our business direction with the national agenda of driving MSME growth and development. We are well-positioned to partner and coordinate with other financial institutions, development financial institutions and non-financial partners to adopt initiatives that promote sustainability. Furthermore, it is crucial for us to promote and develop financial literacy amongst MSMEs, empowering their transformation into drivers of economic growth.

RISKS
- Low customer loyalty due to lack of understanding of customers' needs or poor relationship management

OPPORTUNITIES
- Build and strengthen industry partnerships towards collaboratively building an ecosystem that empowers MSMEs to develop and grow

RESPONSE/APPROACH
At CGC, we are committed to empowering MSMEs through financial and non-financial support. Our CGC Developmental Programme® offers a range of services to help MSMEs improve their capabilities and provide networking opportunities. Looking ahead, we will be incorporating a sustainability module into the programme to help MSMEs adopt environmentally friendly practices. We will also be upskilling our subject matter experts to better serve MSMEs and provide more customised support. By doing so, we believe that we can create a more sustainable future for both MSMEs and the community at large.

Capitals
FC MC NC SRC

Strategy
SO1 SO2 SO4

UNSDG
4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES

Stakeholders
ST1 ST2 ST3

SF6: SUPPORTING LOCAL SOCIO-ECONOMIC DEVELOPMENT M12

DESCRIPTION

Empowering sustainable entrepreneurs by providing capital funding and forging strategic partnerships that support financing and capacity-building for long-term growth.

WHY IT IS IMPORTANT

We are committed to advancing community development by promoting entrepreneurship and encouraging volunteerism. This includes offering mentorship and training for aspiring entrepreneurs, collaborating with local organisations on community initiatives, and engaging our employees in volunteer activities. Through these efforts, we aim to create lasting, positive impact and contribute to sustainable economic growth in the communities we serve.

RISKS

- Brand and reputational damage arising from a potential lack of engagement and community inclusion initiatives

OPPORTUNITIES

- Increase visibility and impact through CSR initiatives, contributing towards an improved reputation as a responsible DFI

RESPONSE/APPROACH

We strongly believe in investing in communities and promoting sustainable development to support local socio-economic growth. Amongst our wide-ranging efforts, a key initiative is the CGC100 Youth Entrepreneurship Programme, which equips young individuals with the mentorship and training needed to succeed as entrepreneurs. Through such initiatives, we are committed to empowering the next generation and fostering long-term, inclusive growth in the communities we serve.

Capitals

FC MC NC SRC

Strategy

SO4

UNSDG

13 CLIMATE ACTION

Stakeholders

ST3

MATERIAL MATTERS

SF7: ENHANCING WORKFORCE READINESS M8 M9 M10

DESCRIPTION
Upskilling employees and fostering a culture of diversity and inclusion by strengthening corporate policies and practices.

WHY IT IS IMPORTANT
Our employees are central to our success, and we are committed to supporting their health, well-being, and professional growth. We focus on talent development and retention to build a high-performing, purpose-driven, and inclusive workforce. By investing in our people, we aim to foster a positive work culture and drive sustainable business growth.

RISKS
- Inability to retain and attract the right talent for our business needs amidst immense competition and evolving next-generation workforce trends
- Lower productivity and performance due to unmotivated employees

OPPORTUNITIES
- Build a next-generation workforce that drives transformational growth by designing enhanced training and development programmes
- Become the employer of choice among top talents

RESPONSE/APPROACH
We believe that investing in the training and development of our workforce is crucial for achieving our goals. We prioritise work-life balance and offer access to relevant health resources to support overall well-being. To strengthen our talent pipeline, we are enhancing our recruitment process and offering leadership coaching for women employees. Recognising the importance of sustainability, we ensure that key leaders and sustainability champions receive dedicated training, with such training integrated into our staff development programmes. By placing employee growth at the core, we aim to build a high-performing and future-ready organisation.

Capitals
FC HC

Strategy
SO4

UNSDG
3 8 10 12 16

Stakeholders
ST4

SF8: UPHOLDING RESPONSIBLE BUSINESS PRACTICES M5 M14 M15 M16 M17

DESCRIPTION

Integrating sustainability into our policies and enhancing accountability through periodic internal reporting.

WHY IT IS IMPORTANT

As a company that supports the development of other businesses, it is vital that we set an exemplary standard in ethical and transparent business practices, while prioritising compliance with industry best practices, regulations and standards. We uphold strict ethical standards and safeguard stakeholders' privacy by responsibly managing data. At the same time, we are dedicated to advancing sustainability without compromising our financial stability.

RISKS

- Irregularities or non-compliance could pose negative financial or non-financial implications, potentially impacting reputation and trust
- Potential loss of customers arising from cyber-attacks that result in personal data and financial losses
- Misconduct and non-compliance along our supply chain
- Poor financial performance may affect the execution of strategies and reduce our capacity to invest in growth

OPPORTUNITIES

- Gain timely updates on industry developments and regulations through regular engagements, contributing to more effective decision-making
- Collaborate with regulators and industry working groups to manage data privacy
- Increase efficiency and reduce costs through effective management of human rights and environmental issues
- Increase brand awareness and partnership opportunities through responsible and respected business practices

RESPONSE/APPROACH

As an organisation, we uphold the highest standards of ethical conduct and responsible business practices. Strong compliance and governance frameworks are essential to how we operate. Since beginning our sustainability journey, we have established dedicated governance structures to oversee and report on sustainability matters to both Management and the Board. We also adopt responsible procurement to ensure our vendors align with our sustainability commitments. Looking ahead, we are exploring plans to establish an ESG-compliant investment portfolio as part of our continued commitment to sustainability.

Capitals

FC HC IC NC

Strategy

SO3 SO4

UNSDG

8 DECENT WORK AND ECONOMIC GROWTH; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Stakeholders

ST1 ST2 ST4 ST5 ST6

BUSINESS ENVIRONMENT KEY MARKET TRENDS

TREND 1 GROWING MOBILE MARKET SHARE AND DIGITAL PAYMENT SOLUTION ADOPTION

✅ Positive ❌ Negative

Trend and Description

Bank Negara Malaysia (BNM) reported robust growth in e-payments for 2024, with transaction volumes rising by 28% to RM14.7 billion. Malaysians averaged 409 e-payment transactions per person, a 19% increase from 2023. This momentum is fuelled by technological advancements such as Near-Field Communication (NFC), wider adoption of DuitNow QR, 5G network expansion, and evolving consumer preferences towards seamless and contactless payment experiences.

Potential Impact

- ✅ **Access to credit for MSMEs:** Online and digital platforms are enhancing access to financial services such as loans and credit facilities.
- ✅ **Enhanced Service Offerings:** By expanding the integration of digital payment options, we can improve customer satisfaction and reach wider market segments.
- ✅ **Financial Inclusion:** Broader access to digital payments supports unserved and underserved MSMEs in connecting with the formal financial system, promoting greater financial inclusion.
- ✅ **Improved Credit Profiling:** Armed with digital transaction histories, MSMEs can build thorough credit profiles.
- ❌ **Cybersecurity Risks:** The rise in digital transactions increases exposure to cyber threats, highlighting the need for stringent cybersecurity protocols.
- ❌ **Technological Dependence:** Heavy reliance on digital infrastructure increases the likelihood of operational disruptions during system outages or cyber-attacks.

Risks

- **Cybersecurity Threats:** Escalating risks of data breaches and cyber-attacks due to increased digital transaction volumes.
- **Regulatory Changes:** Evolving regulations on digital payments may impact CGC's operations and compliance requirements.

Opportunities

- **Innovation and Development:** Leveraging advanced technologies like AI and blockchain can enhance the security and efficiency of digital payments.
- **Partnerships and Collaborations**: Forming strategic partnerships with fintech companies can help CGC Malaysia Berhad leverage new technologies and expand its service offerings.
- **Customer Engagement:** Utilising data analytics to understand customer behavior and preferences can help tailor services and improve customer engagement.

Response

- **Enhancing Security Measures:** Strengthening cybersecurity defences and performing regular audits safeguard against cyber threats.
- **Investing in Technology:** Continuously upgrading technology infrastructure to ensure seamless and secure digital payment solutions.
- **Regulatory Compliance:** Monitoring and adapting to regulatory developments to ensure full compliance and reduce legal and operational risks.

Outlook for 2025

The mobile payment market is expected to continue its growth trajectory, reaching USD335.79 billion by 2033. For CGC, this presents a strategic opportunity to enhance our digital payment solutions and expand market presence. By investing in innovation, strengthening cybersecurity, and enhancing customer engagement, CGC can meet growing demand, support MSME digitalisation, and maintain a competitive edge in an increasingly digital economy.

TREND 2 EVOLVING CONSUMER PREFERENCES TOWARDS ESG AND SUSTAINABILITY PRODUCTS

Positive Negative

Trend and Description

Consumer behaviour in Malaysia is increasingly shifting towards products and services that align with Environmental, Social, and Governance (ESG) principles. At the national level, the launch of Malaysia's National ESG Strategic Plan in December 2024 reflects the country's commitment to promoting sustainable development and maintaining SME competitiveness. Encouragingly, Malaysia is projected to achieve 43% of its Sustainable Development Goals (SDG) by 2030, outperforming the global average of 17%, as reported by Malaysia's National SDG Centre.

Potential Impact

- (Positive) **Increased Demand for Sustainable Products:** As consumers prioritise sustainability, CGC can capitalise on this trend by offering ESG-aligned products and services.
- (Positive) **Boost in ESG-linked Product Uptake:** Growing awareness and demand for ESG-linked offerings are expected to drive stronger take-up rates, reflecting the shift in consumer values.
- (Positive) **Enhanced Brand Reputation:** A visible commitment to sustainable practices can strengthen CGC brand reputation, attracting environmentally conscious customers, investors, and talent.
- (Negative) **Higher Operational Costs:** Implementing sustainable practices may initially increase operational costs due to upfront investments in eco-friendly technologies and processes.
- (Negative) **Regulatory Compliance:** Adhering to new sustainability regulations and standards may require additional resources and adjustments in business operations.

Risks

- **Regulatory Changes:** Rapid changes in sustainability regulations may pose compliance challenges and financial risks.

Opportunities

- **Product Innovation:** Developing new, sustainable products and services can open up new revenue streams and attract a broader customer base.
- **Strategic Partnerships:** Collaborating with other organisations committed to sustainability can enhance CGC's capabilities and market reach.
- **Access to Green Financing:** Leveraging green financing options can support the implementation of sustainable projects and reduce financial burdens.

Response

- **Sustainability Integration:** Deeply integrating sustainability into our business strategy, driving progress against a baseline that was set in 2023. Moving forward, ESG considerations will be incorporated across operations, offerings, and decision-making processes.
- **Stakeholder Engagement:** Engaging meaningfully with stakeholders, including customers, investors, and regulators, to understand their expectations and incorporate their feedback into sustainability initiatives.
- **Continuous Improvement:** Establishing a framework for continuous improvement in sustainability practices, including regular monitoring, reporting, and strategic adjustments based on performance metrics.

Outlook for 2025

The momentum behind sustainability is expected to intensify in 2025, with growing pressure from both consumers and regulators to align with ESG principles. CGC is well-positioned to benefit from this trend by continuing to innovate and enhance our sustainable offerings. By maintaining a proactive approach to sustainability, we remain well-equipped to achieve long-term growth, improve our brand reputation, and increase customer loyalty.

BUSINESS ENVIRONMENT
KEY MARKET TRENDS

TREND 3 HEIGHTENED GOVERNANCE, COMPLIANCE AND REGULATORY EXPECTATIONS

✔ Positive ✖ Negative

Trend and Description

In 2024, regulatory scrutiny intensified across various sectors, particularly within financial services. The increasing focus on governance and compliance frameworks is driven by a global push to strengthen risk management, data privacy, and financial stability. Organisations are expected to demonstrate stronger governance practices and a higher degree of accountability to meet the evolving expectations of regulators, investors, and the public.

Potential Impact

- ✔ **Enhanced Risk Management:** Improved governance and compliance frameworks can lead to better risk management, reducing the likelihood of financial crises.
- ✔ **Increased Transparency:** Higher transparency and accountability will foster greater trust among stakeholders, including investors and customers.
- ✔ **Competitive Advantage:** Companies that effectively adapt to regulatory changes can gain a competitive edge by demonstrating robust compliance and governance practices.
- ✖ **Increased Costs:** Compliance with new regulations may lead to higher operational costs due to the need for additional resources and technology investments.
- ✖ **Operational Challenges:** Adapting to evolving regulations can pose operational challenges, potentially disrupting business processes and strategies.

Risks

- **Reputational Impact:** Non-compliance or delayed compliance with regulatory requirements may erode trust among stakeholders and damage the organisation's credibility.

Opportunities

- **Innovation in Compliance Technology:** Investing in advanced compliance technologies can streamline processes and reduce the burden of regulatory adherence.
- **Market Leadership:** Companies that proactively address regulatory demands can position themselves as market leaders in governance and compliance.

Response

- **Strengthening Compliance Frameworks:** Enhancing our compliance frameworks by adopting best practices and leveraging technology to ensure adherence to regulations.
- **Training and Development:** Investing in training programs for employees to stay abreast of regulatory changes and adapt to compliance requirements.
- **Collaboration with Regulators:** Engaging with regulatory bodies to stay informed of developments and contribute to policy development. about upcoming changes and actively participate in shaping regulatory policies.

Outlook for 2025

The regulatory landscape is expected to grow more dynamic, with continued emphasis on enhancing financial stability and consumer protection. Companies will increasingly adopt technology solutions to manage compliance and governance more efficiently. For CGC, this presents an opportunity to strengthen our governance position, reinforcing stakeholder trust and positioning the Group for sustainable growth.

KEY RISKS AND MITIGATION

Risk Trends: Increase Decrease Stable **Risk Level:** Low Medium High Max

Risk Tolerance: Exceeded Tolerance Limit Encroaching Tolerance Limit Within Tolerance Limit

R1 BUSINESS RISK

Business risk arises from challenges that may exert an impact on our operational stability and strategic progress, impeding our ability to execute our business plan and growth ambitions.

Implication on Value Creation

Our inability to execute our business plan and achieve strategic objectives, in alignment with our mission and vision could result in slower growth, unsustainable operations, and MSMEs remaining unassisted.

Response and Mitigating Actions

- The Board reviews and approves the Risk Appetite Statement on an annual basis. This outlines the level and types of risks to which CGC is exposed, and is willing to take, in order to meet strategic objectives.
- A dedicated committee monitors all initiatives, ensuring alignment and coordination across all working levels, to maintain coherence with CGC's overall objectives and mitigate potential disruptions.
- We have initiated Strategic Workforce Planning to ensure the organisation has the appropriate structure, size and skill set to fulfil future roles and objectives effectively.
- Our Strategic Initiatives have been prioritised to focus resources on key areas that support our business plan and tactical pursuits.

Opportunities Arising From This Risk

- **Enhanced Strategic Flexibility:** We can seize emerging opportunities and respond effectively to market shifts, potentially leading to increased market share and revenue growth.
- **Agile Resource Optimisation:** Implementing agile resource allocation strategies enables the dynamic allocation of resources to areas with the highest growth potential, thereby enhancing operational efficiency and profitability.
- **Innovation and Diversification:** By exploring new products, services or markets, we can diversify revenue streams and reduce reliance on any single business area, positioning CGC for long-term sustainability and resilience in the face of changing market conditions.
- **Strengthened Customer Relationships:** By aligning offerings with evolving customer needs and preferences, we can enhance customer satisfaction, loyalty and retention, ultimately driving sustained revenue growth and competitive advantage.
- **Continuous Improvement Culture:** By regularly reviewing and refining business plans and strategies, we enhance operational effectiveness, identify areas for optimisation, and drive innovation across all levels of the organisation.

Outlook

CGC's business risk outlook remains stable, supported by proactive measures such as regular reviews of risk appetite, strategic workforce planning, comprehensive business plan assessments, and prioritisation of key initiatives. Effective alignment of resources with business objectives enhances resilience against potential disruptions, while fostering opportunities for innovation and diversification that strengthen long-term sustainability. External factors notwithstanding, we remain well-positioned to adapt, capitalise on emerging opportunities, and sustain strategic growth.

Risk Appetite Statement

CGC maintains a moderate risk appetite for business risk, striking a balance between seizing growth opportunities to serve MSMEs while preserving long-term financial stability and operational resilience. Our business strategy is reviewed annually to ensure alignment with evolving business conditions.

Capitals Impacted: FC HC IC MC NC | **Stakeholder:** S1 S2 S3 S4 | **Strategy:** SP VB CC | **Material Matters:** M1 M2 M3 M4

KEY RISKS AND MITIGATION

Risk Trends: Increase Decrease Stable **Risk Level:** Low Medium High Max

Risk Tolerance: Exceeded Tolerance Limit Encroaching Tolerance Limit Within Tolerance Limit

R2 CREDIT RISK

Risk arising from the failure or inability of a customer or counterparty in meeting their financing repayment obligations.

Implication on Value Creation

Effective credit risk management–monitoring and maintaining exposure within acceptable parameters–is vital for safeguarding financial health and operational sustainability, and is managed at both the portfolio and individual credit levels.

Response and Mitigating Actions

- Credit risk is primarily the responsibility of Business Units, who are supported by independent functions, namely the Risk Management Division, in the form of independent and unbiased input, as well as oversight of risk and controls pertaining to credit risk-taking activities.
- We balance risk exposure by innovating products and strategically expanding into new segments, highlighted by:
  - The Low Carbon Transition Facility (LCTF);
  - Our venture into new segments such as Mid Tier Companies (MTC) in line with the rise of Single Customer Exposure Limit (SCEL) and Group Exposure Limit (GEL); and
  - Sandbox Model introduced under CGC Digital.
- We control exposure in High Risk Sectors through effective credit risk mitigation that manages risk while supporting business growth in a prudent manner.
- Credit risk strategies are enhanced through independent credit reviews and post-mortem reviews, identifying proactive solutions, such as segmentation, to reduce exposure and minimise potential credit losses.
- We regularly update comprehensive credit risk-related policies to enhance underwriting standards to ensure effective and prudent credit risk management, enabling the identification, assessment, measurement, control, and monitoring of credit risk exposure across various counterparties within the Board-approved Risk Appetite.
- Periodic reviews and monitoring of our risk appetite is undertaken to preserve asset quality, while our Capital Adequacy Ratio (CAR) is monitored and managed within acceptable ranges.
- Timely reviews are performed to validate the performance of our MFRS 9 Model, ensuring the assumptions used during model development remain appropriate.
- We also perform timely reviews of our Internal Risk Rating Model (IRRM) and scorecards to drive improvements to the overall onboarding process and behaviour monitoring of viable businesses.

Opportunities Arising From This Risk

- **Product Innovation:** Regularly monitoring product performance can highlight opportunities for innovation to better meet customer needs and respond to market changes.
- **Operational Efficiency:** The end-to-end credit process review may reveal opportunities for streamlining operations, improving efficiency, and reducing costs.
- **Portfolio Diversification:** In mitigating concentration risk, we are driven to diversify our portfolio, potentially reducing volatility and improving returns.
- **Enhanced Risk Management:** The rigorous application of credit risk-related policies, and the continuous refinement of the Internal Risk Rating Model (IRRM), can lead to stronger risk management practices that improve the overall health of the loan portfolio.
- **Market Competitiveness:** The revision and monitoring of SCEL and GEL can position the organisation as a prudent and secure entity, potentially attracting risk-averse clients and investors.
- **Customer Relationship Building:** Through the monitoring and adjustment of exposure limits, especially for larger MSMEs, the organisation can strengthen relationships by providing tailored financial solutions that support their growth.
- **Strategic Decision Making:** Reporting risk items to Management and Board on a regular basis provides high-level insights that can inform strategic decisions and long-term planning.

Outlook

As we navigate the evolving financial landscape, managing credit risk remains a key priority in ensuring CGC's long-term sustainability and ability to support MSMEs and MTCs effectively.

- **Default Risk:** Given our role in providing credit guarantees and financing, default risk remains an inherent challenge, particularly as we serve the relatively riskier MSME and MTC segments as part of our developmental and countercyclical mandate. To mitigate this, we have established a well-defined risk appetite and thresholds tailored to different portfolio types. Our credit risk-related policies and procedures are continuously refined to govern end-to-end credit processes, ensuring that we consistently operate within defined risk parameters.
- **Credit Concentration Risk:** The dynamic business environment of MSMEs and MTCs presents exposure to varying performance risks across different segments. Consequently, managing credit concentration risk at the portfolio level is critical. To address this, we categorise exposures into homogenous groups based on similar risk characteristics, enabling more precise risk management. Statistically derived thresholds by financial institution, sector, and business constitution serve as key guiding measures to mitigate concentration risk while supporting sustainable portfolio growth.

Risk Appetite Statement

CGC seeks to manage credit risk within defined parameters by ensuring that delinquency, NPL/F, provisions, and recovery remain within set thresholds or meet established targets. Thresholds are set in place based on our Credit Risk Policy for Guarantee and Financing.

Capitals Impacted: FC HC IC MC NC | **Stakeholder:** S1 S2 S3 S4 | **Strategy:** SP VB CC | **Material Matters:** M1 M2 M3 M4

KEY RISKS AND MITIGATION

Risk Trends: Increase Decrease Stable **Risk Level:** Low Medium High Max

Risk Tolerance: Exceeded Tolerance Limit Encroaching Tolerance Limit Within Tolerance Limit

R3 MARKET RISK

Risk of adverse impact on financial capital and losses beyond risk appetite arising from movements in financial market rates or prices.

Implication on Value Creation

The value of financial instruments held by CGC may fluctuate due to the changes in market conditions such as interest rates, foreign exchange rates, and equity prices.

Response and Mitigating Actions

- We diversify invested assets by spreading investments across various asset classes, industries and geographic regions, reducing the potential risk of poor performance in any single market/sector within the portfolio.
- Utilising financial instruments such as forward contracts to hedge Foreign Exchange risk provides a safeguard against potential financial losses resulting from fluctuations in exchange rates.
- Asset allocation is prudently guided by our investment goals, market conditions and risk appetite/tolerance, achieving a careful balance between risk and returns that aligns with our broader strategic objectives.
- We continuously monitor and analyse the performance of invested assets, market conditions and economic indicators, allowing us to make timely adjustments to our portfolios in response to emerging risks.
- Stress testing is conducted regularly to evaluate the performance of each portfolio under adverse scenarios, helping to identify potential vulnerabilities and enabling proactive adjustments to strengthen resilience against possible market shocks.

Opportunities Arising From This Risk

- **Informed Decision Making:** Cognisance of evolving market conditions supports the adoption of better financial strategies.
- **Improved Financial Management:** Effectively managing market risk will result in enhanced financial stability.

Outlook

CGC's market risk outlook remains manageable, underpinned by proactive risk management strategies such as asset diversification, foreign exchange hedging, bond rating monitoring and stress testing. While fluctuations in interest rates, foreign exchange rates, and equity prices present potential challenges, continuous monitoring of market conditions allows for timely portfolio adjustments. By strategically aligning our asset allocation with investment objectives and risk tolerance, we remain effectively positioned to sustain financial stability while also capitalising on emerging investment opportunities in response to evolving market conditions.

Risk Appetite Statement

The Corporation maintains a low risk appetite for market risk, with limited exposure to foreign exchange, interest/profit rate and opportunity cost risks. While the overall impact of these risks remains minimal, we accept a measured level of volatility within predefined limits to optimise returns and meet revenue targets. The required capital charge for market risk remains lower than that for credit risk, reflecting the controlled and manageable nature of this exposure.

Capitals Impacted: FC HC IC MC NC | **Stakeholder:** S1 S2 S3 S4 | **Strategy:** SP VB CC | **Material Matters:** M1 M2 M3 M4

Risk Trends: Increase Decrease Stable **Risk Level:** Low Medium High Max

Risk Tolerance: Exceeded Tolerance Limit Encroaching Tolerance Limit Within Tolerance Limit

R4 LIQUIDITY RISK

Risk of retaining insufficient liquid resources to meet cash flow requirements, including the timely fulfilment of financial obligations and commitments.

Implication on Value Creation

We may face potential difficulties in meeting our short-term financial obligations due to an imbalance between liquid assets and liabilities, which may ultimately lead to insolvency and reputational damage.

Response and Mitigating Actions

- Through effective cash flow management, we align cash inflows and outflows to ensure liquidity needs can be met through operational, financing and investing cash flows without materially impacting financial performance.
- We maintain adequate cash reserves to cover potential short-term cash outflows, especially for claims payments, without the need to liquidate invested assets.
- Tolerance limits are set for the liquidity gap in line with our risk appetite, ensuring our ability to withstand economic shocks and maintain operations through stressed conditions.
- We actively monitor liquidity risks by performing regular stress tests and scenario analysis to assess the impact of adverse scenarios.

Opportunities Arising From This Risk

- **Enhanced Financial Management:** Managing liquidity risks will allow for optimised investment returns while maintaining adequate cash reserves for daily operations and financial obligations.
- **Diversified Liquidity Exposure:** We can prevent excessive concentration of liquidity risk in any single market, counterparty, or financial instrument.

Outlook

We are confident of consistently maintaining a strong liquidity position, ensuring the ability to meet both expected and unexpected financial obligations without disruptions to our operations and financial stability.

Risk Appetite Statement

We retain a low appetite for liquidity risk and minimise our exposure through proactive liquidity management, regular stress testing, and contingency planning, safeguarding our ability to navigate unforeseen events while preserving financial resilience.

Capitals Impacted: FC HC IC MC NC | **Stakeholder:** S1 S2 S3 S4 | **Strategy:** SP VB CC | **Material Matters:** M1 M2 M3 M4

KEY RISKS AND MITIGATION

Risk Trends: Increase Decrease Stable **Risk Level:** Low Medium High Max

Risk Tolerance: Exceeded Tolerance Limit Encroaching Tolerance Limit Within Tolerance Limit

R5 OPERATIONAL RISK

Risk of direct or indirect losses resultant from inadequate or failed internal processes, people and systems, or other external factors.

Implication on Value Creation

Weak operational risk management could adversely affect our financial sustainability, erode stakeholder confidence, and hinder our value creation objectives. Robust governance frameworks, rigorous compliance measures, and effective risk mitigation strategies must be deployed to ensure resilient business operations that reliably support SMEs while fully complying with regulatory and Shariah requirements. Our continued investment in digital transformation and process improvements further enhances operational efficiency and strengthens CGC's reputation as a trusted partner within Malaysia's financial ecosystem.

Response and Mitigating Actions

- We continuously strengthen our operational risk management policy, defining the risk appetite, standards and processes for effectively managing operational risk and internal controls.
- An operational risk management culture has been embedded across CGC, supporting the development of detailed risk assessments for every product, initiative and process.
- Risk and control self-assessments are conducted to form comprehensive operational risk profiles across business lines, which are integrated into overall risk management processes.
- Key risk indicators have been established at multiple levels throughout CGC to monitor key risk areas, with escalation mechanisms in place to respond to breaches in thresholds.
- Information relating to all internal operational risk events, including losses, are analysed, applying lessons learnt to strengthen controls.
- We promote operational risk awareness through educational programmes deployed across all levels.

Opportunities Arising From This Risk

- **Enhanced Operational Performance:** Better management of operational risk will result in lower operational losses, leading to controlled expenses and increased capital availability for business expansion.

Outlook

We are optimistic of continuing to manage Operational Risk effectively, and remain dedicated to continuously improving our processes, driving strategic investment in people and technology, and implementing proactive measures to mitigate external threats.

Risk Appetite Statement

CGC is committed to ensuring that any losses do not exceed the approved threshold and that the risks to our operations are minimised to an acceptable level.

Capitals Impacted: FC HC IC MC NC | **Stakeholder:** S1 S2 S3 S4 | **Strategy:** SP VB CC | **Material Matters:** M1 M2 M3 M4

Risk Trends: Increase Decrease Stable **Risk Level:** Low Medium High Max

Risk Tolerance: Exceeded Tolerance Limit Encroaching Tolerance Limit Within Tolerance Limit

R6 BUSINESS CONTINUITY MANAGEMENT (BCM) RISK

Risk of disruption to business operations due to unforeseen events or other external disruptions, which may impact service delivery, financial stability, and stakeholder confidence.

Implication on Value Creation

The inability to respond effectively to incidents and business disruptions to resume or recover operations at a predefined acceptable level may lead to financial losses, reputational damage, regulatory non-compliance, and diminished stakeholder confidence.

Response and Mitigating Actions

- To strengthen our BCM and Crisis Management policies, we benchmark them against international standards and local regulations.
- We have implemented a well-defined governance structure for our BCM framework, alongside clearly defined parameters and processes for BCM programme implementation.
- A culture of BCM awareness has been integrated within our strategies and day-to-day management, ensuring alignment with business priorities.
- We have continued to run BCM and Crisis Management Programmes as planned, aligning our efforts with the latest risk trends.
- Our incident response and business recovery plans are periodically tested to identify gaps and drive improvements.

Opportunities Arising From This Risk

Enhancing Our Competitiveness: Investing in robust business continuity management not only mitigates risks but also creates opportunities for enhancing operational agility, driving process innovation, and building stakeholder confidence. This can lead to a competitive advantage and support our long-term growth ambitions.

Outlook

Our business continuity risk outlook considers evolving cyber threats, potential global supply chain disruptions, and increased exposure to extreme weather events and health crises. To mitigate these risks, we are strengthening IT security, diversifying sourcing strategies, and enhancing crisis management frameworks, ensuring operational resilience and sustained business continuity.

Risk Appetite Statement

- Critical business operations and supporting resources must at all times be recoverable in accordance with CGC's Business Continuity Plan.
- We maintain zero tolerance for Disaster Recovery failure (outside the criteria set for BCP and Disaster Recovery Plan exercises).

Capitals Impacted: FC HC IC MC NC | **Stakeholder:** S1 S2 S3 S4 | **Strategy:** SP VB CC | **Material Matters:** M1 M2 M3 M4

KEY RISKS AND MITIGATION

Risk Trends: Increase Decrease Stable **Risk Level:** Low Medium High Max

Risk Tolerance: Exceeded Tolerance Limit Encroaching Tolerance Limit Within Tolerance Limit

R7 INFORMATION TECHNOLOGY AND CYBER RISK

Risk of disruptions resulting from IT system failures, cyber threats, data breaches, or unauthorised access.

Implication on Value Creation

Information technology and cyber risks pose growing challenges to business continuity and security. Increasing cyber-attacks, system failures, and data breaches can lead to operational disruptions, financial losses, and reputational harm. Strengthening cybersecurity controls, enhancing IT infrastructure, and implementing robust risk management measures are critical to mitigating vulnerabilities and ensuring a resilient security posture.

Response and Mitigating Actions

- A strong culture of technology and cyber risk management has been cultivated through education and awareness programmes for staff, senior management, and the Board.
- We have established a comprehensive technology and cyber risk management framework to strengthen the second line of defense, particularly in IT and cyber risk governance, ensuring a structured approach to identifying, assessing, and mitigating related threats.
- Having conducted an independent third-party assessment of RMiT gaps in the 1st quarter of 2024, we identified 15 gaps for CGC Malaysia and 39 initiatives for CGC Digital. Through continuous monitoring, we will ensure effective implementation of additional controls and enhance our compliance with regulatory standards.
- To enhance governance, we engaged a third-party consultant to conduct a Cybersecurity Maturity Assessment (CMA) in the 2nd quarter of 2024, evaluating our ability to protect information systems and networks from cyber threats and identifying areas for improvement.
- We have partnered with a Security Operations Center (SOC) to provide 24/7 cybersecurity monitoring and receive BNM FinTIP notifications on recent threats. This ensures continuous threat detection and mitigation against potential system breaches.
- We continue to regularly assess our cybersecurity practices, policies, and processes to identify strengths, weaknesses, and potential risks.

Opportunities Arising From This Risk

- **Future-Ready Cybersecurity:** By implementing a robust technology and cyber risk framework, we can strengthen our cybersecurity posture and minimise the risk and impact of cyber threats, data breaches, and internal threats.
- **Enhanced Employee Awareness:** We can benefit from increased employee cyber awareness and a mature security culture through continuous education on cybersecurity.

Outlook

In a landscape of increasingly sophisticated cyber threats, we aim to strengthen IT and cyber risk management by upskilling employees in emerging technologies and risk frameworks while enhancing cybersecurity resilience through alignment with regulatory standards.

Risk Appetite Statement

System Integrity and Availability
- We uphold zero tolerance for security breaches caused by internal threats.
- We retain an external tolerance of up to 5 system errors or failures (inclusive of IT equipment) that could impact critical business functions.

Cyber Security
- We maintain zero tolerance for any incidents of cyber-attacks causing confidential data leakage and/or direct financial loss to CGC.

Capitals Impacted: FC HC IC MC NC | **Stakeholder:** S1 S2 S3 S4 | **Strategy:** SP VB CC | **Material Matters:** M1 M2 M3 M4

OUR STRATEGIC ROADMAP 2021-2025

ASPIRATION

Partner for MSME Growth across Life Stages

HEADLINE TARGETS

- Guarantee and Financing Base of RM36.5 billion
- Assist 95,800 MSMEs through Financial Assistance
- Assist 64,200 MSMEs through Targeted Developmental Support
- 2x Growth in Digital Onboarding of MSMEs
- Guarantee Reserve Ratio of 2.8x
- Cost-to-Income Ratio of 36%
- RM1 billion ESG-linked Guarantee

STRATEGIC OBJECTIVES (SO)

SO1 Assist MSMEs to access financing through strategic partnerships

SO2 Drive MSMEs' excellence through targeted developmental support

SO3 Become a digitally-savvy organisation to propel scale and speed of MSMEs' impact

SO4 Facilitate sustainability agenda encompassing Economic, Environment, Social and Governance aspects

KEY FOCUS AREAS (KFA)

- **KFA 1** Expanding Offerings
- **KFA 2** Prioritise the Needle Movers
- **KFA 3** Building Resilience & Viable Catalysts
- **KFA 4** Unleashing People's Potential
- **KFA 5** Strengthening Sustainability Fundamentals

8 Strategic Initiatives — **16 INITIATIVES** — **8** Strategic Enablers

STRATEGIC DRIVERS AND ENABLERS

Business Drivers

1. Business
   CGC Malaysia
   - MSMEs
   - Mid-Tier Companies (MTC)

   CGC Digital
   - Gig/Sharing Economy
   - Micro-enterprises
2. Investment
3. Operations & Credit

Strategic Enablers

1. Strategy & Finance
2. Information Technology
3. HR Management & Administration
4. Risk Management
5. Legal & Company Secretarial
6. Compliance & Integrity
7. Internal Audit

STRATEGIC PERFORMANCE REVIEW

We have identified several strategic key focus areas (KFA) that are critical to fulfilling our mandate of supporting MSMEs, while driving CGC's transformation into a future-ready organisation. These areas reflect the competencies and capabilities needed to achieve our long-term aspirations. In this section, we outline our approach, initiatives, and key achievements across these focus areas in 2024, as well as our priorities moving forward.

KFA 1 Expanding Offerings

Resource Allocation

Financial Capital will be channelled into innovative guarantee schemes, Human Capital strengthened through targeted expertise, Manufactured Capital enhanced via digital infrastructure, and Social and Relationship Capital leveraged through strategic partnerships to broaden outreach and impact.

Initiatives

- Leveraging BNM's fund for MSME's
- Advocating for Sustainability Agenda progress
- Implementing financial inclusion initiatives for targeted segments
- Leveraging new networks to enhance MSME's access to financing and guarantees, supported by development programme

2024 KPIs and Results

- Outreach Approval – RM4.0 billion
- Approval for Targeted Segments (Bumiputera, Microfinancing and ESG-linked Guarantee) – RM935.8 million
- Progress towards the 5-Year Strategic Plan (2021-2025) Headline Targets (HT) as of December 2024:
  - Guarantee and Financing Base of RM36.5 billion – RM21.4 billion (58.6% of HT) of financing provided
  - Assist 95,800 MSMEs through Financial Assistance – 93,700 MSMEs (97.8% of HT) assisted
  - RM1 billion ESG-linked Guarantee – RM500 million (50% of HT) achieved
  - 2x Growth in Digital Onboarding of MSMEs – Digital onboarding grown by 1.1x (55% of HT)

Achievements

- Launched PG Low Carbon Transition Facility (LCTF) with Maybank, RHB and Alliance Bank worth RM400 million
- Launched RM320 million worth of online SME Portfolio Guarantees
- Expanded partnership with alternative financiers Funding Societies with launch of RM30 million Islamic SME Portfolio Guarantee
- New enhanced TPUB-i 2.0 now offers Revolving Financing Facility (RFF) to enhanced outreach and support Bumiputera contractors
- Launched the Alliance Bank Visa Business Credit Card with CGC guarantee coverage worth RM5 million

Priorities for 2025

- Enhance adoption rate of direct financing facilities
- Amplify growth in green guarantee segment
- Expand guarantee target segments to enhance access
- Deepen developmental programmes to enhance MSME capabilities and resilience

Long-Term Priorities

Our long-term priorities include expanding guarantee products to cater to the diverse needs of businesses across various sectors, enhancing and broadening financing options to support MSMEs at different stages of growth, and establishing imSME as a comprehensive digital hub that offers both financial and non-financial solutions.

Capital: FC HC MC SRC

Stakeholder Group: ST1 ST2

Risks: R1 R2 R4 R5 R6

Strategic Objectives: SO1

Material Matters: M3 M6 M13

SI/SE: S1 S2 S3 S4 S6

STRATEGIC PERFORMANCE REVIEW

KFA 2

Prioritise "Needle Movers"

Resource Allocation

Financial Capital will be allocated to pilot innovative risk-sharing models, while Human Capital will focus on advancing advocacy and access to enhanced financing solutions. Manufactured Capital supports the development of tailored guarantee products, and Social and Relationship Capital will be harnessed through strategic collaborations to champion MSME access to the capital market.

Initiatives

- Develop a 'Guarantee First' model

2024 KPIs and Results

- Outreach Approval – RM4.0 billion
- Approval for Targeted Segments (Bumiputera, Microfinancing and ESG-linked Guarantee) – RM935.8 million
- Progress towards the 5-Year Strategic Plan (2021-2025) Headline Targets (HT) as of December 2024:
  - Guarantee and Financing Base of RM36.5 billion – RM21.4 billion (58.6% of HT) of financing provided
  - Assist 95,800 MSMEs through Financial Assistance – 93,700 MSMEs (97.8% of HT) assisted

Achievements

- Launched the Shared Risk Scheme with Bank Rakyat (BizJamin-i Rakyat2E) worth RM10 million
- Launched BizJamin-i BSN TemanMesra worth RM30 million, aimed at providing financing to Micro SMEs

Priorities for 2025

- Expand market reach through targeted risk-based pricing
- Drive ESG related product utilisation through collaboration with financial institutions
- Prioritise financing access for undeserved Bumiputera G1-G5 contractors

Long-Term Priorities

In the long term, we aim to leverage innovation to generate new revenue streams across both our established and emerging business lines. A key focus will be exploring guarantee solutions for capital market instruments in collaboration with alternative financiers such as the Securities Commission.

Capital: FC HC MC SRC

Stakeholder Group: ST1 ST2

Risks: R1 R2 R4 R5 R6

Strategic Objectives: SO1

Material Matters: M3 M6 M13

SI/SE: S1 S2 S3 E2

KFA 3 Building Resilience & Viable Catalysts

Resource Allocation

Financial and Manufactured Capital will support initiatives to optimise cost competitiveness, upgrade digital infrastructure, and modernise guarantee platforms. Human Capital will be channelled into strengthening cybersecurity and driving data-driven operations, while Social & Relationship Capital will enhance partnerships with PFIs to improve end-to-end customer experiences.

Initiatives

- Balancing our developmental agenda with asset quality concerns whilst increasing competitiveness
- Driving progress towards being a data-driven organisation
- Optimising our processes and resources
- Bolstering our digital infrastructure to address evolving cybersecurity threats

2024 KPIs and Results

- Financial Sustainability Ratio (FSR) – 0.45
- Customer Satisfaction Index – 95%
- Claims Ratio – 98.6%
- Efficiency charter (financing/loans processing for PG and claims payment) – 99%
- Progress towards the 5-Year Strategic Plan (2021-2025) Headline Targets (HT) as of December 2024:
  - Cost-to-Income Ratio of 36% – 34.4% (1.6% above HT)
  - Guarantee Reserve Ratio of 2.8x – 1.6 times (57% of HT)

Achievements

- Achieved Expected Credit Losses (ECL) that were 10.5% lower than our annual target
- Explored higher single customer guarantee limits to serve larger SMEs
- Automated our Contract Management Monitoring and Procurement Dashboard systems
- Completed the implementation of E-invoicing
- Completed Phase 2 of our Enterprise Data Warehouse (EDW) initiative
- Completed a Cybersecurity Maturity Assessment (CMA)

Priorities for 2025

- Consolidate and streamline product offerings across all channels
- Develop a modern core system for guarantee schemes (G-Core)
- Introduce new features to support guarantee operations with PFIs (iGuarantee)
- Modernise our end-to-end financing system to upgrade the customer experience
- Complete Phase 2 of the PD Model
- Enhance the imSME platform by introducing new features
- Establish a taskforce to enhance asset quality management
- Improve processes for guarantee and financing operations
- Conduct a benchmarking exercise to set optimal pricing for profit mandates
- Establish the Operational Excellence Committee (OEC) to track and monitor process improvements, automation, and facilitate the sharing of best practices to spur continuous improvements
- Continue executing Strategic Workforce Planning to optimise human capital deployment

Long-Term Priorities

Our long-term priorities will centre on improving efficiency and effectiveness through process optimisation, while leveraging data analytics to drive informed decision-making and strategic planning.

Capital: FC HC MC SRC

Stakeholder Group: ST2 ST4

Risks: R1 R2 R4 R5 R6 R7

Strategic Objectives: SO3

Material Matters: M3 M7 M13

SI/SE: E3 E5 E6 E8

STRATEGIC PERFORMANCE REVIEW

KFA 4 Elevating People's Potential

Resource Allocation

Human Capital and Financial Capital will be strategically deployed to strengthen CGC's talent development ecosystem, focusing on upskilling initiatives, performance frameworks, and employee wellbeing.

Initiatives

- Inculcating a High-Performance Culture
- Deploying human capital in alignment with 5SP+
- Adopting high-impact learning initiatives
- Enhancing people development practices
- Elevating workforce performance

2024 KPIs and Results

- Talent and Performers Retention Rate - 99%
- Competency Index - 91%
- Staff Productivity - 11.4
- Bench Strength - 1:1.69

Achievements

- Implemented Strategic Workforce Planning to analyse current workforce and address gaps for meeting current and future needs
- Introduced employee wellbeing and mental health programmes, including conducting workshops on Emotional Awareness, Mindfulness & Stress Management
- Conducted Design Thinking Workshops, Knowledge Exchange with Subject Matter Experts (featuring industry experts) and learning challenges to cultivate a growth mindset
- Developed an enhanced Performance Management Framework (PMF) to elevate performance and improve job effectiveness

Priorities for 2025

- Strengthen critical skills with digital learning programmes
- Collaborate on addressing industry challenges via peer learning communities
- Cultivate future leaders through stretch assignments, rotations, and coaching initiatives
- Strengthen workforce capability by revising job roles to align with 5SP+, sustainability and technology ambitions
- Boost talent attraction by promoting CGC Malaysia's values at career fairs and university outreach programmes
- Establish a well-structured performance and rewards strategy to recognise achievements and encourage continuous improvement
- Enhance compensation and benefits packages to retain and attract top talent
- Upgrade the Human Resource Management System (HRMS) for greater efficiency, accuracy, and alignment with organisational goals
- Develop HR analytics capabilities to enhance data insights gained from our HR Dashboard
- Organise physical workshops for all employees, focusing on four selected competencies from the 14 New CGC Core Competencies
- Develop e-learning modules covering all 14 New CGC Core Competencies for all employees

Long-Term Priorities
Our long-term goal is to cultivate a collaborative, inclusive, and rewarding workplace that prioritises employee well-being, while continuously advancing digital learning platforms and strengthening core competencies across our workforce.

Capital: FC HC
Risks: R1 R5 R6
Material Matters: M9 M10
Stakeholder Group: ST3 ST4
Strategic Objectives: SO4
SI/SE: S7 E1 E8

KFA 5 Strengthening Sustainability Fundamentals

Resource Allocation

Financial Capital will facilitate emissions tracking and sustainability initiatives as Human Capital is enhanced through targeted training. Intellectual Capital will drive the development of frameworks, roadmaps and initiatives, while Social and Relationship Capital will strengthen partnerships and vendor engagement.

Initiatives

- Strengthening governance of sustainability matters
- Supporting MSMEs' sustainability journeys
- Managing Greenhouse Gas (GHG) emissions

2024 KPIs and Results

- Number of MSMEs that participated in Targeted Developmental Support Initiatives – 7,797 MSMEs participated during 2024
- Progress towards 2021-2025 Strategic Roadmap Headline Targets (HT) as of December 2024:
  - Assist 95,800 MSMEs through Financial Assistance - 93,700 MSMEs (97.8% of HT) assisted
  - Assist 64,200 MSMEs through Targeted Developmental Support – 57,900 MSMEs (90.2% of HT) assisted

Achievements

- Conducted targeted sustainability related training for key CGC leaders, employees that directly engage with MSMEs, and all employees
- Revised the procurement manual to track the percentage of vendors complying with CGC's responsible procurement guidelines, emphasising the commitment to localised sourcing in support of Malaysian MSMEs
- Adopted Sustainable and Responsible Investment (SRI) guidelines
- Conducted sustainability programmes via advisory workshops, in partnership with Sunway University
- Developed a Climate Change and Principle-based Taxonomy (CCPT) assessment template based on BNM's Policy Document
- Progressed efforts to calculate Scope 3 GHG emissions

Priorities for 2025

- Develop GHG emissions reduction plan or roadmap to achieve headline targets
- Execute planned GHG emission management initiatives
- Implement quarterly reporting on progress of GHG emissions reduction efforts

Long-Term Priorities

Our long-term efforts will focus on progressively enhancing our own sustainability efforts, while strengthening engagement with MSMEs to better understand and meet their needs, and subsequently providing tailored assistance to address the specific sustainability challenges they encounter.

Capital: FC HC MC SRC

Stakeholder: ST2 ST3

Risks: R1 R2

Strategic Objectives: SO2 SO4

Material Matters: M3 M6 M13

SI/SE: S5 S7 S8

CGC PERFORMANCE SCORECARD

GUARANTEE & FINANCING BASE
(RM BILLION)

2022	21.9
2023	22.9
2024	**21.4**

Target 2024: 23.2 | Achievement percentage: 92%

NUMBER OF MSMEs ASSISTED

2022	65,056
2023	65,218
2024	**62,746**

Target 2024: 69,400 | Achievement percentage: 90%

GUARANTEE RESERVE RATIO
(TIMES)

2022	1.7
2023	1.7
2024	**1.6**

Target 2024: 1.7 | Achievement percentage: 94%

COST-TO-INCOME RATIO
(%)

2022	27.8
2023	28.7
2024	**34.4**

Target 2024: 34.0 | Achievement percentage: 99%

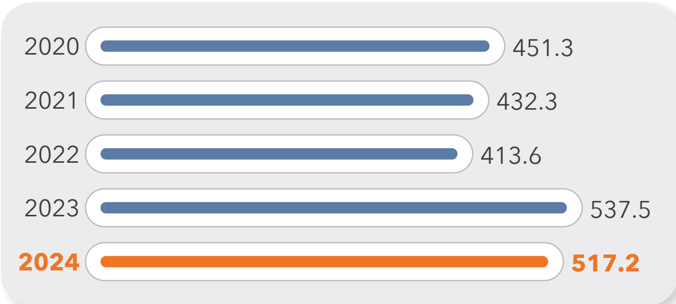
ADDITIONALITY PERFORMANCE HIGHLIGHTS

No.	Indicators	FY2024 Achievements
1.	**Development Output (Short-term)**	
1A	**Financial additionality**	
1	Total guarantee and financing approved for MSMEs (RM billion)	4.0
2	MSMEs participating in targeted developmental support initiatives	7,797
3	MSMEs securing financing with other FIs after receiving financial advisory services:	
	i. CGC Developmental Programme®	211
	ii. Branches	1302
4	Guarantee and financing approved for targeted segments (RM million)	
	i. Bumiputera	797
	ii. Microfinancing	16
5	ESG-linked guarantee approval (RM million)	120
6	Financing value approved through imSME (RM million)	9.2
2.	**Development Outcome (Medium/Long-term)**	
2A	**Design additionality**	
7	Percentage of MSMEs that reported increased sales (Access New Markets – ANM)	81%
2B	**Demonstration additionality**	
8	Partner Financial Institutions' Credit Risk Exposure (RM billion)	1.3
9	Claims Ratio	98.6%
2C	**Policy additionality**	
Supports the development of green businesses with GTFS 4.0, especially across the six key sectors of Energy, Manufacturing, Transport, Building, Waste, and Water.		
Contributes towards achieving the objectives of BNM's Fund for SMEs, namely helping MSMEs embrace sustainable and low carbon practices in their business operations (LCTF), and assisting SMEs and innovative start-ups to grow their businesses and expand within strategic technology sectors such as digital tech, green tech and biotech (HTG).		
Facilitates better traceability of funding interest, supports coordinated awareness campaigns for underutilised funds, and enables tracking of Government fund applications to drive fairer access to Government funding services.		
3.	**Operational Efficiency**	
10	Cost-to-Income-Ratio	34.4%
11	i. Efficiency charter – PG financing/loans processing	99% within 1 day
	ii. Efficiency charter – Claims payment	99% within 5 days

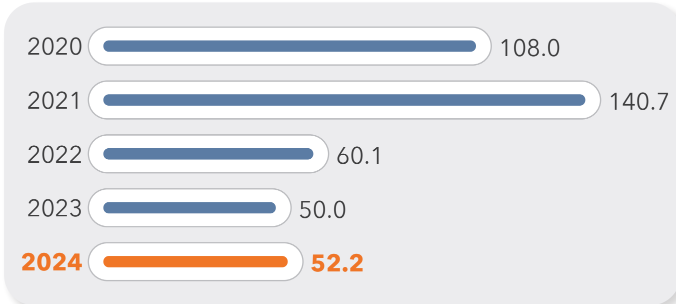
5-YEAR GROUP FINANCIAL HIGHLIGHTS

GROUP	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000
Total Income	**517,192**	537,493	413,581	432,337	451,296
Profit Before Taxation	**52,225**	50,016	60,144	140,713	108,016
Net Profit for the Financial Year	**52,225**	50,016	60,144	140,713	108,541
Profit Attributable to Shareholders	**52,225**	50,016	60,144	140,713	108,541
Shareholders' Equity	**4,397,893**	4,340,697	4,211,572	4,200,968	4,145,740
Total Equity	**4,397,893**	4,340,697	4,211,572	4,200,968	4,145,740
Total Assets	**5,108,693**	5,096,635	4,958,877	5,194,324	5,612,552

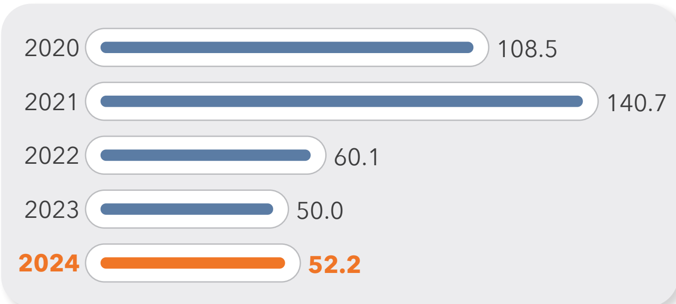
TOTAL INCOME
(in RM million)



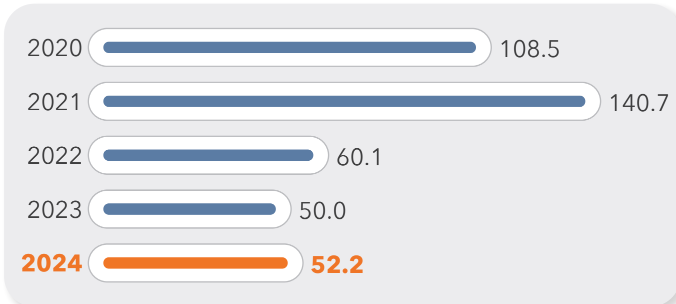
PROFIT BEFORE TAXATION
(in RM million)



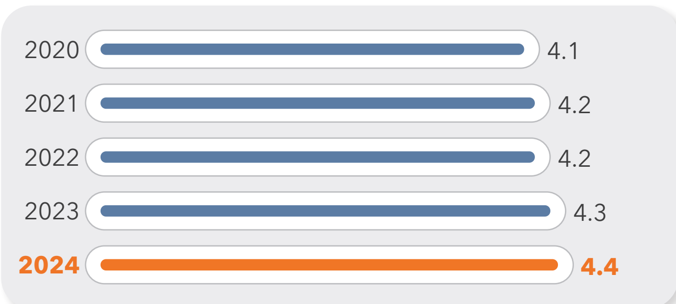
NET PROFIT FOR THE FINANCIAL YEAR
(in RM million)



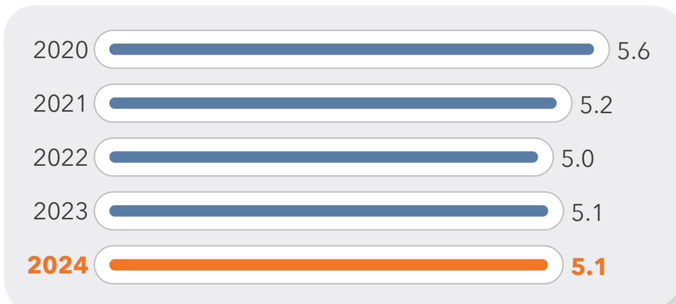
PROFIT ATTRIBUTABLE TO SHAREHOLDERS
(in RM million)



TOTAL EQUITY
(in RM billion)



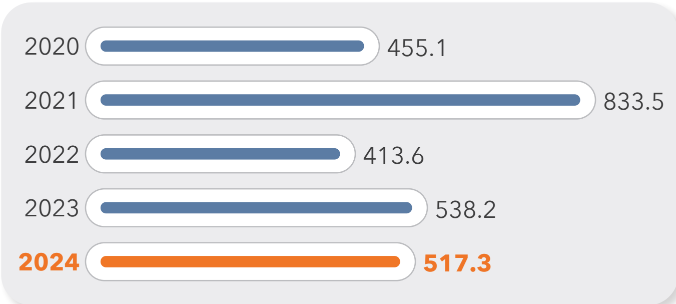
TOTAL ASSETS
(in RM billion)



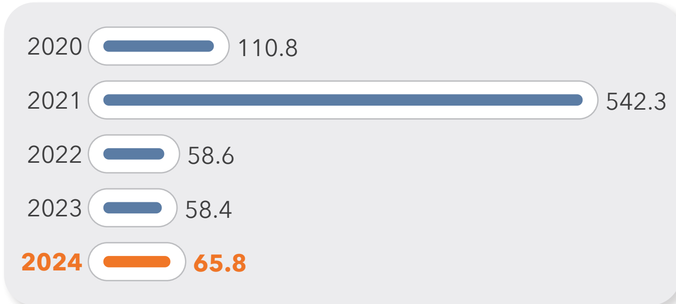
5-YEAR COMPANY FINANCIAL HIGHLIGHTS

COMPANY	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000
Total Income	**517,308**	538,195	413,581	833,487	455,106
Profit Before Taxation	**65,786**	58,354	58,613	542,306	110,761
Net Profit for the Financial Year	**65,786**	58,354	58,613	542,306	110,761
Profit Attributable to Shareholders	**65,786**	58,354	58,613	542,306	110,761
Total Equity	**4,417,842**	4,346,867	4,209,404	4,200,331	3,743,510
Total Assets	**5,181,804**	5,100,778	4,956,678	5,193,687	5,210,322

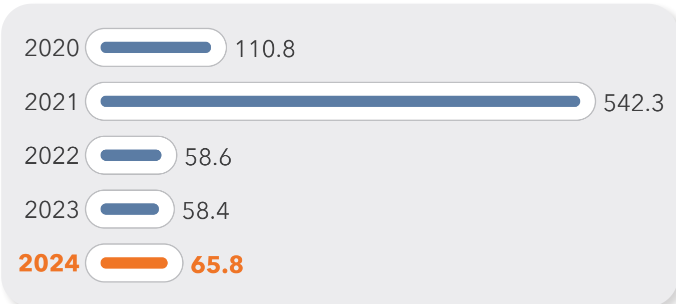
TOTAL INCOME
(in RM million)



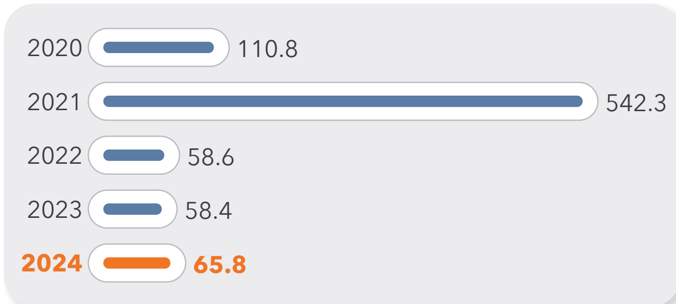
PROFIT BEFORE TAXATION
(in RM million)



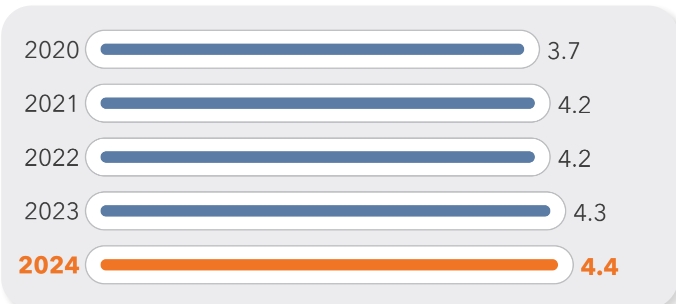
NET PROFIT FOR THE FINANCIAL YEAR
(in RM million)



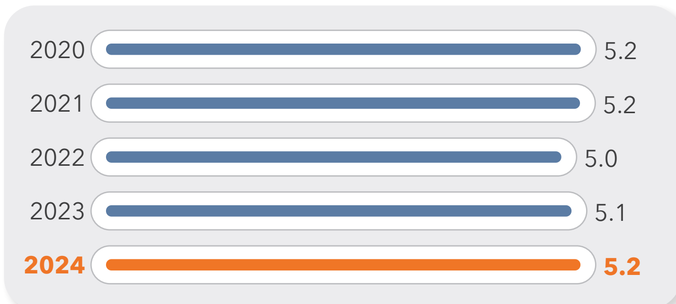
PROFIT ATTRIBUTABLE TO SHAREHOLDERS
(in RM million)



TOTAL EQUITY
(in RM billion)



TOTAL ASSETS
(in RM billion)



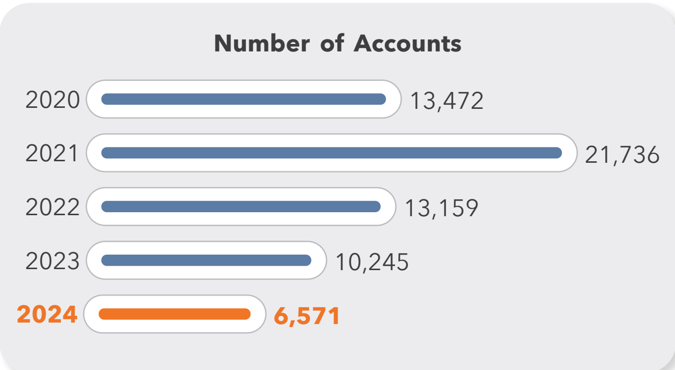
OVERVIEW OF GUARANTEE AND FINANCING SCHEMES

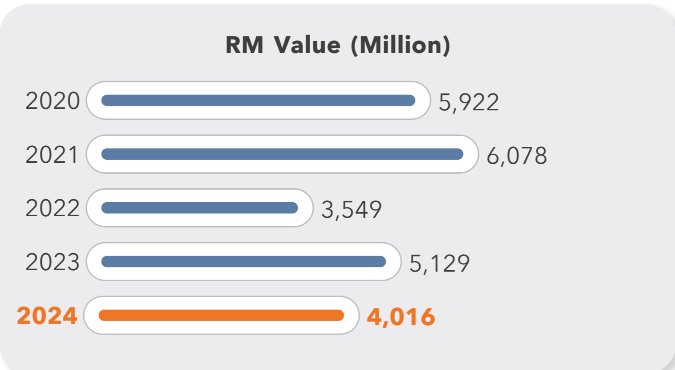
ANNUAL	2024	2023	2022	2021	2020
Number of Accounts	**6,571**	10,245	13,159	21,736	13,472
RM Value (Million)	**4,016**	5,129	3,549	6,078	5,922

CUMULATIVE	2024	2023	2022	2021	2020
Number of Accounts	**538,873**	532,302	522,057	508,898	487,162
RM Value (Million)	**99,447**	95,431	90,302	86,753	80,675

GUARANTEE AND FINANCING APPROVALS

ANNUAL





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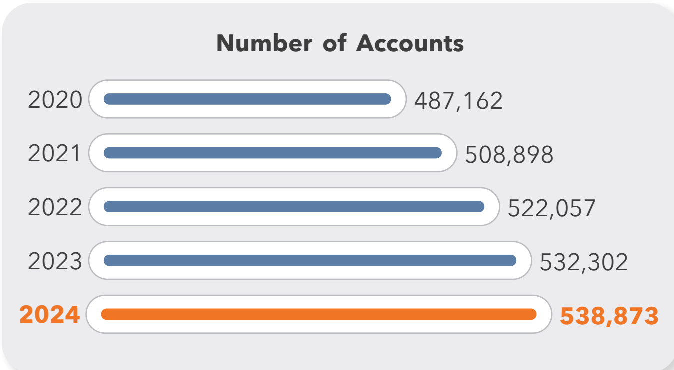
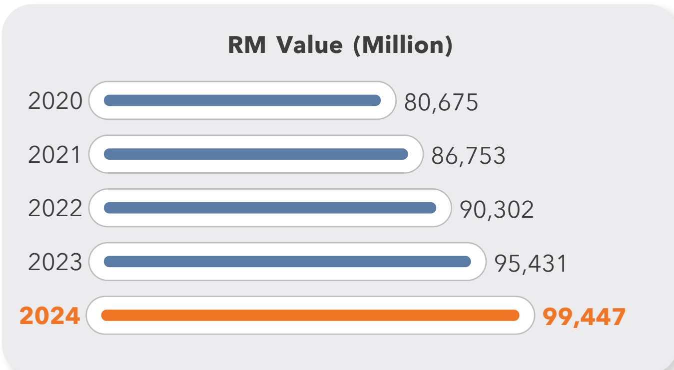




SIMPLIFIED STATEMENTS OF FINANCIAL POSITION

GROUP	2024		2023	
	RM'000	%	RM'000	%
Property, Plant and Equipments (PPE) and Intangible Assets	**26,789**	**0.52%**	22,829	0.45%
Financial Investments	**4,208,897**	**81.50%**	4,118,435	80.81%
Financing, Loans and Advances	**87,594**	**1.70%**	152,582	2.99%
Term Deposit	**456,947**	**8.85%**	424,995	8.34%
Others	**383,926**	**7.43%**	377,794	7.41%
TOTAL	**5,164,153**	**100.00%**	5,096,635	100.00%

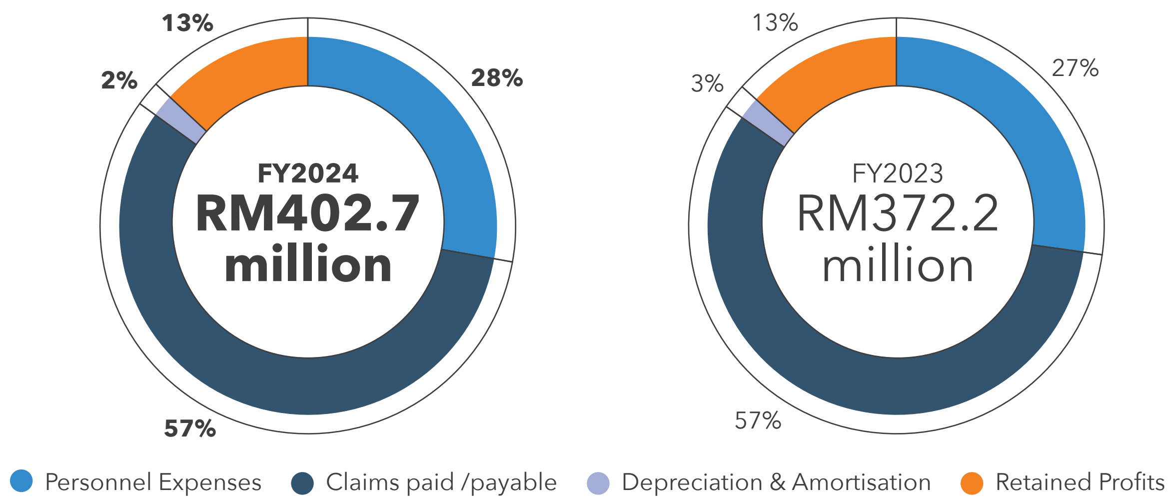
COMPANY	2024		2023	
	RM'000	%	RM'000	%
Property, Plant and Equipments (PPE) and Intangible Assets	**20,972**	**0.40%**	21,515	0.42%
Financial Investments	**4,204,421**	**81.14%**	4,113,741	80.65%
Financing, Loans and Advances	**87,594**	**1.69%**	152,582	2.99%
Term Deposit	**450,823**	**8.70%**	421,991	8.27%
Others	**417,994**	**8.07%**	390,949	7.67%
TOTAL	**5,181,804**	**100.00%**	5,100,778	100.00%

STATEMENT OF VALUE ADDED & VALUE DISTRIBUTED

VALUE ADDED	2024 RM'000	2023 RM'000
Revenue	**241,109**	233,023
Investment Income	**217,824**	243,478
Other Operating Income	**58,259**	60,992
Other Operating Expense	**(54,962)**	(52,338)
Expected Credit Losses (ECL) – Guarantee (Net of claim paid/payable)	**(53,715)**	(80,765)
Expected Credit Losses (ECL) – FLA	**(4,614)**	(31,232)
Expected Credit Losses (ECL) – Investment	**1,204**	(425)
Share of Loss in Associate	**(2,366)**	(570)
TOTAL	**402,739**	**372,163**

DISTRIBUTION OF VALUE ADDED	2024 RM'000	2023 RM'000
For Economy		
Claims Paid/Payable	**227,732**	213,009
For Employees		
Personnel Expenses	**114,147**	99,117
For Reinvestment in the Group		
Depreciation & Amortisation	**8,635**	10,021
Retained Profits	**52,225**	50,016
TOTAL	**402,739**	372,163

VALUE ADDED AVAILABLE FOR DISTRIBUTION



MSME SUCCESS STORIES

KELVVIN WONG
Yijia Food Enterprise

For businesses like these, CGC plays a crucial role in bridging the gap between traditional know-how and modern demands–empowering passionate entrepreneurs to embrace digital tools, adapt to change, and stay competitive in Malaysia's fast-evolving economic landscape.

FROM HOME KITCHEN TO INNOVATIVE DELIVERY BRAND

CGC is proud to have played a pivotal role in Yijia Food Enterprise's transformation from a home-based family-run food delivery service into a structured and fast-growing business with modern operations and its own in-house delivery fleet.

The relationship began when the company faced cash flow disruptions during the pandemic. With CGC's guarantee, Yijia Food Enterprise secured working capital financing that enabled it to stabilise operations and chart a clear path forward. Rather than merely weathering the storm, however, they seized the opportunity to invest in packaging upgrades, digital infrastructure, and staff wages–scaling up operations without compromising on quality as demand returned.

CGC's financial backing and support also provided the confidence and resources for the company to establish its own delivery team, reducing reliance on third-party logistics and gaining greater control over service quality, delivery speed, and customer satisfaction which are critical success factors in the food delivery space.

These investments paid off, with Yijia Food Enterprise achieving RM900,000 in annual sales, a 70% customer retention rate, and launching a dedicated website to manage orders more efficiently.

Looking ahead, the company remains focused on expanding its offerings, forming strategic industry collaborations, and further enhancing the customer experience. As it scales with purpose, Yijia Food Enterprise will continue to draw on CGC's support–particularly in financing, advisory, and strategic connections–to navigate its next phase of growth.

TURNING POTENTIAL INTO PROGRESS

Airis Aesthetic Centre began as a home-based business led by Liana, an aspiring entrepreneur with big dreams but limited resources. Although she initially struggled with self-confidence, Liana brought strong passion and determination to her business. With the guidance she received from participating in the CGC100 Youth Entrepreneurship Programme, she found the clarity and conviction to take her business to the next level.

With the help of CGC100's curated modules and mentoring sessions, she overcame early doubts and, together with her business partner, developed a detailed business plan that enabled her to expand operations, hire staff, and diversify income streams. The programme's planning and pitching exercises were particularly instrumental in helping her formalise her vision and translate it into results.

For Liana, CGC100 did more than build business acumen–it reshaped her mindset. She discovered how structured planning can simplify decision-making and turn challenges into actionable steps. Today, Airis Aesthetic Centre has a new physical premise, a growing team, and sales that have doubled since she joined the programme.

Looking ahead, Liana is focused on taking the business further–not only in terms of profitability, but also in brand visibility, customer satisfaction, and social impact. With ambitions to tap into new markets and enhance operational excellence, she sees CGC as a continued partner in her entrepreneurial journey.

NUR LIANA FARHANA HASNI
Airis Aesthetic Centre

For Liana, the CGC100 experience confirmed that small businesses led by passionate founders can thrive when given the right tools and belief. Her message to other aspiring women entrepreneurs: don't let fear hold you back. With organisations like CGC ready to guide you, your dream can become your mission–not just a wish.

BUSINESS REVIEW

This Business Review provides a comprehensive overview of CGC's performance and priorities through the lens of its business drivers and strategic enablers. The business drivers reflect the following divisions; Business, Operations & Credit, Investment, and CGC's wholly-owned subsidiary CGC Digital – key areas that directly contribute to CGC's mandate of supporting MSMEs. The strategic enablers, on the other hand, represent the foundational capabilities that support sustainable growth, which include the following divisions: Strategy & Finance, Information Technology, HR Management & Administration, Risk Management, Legal & Company Secretarial, Compliance & Integrity, and Internal Audit. Together, these elements form the backbone of CGC's strategy and execution. The review concludes with a summary of the key challenges, opportunities, and outlook across both dimensions, offering an integrated view of CGC's performance context and forward trajectory.

Read more about the Challenges, Opportunities and Outlook on pages 120 to 121

BUSINESS

WHO WE ARE AND WHAT WE DO

The Business Division serves as the primary driver of CGC's mandate to facilitate financial access for Micro, Small, and Medium Enterprises (MSMEs), particularly those facing challenges in securing funding from financial and non-financial institutions.

Through the provision of guarantees and financing solutions, the Division supports MSMEs that may lack collateral, capacity, or established financial track records, thereby promoting inclusive access to financial facilities. Anchored by our vision to nurture competitive and dynamic MSMEs, we work closely with Financial Institutions (FIs) and Development Financial Institutions (DFIs) to offer guarantee schemes that enable broader financing opportunities.

Nationwide, our network of 16 branches delivers direct financing solutions to contractors, operates shared-risk programmes, provides financial advisory services, and connects MSMEs to appropriate banking partners.

Our approach is structured around three strategic pillars: guarantee products, financing solutions, and comprehensive advisory services. Together, these pillars ensure holistic support for MSMEs by addressing both financial and non-financial needs.

In keeping pace with emerging market demands, we continuously develop innovative guarantee products that empower MSMEs to remain competitive, resilient, and adaptable to evolving economic landscapes.

BUSINESS ENVIRONMENT

In 2024, the Business Division observed that MSMEs continued to face difficulties in securing financing from financial institutions, primarily due to stricter lending requirements and heightened concerns over expected credit losses. This resulted in a slower pace of growth in guarantees and financing.

At the same time, MSMEs had to navigate new regulatory developments such as the minimum wage hike and mandatory e-invoicing requirements, alongside inflationary pressures that increased their costs of goods sold and operational expenses. These challenges further underscore the need for targeted financial solutions and support.

KEY FOCUS AREAS

KFA 1	• Developing new solutions to serve existing and targeted segments, such as portfolio guarantees, business credit cards, and guarantee first model
KFA 2	• Adopting a risk-based approach to offer lower guarantee fees for better-rated customers.
KFA 3	• Strengthening risk management practices through criteria revisions and more frequent engagement with partners.
KFA 4	• Streamlining internal processes to improve efficiency and customer satisfaction, with a focus on reducing turnaround times for product commencement.
KFA 5	• Expanding sustainable financing offerings and driving enhanced ESG performance amongst MSMEs.

2024 STRATEGIC PERFORMANCE REVIEW

STRATEGIC OBJECTIVES & PRIORITIES

SO1 SO2 SO3 SO4

- **Expand Outreach:** Increase guarantee and financing approvals while broadening MSME outreach by growing both the number of accounts and the total value supported.
- **Improve Financial Inclusion:** Strengthen CGC's partnerships with FIs and DFIs, supporting the development of targeted products such as guarantee solutions tailored to support Halal-focused businesses.
- **Holistically Supporting MSMEs:** Deliver comprehensive support through targeted developmental initiatives, providing financial and non-financial advisory services, business development advisory, and access to networking sessions and new markets.
- **Enhancing Customer Experiences:** Continuously improve service delivery, ensuring positive experiences for customers at partner banks and through CGC's customer service centre.

Key Initiatives	Achievements
Increased Access for Guarantee and Financing	In 2024, CGC extended guarantee and financing support to 6,571 MSMEs, with total approvals valued at RM4.02 billion.
Launched New Products through Partnerships	• Launched the first PG Property with Public Bank Berhad. • Introduced the first Islamic PG with a non-FI partner (Funding Societies). • First in Asia: PG Visa Business Credit Card with Alliance Bank Malaysia Berhad. • Established first PG-i partnership with Islamic FI e.g., Bank Muamalat Malaysia Berhad and rolled out the first PG-i targeting Halal businesses. • Introduced the Guarantee First Model with Bank Rakyat (BizJamin-i Rakyat2E) and Bank Simpanan Nasional (BizJamin-i Micro TemanMesra).
Expanded Sustainable Financing	• Increased Low Carbon Transition Facility (LCTF) offering by an additional RM500 million to RM1 billion. • Administered Green Technology Financing Scheme (GTFS) 4.0 valued at RM1 billion.
Supporting MSME ESG Excellence	• Incorporated ESG criteria into financing assessments. • The Non-Financial Advisory Team collaborated with Sunway University and Centre for Entrepreneur Development and Research Sdn Bhd (CEDAR) to organise ESG workshops, benefitting 207 MSMEs.
Provided Developmental Support	• Organised 53 CGC Developmental Programme workshops, benefitting 3,610 MSMEs. • Assisted 8,362 MSMEs through Targeted Developmental Support, 1,772 MSMEs through Branch Advisory, and 1,317 MSMEs via the Referral Programme.
Improved Customer Satisfaction	Client Service Centre achieved a 99.4% satisfaction rate among stakeholders based on quarterly engagement surveys.
Awards and Recognition	• Presented Bank Campaign and Top Guarantee Sales Awards: – 2024 Top Sales Guarantee Achiever. – Phase 1: 18 Individual winners. – Phase 2: 6 Individual winners. – 2024 PG Sales Challenges. – 5 FIs/Non-FIs in total (Public Bank, CIMB, Standard Chartered Bank, OCBC & Funding Societies). • Contributed to the development of Bank Negara Malaysia's Joint Committee on Climate Change's (JC3) jumpstart portal and a member of its SME Focus Group (SFG).

BUSINESS REVIEW

OPERATIONS & CREDIT

WHO WE ARE AND WHAT WE DO

The Operations & Credit Division (OPCR) is a cornerstone of CGC's commitment in delivering impactful financial solutions with operational excellence, robust credit governance, and a forward-looking transformation agenda. This division unites diverse functions to effectively execute guarantee and financing schemes, uphold prudent credit evaluation, and drive continuous innovation to meet the evolving needs of stakeholders and the broader financial ecosystem.

Operations is the first core within OPCR and is meticulously structured to support the end-to-end delivery, monitoring, and recovery of CGC's guarantee and financing portfolios. It is divided into two main areas – Guarantee Operations and Financing Operations – each playing a vital role in ensuring operational integrity and service excellence.

Guarantee Operations comprises of 4 departments:
- Billing Management Department (BMD) ensures the accuracy and timeliness of billing, oversees compliance processes, and manages fund administration related to guarantee schemes.
- Guarantee Monitoring & Reporting Department (GMR) plays a strategic role by providing insights that inform decision-making through tracking and evaluating the performance of guarantee schemes, ensuring alignment with CGC's financial objectives.
- Claims Department (CLD) handles the processing of claims submitted by Participating Financial Institutions and Non-Financial Institutions, and
- Subrogation & Recovery Department (SRD) leads recovery efforts for claims (guarantee schemes) and recalled (financing schemes) accounts.

Financing Operations comprises of 2 departments:
- Documentation & Disbursement Department (DDD) ensures the perfection of financing documentation and managing the disbursement process for Direct and Contract Financing schemes, all while adhering to internal policies and regulatory requirements.
- Financing Monitoring & Rehabilitation Department (FMR) is responsible for monitoring and rehabilitating accounts under Direct Financing, Contract Financing, and Full Risk schemes. The department focuses on maintaining asset quality and supporting customers' financial sustainability through restructuring and rescheduling (R&R).

Together, these departments ensure CGC's operations are responsive, precise, and accountable.

Credit is the second core within OPCR and plays a pivotal role in safeguarding CGC's financial integrity by ensuring that all credit decisions are made responsibly, sustainably, and in alignment with the Corporation's risk appetite. The Credit sub-division (CRD) comprises of Financing Evaluation Department (FED), Guarantee Evaluation Department (GED), and Credit Administration & Advisory Department (CAA).

- FED is responsible for the thorough assessment and evaluation of financing applications, ensuring that each proposal is rigorously reviewed for creditworthiness and strategic fit.
- GED focuses on the evaluation of guarantee applications, applying robust credit assessment frameworks to support sound decision-making.
- Supporting both FED and GED is the CAA, which oversees all credit-related administrative processes and provides expert advisory services to internal stakeholders, ensuring consistency, compliance, and operational efficiency across the credit lifecycle.

Transformation Office (TRO) is the third core within OPCR, and is responsible for driving transformation initiatives across the Corporation to champion process excellence, embed hyper automation, ensure smooth change management, and oversee strategic programme management. These efforts are crucial for maintaining CGC's competitiveness and responsiveness in a dynamic and fast-paced business environment, thereby supporting the CGC's long-term strategic goals and digital transformation journey. TRO consists of 4 departments:

- Strategic Programme Management Department (SPM) oversees the implementation of strategic initiatives under the 5SP+, Business Plan and CGC's sustainability agenda, ensuring that transformation efforts are aligned with CGC's long-term goals.
- Process Excellence Department (PE) leads initiatives to streamline workflows, reduce operational costs, and enhance customer satisfaction through methodologies such as Agile, Design Thinking and Lean Six Sigma.
- Process Automation Department (PA) identifies and implements automation opportunities across the organisation through hyper automation technologies such as Microsoft Power Platform – Power Automate, Power Apps, Robotic Process Automation (RPA), and Artificial Intelligence, contributing significantly to CGC's digital transformation journey.
- Change Management Department (CM) ensures all transformation efforts are effectively executed and embedded within the corporation, maintaining adherence to ISO 9001:2015 Quality Management System standards and fostering a culture of continuous improvement.

Together, these functions within the Operations & Credit Division form a cohesive and agile ecosystem that not only ensures seamless operational delivery and sound credit decisions but also drives innovation and transformation across CGC. Through their collective efforts, the division reinforces CGC's commitment to excellence, resilience, and stakeholders' value creation.

BUSINESS ENVIRONMENT

The business environment in which the Operations & Credit Division operates is becoming increasingly dynamic and complex, shaped by rapid technological advancements, shifting customer expectations, and evolving regulatory landscapes. As Malaysia's MSME sector continues its post-pandemic recovery, the demand for accessible, efficient, and tailored financial solutions has intensified. This has placed greater emphasis on operational agility, digital transformation, and risk resilience across all facets of the division.

In the operational landscape, the needs of MSMEs are evolving rapidly, with MSMEs seeking flexible and faster support mechanisms to sustain and grow their businesses. Thus, implementing automation technologies form a key part of CGC's ongoing efforts to refine service delivery models, enhancing efficiency and reducing turnaround times (TAT). The development of the Guarantee Management System (G-Core) exemplifies this shift, enabling greater accuracy, reduced manual intervention, and improved customer experience. Aligned with national digitalisation efforts, the division has also implemented e-Invoicing to ensure compliance and support broader economic goals.

The credit environment is equally influenced by external pressures, including global economic uncertainty, regulatory changes, and the emergence of new business segments. These factors necessitate robust credit risk assessment frameworks and adaptive credit solutions. The rise of Mid-Tier Companies, microbusinesses, and participants in the sharing economy has introduced new credit profiles and expectations, requiring CGC to tailor its offerings while maintaining sound credit risk management practices. Additionally, the development of the iGuarantee a platform, integration of artificial intelligence (AI), and application of data intelligence is transforming credit evaluation processes, enabling more precise decision-making and proactive risk mitigation.

Overall, the Operations & Credit Division is operating in a business environment that demands innovation, agility, and resilience. By continuing our journey in digital transformation, strengthening credit governance, and aligning with national priorities, the division is well-positioned to support MSMEs and contribute meaningfully to Malaysia's economic development.

BUSINESS REVIEW

KEY FOCUS AREAS	
KFA 1	• Enhance and automate the processes of both existing and new innovative guarantee schemes through digitalisation. • Maintain high asset quality in existing and new financing schemes by diligent monitoring, active stakeholder engagement, and providing repayment assistance to MSMEs.
KFA 2	• Improve operational efficiency through process automation initiatives utilising low-code technology. This promotes a culture of automation, reduces dependency on IT, and empowers users. • Enhance infrastructure and delivery channels with the launch of the iGuarantee a platform and G-Core system. • Leverage Lean Six Sigma, Design Thinking, and Agile methodologies to streamline communication and automate processes.
KFA 3	• Promote the implementation of the new CGC Core Competencies, while acknowledging and supporting individuals who are advancing automation solutions within the corporation.
KFA 4	• Nurture employees' potential through talent development, upskilling and remobilisation programmes.
KFA 5	• Embed Climate Change and Principle-Based Taxonomy (CCPT) into Credit Guideline (CG), ensuring that credit decisions consider climate-related impacts. • Embedding ESG principles into operational delivery of Guarantee and Financing products to drive sustainable outcomes and enhance strategic decision-making.

2024 STRATEGIC PERFORMANCE REVIEW

STRATEGIC OBJECTIVES & PRIORITIES

SO1 SO2 SO3 SO4

- **High Quality Credit Underwriting:** Maintain an optimal balance between MSMEs' accessibility to financing and asset quality by upholding high-quality credit underwriting in compliance with credit policies and guidelines.
- **Strengthen the Quality of Asset Management:** Enhance the monitoring of guarantee and financing accounts–both active and subrogated–through regular reviews and proactive engagement with key stakeholders.
- **Optimise Recovery Efforts:** Develop and execute targeted strategies to maximise recoveries from claims and recalled accounts.
- **Accelerating Digital Transformation:** Drive digital innovation across the Corporation to accelerate impact delivery, scale efficiently, and better serve the evolving needs of MSMEs.

Key Initiatives	Achievements
Operations	
Asset Quality Management Strategies (AQMS)	Ensured good asset quality through strategic collaboration with PFIs and non-FIs. Successfully managed the Expected Credit Loss (ECL) to be well below the approved ECL budget.
Established stronger discipline in recovery efforts	Surpassed the recovery target for guarantees and financing, achieving a 109% recovery rate with an actual recovery of RM49 million against the target of RM45 million.

Key Initiatives	Achievements
Enterprise Data Warehouse (EDW) (Phase I and Phase II): Dashboard reporting for Guarantee Operations	Enabled comprehensive analysis of product profitability, enhancing informed decision-making and strategic planning through the use of a unified data source.
Automated e-Invoice submission	Increased efficiency and ensured real-time validation to comply with Inland Revenue Board of Malaysia (IRBM) regulations.
Robotic Process Automation (RPA) and Visual Basic for Applications (VBA)	Optimised workflows and automated processes to improve accuracy and productivity (i.e. reduced TAT).
New Billing Configuration System (BillSphere)	Enhanced operational efficiency with more accurate, rapid and flexible billing processes.
ISO 9001-2015: Quality Management	Guarantee operations processes have been ISO-certified since 2021, with re-certification successfully obtained in 2024.
Credit	
Strengthening MSME Outreach	Achieved a total of over 6,500 approved applications for guarantee and financing schemes.
Credit Guideline (CG) Review	Enhanced Credit Guidelines (CG) to align with recent regulatory requirements and industry best practices, focusing on credit quality enhancement. The scope was expanded to include Sharing Economy participants, MTC criteria and the CCPT framework.
The launch of iGuarantee a platform – Onboarding of guarantee application for BizJamin 2.0 scheme	Successful launch of the iGuarantee a platform has streamlined credit processes and enhanced operational efficiency, thereby improving our communication with PFIs, allowing seamless guarantee application submissions and real-time performance tracking.
Enhancement of Contract Financing (CF) Scorecard	Enhanced the effectiveness of the CF Scorecard by updating scoring parameters and weightages. The enhancements contribute to a more accurate assessment of creditworthiness and risk, resulting to better decision-making.
Enhancement of Assisted Lane for Contract Financing	Streamlined the onboarding process from origination to credit decision has led to improved TAT, strengthened Know Your Customer (KYC) processes, and enhanced the quality of submissions, thereby ensuring good asset quality.
ISO 9001-2015: Quality Management	Guarantee origination processes have been ISO-certified since 2021, with re-certification successfully obtained in 2024.

BUSINESS REVIEW

Key Initiatives	Achievements
Transformation Office	
Creation of Credit and Operations Dashboard	Streamlined credit reporting via Power Business Intelligence (Power BI) to provide a comprehensive overview of credit reporting and performance metrics.
iGuarantee & G-Core	Successfully launched the iGuarantee a platform in March 2024, streamlining communication between CGC and PFIs. The G-Core initiative, which kicked off in June 2024, is targeted for deployment in September 2025 onwards. This initiative aims to streamline back-end Guarantee product processing, enhancing efficiency and productivity.
Process Improvement Training	Conducted Process Improvement Training using globally recognised continuous improvement tools (e.g., Project Charter, SIPOC, Root Cause Analysis and Poka-yoke). Trained over 150 CGC staff members, including VPs and AVPs, enhancing their skills and fostering talent development.
Strategic Workforce Planning (SWP)	Successfully conducted comprehensive workforce analysis and diagnostics across all divisions, leading to the establishment of an SWP Dashboard. This dashboard effectively tracks process improvement initiatives and their deliverables in terms of TAT, Full-Time Equivalent (FTE) efficiency, and operational cost management.
e-Invoicing Implementation	Successfully established the e-invoicing end-to-end process for the Corporation on 7 September 2024, in compliance with the Inland Revenue Board of Malaysia's (IRBM) timeline.
TPUB-i turnaround time dashboard	Deployed the TPUB-i TAT Dashboard for Greenlane via Power BI, effectively eliminating manual report preparation. The dashboard provides a comprehensive view of turnaround times across the process–from Branch Origination to Fund Release–enhancing decision-making and operational efficiency.
ISO 9001 QMS certification	Guarantee end-to-end processes have been ISO-certified since 2021, with recertification successfully obtained in 2024.

INVESTMENT

WHO WE ARE AND WHAT WE DO

The Investment Division is responsible for managing CGC's Investment Fund. Our focus is on preserving long-term capital value while delivering consistent and sustainable income streams via fixed income investments, alongside integrating sustainable and responsible investment principles into our approach.

Strong governance is upheld through comprehensive and well-defined Investment Policies and Guidelines, ensuring prudent decision-making, best practices, and the continued financial sustainability of CGC.

BUSINESS ENVIRONMENT

The interest rate environment remained challenging throughout 2024, with a "higher-for-longer" narrative prevailing into the final quarter amid persistently elevated inflation despite some improvements during the year. Additionally, the victory of Donald Trump in the US Presidential Election triggered concerns over potential trade tariffs and economic policy shifts, adding to market uncertainties and dampening investor sentiment.

On the domestic front, a flattening yield curve and compressed credit risk premiums further constrained reinvestment opportunities, creating a cautious investment landscape.

KEY FOCUS AREAS

KFA 3	• Automating investment workflows to enhance efficiencies and responsiveness to market trends.
KFA 4	• Adopting talent management strategies to upskill employees and strengthen our investment competencies.
KFA 5	• Promoting sustainable and responsible investing by prioritising investments in corporations with strong ESG practices and commitments.

2024 STRATEGIC PERFORMANCE REVIEW

STRATEGIC OBJECTIVES & PRIORITIES

SO4

- **Optimise Portfolio Returns:** Ensure stable returns from our fixed income portfolio.
- **Promote Responsible Investing:** Prioritise sustainable investing by integrating ESG criteria into investment decisions.

Key Initiatives	Achievements
Preserving Portfolio Stability and Performance	Maintained stability in the investment income gained from our fixed income portfolio, with returns that continued to outperform benchmarks.
Strengthening ESG-Driven Investments	As of 31 December 2024, over 44% of our Corporate Bond holdings were invested in bonds issued by Corporations demonstrating commendable ESG efforts.

BUSINESS REVIEW

CGC DIGITAL

WHO WE ARE AND WHAT WE DO

CGC Digital is a wholly owned fintech subsidiary of CGC Malaysia, established to advance CGC Malaysia's strategic objectives of empowering MSME growth and enhancing access to financing through a digital-first approach. CGC Digital is focused on addressing the financing gap faced by MSMEs in Malaysia by fostering innovation in risk-based guarantee solutions, developing and implementing alternative credit assessment models, and driving digital transformation within the MSME ecosystem.

Through strategic collaborations with ecosystem partners such as Non-Bank FIs, non-traditional lenders, and other fintechs and platforms, CGC Digital aims to democratise MSME access to financing. In alignment with CGC Malaysia's 5-Year Strategic Plan, CGC Digital supports the transformation of MSME digital solutions, contributing to a more resilient, inclusive, and dynamic business environment. CGC Digital initiatives are designed to catalyse financial inclusion, accelerate digital adoption, and empower MSMEs to thrive across all stages of their business lifecycle.

BUSINESS ENVIRONMENT

We operate within a dynamic and rapidly evolving digital ecosystem, partnering with digital-native players to enhance access to financing for MSMEs. Our focus is on bridging information asymmetry, improving customer experience, and leveraging data insights to deliver personalised financial solutions for gig and micro segments.

In line with national digitalisation initiatives and sustainability agendas, we play a pivotal role in strengthening MSME resilience, and building future-ready digital financial ecosystems.

KEY FOCUS AREAS

- Positioning imSME as the preferred MSME digital marketplace, consolidating CGC's full suite of products and services to deliver a seamless and accessible financing experience.
- Pioneering of guarantee solutions through digital innovation, embedding data modelling and seamless processes with the latest technology to drive greater efficiency, resilience, and scalability.

2024 STRATEGIC PERFORMANCE REVIEW

STRATEGIC OBJECTIVES & PRIORITIES

- **Innovation:** Collaboration with digital-native partners (i.e. Digital Banks, Peer-to-Peer (P2P) players and other non-bank partners) to drive innovation within the financing ecosystem and expansion of the imSME platform with new digital solutions for MSMEs.
- **Developing People Capabilities:** Build a future-ready team with expertise in data analytics, AI and advanced technologies, empowering the company to leverage data driven insights and deliver innovative, secure and scalable solutions.
- **Adopting New Technology:** Stay at the forefront of technological advancements to deliver seamless and efficient digital financing solutions across the MSME ecosystem.
- **Addressing Customer Needs:** Proactively understand and respond to customer preferences to enhance product and service offerings tailored for MSMEs.

Key Initiatives	Achievements
Digital Guarantee Innovation	Conducted seven (7) feasibility studies with digital native partners to assist over 500 MSMEs, with RM20 million Guarantee Cover providing approximately RM30 million in financing for the underserved segment.
imSME Cloud Migration	Successfully migrated imSME to a cloud-based infrastructure by the stipulated deadline of March 2024, ensuring greater flexibility and scalability. More than 5,000 MSMEs have registered under the upgraded imSME platform.
Chatbot and Virtual Assistance	Successfully developed an in-house AI powered chatbot which provides instant customer support and answers to queries.
Partnership with Securities Commission	CGC was identified as a strategic partner under the Securities Commission’s initiative, “Catalysing MSME and MTC Access to the Capital Market: 5-Year Roadmap (2024-2028),” leveraging imSME as the core digital platform.

BUSINESS REVIEW

STRATEGY & FINANCE

WHO WE ARE AND WHAT WE DO

The Strategy & Finance Division plays a critical role in driving CGC's long-term success by managing key business functions that ensure strategic alignment, operational resilience, financial integrity, and stakeholder confidence. This division comprises several departments, each contributing uniquely to CGC's ability to navigate an evolving landscape, meet corporate objectives, and deliver value to stakeholders.

Strategic Management & Communications (SMC) – The SMC sub-division comprises the Strategic Planning Department (SPD) and Corporate Communications & Stakeholder Relations (CC&SR).

SPD supports the Board and Management in shaping CGC's overall strategic vision, including the development of long-term strategic plans, the annual Business Plan, and Corporate and Divisional Scorecards. It also conducts research and analysis on strategic partnerships and business-related matters. On the sustainability front, SPD drives CGC's agenda in line with the Sustainability Framework, while overseeing and monitoring progress to ensure alignment with corporate strategies. To support informed business decisions, SPD provides thorough analysis and comprehensive reports on CGC's ongoing performance.

Meanwhile, CC&SR ensures seamless internal and external communication, keeping stakeholders updated on brand activities, public relations, social and digital media, stakeholder engagement, CSR, events, and creative strategy. As a relationship builder, CC&SR also drives initiatives across financial inclusion, digitalisation, innovation, customer experience, talent attraction and socioeconomic impact, ensuring stakeholder expectations are effectively addressed.

Finance – The Finance Department is responsible for sound financial stewardship, ensuring accuracy, compliance, and transparency across all financial operations. Acting as a strategic value enabler, it supports both daily operations and long-term transformation initiatives. Key responsibilities include cost control, budget and cash flow management, and ensuring compliance with accounting standards. The department also establishes robust policies and internal controls to uphold high standards in accounting and reporting, contributing directly to CGC's financial sustainability and governance excellence.

Procurement – The Procurement Department plays a vital role in acquiring goods and services while ensuring governance, value-for-money, and strategic supplier relationships. Guided by structured policies, manuals, and procedures, Procurement supports departments by advising on business needs, navigating procurement processes, and managing contracts and vendors. The team ensures that sourcing is efficient, compliant, and aligned with market conditions to safeguard CGC's interests and foster long-term partnerships with suppliers, consultants, contractors, and other external stakeholders.

Strategic Data Analytics (SDA) – The SDA Department comprises four key functions: Business Intelligence & Reporting, Data Science & Projects, Data Governance, and Data Intelligence. SDA leverages data as a strategic asset to inform decision-making, drive operational improvements, and monitor organisational performance. By integrating data analytics across business processes, SDA enables CGC to respond proactively to internal needs and market trends.

BUSINESS ENVIRONMENT

The MSME landscape is undergoing rapid transformation, with growing emphasis on innovation, efficiency, and digital readiness to remain competitive and meet evolving customer expectations. Stakeholder expectations are rising, particularly around transparency in development outcomes and impact reporting, while institutions across the finance industry are increasingly adopting AI and machine learning technologies to enhance decision-making and streamline operations, driven by advancements in big data, analytics, and internal automation systems.

Strategic planning serves as the cornerstone for CGC in addressing the swiftly evolving MSME landscape and the continuous advancements in digital transformation. As the business environment undergoes rapid changes, CGC must adapt and innovate to stay competitive and meet the rising expectations of stakeholders. This entails not only developing corporate strategies to embrace new technologies such as AI and machine learning for improved decision-making and streamlined operations but also ensuring transparency in development outcomes and impact reporting. The strategic planning department plays a crucial role in guiding these efforts, providing a clear vision and actionable plans that align with CGC's goals. By fostering collaboration across various departments and maintaining an agile approach, strategic planning ensures that CGC remains resilient and responsive to the dynamic challenges and opportunities presented by the digital age.

In the post-pandemic recovery period, communications have emerged as a mission-critical function. With MSMEs seeking rapid, effective support, the need for clear, timely, and reliable information has never been greater. The communications team must navigate a complex landscape of audience preferences, digital platforms, reputational risks, and information security. This calls for an agile and resilient communication strategy to uphold CGC's credibility and relevance.

The Procurement function must remain responsive to evolving regulatory frameworks, ESG mandates, and market dynamics. This includes staying abreast of changes in laws and procedures relating to contracts, sourcing, vendor selection, and sustainability. Procurement professionals must track pricing trends and supply availability to negotiate optimal terms and adjust sourcing strategies accordingly.

The Finance department, meanwhile, faces growing challenges in financial planning and forecasting amid economic uncertainty and regulatory complexity. Contemporary reporting requires advanced systems and technology to manage compliance with evolving accounting standards, while improving efficiency and decision accuracy.

KEY FOCUS AREAS

KFA 1	• Introducing enhanced reporting and analytics capabilities to support the design, evaluation, and optimisation of products and initiatives aligned with business needs and stakeholder expectations.
KFA 2	• Optimising resource allocation and procurement processes to ensure value-for-money outcomes and channel organisational focus towards high-impact, strategic priorities.
KFA 3	• Strengthening financial governance, data infrastructure, and strategic planning processes to enhance organisational agility and long-term resilience across a dynamic business environment.
KFA 4	• Empowering teams through capability-building programmes, change management efforts, and digital enablement to foster a performance-driven and future-ready workforce.
KFA 5	• Embedding ESG principles into data governance, financial strategy, and stakeholder engagement frameworks to support sustainability-driven growth and decision-making.

BUSINESS REVIEW

2024 STRATEGIC PERFORMANCE REVIEW

STRATEGIC OBJECTIVES & PRIORITIES

SO1 SO2 SO3 SO4

- **Drive Strategic and Sustainable Growth:** Deliver strategic plans that spur growth and sustainability progress that enhances value for MSMEs
- **Ensure Robust Reporting:** Deliver comprehensive company-wide performance reports and analysis, including on the positive impact of CGC's development support for MSMEs
- **Strengthen Stakeholder and Community Engagement:** Foster meaningful relationships with key stakeholders, enhance brand visibility and lead impactful outreach initiatives
- **Enhance Financial Management:** Drive improvements across all aspects of financial management, focusing on improving efficiencies, reducing costs and implementing automated processes.
- **Optimise Procurement Processes:** Drive operational and cost efficiencies through a focus on strategic sourcing, cost management and contract management, alongside effective management and collaboration with vendors and internal stakeholders.
- **Leverage Data Intelligence:** Enhance data management processes and the use of data analytics to support more informed and efficient monitoring and decision-making.

Key Initiatives	Achievements
Strategic Management & Communications	
Development of 5-Year Strategic Plan 2026 – 2030 (CGC Group 2030) High Level Plan	Conducted internal deliberations with Senior Management to identify emerging trends and strategic priorities through focus groups, ultimately developing a high-level plan for CGC Group 2030.
CGC Group Management Retreat 2024 (MR24)	Conducted and facilitated the MR24 with Senior Management to deliberate on CGC's strategic direction across three planning horizons: the short-term Group Business Plan 2025 (BP25), mid-term CGC Group 2030, and long-term CGC Group Mandate. The change of scenery and offsite setting provided a valuable opportunity for Senior Management to step away from daily operations and engage in open, strategic discussions through panel and group dialogue sessions. These sessions led to the development of BP25 and laid the foundational guiding principles for the development of CGC Group 2030 and the CGC Group Mandate.
Development and Execution of Corporation Scorecard and Divisional Scorecard for FY2024	Implemented and disseminated Corporation and Divisional Scorecards across all divisions, to be utilised as a guiding principle for employees at all levels.
Measure and Report CGC Scope 1, Scope 2 & Scope 3 Emissions	Established a baseline for CGC operational emissions, setting reduction targets and systems to monitor progress over time.

Key Initiatives	Achievements
Staff Sustainability Awareness Training Programmes	• Required all staff to undergo BNM Climate Change and Principle-based Taxonomy (CCPT) learning programmes. • Co-organised the CGC Tree Planting initiative in collaboration with Kelab Belia Prihatin Malaysia (Belia Prihatin) at Kuala Selangor Nature Park. The event featured 100 participants comprising CGC employees and MSME customers.
Branding Initiatives	• Formed 9 strategic partnerships to strengthen CGC's brand presence and executed 10 branding campaigns to enhance visibility and engagement. • Achieved more than 18 million reach through our Above-The-Line (ATL) branding efforts.
Event & Engagement Initiatives	Organised 26 events to connect with stakeholders, MSMEs, and the public, alongside hosting various other corporate, business, and internal engagement events.
PR & Social Media Initiatives	Led the project for publishing CGC's 2023 Annual Report. The totality of our media coverage and public relations efforts in 2024 secured close to RM8.9 million in PR value.
CSR Initiatives	• Through our CSR initiatives in 2024, 2.4 tonnes of food were diverted from waste, helping to avoid an estimated 6 tonnes of greenhouse gas emissions. • The 19 CSR campaigns we conducted during the past year positively impacted over 7,000 beneficiaries.
Finance	
Income, Cost and Working Capital Management	• Demonstrated excellence in timely reporting, financial risk mitigation, budget optimisation and driving operational efficiency. • Sustained robust cash flow management practices to ensure liquidity, enhance business stability, and support strategic initiatives.
Financial Advisory	Provided support to business users across the Group, particularly in the areas of financial analysis and projections. A key initiative completed in 2024 was the finalisation of the Group Profit Mandate, developed in collaboration with the Risk and Business Divisions to ensure the Group upholds financial sustainability while offering competitive financial rates to MSMEs.
Intra-group Arrangement and Transaction	Provided ongoing support for arrangements and transactions with CGC Digital throughout the year. This included facilitating the planning and execution of the second funding round for CGC Digital and establishing a shared services arrangement, along with implementing the transfer pricing agreement as part of CGC's parent-subsidiary framework to ensure intercompany transactions comply with the arm's length principle and promote transparency with the authorities.

BUSINESS REVIEW

Key Initiatives	Achievements
Automation Initiatives	Implemented multiple automation initiatives to enhance operational efficiency and reduce costs, including the automated reconciliation of month-end report balances between financial systems (ECL and leases), as well as the deployment of Robotic Process Automation (RPA) for monthly bank reconciliations.
TAT Improvement	Enhanced finance operational processes, achieving 100% turnaround time compliance in line with ISO quality objectives.
Continuous Improvement in Finance Manual and Policies	Bolstered our accounting policy and framework to improve enterprise-wide processes and internal controls.
Providing Scholarships	Orchestrated and facilitated CGC's MyPAC scholarships, providing quality education to underprivileged B40 students to break the cycle of poverty.
Procurement	
Centralised Procurement Transformation Plan	Embraced the Transformation Plan to shift from a decentralised to a centralised procurement model, with quarterly reviews to drive continuous improvement, strengthen governance, and enhance process efficiency.
Driving Cost Savings	• Achieved cost savings of RM3.9 million (10.02%) and cost avoidance of RM8.7 million (18.09%) in the current year, compared to RM1.9 million (5.04%) and RM7.3 million (16.17%) respectively in the previous year. • Cost savings were realised through effective price negotiations, while cost avoidance was measured by comparing the awarded contract value against the highest bidder.
Monitoring Performance and TAT	• Achieved efficient turnaround times across key procurement functions, including sourcing, purchase order (PO) creation, contract finalisation, and vendor performance monitoring. • Vendors recorded a 96% acceptable performance rate, consistently delivering goods and services on time, within budget, and in accordance with quality standards.
Master Contract Repository	Established a Master Contract Repository registry powered by SharePoint, Power Automate and Power BI, enabling easy contract management and monitoring.

Key Initiatives	Achievements
Strategic Data Analytics	
Enterprise Data Warehouse (EDW) Phase 2	Successfully developed and transformed Product Profitability Reports (PPR) – a key financial reporting tool used to evaluate product performance and margins – into a Power BI-based data visualisation format. This enhancement leveraged data from the centralised Enterprise Data Warehouse (EDW) platform and went live in June 2024.
Enterprise Data Warehouse (EDW) Phase 3	Completed migration from StreamSets and Talend to Informatica IDMC to enhance CGC's enterprise data storage and governance capabilities. This migration supports business use cases such as Product Health Checks, Risk and CCRIS Optimisation, and the streamlining of Month End Reports (MER).
Increase EDW utilisation rate as part of Change Management (CM) initiative	Conducted EDW Change Management initiatives, including training sessions, workshops, newsletters, campaigns, and awareness activities aimed at fostering a data-driven culture across the organisation. These efforts led to a notable increase in EDW utilisation: • Data usage: Number of users increased by at least 70%. • Report usage: Report audiences grew from approximately 50 to 120, with continued growth in usage and engagement.
Enhancement of Data Governance	• Improved the quality of data submitted by Financial Institutions (FIs) to CGC, increasing accuracy from 80% to an average of approximately 95%. • Successfully completed the Key Data Element (KDE) exercise and Risk Management IT (RMIT) initiatives, alongside joint campaigns and awareness activities on Data Governance and Security in collaboration with the IT team.
Bolstering Data Intelligence Capabilities	• Established a foundational data blueprint to support a robust organisational data framework. • Introduced Microsoft Fabric as a unified analytics solution, integrating AI and machine learning to drive advanced data insights and smarter decision-making.

BUSINESS REVIEW

INFORMATION TECHNOLOGY

WHO WE ARE AND WHAT WE DO

The IT Division serves as a key enabler of CGC's strategy, built around specialised expertise in cybersecurity, enterprise architecture, programme and project management, application development, data engineering, and infrastructure.

We adopt an agile approach to implement, manage, and continuously enhance CGC's digital and technology capabilities, while maintaining strong cyber resilience against evolving threats.

BUSINESS ENVIRONMENT

The IT Division operates in an environment shaped by rapidly evolving customer and business demands, accelerating technological advancements, and an increasingly complex cybersecurity landscape. Staying ahead requires constant innovation and rapid technology adoption to meet business needs efficiently, while ensuring robust cyber resilience to safeguard operations and maintain stakeholder trust.

KEY FOCUS AREAS

KFA 1	• Adopting new digital tools and platforms to enhance access and collaboration with partner institutions.
KFA 3	• Improving internal data management and analysis processes to support efficient data-driven decision making.
KFA 3	• Enhancing digital and cybersecurity systems to address evolving requirements and maintain robust IT governance.

2024 STRATEGIC PERFORMANCE REVIEW

STRATEGIC OBJECTIVES & PRIORITIES

SO1 SO3 SO4

- **Drive Cross-Platform API Integration:** Enhance the harmonisation of CGC's systems with partner platforms to improve operational efficiencies and connectivity.
- **Expand Digital Collaboration:** Introduce new digital platforms and systems to strengthen collaboration and efficiency with partners.
- **Improve Internal Systems:** Adopt new digital solutions and upgrade existing systems to optimise internal processes such as billing and product performance monitoring.

Key Initiatives	Achievements
Expanding PG API Integration	Successfully onboarded additional banks, including CIMB, Alliance Bank, and Standard Chartered Bank, enabling fast, real-time approvals and boosting product take-up rates.
Implementing a Self-Service Platform for Partners	Launched iGuarantee, a self-service platform for partners to submit guarantee applications and claims, access guarantee performance dashboards, engage in Q&A, and more. This initiative reduces turnaround time and enhances collaboration with partners.
Product Profitability Dashboards	Extended the enterprise data warehouse to deliver accurate, reliable data for product profitability analysis, offering real-time, secure access to critical information.
New Billing Engine	Introduced a rules-based billing engine to accommodate diverse PG billing requirements for different business scenarios, while simultaneously eliminating manual billing processes.

HR MANAGEMENT & ADMINISTRATION

WHO WE ARE AND WHAT WE DO

The HR Management & Administration (HRMA) Division is the driving force behind CGC's talent strategy, shaping a future-ready workforce through progressive HR practices. Our key focus areas include:

- **Organisational Design:** Building structures and cultivating a culture that drives performance excellence.
- **Performance Management & Rewards:** Focus on aligning goals, conducting fair assessments through continuous feedback, and rewarding achievements.
- **Talent Acquisition:** Attracting and hiring the right people to drive organisational success while strengthening CGC's reputation as an employer of choice through strategic branding initiatives and candidate experiences.
- **Talent Development & Learning:** Equipping employees with skills for today's needs and future challenges.
- **Employee Engagement:** Fostering a motivated, high-performing workforce aligned with CGC's values.
- **Compensation & Benefits:** Aligning compensation and benefits with organisational goals.
- **Workforce Management & HR System:** Deploying the workforce effectively, supporting career progression, and leveraging HR systems for enhanced efficiency.
- **Industrial Relations:** Fostering positive employee relations and promoting fair and equitable employment practices.
- **Facility and Administration Services:** Managing CGC's buildings and office operations to provide a safe, efficient and well-functioning workplace.

BUSINESS ENVIRONMENT

The HRMA Division operates within a fast-evolving landscape shaped by several key forces:

- **Digital Transformation:** Rapid technological advancements are reshaping work models, demanding new skills and agile workforce strategies.
- **Evolving Workforce Expectations:** Employees today seek greater purpose, flexibility, and continuous growth, driving changes in talent management approaches.
- **Competitive Talent Market:** Attracting and retaining top talent is critical amidst ongoing skill shortages and shifting demographic trends.
- **Regulatory and Economic Shifts:** Growing emphasis on compliance, sustainability, and financial resilience requires adaptive HR strategies.
- **Future-Ready Workforce Needs:** Organisations must prioritise upskilling, innovation, and cultural agility to stay relevant in a fast-changing world.
- **Regulations and Compliance:** Strong adherence to safety, environmental and energy efficiency standards is essential to maintaining operational excellence.

KEY FOCUS AREAS

KFA 1	• Ensuring future-ready talent equipped with core competencies. • Increasing engagement to enhance employee well-being and improve retention rates. • Establishing a robust digital learning platform and increasing adoption of digital learning amongst employees.
KFA 4	Ensuring timely maintenance to minimise downtime and disruptions across workplaces, while enhancing sustainability performance.

BUSINESS REVIEW

2024 STRATEGIC PERFORMANCE REVIEW

STRATEGIC OBJECTIVES & PRIORITIES

SO4

- **Nurture Future-Ready Talents:** Develop the new CGC Core Competencies in alignment with the Future Skills Framework (FSF).
- **Enhance Leadership Development:** Upskill mid-to-senior leaders through structured learning interventions.
- **Expand Digital Learning:** Drive the adoption of digital learning on CGC's established digital learning platform.
- **Support Operational Efficiency and Service Excellence:** Undertake the required maintenance activities to reduce workplace disruptions, minimise operational costs and reduce emissions.

Key Initiatives	Achievements
Awards and Recognition	**SEEK People & Purpose Awards** • The People Leader of the Year 2024 (Gold Award) – Mr. Nazral Safril Mohammad Sapari, Chief Human Resources Officer (CHRO) **GRADUAN** • 2nd Runner Up in the Professional Services Category. • Ranked 18th among Malaysia's Most Preferred Employers for the Graduan Brand Awards 2024. **M100** • Winner for Financial Services Category • Ranked 90th overall as a leading graduate employer amongst Malaysia's 100 Leading Graduate Employers 2024. **Jobstore.com** • Top HR Leader – Mr. Nazral Safril Mohammad Sapari, CHRO • Top Employer Award of the Year – Public Sector (Financial Services) • Top Employer of Graduate Choice – Public Sector (Financial Services) • Top Recruitment Team of the Year – Public Sector (Financial Services)
Sustainability through Gamification	Launched an interactive sustainability gamification challenge, with over 30 teams participating in a two-hour competition designed to boost environmental awareness.
Tree Planting Collaboration	Conducted a tree planting initiative at Kuala Selangor, planting 200 trees in partnership with MyBelia Prihatin in contribution to local conservation efforts.
Embedding Sustainability in Engagements	Integrated sustainability themes into divisional employee engagement activities to foster a stronger environmental culture.
Employee Participation in Tiger Conservation	Sixty employees participated in the 'Run for Tiger' fun run organised by Maybank and WWF, raising awareness and support for tiger conservation efforts.
Upgrade to Sustainable Lighting	Upgraded 80% of lighting across CGC's head office and branches from conventional fixtures to energy-efficient LEDs, significantly reducing carbon emissions and operational costs.

RISK MANAGEMENT

WHO WE ARE AND WHAT WE DO

The Risk Management Division (RMD) forms a critical pillar of CGC's governance structure, entrusted with identifying, managing, and mitigating key risks that shape the Corporation's strategic direction. RMD supports risk owners across the organisation in managing enterprise-wide risks to ensure resilience and business continuity.

With robust proficiencies in actuarial, credit, and market risk assessment, the team plays a pivotal role in managing concentration risks while reinforcing CGC's commitment to empowering MSMEs.

BUSINESS ENVIRONMENT

In an ever-evolving risk environment, RMD continues to demonstrate agility in adapting to emerging risks and evolving regulatory requirements. Guided by a proactive approach to risk identification, assessment, and mitigation, we ensure CGC remains resilient while fulfilling its mandate to support MSMEs.

We remain committed to staying at the forefront of developments in risk management practices and regulatory frameworks, enabling us to provide robust support to stakeholders in navigating today's complex risk environment.

KEY FOCUS AREAS

KFA 1
- Exploring solutions to enable CGC's expansion into new market segments, such as larger SMEs.

KFA 3
- Strengthening credit risk-related policies and internal risk reporting practices.

KFA 5
- Applying sustainability considerations within CGC's direct financing portfolio.
- Enhancing cybersecurity risk management to safeguard data and internal systems.

2024 STRATEGIC PERFORMANCE REVIEW

STRATEGIC OBJECTIVES & PRIORITIES

SO1 SO2 SO3 SO4

- **Assessments of Internal Systems:** Strengthen assessment of internal control, monitoring and security systems across key risk areas.
- **Policy Review and Enhancement:** Continuously review, update, and enhance risk management policies to ensure alignment with industry best practices.
- **Improve Risk Management Processes:** Enhance internal risk reporting processes to support better-informed strategic decision-making.

BUSINESS REVIEW

Key Initiatives	Achievements
Studies and Assessments to Enhance Risk Governance	• Conducted a benchmarking study on parent-subsidiary governance frameworks within group entities. • Completed a proof-of-concept (POC) with Experian to test the Early Warning Score reliability for enhanced portfolio monitoring.
Policy Updates	Strengthened credit risk-related policies across onboarding, monitoring, and reporting activities, ensuring better alignment with industry best practices.
Explore Single Concentration Exposure Limit to Serve Larger SMEs	Introduced a higher exposure limit, enabling CGC to expand into the Mid-Tier Companies segment for the first time.
Group Profit Mandate Review	Implemented new pricing structures based on differentiated product groupings to better reflect business and risk profiles.
Alignment with BNM's CCPT Policy Document	• Developed a Climate Change and Principle-based Taxonomy (CCPT) assessment template in accordance with BNM's guidelines. • Applied CCPT classification on CGC's direct financing portfolio.
Bolstering Internal Risk Communication and Monitoring	Enhanced internal risk reporting to the Risk Management Committee with improved risk analysis and introduction of more refined risk indicators.
Cybersecurity Maturity Assessment	Conducted a cybersecurity maturity assessment to evaluate CGC's resilience and readiness, resulting in a defined roadmap for improvement.
Independent Risk Management in Technology (RMiT) Assessment	Carried out an independent assessment aligned with RMiT guidelines, identifying areas for enhancement in CGC's technology risk management framework.

LEGAL & COMPANY SECRETARIAL

WHO WE ARE AND WHAT WE DO

The Legal and Company Secretarial (LCS) Division comprises two departments: Legal and Company Secretarial. The Legal Department is responsible for safeguarding the CGC Group's interests by providing legal advisory services. It ensures the Group's legal security by advising on engagements with external parties, helping to mitigate legal risks and prevent adverse implications.

The Company Secretarial Department manages corporate governance and ensures compliance with the Companies Act 2016 and all relevant regulations. It provides secretarial advisory and support services, manages Board and Board Oversight Committees, organises annual and extraordinary general meetings, and ensures timely and accurate statutory compliance across the CGC Group.

BUSINESS ENVIRONMENT

The Legal and Company Secretarial Division operates in a dynamic and increasingly complex regulatory landscape, where the need to manage legal risks and uphold strong governance practices is more critical than ever. As CGC expands its offerings and supports a growing base of MSMEs, the division plays a vital role in ensuring legal soundness and regulatory compliance across all business activities. This includes proactively identifying and mitigating legal risks, keeping pace with evolving legislation, and reinforcing corporate governance frameworks. In doing so, the LCS Division supports CGC's strategic objectives while safeguarding its reputation and ensuring accountability to stakeholders.

KEY FOCUS AREAS

KFA 1	• Developing new systems and tools to enhance the accuracy, efficiency and risk-controls of our legal and regulatory compliance processes.
KFA 4	• Enhancing the competencies and performance of our teams, including by adopting new e-learning tools and platforms.

2024 STRATEGIC PERFORMANCE REVIEW

STRATEGIC OBJECTIVES & PRIORITIES

SO3 SO4

- **Grow Digital Infrastructure:** Embrace digitalisation through new tools and systems that enhance efficiency and support sustainability through paperless operations.
- **Support CGC's Sustainability Agenda:** Uncover solutions for improving Economic, Environment, Social and Governance (EESG) practices and performance.

BUSINESS REVIEW

Key Initiatives	Achievements
Paperless Transition	Advanced sustainability and digitalisation efforts by adopting a paperless meeting system through the use of Convene board management software since 2018.
Virtual Meetings	Hybrid Board, Board Committees and Management Committee meetings were conducted via Microsoft Teams since 2020. CGC's Annual General Meetings (AGM) also have been conducted fully virtually, improving accessibility and flexibility for shareholders to participate remotely.
Digital Assessment Tools	Collaborated with the IT Division to develop a digital assessment tool for evaluating the performance of CGC's Panel Solicitors. This digital transformation has streamlined the evaluation process, significantly enhanced productivity, and reduced the likelihood of errors.
Enhanced Governance of CGC Digital	Advised on and drafted the Shared Service Agreement and Agency Agreement, executed by CGC Malaysia and CGC Digital, to strengthen governance and formalise the parent-subsidiary arrangement.
Established Templates for Agreements	Developed template-based agreements for CGC Group's engagements to standardise documentation and minimise legal risk. These include the Portfolio/Wholesale Guarantee Master Agreement, Project Feasibility Agreement, Service and Maintenance Agreement, Master Collaboration Agreement, Memorandum of Understanding, and Non-Disclosure Agreement. In addition, all template-based agreements were regularly reviewed to ensure alignment with the latest legal developments and regulations applicable to CGC Group's businesses and operations.
Panel Solicitors Committee	Established the Panel Solicitors Committee to oversee and manage CGC's Panel Solicitors, ensuring service quality through structured annual performance assessments for reappointment.

COMPLIANCE & INTEGRITY

WHO WE ARE AND WHAT WE DO

The Compliance and Integrity Division (CIV) was established to provide a supervisory and advisory role within the Corporation, ensuring full compliance with applicable laws, regulations, and internal policies. CIV also upholds and promotes ethical conduct across CGC's activities, ensuring integrity is upheld by both directors and employees.

BUSINESS ENVIRONMENT

In a highly regulated environment marked by evolving compliance risks and rising expectations from regulators and stakeholders, CIV plays a critical role in navigating a complex and dynamic regulatory landscape, ensuring conformance with laws, regulations, and ethical standards while effectively managing compliance risks.

KEY FOCUS AREAS

KFA 1	• Ensuring policies and controls are reviewed and enhanced to reflect evolving needs as CGC expands its offerings.
KFA 3	• Enhancing oversight and processes to foster a culture of robust compliance and ethical conduct.
KFA 5	• Providing internal training and regular awareness and compliance communication to stakeholders. • Enhancing governance to preserve our robust reputation as a trusted partner for MSMEs.

2024 STRATEGIC PERFORMANCE REVIEW

STRATEGIC OBJECTIVES & PRIORITIES

SO1 SO2 SO3

- **Enhance Compliance Culture:** Provide training and awareness sessions for internal staff to inculcate the desired business practices.
- **Update Policies and Processes:** Enhance existing policies and implement new processes related to compliance and integrity.
- **Monitoring and Controls:** Implement robust regulatory monitoring and process controls to ensure continued adherence to evolving requirements.

Key Initiatives	Achievements
Training and Awareness	Conducted six (6) focused training and awareness sessions (both physical and online) for employees and the Board. Topics included AML/CFT, Shariah governance, Anti-Bribery and Anti-Corruption, cybersecurity, and data privacy. Regular compliance and integrity awareness communications were also disseminated to stakeholders.
Enhanced Policies and Processes	Enhanced and implemented comprehensive policies including the Compliance and Integrity Policy, Anti-Bribery and Anti-Corruption Policy, Whistleblowing Policy, and the Shariah Governance Framework. Additionally, we implemented a No Gift Policy across the organisation.
Awards and Recognition	Datuk Mohd Zamree Mohd Ishak, CGC's President and CEO, was honoured as an "Integrity Champion" at the National Conference on Integrity & Governance 2024. The award recognises his significant contributions to enhancing integrity and governance within CGC and across the industry.

BUSINESS REVIEW

INTERNAL AUDIT

WHO WE ARE AND WHAT WE DO

The Internal Audit Division (IAD) operates independently of CGC's business units and reports directly to the Board Audit Committee (BAC). Our principal role is to evaluate the adequacy, efficiency, and effectiveness of CGC's risk management, internal control, and governance processes.

In carrying out assessments,we adopt internationally recognised best practices, namely the Committee of Sponsoring Organisations of the Treadway Commission's (COSO) Integrated Internal Control Framework and the Control Objectives for Information and Related Technologies (COBIT) Framework. These frameworks provide robust guidance for strengthening internal controls, managing enterprise risks, and preventing fraud, ensuring that CGC's internal processes remain sound, resilient, and aligned with global standards.

BUSINESS ENVIRONMENT

Operating in a dynamic and highly regulated landscape, IAD remains committed to staying abreast of evolving regulatory, governance, and risk management developments. This ensures that internal audit practices remain relevant, effective, and aligned with industry standards and stakeholder expectations.

KEY FOCUS AREAS

KFA 3
- Enhancing audit efficiency and strengthening engagement with key stakeholders to improve overall assurance processes.

KFA 4
- Realigning IAD's structure and competency development roadmap to ensure continuous professional growth and readiness for emerging challenges.

KFA 5
- Expanding the use of technology to drive greater efficiency, effectiveness, and sustainability in IAD's audit activities.

2024 STRATEGIC PERFORMANCE REVIEW

STRATEGIC OBJECTIVES & PRIORITIES

SO3 SO4

- **Audit Plans and Recommendations:** Execute activities according to the approved audit plan and monitor the implementation of audit recommendations.
- **Expand Use of Data Analytics:** Leverage data analytics and digital bots to enhance audit processes.
- **Training and Certification:** Improve the knowledgeability of staff and encourage the attainment of relevant certifications.
- **Drive Process Improvements:** Strengthen internal processes to improve efficiency and accuracy.

Key Initiatives	Achievements
Audit Assignments and Progress Reporting	In 2024, IAD successfully completed 30 audit assignments as scheduled, with reports progressively presented in 6 BAC meetings and 12 Audit Compliance Committee (ACC) meetings. Moving forward, IAD will evaluate the effectiveness of audit resolutions within the timelines established by the ACC. This approach will foster more coordinated engagement from both management and IAD in the prompt resolution of audit issues.
Digital Bot Utilisation	Developed 37 new audit bots and re-ran 47 previously developed bots during the year.
Enhancing Competencies	The IAD held 147 knowledge-sharing sessions on the latest audit practices and relevant technical matters during the year, while 16 internal auditors underwent examinations on Data Analytics or obtained Certified Internal Auditor accreditation.
Internal Process Augmentation	A total of four internal process improvement initiatives were undertaken in 2024.
Promoting Sustainability	In collaboration with Petronas Dagangan, IAD organised a campaign to collect Used Cooking Oil (UCO), successfully gathering 584.8 kg of UCO.

BUSINESS REVIEW

BUSINESS DRIVERS

CHALLENGES

The business environment for MSMEs continues to present several structural and operational challenges that require ongoing support and strategic intervention. Many MSMEs, particularly Bumiputera contractors, encounter difficulties in securing financing due to factors such as limited credit history, smaller project values, and the complexity of project financing processes. Broader issues such as limited financial literacy and slower adoption of technology further impact their readiness for evolving market and regulatory demands, including the implementation of e-Invoicing.

Internally, enhancements to credit processes are progressing amidst legacy system constraints, integration requirements, and the need to balance asset quality with greater financing access. Operational improvements, including the deployment of new reporting tools and dashboards, require careful management to address system readiness, data consistency, and user adoption. Furthermore, strategic initiatives such as workforce planning and training must account for diverse learning needs and sustained engagement across the Corporation. While new offerings like Digital Guarantees show potential, they also require time and market awareness to gain meaningful traction among MSMEs.

OPPORTUNITIES

The evolving financial landscape presents significant opportunities to enhance MSME support, improve internal capabilities, and strengthen stakeholder engagement. Advancements in risk-based pricing and the expansion of the TPUB-i programme—through broader contract awarder networks and expedited processing—are expected to improve financing accessibility for targeted segments. Increased outreach through developmental programmes and deeper collaboration with partner financial institutions (PFIs) are anticipated to elevate MSME competencies and strengthen referral networks.

Internally, process improvements, system enhancements, and data integration initiatives are driving greater operational efficiency, accuracy, and customer experience. These include improvements in billing, credit evaluation, turnaround time, and the automation of reporting through platforms like Power BI. Strategic workforce planning, targeted upskilling, and an embedded culture of continuous improvement further positions CGC to adapt effectively to emerging demands.

The integration of sustainability considerations into credit practices, the implementation of ISO 9001:2015 standards, and the ongoing development of technology platforms such as G-Core and iGuarantee are also supporting improved service delivery and regulatory compliance. Additionally, strategic alignment with stakeholders, enhanced pricing model accuracy, and expansion into emerging segments such as Non-Bank Financial Institutions (NBFIs) offer new avenues for growth and innovation.

OUTLOOK

Looking ahead, our Business Driver divisions will remain focused on expanding CGC’s guarantee portfolio, deepening institutional partnerships, and advancing inclusive and sustainable financing. Strategic efforts will prioritise strengthening engagement with both financial and non-financial institutions to widen the reach of guarantee solutions, including segments such as mid-tier companies and gig workers. Emphasis will also be placed on accelerating the adoption of sustainability-linked financing through facilities such as the Low Carbon Transition Facility (LCTF), High Tech and Green Facility (HTG), Green Technology Financing Scheme (GTFS) and Green Portfolio Guarantees, in close collaboration with PFIs.

The continued enhancement of our Financial and Business Advisory services, alongside the scaled deployment of Guarantee-First products, will be undertaken to support broader MSME access to financing. In parallel, we will focus on active portfolio management, prudent risk oversight, and advancing ESG-related capabilities through research and talent development.

In line with the our digital agenda, CGC Digital will continue to play a pivotal role in driving financial inclusion by expanding partnerships, innovating product offerings, and strengthening its digital guarantee solutions. Platforms such as imSME hold immense potential in this aspect, and will be further leveraged to connect MSMEs with financing opportunities, supporting the broader national agenda for inclusive and digitally enabled economic growth.

STRATEGIC ENABLERS

CHALLENGES

CGC faces a range of strategic challenges in adapting to a rapidly evolving operational and regulatory environment. The increasing reliance on data to drive strategic decisions highlights the need for enhanced data intelligence capabilities and robust governance frameworks, particularly considering evolving industry regulations and compliance expectations. At the same time, the accelerated pace of technological advancements, including Artificial Intelligence (AI) and machine learning, presents a growing need for continuous learning and skills development.

External pressures–including cost volatility, inflation, and fluctuating market conditions–further compound the complexity of managing resources and maintaining service quality. Additionally, as digital systems expand, the Corporation must remain vigilant against increasing cybersecurity threats and data privacy risks.

Human capital remains a critical focus, with challenges in closing skill gaps, attracting and retaining top talent, and ensuring workforce readiness for emerging demands. Sustaining a strong culture of compliance and risk awareness requires consistent reinforcement and a deep understanding of regulatory obligations. These challenges underscore the importance of strategic planning, agility, and sustained investment in people, processes, and technology to support long-term organisational resilience and performance.

OPPORTUNITIES

CGC is well-positioned to strengthen its strategic enablers through a broad spectrum of opportunities that support long-term growth, operational excellence, and organisational resilience. The development of the 2026-2030 strategic plan provides a clear roadmap for exploring new segments and diversifying solutions, while the advancement of data capabilities through investments in analytics tools and upskilling, will support more informed decision-making and improve performance outcomes.

Ongoing enhancements in procurement practices, including vendor management and contract governance, are expected to improve cost efficiency, service quality, and risk mitigation. Similarly, continuous improvements in cybersecurity, supported by staff awareness and the adoption of advanced security solutions, will reinforce the organisation's digital resilience.

Talent management initiatives present significant opportunities to build a future-ready workforce. These include the adoption of agile work practices, targeted upskilling aligned with national frameworks, improved talent attraction strategies, and personalised development plans to retain high-potential employees. Diversity, equity, and inclusion (DEI) initiatives, along with integration of ESG principles into workforce policies, will further enhance organisational sustainability and innovation.

The increasing use of AI and data analytics offers potential for improved productivity, predictive planning, and more effective HR and compliance functions. Enhanced internal compliance capabilities, supported by comprehensive training and technological initiatives, will ensure stronger adherence to regulatory requirements while elevating ethical standards across all levels of the Corporation.

Collaborative opportunities, including international knowledge exchange programmes, will support talent mobility and promote best practices. These strategic enablers collectively strengthen the organisation's capacity to adapt, innovate, and deliver value in a complex and evolving environment.

OUTLOOK

CGC will continue to strengthen its strategic foundation by leveraging digital capabilities, enhancing workforce readiness, and reinforcing governance frameworks. A key priority lies in advancing data analytics and data governance to drive operational efficiency, improve decision-making, and align more closely with long-term strategic objectives. Investments in technology, including big data, AI, and automation, will support the development of more agile and efficient processes, while reducing reliance on external systems.

Continued emphasis will be placed on building internal capabilities to support innovation, digital resilience, and improved service delivery. This includes developing in-house solutions, streamlining workflows, and fortifying cybersecurity measures to ensure the Corporation remains secure and adaptable in an increasingly complex digital environment.

Talent development will remain central, with expanded upskilling initiatives aimed at cultivating adaptability, digital fluency, and critical thinking across all levels. Efforts to enhance employee engagement, well-being, and strategic workforce planning will support organisational agility and long-term performance.

Governance and compliance functions will evolve in response to increasing regulatory complexity, focusing on proactive risk management, automation of compliance processes, and improved oversight. Enhanced internal audit capabilities and risk analytics will enable more robust monitoring and better-informed strategic decisions, contributing to greater financial and operational resilience.

CREATING VALUE THROUGH SUSTAINABILITY

At CGC, sustainability is not just a commitment – it is a strategic imperative that drives how we create long-term value. By embedding economic, environmental, social, and governance (EESG) considerations into our business model, we align our operations with broader stakeholder expectations and national development priorities. Through this approach, sustainability has become part of CGC's DNA, integrated into our strategic planning and decision-making processes. The materiality assessment completed in 2022 identified 17 key material matters, guiding us to prioritise EESG issues that are most relevant to our stakeholders and impactful to our organisation.

M1 Climate Change

Responsibly manage the environmental footprint of our operations, arising from the usage of resources and materials.

M2 Digitalisation and Innovation

Adopt digital solutions to enhance product and service delivery, improve customer experiences and increase financial access and inclusion.

M3 Financially Inclusive Solutions

Offer products and services that address the needs of underserved and unserved MSMEs, expanding access to financial support.

M4 Environmentally Friendly Solutions

Deliver products and services that facilitate and support MSMEs' transition to low-carbon and sustainable practices.

M5 Responsible Sourcing

Support local procurement and incorporate social and environmental considerations into our procurement practices.

M6 Positive Socio-economic Impacts

Create positive direct and indirect socio-economic impacts through our suite of products and services.

M7 Customer Experience

Embed a customer-centric culture within the organisation and develop products and services that improve the customer experience.

M8 Diversity and Inclusion

Promote and embrace a diverse, equitable and inclusive workplace, where all employees are treated fairly and without discrimination.

M9 Employee Health, Safety and Well-being

Protect the health, safety and well-being of our workforce by maintaining a positive and safe working environment.

M10 Talent Attraction, Development, Retention and Engagement

Invest in recruiting, developing and retaining talent with relevant skills and leadership potential.

M11 Promoting Financial Literacy

Provide access to financial education that supports MSMEs in making well-informed financial decisions.

M12 Community Investment and Development

Support local communities through collaborations and partnerships that promote positive community development.

M13 Strategic Partnership

Collaborate with financial and non- financial partners to promote growth, innovation, and sustainable development of MSMEs.

M14 Good Governance

Commit to conducting our business with the highest standards of integrity, accountability, and transparency.

M15 Regulatory Compliance

Comply consistently with industry best practices, regulations and standards, developing a strong compliance culture throughout the organisation.

M16 Privacy, Data Protection and Cybersecurity

Safeguard stakeholder information and operational stability by upholding responsible data management and robust cybersecurity measures.

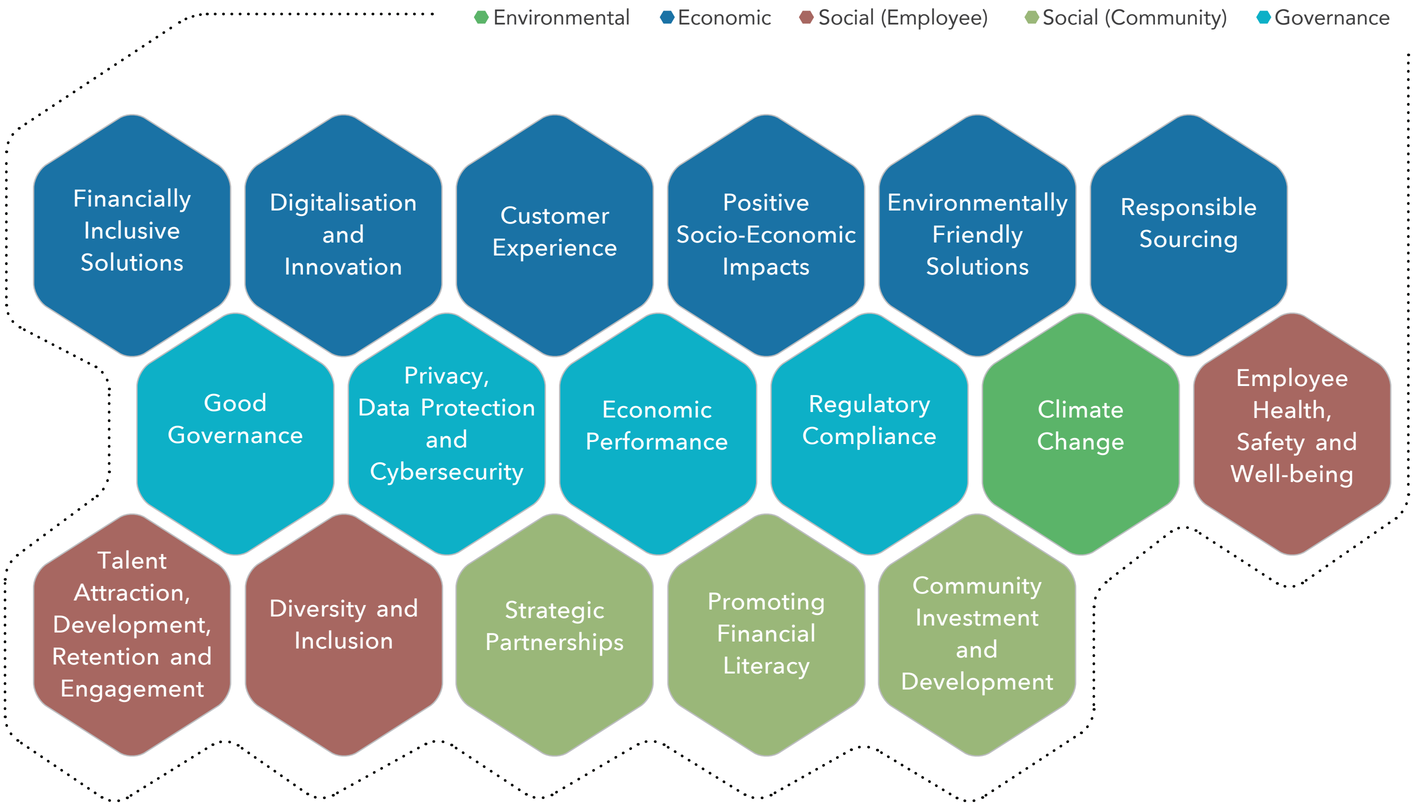
M17 Economic Performance

Embrace sustainable practices without compromising CGC's financial health.

SUSTAINABILITY AT CGC

As expectations around corporate responsibility rise and transparency becomes increasingly critical, CGC remains steadfast in our commitment to advancing meaningful sustainability practices. We recognise that good intentions and polished communications alone are no longer sufficient. In today's fast-changing landscape, integrating sustainability into business strategy has become a necessity. Therefore, it is vital to adopt a values-driven approach–one that places sustainability at the heart of strategic decision-making–to ensure continued relevance, competitiveness, and long-term success.

To embed sustainability across the organisation, we have developed the CGC Sustainability Framework to integrate responsible practices into our business-as-usual operations. This structured framework–anchored by clearly defined pillars and material matters–enables us to identify, strengthen, and implement initiatives aligned with both our mandate and stakeholder expectations. These initiatives are tracked through defined timelines and milestones to ensure measurable progress and accountability. As we deepen our integration efforts, we strengthen our ability to navigate evolving economic, social, and environmental conditions, enhancing our resilience and long-term value creation. The foundation we have established–centred around matters most crucial to our business and stakeholders–ensures that sustainability is not only strategic, but firmly embedded in our operational ethos.



ENSURING ALIGNMENT WITH GLOBAL FRAMEWORKS AND NATIONAL POLICIES

A key objective of our Sustainability Framework is to ensure that CGC's goals and practices are aligned with both global and national priorities and policies. From a sustainability standpoint, CGC holds a unique position–our mandate and nature of business are inherently aligned with the **United Nations Sustainable Development Goals (UNSDGs)**. We play a developmental role in advancing Malaysia's economic agenda by supporting marginal but potentially viable MSMEs, particularly those lacking sufficient collateral or credit history to access financing through the formal financial system. Through this focus, CGC continues to create meaningful value for underserved and unserved enterprises, not only by generating economic benefits but also by contributing to environmental sustainability and social well-being.

SUSTAINABILITY AT CGC

Beyond the UN SDGs, our Sustainability Framework is guided by the **United Nations Principles for Responsible Investment (UN PRI)**. Together, they form the cornerstone of our programmes and initiatives. As the financial sector evolves to embrace broader development opportunities, it is crucial that this growth remains sustainable, inclusive, and responsible. CGC remains committed to playing a leading role in this transformation–advancing sustainability within the financial ecosystem while reinforcing our contribution to the SDGs.

From a national perspective, CGC's mandate–to support the development of Micro, Small and Medium Enterprises (MSMEs) and contribute to nation-building–requires that our Sustainability Framework aligns with Malaysia's broader development agenda, such as the **Twelfth Malaysia Plan (12MP)**. The 12MP highlights that MSMEs "remain uncompetitive due to low technology adoption, lack of skilled talent and management know-how, as well as facing constricted access to finance". It also emphasises that "the transformation of MSMEs into innovation- driven enterprises is crucial to increase their resilience and competitiveness". Through our Sustainability Framework, we are already addresses several of these challenges by enhancing access to financing, driving digital adoption and supporting capability-building initiatives. Simultaneously, the 12MP outlines Malaysia's ambition to transition into a low-carbon nation, a goal that calls for strong collaboration between the public and private sectors. Financial institutions, in particular, play a pivotal role in enabling this transition by financing green initiatives and supporting sustainable business practices across industries. In parallel, the 12MP stresses the importance of strengthening domestic green financing and investment. With financial institutions being encouraged to integrate ESG principles and climate-related considerations into their operations, we have established climate action a key focus area in the environmental pillar of our Sustainability Framework.

Our Sustainability Framework further supports the **'Ekonomi MADANI: Memperkasa Rakyat'** framework, introduced on 27 July 2023 as a national platform to restore the dignity and resilience of the nation. This framework places strong emphasis on restructuring the Malaysian economy to position the country as a leading force in the Asian region. Both the Malaysia MADANI aspiration and the 'Ekonomi MADANI: Memperkasa Rakyat' framework served as central pillars during the Mid-Term Review of the 12MP, casting a spotlight on improving the quality of life for all Malaysians. With the theme of "Sustainable, Prosperous, High-Income Nation," the Mid-Term Review of the 12MP highlighted key enablers such as enhancing the efficiency of public service delivery and identified 17 Big Bold initiatives to accelerate socio-economic development during the remaining plan period. One of these bold initiatives is Empowering MSMEs and Social Enterprises, which directly aligns with CGC's developmental mandate. Key strategies proposed under this initiative–such as promoting alternative financing for MSMEs and accelerating productivity through technology adoption–are already reflected in CGC's Sustainability Framework, underscoring our proactive support for national priorities through targeted and inclusive programmes.

The CGC Sustainability Framework also takes into consideration the vision outlined in Malaysia's **Financial Sector Blueprint 2022–2026**, which calls for financial institutions to embed sustainability into their business portfolios and operational processes. This includes the adoption of the **Climate Change and Principle-based Taxonomy (CCPT)** to facilitate the nation's transition towards green growth. Financial institutions are also encouraged to promote sustainable practices among their clients and play a catalytic role in enabling the shift to a low-carbon economy. In support of this vision, CGC's Sustainability Framework goes beyond compliance–championing inclusive growth, financial empowerment, and environmental stewardship. By addressing the needs of unserved and underserved segments, we are helping to build a more resilient and equitable financial ecosystem.

Our holistic efforts, as guided by our Sustainability Framework, to promote sustainability and climate resilience, both within our business and among MSMEs, reflect our broader ambition. We remain determined to be a catalyst for positive change, enabling businesses to thrive while contributing to Malaysia's transition towards a low-carbon, future-ready economy.

CGC SUSTAINABILITY FRAMEWORK

The CGC Sustainability Framework is built on four pillars: Economic, Environmental, Social and Governance (EESG). Key challenges and ambitions have been defined within each pillar, providing clear focus to our sustainability efforts and ensuring meaningful environmental and social impact across our business and communities.

THE JOURNEY

ENHANCING ACCESS → FACILITATING GROWTH → ENABLING TRANSITION

THE STEPS TO ACHIEVE THE JOURNEY

PILLAR 1

SUSTAINABLE SOLUTIONS

PILLAR 2

TOWARDS A LOW-CARBON ECONOMY

PILLAR 3

FOSTERING MEANINGFUL PARTNERSHIPS

PILLAR 4

EMBEDDING SUSTAINABILITY INTO CGC

FOCUS AREAS

Pillar 1:
- **F1** Unlocking innovative pathways to finance
- **F2** Strengthening customer engagement

Pillar 2:
- **F3** Managing CGC's climate impact
- **F4** Introducing environmentally friendly solutions

Pillar 3:
- **F5** Empowering MSMEs to drive growth
- **F6** Supporting local socio-economic development

Pillar 4:
- **F7** Enhancing workforce readiness
- **F8** Upholding responsible business practices

These four pillars aim to steer CGC's sustainability journey while simultaneously empowering MSMEs in their own sustainability efforts. Within each pillar, Focus Areas define key matters of priority connected with these ambitions. These Focus Areas inform the development of actionable steps, enabling a targeted approach to implementing sustainability strategies and fulfilling environmental and social responsibilities.

KEY SUSTAINABILITY MILESTONES

We recognise that the sustainability of our business and that of the MSME ecosystem are deeply interconnected. By proactively addressing ESG issues and integrating sustainable practices into our core strategy, we strengthen our own foundation and are better positioned to support MSMEs on their sustainability journey. In 2024, we intensified our sustainability journey, undertaking strategies and initiatives guided by our eight focus areas to drive progress towards our ambitions.

CGC Sustainability Journey

2023 — STEP UP

2024 — NEXT-LEVEL IMPROVEMENTS

F1 Unlocking Innovative Pathways for Financial Access

Financial Access for Unserved, Underserved and Strategic Segments

Digitalisation
Digital infrastructure and employee upskilling.

Direct MSMEs Interaction
Develop more tailored products to meet their needs.

Partnerships
Forge collaborations with industry peers to amplify the impact of CGC Developmental Programme® or jointly innovative new modules.

F2 Strengthening Customer Engagement

Increasing Direct Engagement with MSMEs

Workforce
Manage manpower to scale up CGC Developmental Programme®.

Partnerships
Collaborate with other industry players in efforts to scale up CGC Developmental Programme® or co-develop new modules.

F3 Managing CGC's Climate Impact

GHG Emissions & Environmental Impact Management

Tracking Mechanism
Manage and optimise all facilities' resource consumption.

Tree Planting Programme
Organised the Tree Planting Programme and successfully planted 300 mangrove trees at Taman Alam Selangor.

Digitalisation
Digitalise processes and operations to improve resource consumption.

Policies/Guidelines
Develop policies or guidelines in relation to environmental matters for internal operations.

F4 Introducing Environmentally Friendly Solutions

Enabling MSME's Transition to a Low-Carbon Economy

Workforce
Upgrade employee knowledge and skills in sustainability-related topics.

Policies/Guidelines
Develop policies on environment-related matters to guide product development.

Partnerships
Enhance collaboration with financing partners to expand green products suitable for MSMEs.

2025

MOVE THE NEEDLE

Empowering MSMEs to Drive Growth (F5)	Supporting Local Socio-economic Development (F6)	Enhancing Workforce Readiness (F7)	Upholding Responsible Business Practices (F8)
Enhancing Sustainability Capabilities of Enterprises	**Empowering Sustainable Entrepreneurs**	**Empowering Our Workforce**	**Integrating Sustainability Considerations throughout CGC**
Workforce Train and upskill advisory team and branch employees on sustainability-related topics.	**Financial Investment** Invest funds for CGC100 Programme's graduates.	**Workforce** Continuous upskilling and reskilling of employees through training programmes.	**Policies** Develop or enhance internal policies to integrate sustainability considerations.
Digitalisation Undertake digital initiatives to integrate CGC and financing partners' platforms to strengthen collaboration.	**Partnerships** Leverage strategic partnerships to enhance access to financing and capacity-building programmes.	**Policies and Culture** Strengthen company policies and practices to promote a culture of diversity and inclusion.	**Reporting** Require periodic internal reporting to enhance accountability.
Partnerships Enhance strategic partnerships to provide more financial and non-financial services to MSMEs.			

SUSTAINABILITY GOVERNANCE

To drive our sustainability agenda forward, we have established a dedicated governance structure to oversee the development and execution of sustainability strategies. This framework ensures the systematic formulation, implementation, and evaluation of initiatives while proactively assessing risks and identifying opportunities to enhance sustainability across the organisation.

Our Sustainability Governance

Board of Directors

↑

Group Management Committee

↑

Group Strategic Project Committee

↑

Corporate Sustainability

Board of Directors

Our Board is ultimately responsible for taking sustainability matters into account when setting CGC's strategic direction, and ensuring initiatives are embedded into our day-to-day operations.

Group Strategic Project Committee (GSPC)

GSPC assists the Group Management Committee in the development and implementation of our planned sustainability initiatives. GSPC is the prime facilitator of our Sustainability Framework, and is supported by the various business and operating divisions within CGC.

Group Management Committee (GMC)

The GMC provides strategic direction and guidance on operational, financial, and technical policy matters. It steers the overseeing and navigating of sustainability risks and opportunities, and equips the Board with the insights needed to informed decision-making.

Corporate Sustainability

Corporate Sustainability coordinates the Group's strategy and goals, ensuring alignment with existing policies while overseeing the implementation of sustainability initiatives led by various divisions. To continuously enhance our governance framework and drive greater alignment with organisational objectives, we actively explore innovative approaches to expand our sustainability efforts.

INCORPORATING SUSTAINABILITY INTO RISK MANAGEMENT

Sustainability is closely integrated with risk management, particularly for financial institutions, as it significantly impacts stability and long-term performance. Financial institutions face a variety of sustainability risks, including climate change, resource scarcity, and social controversies, which can impact their reputation, credit, and operations. In 2024, CGC continued to adopt Bank Negara Malaysia's (BNM) Climate Change and Principle-based Taxonomy (CCPT) to guide our ESG risk assessment practices. In alignment with BNM and global standards, we are also strategically addressing our climate-related risks and opportunities.

OUR APPROACH TO SUSTAINABILITY

Guided by the CGC Sustainability Framework, we aim to embed sustainability across our business while empowering MSMEs to enhance their own sustainability efforts. This framework was designed to integrate sustainability initiatives into our day-to-day operations. Our efforts span eight key Focus Areas to promote responsible practices, strengthen resilience, and ensure the effective management of sustainability challenges for both CGC and our stakeholders.

CGC Sustainability Framework

Sustainability Pillars	Ambition for Pillars	Material Matters	Focus Areas	SDGs
Pillar 1 Sustainable Solutions	Leverage industry partnerships to develop innovative pathways for providing MSMEs with enhanced access to finance and resources to strengthen their capabilities and resilience	M2 Digitalisation and Innovation; M3 Financially Inclusive Solutions	F1 Unlocking Innovative Pathways	7, 8, 9
		M7 Customer Experience	F2 Strengthening Customer Engagement	
Pillar 2 Towards a Low Carbon Economy	Enable an inclusive transition to a low-carbon economy by playing our role in the financial landscape and helping MSME's embrace greener practices	M1 Climate Change	F3 Managing CGC's Climate Impact	4, 8, 13
		M4 Environmentally Friendly Solutions	F4 Introducing Environmentally Friendly Solutions	
Pillar 3 Fostering Meaningful Partnership	Collaborate with industry partners to build an ecosystem conducive to MSME's growth, innovation and development	M6 Positive Socio-Economic Impacts	F5 Empowering MSMEs to Drive Growth	4, 8, 10
		M12 Community Investment and Development	F6 Supporting Local Socio-economic Development	
		M11 Promoting Financial Literacy		
		M13 Strategic Partnerships		
Pillar 4 Embedding Sustainability into CGC	Ensure CGC operates sustainably by embedding sustainability considerations throughout the organisation and fostering sustainable practices amongst MSMEs	M8 Diversity and Inclusion	F7 Enhancing Workforce Readiness	3, 4, 5, 8, 10, 12, 16
		M9 Employee Health, Safety and Well-Being		
		M10 Talent Attraction, Development, Retention		
		M14 Good Governance	F8 Upholding Responsible Business Practices	
		M15 Regulatory Compliance		
		M16 Privacy, Data Protection and Cybersecurity		
		M5 Responsible Sourcing		
		M17 Economic Performance		

Focus Areas: F1 F2 | Material Matters: M2 M3 M7 | UNSDGs: 7 AFFORDABLE AND CLEAN ENERGY, 8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY INNOVATION AND INFRASTRUCTURE

PILLAR 1

SUSTAINABLE SOLUTIONS

imSME POWERED BY CGC

EMPOWERING MSMES THROUGH DIGITAL INNOVATION

Launched in 2018 as Malaysia's first SME financing platform, imSME was created to serve as a comprehensive digital marketplace – enabling seamless access to a wide range of financial and non-financial services tailored to the needs of MSMEs. Today, the platform has become a cornerstone of our 5-Year Strategic Plan, underpinning efforts to drive ESG integration, boost competitiveness, and reinforce organisational sustainability.

In alignment with Bank Negara Malaysia's Financial Sector Blueprint 2022-2026, which prioritises digitalisation across the financial sector, we are charting the next phase of imSME's transformation. Our subsidiary, CGC Digital, has spearheaded the transformation of imSME to a cloud-native environment, paving the way for the integration of advanced features such as a Generative AI chatbot, enhanced cybersecurity frameworks, and a streamlined one-stop hub for personalised financing solutions. These enhancements significantly expanded access to financial services, empowering MSMEs to grow with confidence and resilience.

Recognising its pivotal role in Malaysia's financial ecosystem, imSME was identified as Enabler 1: Mobilising the Financing Ecosystem Working Group Action Item E1.6 under the New Industrial Master Plan (NIMP) 2030. Through this mandate, imSME extended its reach to offer MSMEs a holistic view of all available financing options, including P2P facilities and government grants, thereby supporting national efforts to close financing gaps and empower business growth.

Looking ahead, we remain focused on expanding the platform's functionality and reach to unlock new, high-impact avenues for advancing our mission. By strengthening access to financing and developmental support, imSME will continue to serve as a catalyst for inclusive and sustainable MSME growth across Malaysia.

2024 ACHIEVEMENTS

Visitors
2.79 MILLION

Applications
6,267

Total Registered MSMEs
84,431

Value
RM626 MILLION

PILLAR 1 – SUSTAINABLE SOLUTIONS

FOCUS AREA F2 — STRENGTHENING CUSTOMER ENGAGEMENT

ECONOMIC PRACTICES

CGC DEVELOPMENTAL PROGRAMME®

Emphasising customer-centricity, CGC has cultivated a culture dedicated to delivering a seamless and impactful customer experience. The CGC Developmental Programme® plays a key role in this effort by fostering long-term relationships with partners and MSMEs, promoting effective communication, enhancing competencies and achieving meaningful outcomes through collaborative engagement.

Structured around four core pillars – **Financial Advisory, Advisory Workshops, Access to New Markets,** and **Networking Sessions** – the Programme provides holistic support that strengthens MSME capabilities and prepares them for sustainable growth. Each pillar is designed to address distinct aspects of MSME development, combining financial and non-financial advisory solutions tailored to evolving business needs.

Since its inception in 2016, the CGC Developmental Programme® has continuously supported MSMEs throughout their business journey, providing valuable knowledge, market access, and collaborative opportunities that enhance their competitiveness and long-term viability.

CGC DEVELOPMENTAL PROGRAMME®

Financial & Non-Financial Advisory

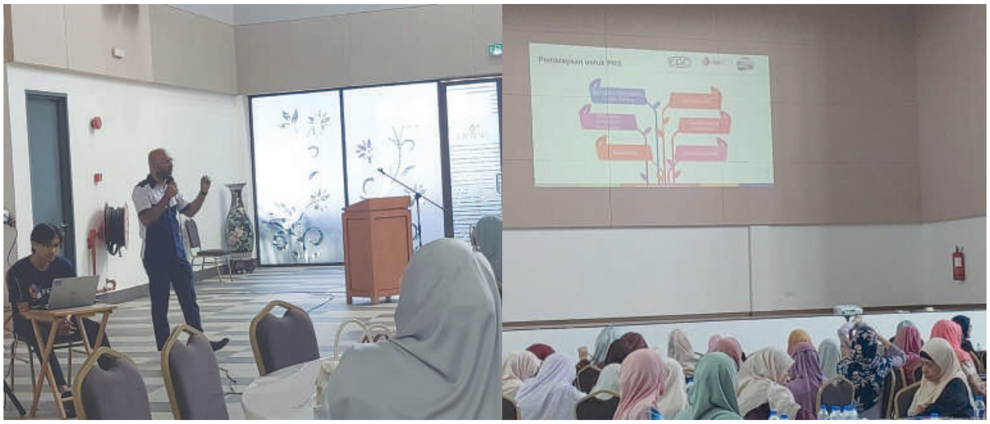
i	ii	iii	iv
Financial Advisory	**Advisory Workshops**	**Access New Markets**	**Networking Sessions**
Enhancing financing eligibility through one-to-one advisory services, financial solutions, pre-financing courses, and financial advisory workshops.	Providing knowledge and skill-sharing platforms led by industry experts on current topics and trends.	Supporting MSMEs in expanding their reach locally and internationally, including through the adoption of digital channels such as e-commerce and payment gateways.	Connecting MSMEs with ecosystem players, enabling collaboration, exposure, and strategic partnerships in a single platform.
Since **2018**	Since **2016**	Since **2016**	Since **2023**

i FINANCIAL ADVISORY

The Financial Advisory (FA) Team plays a pivotal role in supporting MSMEs facing financing challenges through key platforms such as imSME and MyKNP. By conducting reviews and providing personalised coaching, the team empowers MSMEs to improve their financial literacy, strengthen their financial profiles, and enhance their eligibility for future financing. These efforts help address common barriers such as poor financial record-keeping, limited financial knowledge, and insufficient collateral.

To broaden its impact, the FA Team is progressively expanding its services beyond individual advisory sessions. This includes conducting financial literacy workshops and participating as guest speakers at partner events and industry programmes, enabling us to reach a wider audience of MSMEs. Below are selected events in which we have participated as guest speakers:

Event 1: *E-Invoicing by Boss Boleh Sdn. Bhd. | 27^{th} June 2024 [Virtual]*



Event 3: *Financial Education Network organised by Bank Negara Malaysia (BNM) | 2^{nd} October 2024, DESTAR USJ*

Event 2: *Selangor E-commerce Xccelerator Program 2024 | 24^{th} September 2024, Sidec*

Event 4: *Program Pembangunan Usahawan with AKPK & BSN |16^{th} November 2024, Pusat Pembelajaran BSN*

Event 5: *HRD Corp SME Enhancement Series | 10^{th} December 2024, St Giles Boulevard KL*

PILLAR 1 – SUSTAINABLE SOLUTIONS

ii ADVISORY WORKSHOPS

The Advisory Workshops are knowledge-sharing sessions facilitated by subject matter experts, designed to equip MSMEs with up-to-date strategies and insights aligned with current business trends. Basic Advisory Workshops focus on building foundational skills, while Intermediate Workshops dive deeper into specific areas, offering hands-on activities and tailored modules featuring case studies and interactive group discussions. Assignments and presentations further support skill development, enabling MSMEs to boost their competitiveness and performance.

Financial Literacy	Empowering MSMEs with essential financial knowledge and skills to make informed, responsible business decisions.
Business Plan	Supporting MSMEs in developing strategic roadmaps and securing funding to drive growth and ensure long-term sustainability.
Marketing & Sales	Enhancing MSMEs' marketing efforts across both digital and traditional channels to improve customer engagement and drive sustainable sales growth.
Business Expansion	Guiding MSMEs in entering new markets, launching products, forming partnerships or expanding operations through meticulous planning, risk assessment, and resource allocation.
Environmental Social & Governance (ESG)	Promoting sustainable practices by helping MSMEs' improve their environmental practices, optimise operational efficiency and strengthen their reputation.
Halal	Collaboratively assisting MSMEs in upholding Halal certification principles and practices, maintaining high standards and ensuring their products are permissible for Muslim consumers.

Financial Advisory and Non-Financial Advisory Workshops Conducted in 2024

Advisory Workshops	Date	Main Topics	Sub-Topics	Trainer	Company/ Agency
AW1	11-Jan-24	Marketing & Sales	TikTok for Business – Promoting Your Business Through TikTok Affiliates	Kamarul Bahareen Kamaruddin	KB Beyond Creative Sdn Bhd
AW2	24-Jan-24	Marketing & Sales	Zero Cost Digital Marketing by Artificial Intelligent (AI) Integration	Dr Muhammad Hariz Adnan	Auto Soft
AW3	30-Jan-24	Business Expansion	The Importance of IP Registration	Noraisah Abas	Intellectual Property Corporation of Malaysia (MyIPO)
AW4	31-Jan-24	Financial Literacy	Rancangan Strategik Untuk Pertumbuhan Kewangan Perniagaan	Lily Sabrina Md Saberi	TMSB Training & Consultancy Sdn Bhd, Funding Society & Mesinkira
AW5	8-Feb-24	Marketing & Sales	Creating and Editing Videos for Social Media	Azam Rashid	Bull & Bear Studio

Advisory Workshops	Date	Main Topics	Sub-Topics	Trainer	Company/ Agency
AW6	15-Feb-24	Business Plan	Meningkatkan Kelayakan Pembiayaan Perniagaan	Premananth Ramalinggam	Credit Guarantee Corporation Malaysia Berhad (CGC)
AW7	22-Feb-24	Halal	Halal Certification & Solutions	Noor Mohamed Amin & Datuk Hj Khairul Shahril	Alliance Islamic Bank & HQC Commerce Sdn Bhd
AW8	29-Feb-24	Financial Literacy	e-Invois: Panduan kewangan digital anda	Muhamad Haiqal	Boss Boleh Sdn Bhd
AW9	14-Mar-24	Marketing & Sales	Tiktok for Business – TikTok Marketing to Increase Sales	Nurafira Aziz	Adsia Sdn Bhd
AW10	21-Mar-24	Environmental, Social, and Governance (ESG)	ESG Essentials for MSMEs	Associate Prof Tan Seng Lee	Sunway University
AW11	26-Mar-24	Marketing & Sales	Creating a Winning Sales Strategy	Eizaz Aziz	Asian Strategy & Leadership Institute (ASLI)
AW12	27-Mar-24	Financial Literacy	Meningkatkan Akses kepada Pembiayaan Perniagaan	Ammie Nursafura	CIMB Bank Berhad & Mesinkira Sdn Bhd
AW13	2-Apr-24	Business Plan	Risk Management	Idi Irwan Bin Zainal Abidin	Agensi Kaunseling & Pengurusan Kredit (AKPK)
AW14	4-Apr-24	Business Expansion	Boosting Sales Conversion Rates Using Payment Gateway	Rita Murni Zainal Abidin	senangPay
AW15	18-Apr-24	Marketing & Sales	Closing Deals with Exceptional Customer Experiences	Shirley Vincent Ramesh	Shirlz Pharmacy Sdn Bhd
AW16	25-Apr-24	Financial Literacy	Business Model Canvas	Mohd Azril Bin Khairul Anuar	Agensi Kaunseling & Pengurusan Kredit (AKPK)
AW17	2-May-24	Marketing & Sales	Empowering Entrepreneurs: A Design Thinking Journey	Dr Mageswari Ranjanthran	Sunway University
AW18	14-May-24	Business Plan	Pengurusan Akaun Belum Terima & Kutipan Hutang	Muhamad Haiqal	Boss Boleh Sdn Bhd

PILLAR 1 – SUSTAINABLE SOLUTIONS

Advisory Workshops	Date	Main Topics	Sub-Topics	Trainer	Company/ Agency
AW19	9-May-24	Marketing & Sales	Client Database Management – Tailoring Databases for Sales Growth	Abdullah Hakim (Kimmie Abdullah)	Media 3 U Ventures
AW20	16-May-24	Marketing & Sales	Branding Your Business Through Social Media – Linked-In	Leow Leik Hong	Digital Profit Consultancy
AW21	23-May-24	Halal	Halal Certification & Solutions for Your Business	Noor Mohamed Amin & Datuk Hj Khairul Shahril	Alliance Islamic Bank & HQC Commerce Sdn Bhd
AW22	28-May-24	Financial Literacy	e-Invois – Panduan Kewangan Digital Anda	Muhamad Haiqal	Boss Boleh Sdn Bhd
AW23	6-Jun-24	Marketing & Sales	Google For Business – Search Engine Optimisation	Nurul Huda Mohamed Afandi	Thrift Consulting
AW24	11-Jun-24	Business Plan	Meningkatkan Kelayakan Pembiayaan Perniagaan	Premananth Ramalinggam	Credit Guarantee Corporation Malaysia Berhad (CGC)
AW25	27-Jun-24	ESG	ESG Essentials for MSMEs	Associate Prof Tan Seng Lee	Sunway University
AW26	26-Jun-24	Financial Literacy	Debt Collection	Muhamad Haiqal	Boss Boleh Sdn Bhd
AW27	10-Jul-24	Business Plan	Saving Your Business	Farhana Syed Ahmad	Agensi Kaunseling & Pengurusan Kredit (AKPK)
AW28	2-Jul-24	Marketing & Sales	Empowering Entrepreneurs: A Design Thinking Journey	Dr Mageswari Ranjanthran	Sunway University
AW29	11-Jul-24	Marketing & Sales	Creating and Editing Videos for Social Media	Azam Rashid	Bull & Bear Studio
AW30	17-Jul-24	Business Plan	Meningkatkan Kelayakan Pembiayaan Perniagaan	Nurain Mohd Amil @ Amal	Credit Guarantee Corporation Malaysia Berhad (CGC)
AW31	18-Jul-24	Halal	Halal Certification & Solutions	Don Luqmanul Hakim Bin Don Biyajid, Halal Advisor	Maybank Islamic
AW32	25-Jul-24	Financial Literacy	Funding & Financing Instruments	Hj Mohd Prasad Bin Hanif	Agensi Kaunseling & Pengurusan Kredit (AKPK)

Advisory Workshops	Date	Main Topics	Sub-Topics	Trainer	Company/ Agency
AW33	8-Aug-24	Marketing & Sales	Tiktok for Business – TikTok Marketing To Increase Sales – Part 2	Nurafira Aziz	Adsia Sdn Bhd
AW34	13-Aug-24	Business Plan	e-Invois: Panduan Kewangan Digital Anda	Muhamad Haiqal	Boss Boleh Sdn Bhd
AW35	20-Aug-24	Business Expansion	Utilising E-commerce to Boost Business Growth	Tan Wei Kiat, Chief Operation Oficer	Spree Commerce (Appengage Sdn Bhd)
AW36	22-Aug-24	Financial Literacy	Pengurusan Risiko dalam Perniagaan	Muhamad Haiqal	Boss Boleh Sdn Bhd
AW37	28-Aug-24	Marketing & Sales	TikTok For Business	Azriel Azim, MDEC Trainer	Malaysia Digital Economy Corporation (MDEC)
AW38	5-Sep-24	ESG	ESG Transition and Adoption: Empowering Malaysian MSMEs for Sustainable Success	Admen Hassan, Head SME Academy Centre for Entrepreneur Development and Research (CEDAR)	Pusat Pembangunan dan Penyelidikan Usahawan (CEDAR)
AW39	12-Sep-24	Marketing & Sales	Empowering Entrepreneurs: A Design Thinking Journey	Dr Mageswari Ranjanthran	Sunway University
AW40	19-Sep-24	Marketing & Sales	A.I Functionality to Grow Business Sales/ Keberkesanan A.I Bantu Memperkasakan Perniagaan	Dr Muhammad Hariz Adnan	Auto Soft
AW41	24-Sep-24	Financial Literacy	Meningkatkan Kelayakan Pembiayaan Perniagaan	Premananth Ramalinggam	Credit Guarantee Corporation Malaysia Berhad (CGC)
AW42	8-Oct-24	Business Plan	e-Invois: Panduan Kewangan Digital Anda	Muhamad Haiqal	Boss Boleh Sdn Bhd
AW43	16-Oct-24	Business Expansion	Expanding Your Business Through E-commerce – "Start Small, Scale Big"	Lutfi Azhar	Shoppegram Sdn Bhd
AW44	23-Oct-24	Financial Literacy	Business Values & Ethics	Farhana Syed Ahmad	Agensi Kaunseling & Pengurusan Kredit (AKPK)

PILLAR 1 – SUSTAINABLE SOLUTIONS

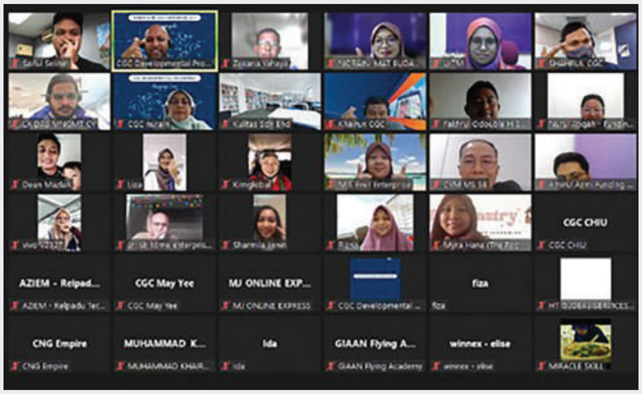
Advisory Workshops	Date	Main Topics	Sub-Topics	Trainer	Company/ Agency
AW45	24-Oct-24	Marketing & Sales	Social Media Advertising Strategies to Maximise Sales	Muhammad Imran Bin Mokhtar	Azzahra Professional Management Services
AW46	29-Oct-24	Halal	Halal Certification & Solutions	Don Luqmanul Hakim Bin Don Biyajid, Halal Advisor, Maybank Islamic	Maybank Islamic
AW47	11-Nov-24	Marketing & Sales	Product Framework to Boost Sales	Abdullah Hakim (Kimmie Abdullah)	Media 3 U Ventures
AW48	12-Nov-24	Business Plan	Financial Statement 101	Premananth Ramalinggam	Credit Guarantee Corporation Malaysia Berhad (CGC)
AW49	14-Nov-24	ESG	ESG Transition and Adoption: Empowering Malaysian MSMEs for Sustainable Success	Admen Hassan, Head SME Academy	Pusat Pembangunan dan Penyelidikan Usahawan (CEDAR)
AW50	21-Nov-24	Financial Literacy	Meningkatkan Kelayakan Pembiayaan Perniagaan	Premananth Ramalinggam	Credit Guarantee Corporation Malaysia Berhad (CGC)
AW51	27-Nov-24	Marketing & Sales	Empowering Entrepreneurs: A Design Thinking Journey	Dr Mageswari Ranjanthran	Sunway University
AW52	5-Dec-24	Marketing & Sales	Product Photo Editing Through Capcut for TikTok Marketing	Mohd Haikal Omar	Kalcubemaster Enterprise
AW53	16-Dec-24	Business Plan	Pengoptimuman Operasi Perniagaan Harian & Akses Kepada Pembiayaan	Premananth Ramalinggam & Nurullasykin Ahmad	Credit Guarantee Corporation Malaysia Berhad (CGC) & MesinKira Sdn Bhd

In 2024, we continued to empower MSMEs through Basic Financial and Non-Financial Advisory Workshop Sessions, delivered both in person and virtually. These sessions provided valuable insights from market experts and participating partners, equipping participants with the practical knowledge needed to drive business growth.

BASIC FINANCIAL ADVISORY WORKSHOPS

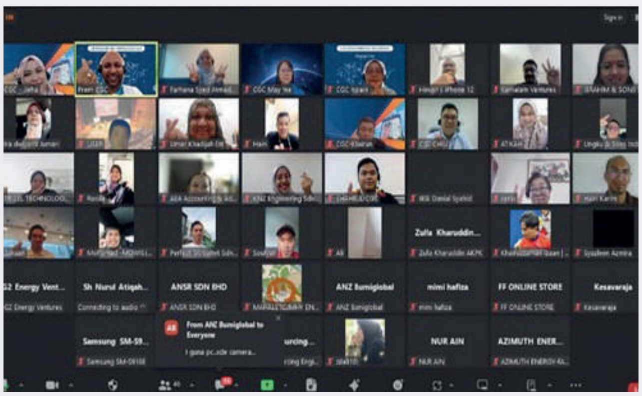
15 February 2024

Topic	:	Business Plan, Meningkatkan Kelayakan Pembiayaan Perniagaan
Trainer	:	Premananth Ramalinggam & Nurull Asyikin Ahmad
Participating Partner	:	Mesinkira Sdn Bhd



22 August 2024

Topic	:	Business Plan, Pengurusan Risiko dalam Perniagaan
Trainer	:	Encik Idi Irwan Bin Zainal Abidin
Participating Partner	:	Agensi Kaunseling & Pengurusan Kredit (AKPK)



PILLAR 1 – SUSTAINABLE SOLUTIONS

31 January 2024

Topic	:	Financial Literacy, Rancangan Strategik Untuk Pertumbuhan Kewangan Perniagaan
Trainer	:	Lily Sabrina
Participating Partner	:	Mesinkira Sdn Bhd & Funding Societies

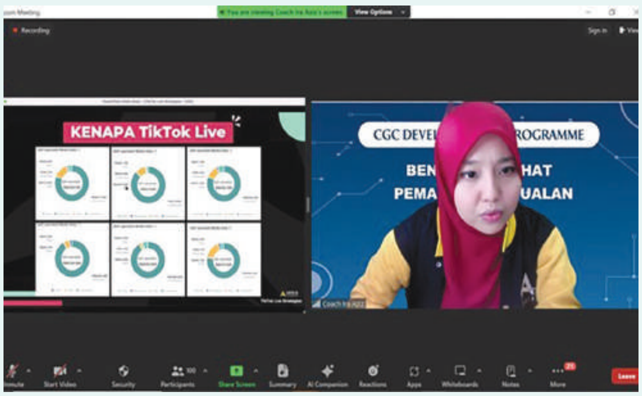
26 June 2024

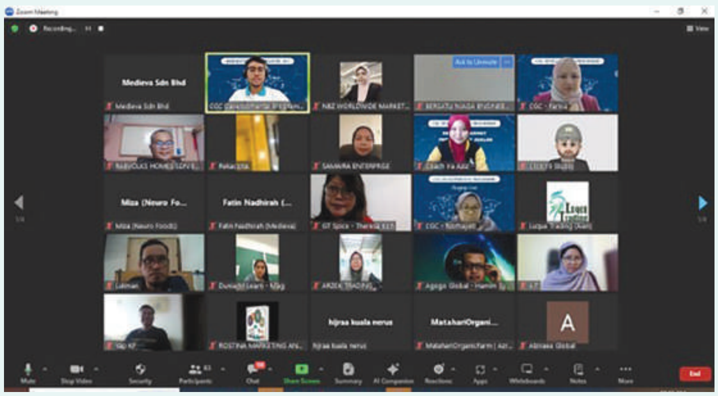
Topic	:	Financial Literacy, Pengurusan Akaun Belum Terima & Kutipan Hutang
Trainer	:	Encik Muhamad Haiqal
Participating Partner	:	Boss Boleh Sdn Bhd

BASIC NON-FINANCIAL ADVISORY WORKSHOPS

8 August 2024

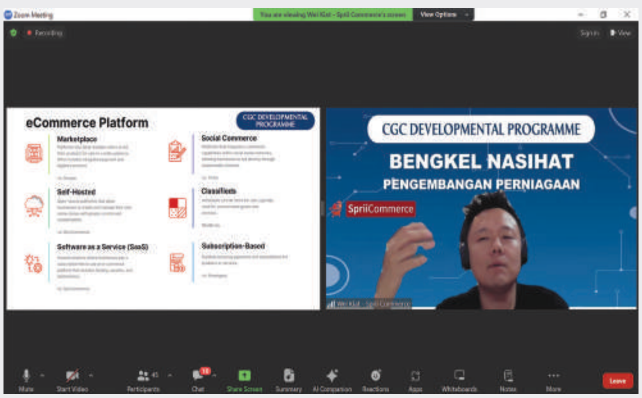
Topic	:	Marketing & Sales, Tiktok for Business TikTok Marketing to Increase Sales
Trainer	:	Nurafira Aziz, Adsia Sdn Bhd

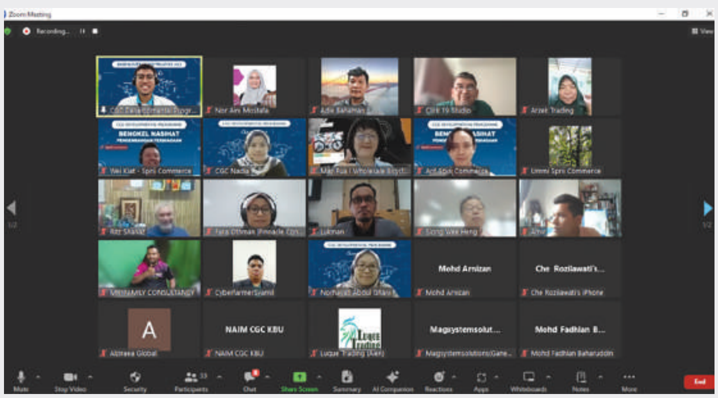




20 August 2024

Topic	:	Business Expansion – Utilise E-Commerce to Boost Your Business Growth
Trainer	:	Tan Wei Kiat, Chief Operation Officer
Participating Partner	:	Sprii Commerce (AppEngage Sdn Bhd)

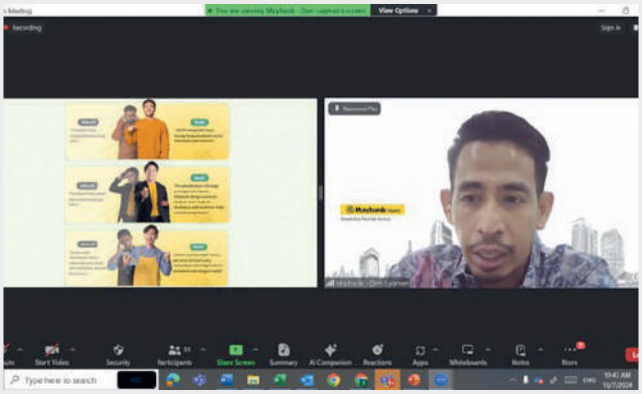


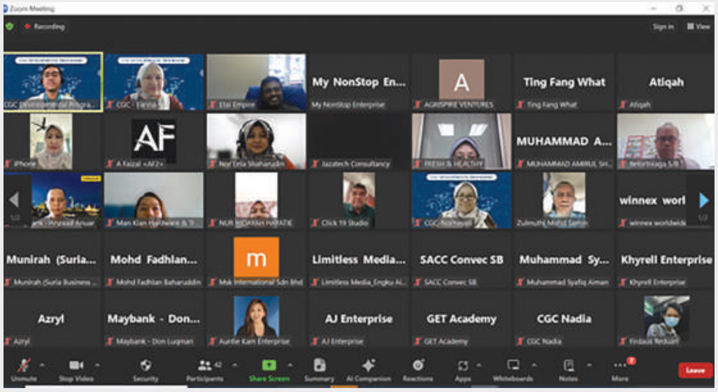


PILLAR 1 – SUSTAINABLE SOLUTIONS

29 October 2024

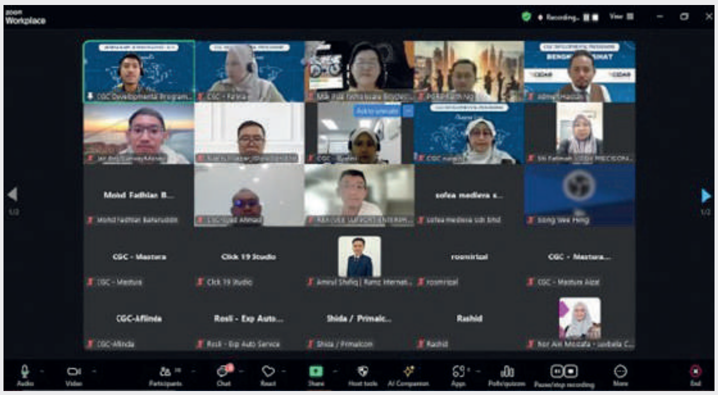
Topic	: Halal - Halal Certification & Solution for Your Business
Trainer	: Don Luqmanul Hakim Bin Don Biyajid, Halal Advisor
Participating Partner	: Maybank Islamic





14 November 2024

Topic	: ESG - ESG Transition and Adoption: Empowering Malaysian MSMEs for Sustainable Success
Trainer	: Admen Hassan, Head SME Academy
Participating Partner	: Pusat Pembangunan dan Penyelidikan Usahawan (CEDAR)



INTERMEDIATE ADVISORY WORKSHOPS

Building on the success of the 2023 collaboration, the CGC Developmental Programme® once again partnered with Sunway University to deliver four batches of Intermediate Module Advisory Workshops for Marketing and Sales titled "Empowering Entrepreneurs: A Design Thinking Journey. The strong response and impact from the previous year set the stage for an even more enriching experience, with MSMEs from various industries participating in the sessions led by Dr. Mageswari Ranjanthran of Sunway Business School. These workshops blended theory with hands-on application to drive customer-centric innovation, culminating in impactful prototype presentations where entrepreneurs showcased their ideas and received constructive feedback. The continued positive engagement received in 2024 highlighted the workshop's fresh perspective on business growth and its significant impact on MSME development, innovation and entrepreneurship.

Batch 1

2 May 2024 Sunway University

Batch 2

2 July 2024 Bangunan CGC

Batch 3

12 September 2024 Bangunan CGC

Batch 4

27 November 2024 Bangunan CGC

PILLAR 1 – SUSTAINABLE SOLUTIONS

iii ACCESS NEW MARKETS

The Access New Markets component of the CGC Developmental Programme®'s supports MSMEs in expanding their market reach across diverse local, international, e-commerce, payment gateway, and digital adoption channels. Customised intervention programmes are conducted to ensure MSMEs are prepared to capitalise on expansion opportunities, alongside suitability assessments and upskilling efforts focused on bolstering marketing, certification and business expansion skills.

Local	– Helping MSMEs penetrate domestic markets by placing products in retail outlets, hypermarkets, supermarkets, and convenience stores in Malaysia. – Boosting brand visibility and sales through participation in local exhibitions.
International	– Supporting MSMEs' growth and expansion in the global marketplace. – Facilitating international market penetration for MSMEs through opportunities to showcase their products and services to a global audience.
E-Commerce	– Driving e-commerce adoption to break geographical barriers and broaden MSMEs' market reach.
Payment Gateway	– Assisting MSMEs in simplifying payment processes and accepting payments across multiple platforms, including credit/debit cards, internet banking, e-wallet, and Buy Now Pay Later payment channels.
Digital Adoption	– Accelerating MSMEs' digital transformation by helping them adopt digital tools and solutions to improve efficiency and productivity.

INITIATIVES UNDER ACCESS NEW MARKETS

01 Access New Markets – International

24-28 September 2024

In collaboration with MATRADE, CGC supported two MSMEs in showcasing their products at the China-ASEAN Expo (CAEXPO) held in Nanning, China from 24 to 28 September 2024. The participating MSMEs were selected through a pitching session based on their readiness for international expansion. Through this initiative, we successfully connected them with industry players and potential buyers from across the ASEAN region and beyond, opening doors to new market opportunities.

The participating MSMEs were:

No.	Company Name	Products Featured at CAEXPO 2024
1.	GT Spice Manufacturers Sdn Bhd	Snack food (i.e. Muruku)
2.	Mase Industries Sdn Bhd	Speed Touch Hair Color

02 Access New Markets - e-commerce

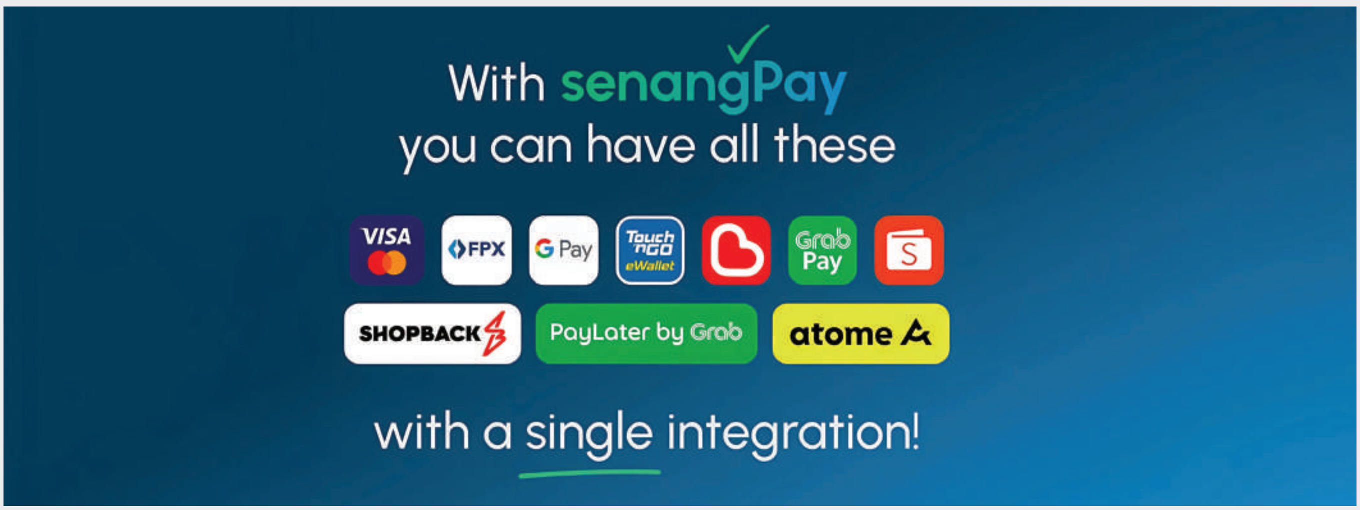
July - December 2024

A total of 86 MSMEs from diverse sectors, including F&B, footwear, personal care, and cosmetics, were successfully onboarded onto TikTok Shop. Through three targeted coaching sessions held in July, October, and December 2024, participants explored strategies to optimise TikTok marketing–gaining insights on boosting brand visibility, driving engagement, and leveraging cost-effective advertising solutions.

03 Access New Markets - Payment Gateway

May - October 2024

Four MSMEs subscribed to the SenangPay payment gateway package under CGC's collaboration with Simplepay Gateway Sdn Bhd. This initiative provides MSMEs with a practical solution to streamline payment processes and enhance cost efficiency.



PILLAR 1 – SUSTAINABLE SOLUTIONS

04 Access New Markets - Digital Adoption 24-28 September 2024

A total of 37 MSMEs embraced digital adoption through various partner platforms:

- Unifi Business: 10 MSMEs subscribed to Digital Marketing Solutions, a valuable tool to boost their online presence and accelerate business growth.
- Sprii Commerce: 2 MSMEs subscribed to the Light & Easy website package, enabling streamlined e-commerce operations and providing customers with a seamless shopping experience.
- Mesinkira: 25 MSMEs subscribed to the Point of Sale (POS) system, gaining real-time access to sales data, stock levels, and purchase history to improve their operational efficiency.

CERTIFICATE OF COMPLETION AND AWARD

MSMEs under the Access New Markets initiative are monitored for business growth and sustainability over a 24-month period. Successful MSMEs are awarded a Certificate of Completion as a mark of their dedication and progress. Between 23 and 30 September 2024, CGC proudly awarded this certificate to 29 MSMEs nationwide, recognising their commitment to expanding and sustaining their businesses.

Humble Food Ampang Sdn Bhd (Kuala Lumpur)

Nozoly Food Industry Sdn Bhd (Seremban)

SZ Maya Resources (Ipoh)

Restoran Dinalang (Alor Setar)

Warisan Daily Mart Sdn Bhd (Kota Bharu)

TLE Trading Sdn Bhd (Miri)

Cabin Rose Station (Kuantan)

Cahya Matha Enterprise (Kota Kinabalu)

Note: The photos above feature selected recipients of the Certificate of Completion

PILLAR 1 – SUSTAINABLE SOLUTIONS

The CGC Developmental Programme® Award, presented during the FI/DFI & SME Awards, recognises the top-performing MSME annually. Introduced in 2022, the inaugural award was presented to Waltree Industries (M) Sdn Bhd, which recorded an impressive 547% sales growth within 24 months of joining the Access New Markets initiative in 2020.

The top performing Access New Markets MSME receives the CGC Developmental Programme® Award during the FI/DFI & SME Awards 2023

From left: Dato' Mohammed Hussein (Chairman, CGC), YB Lim Hui Ling (Deputy Minister of Finance), Mr. Kee Cheng Haw (Director, Waltree Industries (M) Sdn Bhd), and Datuk Mohd Zamree Mohd Ishak (President & Chief Executive Officer, CGC).

iv NETWORKING SESSIONS

The Networking Sessions programme is designed to empower and elevate MSMEs, providing a platform for them to thrive and expand their businesses. It brings together MSMEs from diverse sectors, fostering an environment that encourages meaningful connections and collaborative opportunities. Participants gain valuable insights into effective networking strategies while enhancing their skills through engaging sessions with key speakers and industry experts. The sessions also offer MSMEs the opportunity to showcase their products or services, broadening their visibility and market reach.

Sharing	Accessing a dedicated space to exchange ideas, knowledge, and experiences with peers and experts from diverse backgrounds.
Opportunities	Unlocking new prospects through referrals, collaborations, and product or service enquiries.
Connections	Gaining valuable exposure, building relationships and extending professional networks within the MSME ecosystem.
Profile	Elevating MSMEs' visibility and brand profile through active participation and product showcases.

Networking Nexus: Competitive Edge Networking Strategies to Revitalise MSME Growth in 2024

23 January 2024

The Club Bukit Utama, Selangor
Participating Partners: Tune Protect and Unifi Business

Elevate Your Sales: Integrated Strategies for Success

20 February 2024

PKNS BizPoint, Selangor
Participating Partners: Unifi Business

Empower Women in Business: Fostering Inclusive Entrepreneurship

8 March 2024

The Club Bukit Utama, Selangor
Participating partners: Women Entrepreneur Network Association (WENA) and Bank Simpanan Nasional

PILLAR 1 – SUSTAINABLE SOLUTIONS

Expand Your Entrepreneurial Journey & Success Stories with CGC Developmental Programme® | **23 April 2024**

Manor House of Events, Kuala Lumpur

The Competitive eCommerce Landscape for MSMEs: Leverage eCommerce for Digital Transformation | **21 May 2024**

AC Hotel by Marriott, Pahang

Participating Partners: Alliance Bank, Sprii Commerce, Senangpay, Unifi Business

Leveraging Digital Assistance for Business Growth: Explore Updated Digital Trends and Innovations | **25 June 2024**

MASCO Co-working Space, Penang

Participating Partners: Alliance Bank, Sprii Commerce, Senangpay, Unifi Business

Strengthening the Resilience of Gig Economy Businesses: Overcome Challenges and Seize Opportunities in the Gig Economy — **23 July 2024**


CGC Building Kelana Jaya, Selangor
Participating Partners: PERKESO, HRD Corp., MDEC, Hijrah Selangor

Leveraging Networks for Young Aspiring Entrepreneurs — **21 August 2024**


CGC Building Kelana Jaya, Selangor
Participating Partners: Hijrah Selangor

Business Networking on Entrepreneurship Development — **25 September 2024**

Raia Hotel & Convention Centre, Terengganu
Participating Partners: Unifi Business, Koperasi Usahawan Groom Big Terengganu Berhad (KUGANU)

PILLAR 1 – SUSTAINABLE SOLUTIONS

Revitalising Professional Connections: Broadening Networking Horizons Beyond Business Cards | **22 October 2024**


Bangi Avenue Convention Centre, Selangor
Participating Partners: Unifi Business, Sprii Commerce, Senangpay

A Call to Action for a Sustainable Future | **19 November 2024**


Thistle Hotel, Johor Bahru
Participating Partners: Alliance Bank

Focus Areas: F3 F4 | Material Matters: M1 M4 | UNSDGs: 4 QUALITY EDUCATION, 8 DECENT WORK AND ECONOMIC GROWTH, 13 CLIMATE ACTION

PILLAR 2

TOWARDS A LOW CARBON ECONOMY

PILLAR 2 – TOWARDS A LOW-CARBON ECONOMY

FOCUS AREA F3 MANAGING CGC'S FOCUS AREA CLIMATE IMPACT

CGC is committed to mitigating the environmental impact of our operations through responsible management of both direct and indirect greenhouse gas (GHG) emissions. Having established our 2023 emissions baseline, we have expanded our efforts in 2024 to include Scope 2 emissions across CGC branches and Scope 3 emissions from activities such as employee commutes and business travel.

SCORECARD

EMISSIONS

Commitment
To measure and report progress annually

2024 Baseline

Scope 1
383
litre of petrol

0.90
tCO_2e

Scope 2
1.79 billion
kwh

1,360,934.40
tCO_2e

Scope 3
2,158,870
$kgCO_2e$

2,158.87
tCO_2e

Note:
The following Emissions Factors have been applied in our calculation:-
Petrol: DEFRA 2023 @ 2.34502 $kgCO_2e$/litre
Electricity: MY Energy Commission 2021 Grid EF @ 0.758 $kgCO_2e$/kWh emission factor.

The baseline data empowers us to identify high-emission areas, plan reduction initiatives, and establish emission reduction targets aligned with Malaysia's national ambition to achieve net-zero GHG emissions by 2050. Utilising insights gained from our carbon inventory exercise, we aim to reduce emissions in cost-effective and impactful ways that also result in operational efficiencies and long-term savings.

Emissions Sources

Our Scope 1 emissions originate from the petrol consumption of a single company-owned vehicle, while our Indirect (Scope 2) GHG emissions are calculated across our CGC Headquarters, CGC branches and Block C Kelana Business Centre offices (Level 10 and Level 11). Additionally, we have begun quantifying and disclosing our Scope 3 emissions within the categories of business travel.

ENERGY SAVINGS INITIATIVE

Recognising that electricity consumption is a major contributor to operational GHG emissions, we have implemented a range of energy-saving initiatives across our operations to better manage our carbon footprint.

LED Conversion

Progress
75% of light fittings at CGC Headquarters have been retrofitted to LED

Our Aim
Install LED light bulbs in our Headquarters and across all branches

10,747 m^3

WATER CONSUMPTION

We continue to enhance water efficiency across our facilities and are exploring opportunities to expand water recycling initiatives in the future. In 2024, our total water consumption within CGC Headquarters and Block C Kelana Business Centre (Level 10 and Level 11) offices stood at 9,063 m^3, while 1,684 m^3 of water was utilised across our branches.

PAPER CONSUMPTION

In addition to GHG emissions, we monitor other direct environmental indicators, including paper consumption, to further mitigate our environmental footprint. In 2024, our paper consumption reached 145,500 sheets (771 kg) at our headquarters, while 297,500 sheets (1,571 kg) were used at CGC branches.

Paper

Head Office	CGC branches
145,500 sheets	**297,500** sheets

FOCUS AREA F4 INTRODUCING ENVIRONMENTALLY FRIENDLY SOLUTIONS

CGC remains a strong advocate of Bank Negara Malaysia's Fund for SMEs, including the Low Carbon Transition Facility (LCTF), which aims to support MSMEs in adopting sustainable, low-carbon practices through financing totalling RM320 million. We also continue to contribute to the growth of Malaysia's green technology sector through the Green Technology Financing Scheme (GTFS 4.0), with an allocation of RM400 million. In collaboration with 18 participating banks, CGC has further sustained our Portfolio Guarantee through a RM1 billion PG ESG scheme to promote ESG-related financing for small and medium-sized enterprises, alongside other initiatives and programmes that support social and spiritual well-being.

Focus Areas: F5 F6 | Material Matters: M6 M13 M11 M12 | UNSDGs: 4 QUALITY EDUCATION, 8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES

PILLAR 3

FOSTERING MEANINGFUL PARTNERSHIPS

FOCUS AREA F5 **EMPOWERING MSMEs TO DRIVE GROWTH**

CGC is committed to empowering MSMEs through our financial inclusion initiatives. The CGC Developmental Programme®, which focuses on Financial and Non-Financial Advisory services, goes beyond providing MSMEs with financial access. MSMEs are kept up-to-date with industry trends during sessions anchored on targeted education and financial literacy, increasing their resilience and sustainability.

Details on MSME engagements undertaken through the CGC Developmental Programme®, which supports communities by focusing on education, financial literacy, and industry insights to boost resilience and sustainability, can be found on pages 132 to 152.

FOCUS AREA F6 **SUPPORTING LOCAL SOCIO-ECONOMIC DEVELOPMENT**

OUR COMMUNITY OUTREACH EFFORTS

Our Corporate Social Responsibility (CSR) activations support our Sustainability Focus Area of Supporting Local Socio-Economic Development and are aligned with the UN Sustainable Development Goals, lending greater purpose to our efforts. In 2024, our outreach initiatives reached over 7,000 beneficiaries nationwide, with activities focused on food security, education, healthcare, and environmental sustainability. These initiatives contributed to supporting unserved and underserved communities while advancing inclusive, long-term nation-building.

01 Chinese New Year CSR Outreach — 10 January 2024

Beautiful Gate Foundation for the Disabled
Petaling Jaya, Selangor

CGC's first CSR initiative of the year was held in conjunction with the Chinese New Year celebration. The initiative included a tour of the facility and the donation of essentials for 50 residents and 6 caretakers.

02 Mental Health Support — 16 January 2024

Pertubuhan Kebajikan Mental Selangor (PKMS)
Petaling Jaya, Selangor

CGC donated to PKMS to support its medical fund, education needs, and rental expenses. As of January 2024, PKMS provides care and shelter to 92 residents aged 40 and above at its facility in Petaling Jaya.

PILLAR 3 – FOSTERING MEANINGFUL PARTNERSHIPS

03 Back to School — 7 March 2024

Sekolah Kebangsaan Kampung Medan
Telok Panglima Garang, Selangor

CGC supported 100 B40 children by providing necessary educational supplies for the 2024 school session, addressing challenges highlighted by school principal Suhaida binti Saufi. This initiative reflects our commitment to promoting education, reducing inequality, and creating greater opportunities for the children while bringing joy to their learning journey.

04 Ramadan & Hari Raya Aidilftri — 3 April 2024

Pusat Jagaan Al-Fikrah
Kajang, Selangor

CGC partnered with Khadijah International Waqf Foundation to host an iftar event at Pusat Jagaan Al-Fikrah, which cares for 80 residents, including the elderly and individuals with disabilities. The event featured an address by Noraizal binti Mat Tia, the centre's Operations Officer, followed by the presentation of financial contributions and essential supplies by Yushida Husin, CEO of CGC Digital.

05 Rugby Tournament AOR 7-A-Side — 22 April 2024

Stadium Sultan Abdul Halim
Alor Setar, Kedah

CGC provided a donation for the Kejohanan Ragbi AOR 7-A-Side, which was organised by AOR Medical Group and Darul Aman Rugby Academy in collaboration with Majlis Sukan Negeri Kedah and Majlis Bandaraya Alor Setar, with support from Exco Belia dan Sukan Negeri Kedah. The event was attended by Kedah State Minister Dato' Seri Haji Muhammad Sanusi Md Nor and featured the participation of 48 teams across four categories.

06 Humanitarian Aid — 25 April 2024

Al Zawaida Hospital
Gaza Strip

CGC donated to MyCare Malaysian Berhad for the 'Break the Siege' campaign. When the campaign had to be discontinued due to escalating conflict in Gaza, the donation was redirected to the ongoing 'Palestine Diserang' campaign, an initiative focused on building a dialysis centre, which ran for a total of eight months.

07 CGC100 - Fast Track Programme Cohort 2 — 29 April 2024

INCEIF University
Kuala Lumpur

The CGC100 Youth Entrepreneurship Programme, in collaboration with PINTAR Foundation and supported by the Ministry of Education, launched the second cohort of its Fast Track programme with 20 aspiring young entrepreneurs.

Since its launch in 2022, the programme has seen 70 young individuals complete their journey, with 74% recording an increase in average revenue.

PILLAR 3 – FOSTERING MEANINGFUL PARTNERSHIPS

08 Hari Kaamatan — 28 June 2024

Malaysia Deaf Tenpin Bowling Championship
Seri Iskandar, Perak

In conjunction with Hari Kaamatan 2024, CGC supported the Sabah Deaf Sports Association in organising the 7th Malaysia Deaf Tenpin Bowling Championship, held from 27-30 June in Seri Iskandar, Perak. CGC sponsored transportation, accommodation, fees, and equipment for 10 participants, including 8 players, 1 coach, and 1 staff member.

09 Sabah 2024 Flood Recovery Project — 10 July 2024

Malaysian Relief Agency (MRA)
Kota Kinabalu, Sabah

CGC donated to the MRA for the Sabah 2024 Flood Recovery project, supporting the distribution of food and hygiene kits, as well as cleaning initiatives across affected areas. The donation helped address urgent needs at Temporary Transfer Centres, providing vital assistance to flood-impacted communities.

10 Hari Gawai — 15 July 2024

Sarawak Children's Cancer Society (SCCS)
Kuching, Sarawak

In conjunction with Hari Gawai 2024, CGC made a contribution to the SCCS, supporting 60 children undergoing cancer treatment. Established in 1999, SCCS is dedicated to improving access to care and treatment for children with cancer across Sarawak.

11 Blood Donation Drive — 24 July 2024

Pusat Darah Negara

Bangunan CGC, Petaling Jaya, Selangor

The 2024 Blood Donation Drive organised in collaboration with Pusat Darah Negara, saw enthusiastic participation from over 70 staff members, with nearly 45 successfully qualifying as eligible donors.

12 Surplus Farm Produce Donation — 20 August 2024

Perumahan Rakyat (PPR) Taman Putra Damai

Ara Damansara, Selangor

CGC partnered with Saving Graze Sdn Bhd to deliver surplus farm produce to 50 underserved families at PPR Taman Putra Damai over a three-month period, rescuing 2.4 tonnes of food and preventing an estimated 6 tonnes of greenhouse gas emissions.

13 Wheelchair Donation — 2 September 2024

Hospital Queen Elizabeth

Kota Kinabalu, Sabah

As part of our CSR initiatives for CGC Board Offsite 2024, CGC donated 40 wheelchairs to Hospital Queen Elizabeth, Kota Kinabalu, in response to the hospital's request for new equipment to support patient care.

PILLAR 3 – FOSTERING MEANINGFUL PARTNERSHIPS

14 Donation for Oxygen Concentrators — 21 September 2024

Pertubuhan Membantu Pesakit Parah Miskin Malaysia (PMPPM)
Kuala Lumpur

CGC donated funds to PMPPM for the purchase of two oxygen concentrators, which were allocated to patients referred by medical social workers from various hospitals.

15 Donation for Laptop Purchase — 27 September 2024

Malaysian Association for The Blind
Brickfields, Kuala Lumpur

CGC contributed to the purchase of seven Lenovo Yoga 11E laptops for visually impaired students at public and private higher education institutions, in collaboration with the Malaysian Association for the Blind.

16 Program Kempen Pendidikan Anak Asnaf OKU Penglihatan — 24 October 2024

PERTUBUHAN PEMBANGUNAN ORANG BUTA MALAYSIA

Pertubuhan Pembangunan Orang Buta (PPOBM)
Brickfields, Kuala Lumpur

CGC donated to PPOBM in support of the 'Program Kempen Pendidikan Anak Asnaf OKU Penglihatan,' contributing towards the purchase of braille books and paper for 40 visually impaired primary school students.

17 Hari Deepavali

28 October 2024

Pertubuhan Kebajikan Pusat Jagaan Nesam

Johor Bahru

In conjunction with Deepavali 2024, CGC donated essential items to Pertubuhan Kebajikan Pusat Jagaan Nesam in Johor Bahru, bringing smiles and joy to 23 children at the home.

18 Misi Bantuan Banjir

19 December 2024

Pertubuhan Sahabat Siap Siaga

Jitra, Kedah

CGC donated to Pertubuhan Sahabat Siap Siaga Malaysia for the Misi Bantuan Banjir project, supporting the procurement and distribution of food packs and hygiene kits to 22 families in Jitra, Kedah.

19 Donation of Hospital Beds

23 December 2024

Persatuan Hospis Pulau Pinang

George Town, Pulau Pinang

CGC donated hospital beds to Persatuan Hospis Pulau Pinang to support hospice and palliative care services, helping improve the quality of care for patients in need. The initiative, led by Nori Harni, CGC Prai Branch Manager, and her team, reflects our commitment to providing comfort and dignity to those requiring specialised care.

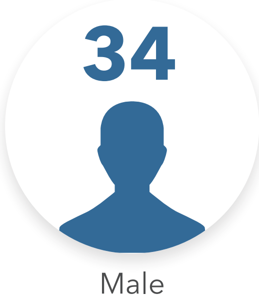
The CGC100 Youth Entrepreneurship Programme (CGC100) offers training to aspiring young entrepreneurs from B40 and M40 communities in Malaysia.

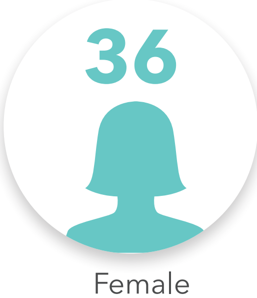
As of December 2024, the programme has completed 3 cohorts. CGC100 is in collaboration with the Ministry of Education and PINTAR Foundation.

Programme Overview

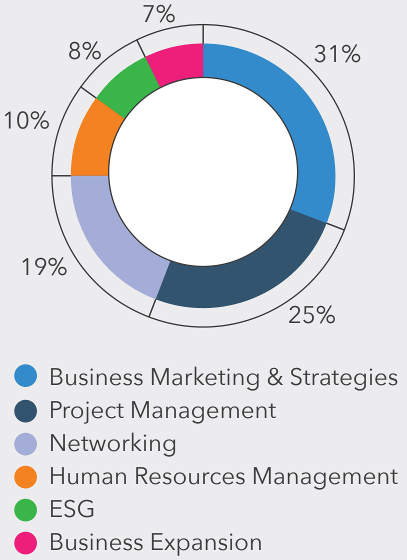
2022	2023	2024
Fast Track Programme (Cohort 1)	Comprehensive Track Programme (Cohort 1)	Fast Track Programme (Cohort 2)
20 participants	**30 participants**	**20 participants**

Gender Breakdown



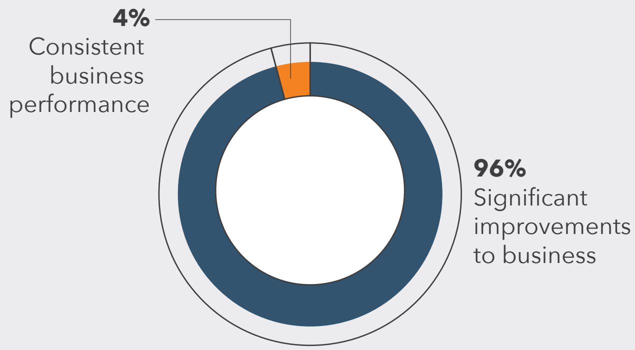


Business Model Adaptation



Business Performance

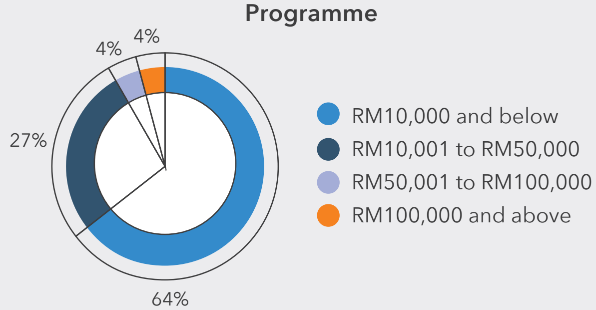
Improvements in business performance upon implementing participants' learnings from CGC100



61 New Jobs Created post-CGC100

Business Income

Increase in monthly income post-CGC100 Programme



Note: Figures are based on participants with businesses

MEDIA RELATIONS & SOCIAL MEDIA

At CGC, fostering strong relationships with media professionals and organisations is key to advancing our mission of supporting unserved and underserved MSMEs. These partnerships enable us to amplify our initiatives, products, and services–enhancing both awareness and outreach to MSMEs and the wider public.

Our active engagement with media includes participation in MSME-focused awards and learning programmes, reinforcing our commitment to collaborative growth. We continue to sponsor flagship events such as Star Outstanding Business Awards (SOBA) and Nanyang Siang Pau Golden Eagle Award (GEA), strengthening visibility and recognition for MSMEs.

In 2024, CGC garnered extensive media coverage with 584 features across TV, radio, print, and digital platforms, resulting in RM10.9 million generated in PR value. Our digital presence also saw steady growth, with over 61,000 followers across Facebook, Instagram, and LinkedIn, and a total reach of over 19.7 million users.

Our media activities also align with our sustainability goals. Through the CGC-Glenmarie LRT Station naming rights, we promote green mobility by encouraging the use of public transport and supporting carbon reduction efforts. We also uphold eco-conscious reporting practices, with our Annual Report supported by an interactive digital microsite to allow us to limit print runs. Where printing is required, we use Forest Stewardship Council (FSC)-certified paper, underscoring our commitment to environmental responsibility.

No.	Media Engagement	Date	Description
1.	SOBA 2023 Prestige Night	27 February 2024	We celebrated homegrown businesses at the Star Outstanding Business Award (SOBA) 2023 Gala Dinner with our media partner, Star Media Group Berhad.
2.	SOBA 2023 Gala Night	7 March 2024	We attended the SOBA 2023 Gala Night, an event that celebrated excellence in business and innovation. Our presence underscores our commitment to supporting and recognising outstanding achievements in the MSME sector.
3.	CGC Majlis Jamuan Aidilfitri	17 April 2024	We hosted the Riang Ria Aidilfitri event, attended by nearly 1,000 guests comprising media, financial institutions, DFIs, and strategic partners.
4.	Golden Eagle Award 2024 Sponsorship Signing Ceremony with Nanyang Siang Pau	7 May 2024	We formalised our sponsorship of the Golden Eagle Award 2024 in partnership with Nanyang Siang Pau, reaffirming our commitment to SME excellence.
5.	CGC100 Comprehensive Track Programme (Cohort 1) Graduation and Fast Track Programme (Cohort 2) Kick Off	14 May 2024	In collaboration with the Ministry of Education and PINTAR Foundation, we celebrated the 30 latest graduates of the CGC100 Youth Entrepreneurship Programme. The media-covered event spotlighted inspiring success stories from underserved communities.
6.	Alliance Bank Unveils BizSmart Challenge Accelerator Edition with Expanded Eligibility for Better Inclusion	5 June 2024	CGC joined Alliance Bank at the launch of the 10th BizSmart® Challenge Accelerator, an event that featured a robust media presence. The challenge expanded eligibility for participation in the latest edition to providing more inclusive opportunities for MSMEs.
7.	SOBA 2024 Launch Event	5 June 2024	Datuk Mohd Zamree Mohd Ishak, CGC's President & Chief Executive Officer, attended the launch of SOBA 2024, themed 'Shaping New Possibilities,' which marked the 15th edition of these awards celebrating outstanding SMEs.

PILLAR 3 – FOSTERING MEANINGFUL PARTNERSHIPS

No.	Media Engagement	Date	Description
8.	SOBA Council Round Table	12 June 2024	Sean Tan, CGC's Chief Business Officer, attended the SOBA Council Roundtable, a special event that brings together elected SOBA Ambassadors, SOBA elite judges, and SOBA 2024 sponsors for a roundtable discussion.
9.	SOBA 2024 Lab (Bahasa Malaysia)	17 July 2024	We presented a 5-minute business solution pitch during the SOBA 2024 LAB (BM), a half-day programme featuring sharing sessions by experienced entrepreneurs aimed at inspiring participating MSMEs.
10.	CGC 29th FI/DFI & SME Awards 2023 – Press meet & Lunch	17 July 2024	We hosted the 29th FI/DFI & SME Awards 2023 at the InterContinental, Kuala Lumpur, officiated by YB Puan Lim Hui Ying, Deputy Minister of Finance. The event brought together industry leaders, including Chairmen and CEOs from FIs, DFIs, Non-FIs, MSMEs, trade chambers, agencies, and the media.
11.	SOBA 2024 Prestige Night	13 August 2024	We participated in the SOBA 2024 Prestige Night, which brought together alumni of distinguished awards. Encik Mohamed Azman Mohamed Taufik, Head of Business Development & Products, delivered a presentation on CGC's role and ongoing dedication to supporting MSMEs.
12.	Malam Penghargaan CGC	2 September 2024	We reaffirmed our commitment to supporting Sabah's MSME ecosystem at this event, which celebrated the contributions of CGC's partners, including the Sabah State Government, FIs, DFIs, Non-FIs, trade chambers, agencies, and the media.
13.	Alliance Bank & CGC launch of Guarantee-Backed Visa Platinum Business Credit Card	11 September 2024	The launch event of the Alliance Bank Visa Platinum Business Credit Card, featuring CGC guarantee coverage, garnered significant media attention and marked a key milestone in expanding SME financing solutions.
14.	GEA 2024 Winner Announcement Ceremony	25 September 2024	Encik Mohamed Azman Mohamed Taufik, Head of Business Development & Products, represented CGC at the Golden Eagle Award 2024 Winner Announcement Ceremony, joining the celebration to honour winners who strive for the pinnacle of business excellence.
15.	Signing Ceremony between CGC and CIMB – Strategic Partnership of New RM1.5 billion SME Financing	1 October 2024	A ceremony to formalise CGC and CIMB's strategic partnership on a new RM1.5 billion SME financing initiative. The event drew strong media attention and was attended by senior leaders from both organisations, including their respective CEOs and heads of SME banking.
16.	Majlis Anugerah Enterprise 50 (E50)	26 October 2024	We participated in the Majlis Anugerah Enterprise 50 (E50) 2024, which featured the presence of YB Datuk Ewon Benedick, Minister of Entrepreneur and Cooperatives Development. Datuk Mohd Zamree Mohd Ishak, CGC's President & CEO was also in attendance, underscoring the event's significance in recognising top-performing SMEs.
17.	Judging for SOBA 2024 Mikro Awards	9 December 2024	We partook in the judging of the SOBA MIKRO Awards, with Encik Mohamed Azman Mohamed Taufik, Head of Business Development & Products, representing CGC. His involvement helped ensure a panel of knowledgeable and impartial judges, contributing to the event's success and integrity.

Focus Areas: F7 F8 | Material Matters: M8 M9 M10 M14 M15 M16 M5 M17 | UNSDGs: 3 4 5 8 10 12 16

PILLAR 4

EMBEDDING SUSTAINABILITY INTO CGC

PILLAR 4 – EMBEDDING SUSTAINABILITY INTO CGC

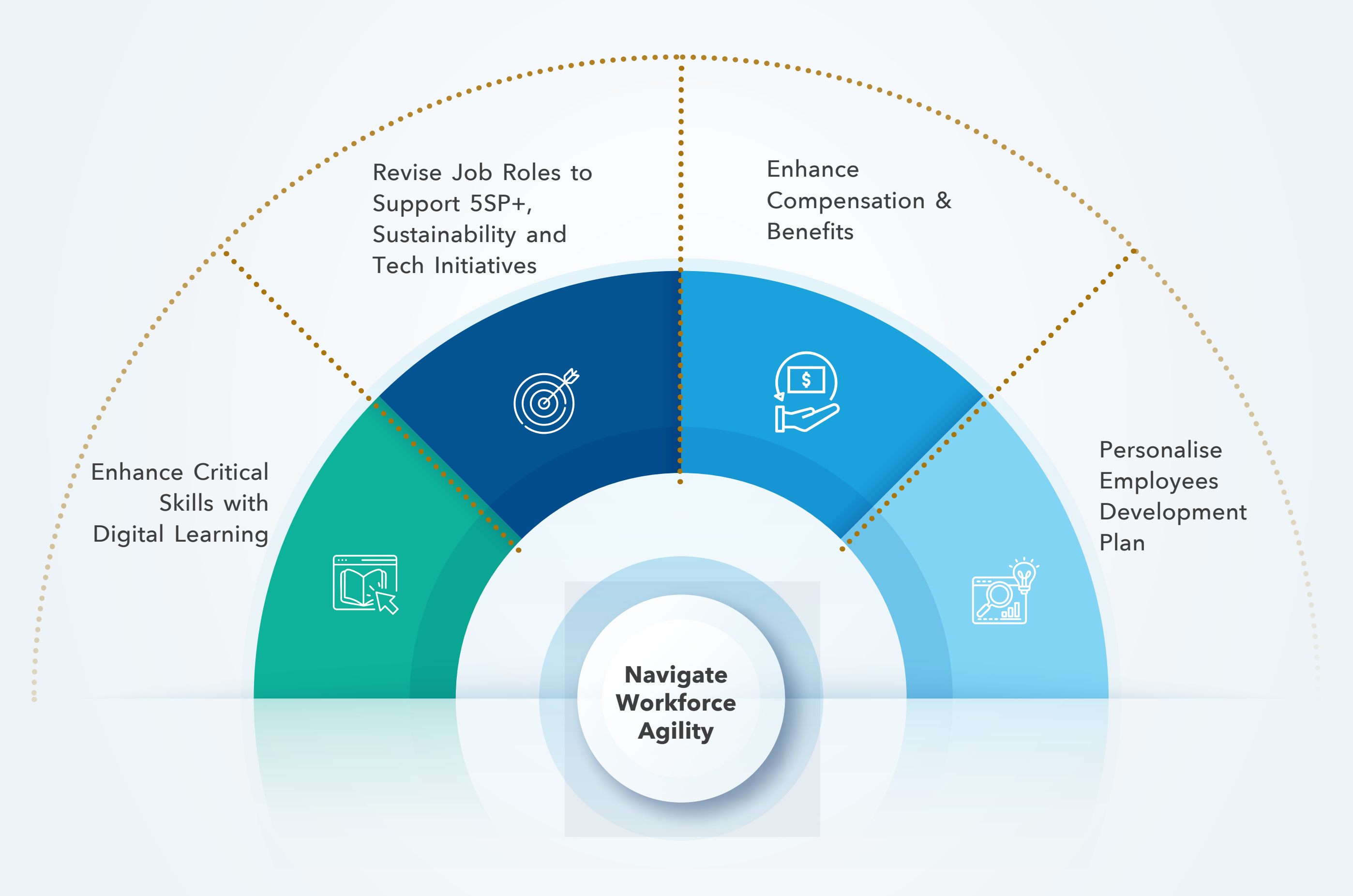
FOCUS AREA F7 ENHANCING WORKFORCE READINESS

NAVIGATING WORKFORCE AGILITY: MOVING FORWARD FY2025

As we move into 2025, we remain firmly committed to empowering MSMEs at every stage of their growth journey. Achieving this ambition requires continuous engagement with internal stakeholders to drive excellence across all levels of the organisation. By fostering a high-performance culture, we aim to build a resilient and adaptable workforce capable of navigating an increasingly complex and evolving business landscape.

With industries—particularly the financial sector—evolving at an unprecedented pace, workforce agility has never been more critical. The acceleration of digital transformation, increasing regulatory expectations, and the growing emphasis on sustainability are reshaping the way organisations approach talent strategies. In response, Human Resource Management & Administration (HRMA) has identified the following four key thrusts that will serve as the foundation for strengthening workforce agility.

KEY THRUSTS: NAVIGATE WORKFORCE AGILITY



KEY THRUSTS: NAVIGATE WORKFORCE AGILITY

These four key thrusts will shape our future-proof talent strategies, focusing on enhancing critical skills through digital learning, aligning job roles with strategic initiatives, improving employee well-being, and strengthening continuous development programmes. Integrating these focus areas into our talent management strategy will ensure a sustainable and competitive workforce equipped to meet emerging challenges.

01 Enhance Critical Skills with Digital Learning

Digital learning is pivotal in building critical workforce competencies, facilitating peer learning communities that support access to industry insights and provide exposure to best practices. Through coaching, strategic stretch assignments, and job rotations, employees gain hands-on experience, strengthening their adaptability and leadership capabilities. These initiatives ensure a digitally fluent, future-ready workforce prepared to navigate industry demands.

02 Revise Job Roles to Support 5SP, Sustainability and Tech Initiatives

We are aligning job roles and functions with our 5-year Strategic Plans, sustainability goals, and technological ambitions, while leveraging on competency-based evaluations, university partnerships, and branding campaigns to attract skilled talent and strengthen our sustainability-driven and technology-related capabilities.

03 Enhance Compensation & Benefits

Through competitive rewards programmes to strengthen retention, systems automation for enhanced efficiency and transparency, and data-driven insights to ensure fair, market-aligned compensation, we strive to further reduce turnover and foster long-term workforce stability.

04 Personalise Employee Development

We foster continuous growth by aligning development programmes with CGC Core Competencies, ensuring employees build future-ready skills. Personalised learning pathways and technical upskilling will be adopted to enhance workforce capabilities and agility.

HRMA will continue to be a key driver for CGC’s growth by aligning talent strategies with organisational needs, ensuring our workforce remains future-ready through continuous development, digital fluency, and well-developed core competencies. Our commitment to building a resilient, high-performing team supports long-term success by fostering collaboration, optimising talent retention, and enhancing employee capabilities.

PILLAR 4 – EMBEDDING SUSTAINABILITY INTO CGC

CGC Sustainability Journey

01 CGC Head Office Level 12 & 13 Office Renovation — 5 March 2024



Improving Productivity and Comfort

Level 12 and 13, Bangunan CGC, Selangor

We renovated selected workspaces at our headquarters, with the upgraded facilities designed to enhance comfort, efficiency and employee focus.

02 CGC Head Office Fire Drill — 3 July 2024



Annual Fire Drill

Bangunan CGC, Selangor

We conducted an annual fire drill at our headquarters to allow staff to practice evacuation procedures and familiarise themselves with escape routes, minimising potential panic and promoting rapid response during emergencies. All personnel evacuated within 11 minutes, earning a 'Cemerlang' rating from Jabatan Bomba dan Penyelamat Malaysia, Petaling Jaya.

03 Workplace Safety & Comfort — 5 July 2024

Enhancing Workplace Experiences

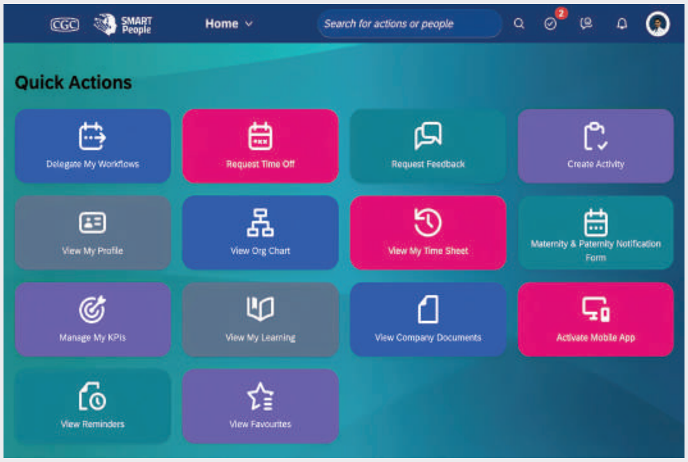
CGC Alor Setar, Kedah

We refreshed our Alor Setar branch with revitalised and modern workspaces, fostering a better working environment, enhancing both employee and customer satisfaction, and improving our potential for attracting new clients.

Enhancing HR Services and Employee Benefits

01 HR System Enhancement – Smart People

January - December 2024



Enhancing HR Efficiency Through Automation

We have enhanced service delivery by introducing key automations that digitalise frequently requested HR services, making them accessible with a single click. This initiative streamlines processes, reduces response times, and improves overall efficiency.

The following are key enhancements to our HR system:

- **a.** Auto-generated Confirmation Letter
- **b.** Reimbursement Enhancement
- **c.** Maternity & Paternity Notification Form
- **d.** Security Enhancement: Two-Factor Authentication (2FA)

02 Enhancement of Compensation & Benefits and Employee Well-Being

January - December 2024

Enhancing Employee Benefits and Well-Being

As part of our commitment to fostering a supportive and engaging workplace, we introduced several enhancements to our compensation and employee well-being initiatives in 2024.

The following are key enhancements to our HR system:

- **a.** **Increased EPF Contributions –** Strengthening employee financial security by increasing EPF contributions to attract and retain top talent while maintaining a competitive edge in securing skilled professionals.
- **b.** **Inflation Allowance –** Introducing an inflation allowance for employees within a specified salary threshold to help mitigate rising living costs and reinforce financial well-being.
- **c.** **Expansion of Medical Coverage –** Broadening healthcare benefits to ensure employees receive comprehensive medical support:
  - Alternative Medical Treatments
  - Comprehensive Dental Coverage
  - Vaccinations against Influenza and COVID-19
- **d.** **Employee Well-Being –** Enhancing workplace culture by introducing a *smart casual dress code*, fostering a more comfortable and modern work environment.

PILLAR 4 – EMBEDDING SUSTAINABILITY INTO CGC

03 **Awareness Session on Medical Benefits** **15 January 2024**

Raising Awareness on Medical Benefits

A medical and insurance benefits refresher session was conducted for all employees to provide clear insights into available benefits, recent updates, and policy enhancements. This initiative aims to empower employees with a better understanding of their healthcare and insurance coverage, ensuring they can fully utilise the benefits provided.

Recruitment Drive and Career Fairs

01 **UKM Career Fair** **14 & 15 May 2024**

Dewan Canselor Tun Abdul Razak UKM, Selangor

CGC proudly participated in the UKM Career Fair 2024, held at Dewan Canselor Tun Abdul Razak, Universiti Kebangsaan Malaysia. Organised by the *UKM Career Advancement Centre*, the event brought together over 50 leading employers and offered more than 1,000 job and internship opportunities.

The career fair served as an invaluable platform for networking and collaboration, featuring employer engagement sessions, career talks, and resume review services. CGC's participation underscores our commitment to attracting top talent and fostering future-ready professionals in Malaysia's workforce.

02 **Graduan Aspire Career Fair** **25 & 26 May 2024**

KL Convention Centre, Kuala Lumpur

CGC participated in the GRADUAN Aspire Career Fair 2024 at the KL Convention Centre, Malaysia's premier career networking event. Showcasing leading employers and extensive job opportunities, the fair featured on-the-spot interviews and insights into corporate cultures.

With over 500 visitors engaging with the CGC booth, the event proved to be a resounding success, fostering meaningful connections between job seekers and CGC.

03 **Mega Careers & Study Fair** **24 & 25 August 2024**

KL Convention Centre, Kuala Lumpur

CGC participated in the Mega Careers & Study Fair 2024 at the KL Convention Centre on 24th and 25th August. As Malaysia's largest career and postgraduate studies fair, the event brought together over 100 top employers and universities, offering a wealth of career and education opportunities.

Attendees benefited from on-the-spot interviews, corporate insights, and postgraduate study options, making it a valuable platform for job seekers and students alike. With more than 500 visitors welcomed to the CGC booth, the event was a resounding success, further strengthening CGC's role in empowering future talent.

PILLAR 4 – EMBEDDING SUSTAINABILITY INTO CGC

04 INTI Nilai Career & Internship Fair

25 September 2024

Tan Yew Sing Multi-purpose Hall (INTI Nilai), Negeri Sembilan

CGC participated in the INTI Nilai Career & Internship Fair 2024, held at the Tan Yew Sing Multi-purpose Hall, INTI International University, Nilai, on 25th September 2024. The event brought together leading employers and provided students with a valuable platform to explore job and internship opportunities, fostering career growth and industry connections.

05 myCareer Fair by Jobstore

26 & 27 October 2024

KL Convention Centre, Kuala Lumpur

CGC made a strong impact at the myCareer Fair 2024, held at the KL Convention Centre on 26th and 27th October. Organised by Jobstore, the event connected thousands of job seekers with leading employers, offering exciting job opportunities, on-the-spot interviews, and career talks.

With over 500 visitors to the CGC booth, attendees engaged directly with hiring managers, gaining valuable industry insights and career guidance.

06 Taylor's Internship & Career Engagement Day

20 November 2024

The Grand Hall, Taylor's University Lakeside Campus, Selangor

CGC participated in the Taylor's Internship & Career Engagement Day 2024, held at The Grand Hall, Taylor's University Lakeside Campus, on 20th November. Organised in partnership with Talentbank, the event provided a valuable platform for CGC to connect with aspiring professionals and reinforce our commitment to nurturing future talent.

Our representatives engaged with students and graduates, offering insights into CGC's dynamic work environment, career pathways, and development opportunities, further strengthening our brand recognition among the next generation of professionals.

07 GRADUAN Aspire+ Career Fair

30 November 2024

KL Convention Centre, Kuala Lumpur

CGC participated in the GRADUAN Aspire+ Career Fair 2024, held at the KL Convention Centre on 30th November. Organised by GRADUAN, the event focused on mentorship, leadership, and entrepreneurship, providing a dynamic platform for networking, collaboration, and career advancement.

Attendees had the opportunity to engage with top employers, participate in on-the-spot interviews, and gain valuable industry insights through conference sessions and networking activities. More than 500 attendees visited and engaged with the CGC booth during the event.

08 FSTEP Batch 27 Graduation

19 December 2024

Bangunan AICB, Kuala Lumpur

CGC proudly attended the FSTEP Batch 27 Graduation Ceremony at the Azman Hashim Auditorium, Bangunan AICB, Kuala Lumpur, on 19th December 2024. The event celebrated the achievements of 83 graduates, including five CGC trainees, who demonstrated exceptional dedication and commitment throughout the intensive training programme.

CGC's participation highlights our commitment to nurturing talent and supporting the professional growth of our people.

PILLAR 4 – EMBEDDING SUSTAINABILITY INTO CGC

HRMA Awards & Recognitions

01 SEEK People & Purpose Awards — 9 May 2024

W Hotel, Kuala Lumpur

It was a proud moment for CGC as En. Nazral Safril Mohammad Sapari, our Chief HR Officer (CHRO), was honoured with the People Leader of the Year award at the SEEK People & Purpose Awards 2024. This prestigious recognition, presented by Jobstreet Malaysia, celebrates exceptional HR leadership and impact. The award highlights our CHRO's visionary approach, commitment to people development, and his role in driving a purpose-led culture at CGC Malaysia.

02 Malaysia's 100 Leading Graduate Employers Awards — 7 November 2024

Four Seasons Hotel, Kuala Lumpur

CGC was honoured at Malaysia's 100 Leading Graduate Employers Awards 2024, held at the Four Seasons Hotel Kuala Lumpur on 7th November. Organised by GTI Media, this prestigious event celebrates the top graduate employers, as voted by students and fresh graduates.

CGC emerged as a winner in the Financial Services category, underscoring our commitment to excellence in graduate recruitment and employer branding.

03 Top Employer Awards by Jobstore

30 November 2024

Grand Hyatt, Kuala Lumpur

CGC achieved remarkable success at the Top Employer Awards 2024, hosted by Jobstore at the Grand Hyatt Kuala Lumpur, receiving multiple awards in the Public Sector (Financial Services Category):

- Top Employer of Graduate Choice
- Top Employer Award of the Year
- Top Recruitment Team of the Year

Additionally, Chief HR Officer En. Nazral Safril Mohammad Sapari received the Top HR Leader Award, recognising his outstanding leadership and contributions to driving a high-performing, people-centric organisation.

04 GRADUAN Brand Awards Dinner

5 December 2024

M Resort & Hotel, Kuala Lumpur

CGC was honoured at the GRADUAN Brand Awards Dinner 2024, held at M Resort Hotel Kuala Lumpur on 5th December. This prestigious event celebrates Malaysia's top employers, as voted by students and fresh graduates.

CGC was recognised as the 2nd Runner-Up in the Professional Services Category and ranked 18th overall among *Malaysia's Most Preferred Employers*, validating our commitment to excellence in graduate recruitment and employer branding.

PILLAR 4 – EMBEDDING SUSTAINABILITY INTO CGC

Strengthening Culture and Continuous Learning

01 PCEO Engagement with Senior Management & Farewell for CIA — 8 & 10 January 2024

The PCEO met with the senior leadership team to set key priorities and expectations for the year ahead, ensuring alignment with corporate objectives. This session helped unify direction across all levels of the organisation.

In fostering a culture of appreciation, the engagement also celebrated the retirement of our Chief Internal Auditor (CIA) Fakrul Azmi, recognising his contributions and reinforcing CGC's commitment to valuing dedication and long-term service.

02 The Launch of Linkedin Learning — 21 May 2024

Bangunan CGC & Virtual Participation for Branches

CGC launched LinkedIn Learning via the Learning Management System (LMS), giving all staff access to a vast range of e-learning resources. To drive adoption, strategic online workshops were held throughout the year.

The campaign kicked off with Rock Your Profile on LinkedIn, helping staff optimise their profiles and explore relevant learning materials. This was followed by Navigate Your Learning Catalogue, which guided managers in identifying and addressing competency gaps.

This initiative reinforces CGC's commitment to continuous learning, equipping employees with the tools to grow professionally and stay ahead in an evolving business landscape.

03 People's Day

21 May 2024

Bangunan CGC & Virtual Participation for Branches

People's Day highlights included the virtual launch of LinkedIn Learning by the CHRO, giving all CGC staff access to vast e-learning resources.

The event also hosted three inspiring speakers covering diverse and thought-provoking topics: Waqf and its latest developments, Embracing Fate and Life's Journey on personal growth, and Motivation & Determination, with the latter featuring an adventurer's quest to conquer Indonesia's seven summits.

To further enrich the experience, learning partners and health administrators were invited, offering employees the opportunity to engage, ask questions, and explore available learning and wellness resources during the interactive event.

04 JomFit Challenge with Coach Leha Osem

29 May to 3 July 2024

CGC launched the Jom Fit Challenge in May 2024, reinforcing our commitment to employee well-being, team synergy, and productivity through engaging fitness initiatives. Designed to foster camaraderie and sustain motivation, the challenge incorporated a competitive element by offering recognition and incentives to encourage active participation.

PILLAR 4 – EMBEDDING SUSTAINABILITY INTO CGC

05 Run for Tigers 21 July 2024

Kepong Metropolitan Park

Building on the success of our 2023 brisk walking and jogging sessions, we enhanced our commitment to employee well-being in 2024 through participation in external fitness events.

As part of our Sustainability Initiative (Pillar 3: Social Responsibility and Employee Well-being), CGC participated in the Run for Tigers in July, an event organised by WWF and Maybank. This run promoted healthy lifestyles and strengthened team spirit, while supporting a crucial environmental cause.

06 Management Walkabout "Leaders Turun Padang" 29 August 2024

This unique initiative strengthens engagement across CGC's diverse workforce, fostering rapport between leaders and staff while reinforcing teamwork and core values.

It also promotes cultural awareness, aligning with CGC's commitment to an inclusive and harmonious workplace. A key highlight was Slot Puisi Kemerdekaan by *Tuan Ahmad Fedtri Yahya*, offering profound cultural and historical insights that deepened appreciation for our heritage. This initiative served as a reminder of our shared values, aspirations, and the importance of knowledge in shaping our collective identity.

07 Traditional Dance Lessons (Build Up to CGC Group Annual Dinner, Opening Act Staff Performances)

12 September – 21 November 2024

In line with our ongoing efforts to nurture an inclusive and vibrant workplace culture, we introduced traditional dance lessons as a key engagement initiative for 2024. Taking place from August to November, these lessons fostered team spirit, enhanced cultural appreciation, and culminated in a performance at the CGC Group Annual Dinner on 30 November 2024, generating excitement leading up to the event.

08 CGC Group Annual Dinner

30 November 2024

The CGC Group Annual Dinner 2024, held on 30 November, brought together 480 attendees under the theme of Empayar Melaka.

The evening showcased CGC Got Talent performances, a best-dressed competition, voting and crowning of the night's 'King & Queen', and thrilling lucky draw prizes.

As one of the year's most anticipated events, it served as a grand celebration and a heartfelt appreciation for all employees across the CGC Group, fostering unity, engagement, and collaboration across the organisation.

PILLAR 4 – EMBEDDING SUSTAINABILITY INTO CGC

09 CGC Long Service Awards

30 November 2024

The CGC Long Service Award (LSA) 2024 honoured 74 employees for their dedication and loyalty to CGC. This recognition reflects our commitment to motivating staff, improving our retention of experienced talent, and preserving valuable knowledge within the organisation.

The awards play a key role in inspiring employees to achieve milestones while strengthening expertise across CGC. Recipients were celebrated during the CGC Group Annual Dinner 2024 on 30 November, giving recipients a special moment of appreciation and recognition.

10 TDE Talks Sharing Session

29 May to 3 July 2024

a) A Journey to Zero Waste

16 February

b) Unravelling Emotional Intelligence

12 June

c) Answering All Your Qs about EPF Account 3

21 June

d) Breast Cancer Awareness

25 October

Throughout the year, CGC hosted TDE Talks in hybrid and virtual formats, ensuring accessibility for both Head Office and branch staff.

Sessions featured expert speakers covering topics such as *'A Journey to Zero Waste', 'Unravelling Emotional Intelligence', 'EPF Account 3 Insights', and 'Breast Cancer Awareness'.*

Designed to enhance employee wellness, these talks provided valuable insights into sustainability, emotional well-being, health, and financial literacy, supporting staff in their personal growth and development.

Engagement Activities at Divisional Level - Sustainability Related

01 Virtual Sharing Session on Used Cooking Oil with PDB and Used Cooking Oil (UCO) collection at Bangunan CGC

9 September & 27 November 2025

IAD, Microsoft Teams - 9 September 2025

Bangunan CGC, Petaling Jaya - 27 November 2025

As part of its divisional social engagement, IAD promoted the recycling of Used Cooking Oil (UCO), reinforcing CGC's commitment to environmental responsibility. This initiative aims to reduce greenhouse gas emissions, support sustainable biofuel production, and advance the circular economy by converting waste into valuable resources. Through these efforts, IAD not only minimises environmental impact but also encourages sustainable practices within the organisation, aligning with CGC's broader sustainability goals and fostering a culture of eco-conscious responsibility.

02 CSR Initiative at Zoo Negara

11 May 2024

HRMA

Zoo Negara, Ampang Jaya KL

During this event, participants took part in impactful activities to support wildlife conservation and sustainability. Activities included habitat restoration, promoting sustainable animal care, and conducting educational outreach programs.

These initiatives raised awareness about biodiversity preservation and the importance of eco-friendly practices.

By engaging in hands-on conservation work and advocacy, participants contribute to long-term environmental sustainability, fostering a deeper connection to nature and inspiring others to adopt responsible practices that protect wildlife and maintain ecological balance for future generations.

PILLAR 4 – EMBEDDING SUSTAINABILITY INTO CGC

03 Hiking, Adopt-a-Tree and Team Brunch — 30 June 2024

CC&SR

Taman Tugu, Shah Alam

As part of its commitment to sustainability, CC&SR contributed to reforestation efforts by adopting a tree at Taman Tugu through a RM100 donation. This initiative supports the enhancement of urban green spaces and contributes to environmental conservation. By investing in a greener future, CC&SR reinforces the importance of sustainable practices and ecological responsibility. This effort aligns with CGC's broader environmental goals, fostering a culture of sustainability while making a positive impact on communities and natural ecosystems.

04 Tree Planting at Taman Botani Negara and Team Lunch — 9 November 2024

ITV

Taman Botani Negara, Shah Alam

The IT team's outing at Taman Botani Negara Shah Alam fostered camaraderie while reinforcing CGC's core 'THINK' values. A key highlight was the planting of 400 ornamental trees, promoting teamwork and strengthening team dynamics.

Combining team building with ecological responsibility, this initiative supported workforce engagement while promoting sustainability by expanding green spaces and encouraging environmental stewardship.

Training Programmes 2024

Categories of Training Programmes and Total Number of Participation in 2024

No.	Categories of Training Programmes	No. of Sessions	No. of Staff
1.	Internal Training	61	9,586
2.	External Training	38	95
3.	Leadership Programmes	15	230
4.	Professional Qualification Programmes	–	26
5.	Certification Programmes	–	32
	Total	**114**	**9,969**

Internal Training Programmes and Total Number of Participants in 2024

No.	Programme Title	No. of Staff
1.	Restructuring and Rescheduling (R&R)	15
2.	Product Knowledge (Tabung Projek Usahawan Bumiputera-I)	178
3.	Credit Writing Training for TPUBi Champion	19
4.	Project Management Essentials for Initiative Owners	18
5.	Train the Trainer	11
6.	High Impact Presentation Skills for Sales Manager (Branch Managers)	14
7.	Process Improvement Programme February 2024	41
8.	Process Improvement Programme for Team Members	56
9.	High Impact Presentation Skills for Managers	16
10.	Leadership Excellence	92
11.	Workshop 1: Let's Rock Your Profile on LinkedIn	551
12.	Virtual Workshop: Navigate Your Learning Catalogue on LinkedIn Learning	551

PILLAR 4 – EMBEDDING SUSTAINABILITY INTO CGC

No.	Programme Title	No. of Staff
13.	AI Introduction for Senior Management	18
14.	Power BI Essentials (3 sessions)	36
15.	Avoid Phishing Scams	555
16.	Thematic Learning (July – December)	3,964
17.	Spot Red Flag on Phishing (4 sessions)	561
18.	Mastering Articulate 360	5
19.	TPUB-i Cashflow Accelerators	10
20.	Fraud Detection and Prevention Workshop	23
21.	Understanding Climate Change & BNM CCPT – Sustainability (5 sessions)	551
22.	Data Privacy Training for Directors and Senior Management	21
23.	Integrity Knowledge Sharing: Pengkisahan Dari Tirai Besi	46
24.	Anti-Money Laundering Awareness Training	66
25.	The Importance of Shariah Governance and Compliance in the Organisation	46
26.	Gamification Sustainability Training	96
27.	Internal Training Programme – LCS	12
28.	Design Thinking for Managers and Above	15
29.	Talent Development Programme (TDP) Module 1: Leading Self: Thrive...Don't Just Survive Module 2: Leading Team: Hands-on Coach Module 3: Leading Team: Leader's Track Module 4: Leading Business: Financial Acumen through Colour Accounting	76

No.	Programme Title	No. of Staff
30.	Talent Development Programme (TDP) Coaching Session 1: Goal-Oriented Leaders Session 2: Conversational Leaders Session 3: Becoming an All Star	57
31.	Talent Development Programme (TDP) Podcast Session 1: Building Resilience and Adaptability Session 2: Mental Health Awareness Session 3: Upskilling & Reskilling for the Future Session 4: Gen Talk: Conversations Across Time Session 5: Creating an Inclusive Workplace	19
32.	CGC's Executive Guide to AI Work Companion – Copilot for Microsoft 365 for BOD	7
33.	Executive & Senior Executive – Accelerator Programme Cohort 1&2	37
34.	Virtual Sharing: Safety Briefing & Awareness	545
35.	End User Workshop – MS 365 Copilot	50
36.	Anti Money Laundering/Counter Financing of Terrorism (AMLA/CFT)	551
37.	Task Force on Climate-Related Financial Disclosure (TCFD)	551
38.	Contract Financing for Sales, Marketing & Processing (SMPs)	25
39.	Induction Programme (6 sessions)	100
	Total	**9,586**

PILLAR 4 – EMBEDDING SUSTAINABILITY INTO CGC

Internal Training Programmes in 2024

01 Restructuring and Rescheduling (R&R) (15 Participants)

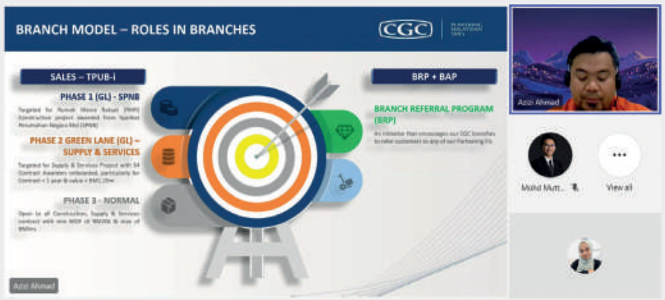
12 January 2024

Seminar Hall, Bangunan CGC

Provided participants with a thorough understanding of rescheduling and restructuring processes, focusing on key aspects such as documentation, credit loss, customer commitment, early warning signs, and proposal updates.

02 Product Knowledge (Tabung Projek Usahawan Bumiputera-i) (187 Participants)

12 January 2024



Virtual

Improved understanding of CGC products and services, seeking to transform each CGC staff member into an informed ambassador equipped to effectively promote and raise awareness of CGC offerings amongst new and existing customers.

03 Credit Writing for TPUB-I Champions (20 Participants)

16-17 January 2024

Seminar Hall, Bangunan CGC

Improved participants' practical skills and knowledge of credit management, particularly in contract financing.

04 Project Management Essentials for Initiative Owners (20 Participants)

29-30 January 2024

Training Room B, Bangunan CGC

Provided managers with a comprehensive set of essential skills vital for success in project management. The training gave participants a solid foundation, enabling them to handle inherent industry challenges and complexities effectively.

05 **High Impact Presentation Skills for Sales Manager (14 Participants)** **5-6 February 2024**

Seminar Hall, Bangunan CGC

Equipped participants with advanced communication techniques, storytelling skills, and audience engagement strategies, enabling them to deliver compelling and persuasive presentations with confidence and clarity.

06 **Train-The-Trainer (11 Participants)** **5-7 February & 26-27 February 2024**

Training Room B, Bangunan CGC

Empowered facilitators with essential instructional skills, engagement techniques, and assessment strategies. Participants learned to design, deliver, and evaluate training sessions effectively, ensuring impactful knowledge transfer and enhanced learning experiences for their target audience.

07 **High Impact Presentation Skills for Managers (14 Participants)** **11-12 March 2024**

Seminar Hall, Bangunan CGC

Equipped participants with advanced communication techniques, storytelling skills, and audience engagement strategies, enabling them to deliver compelling and persuasive presentations with confidence and clarity.

08 **Process Improvement Programme for Team Members (33 Participants)** **25 March 2024**

Seminar Hall, Bangunan CGC

Guided participants through methodologies to analyse, optimise, and streamline workflows, enhancing efficiency, reducing waste, and ensuring projects are effectively planned and executed within set deadlines.

PILLAR 4 – EMBEDDING SUSTAINABILITY INTO CGC

09 **Process Improvement Programme for Team Members (39 Participants)** **27 March 2024**

Seminar Hall, Bangunan CGC

Equipped participants with advanced communication techniques, storytelling skills, and audience engagement strategies, enabling them to deliver compelling and persuasive presentations with confidence and clarity.

10 **Process Improvement Programme for Team Members (20 Participants)** **3 April 2024**

Seminar Hall, Bangunan CGC

Equipped participants with advanced communication techniques, storytelling skills, and audience engagement strategies, enabling them to deliver compelling and persuasive presentations with confidence and clarity.

11 **Induction Programme (New Joiners)** **18 April 2024**

Seminar Hall, Bangunan CGC

Familiarised new employees with organisational culture, policies, and expectations, ensuring a smooth transition and equipping them with essential knowledge and skills to begin their CGC journey with confidence.

12 **Power BI Essentials (18 Participants)** **29-30 May 2024**

Training Room A, Bangunan CGC

Provided participants with fundamental skills to visualise data, create interactive reports, and generate meaningful insights. Participants learned to transform raw data into compelling dashboards, enabling data-driven decision-making and enhancing analytical capabilities.

13 **Emergency Response Team Training** **24-25 June 2024**

Seminar Hall, Bangunan CGC

Equipped participants with essential skills to handle emergencies effectively, including risk assessment, evacuation procedures, first aid, and crisis management. Participants gained hands-on experience to respond swiftly and efficiently, promoting workplace safety and minimising potential hazards during critical situations.

14 **End User Workshop (Ms 365 Copilot)** **15 July 2024**

Bangunan CGC

Cultivated practical skills for employees to utilise AI-powered assistance for increased productivity. They learned how to streamline tasks, generate content, automate workflows, and make the most of Microsoft 365 tools, enhancing efficiency and collaboration in their daily working processes.

15 **Understanding Climate Change & BNM CCPT - Sustainability** **6-8 August 2024**

All staff

Seminar Hall, Bangunan CGC

Offered participants insights into the impacts of climate change, regulatory frameworks, and Bank Negara Malaysia's Climate Change and Principle-Based Taxonomy (CCPT).

16 **Integrity Knowledge Sharing: Pengkisahan Dari Tirai Besi** **13 August 2024**

All staff

Seminar Hall, Bangunan CGC

Provided participants with real-life insights into ethical dilemmas, corruption risks, and the consequences of integrity breaches. Through firsthand accounts, participants gained a deeper understanding of the importance of ethical decision-making and upholding integrity in their professional and personal lives.

PILLAR 4 – EMBEDDING SUSTAINABILITY INTO CGC

17 Anti Money Laundering Awareness Training

14 August 2024

Designated Compliance Officer (DCO) & New Staff

Seminar Hall, Bangunan CGC

Provided participants with essential knowledge on AML regulations, risk assessment, and reporting, helping them detect and prevent financial crimes while ensuring regulatory compliance.

18 Data Privacy Training for Directors and Senior Management

12 September 2024

Saujana Hotel, Kuala Lumpur

Disseminated essential insights on data protection laws, regulatory compliance, and risk management. Participants learned to safeguard sensitive information, mitigate data breaches, and ensure privacy standards and legal requirements are upheld.

19 Design Thinking for Managers and Above

7-8 October 2024

Common Ground, Citta Mall

Empowered department heads to lead innovation and drive meaningful change within their teams and throughout the organisation.

20 **Contract Financing for Sales Marketing & Processing** **27-29 November 2024 & 12-14 February 2025**

Seminar Hall, Bangunan CGC

Highlighted key functions susceptible to fraud and equipped relevant staff to identify and address potential risk areas in contract financing. Participants were trained to sufficiently document how the bank can mitigate identified risks in a suitable and appropriate manner.

External Training Programmes and Total Number of Participants in 2024

No.	Programme Title	No. of Staff
1.	3rd Malaysian Banking Conference	28
2.	Advancing Sustainable Finance	5
3.	The Asset-Liability Committee (ALCO)	1
4.	Bank Audit Conference 2024	2
5.	BNM Governor's Address on The Malaysian Economy & Panel Discussion	3
6.	Credit Scorecard Development and Implementation	2
7.	Cybersecurity, IT Assurance & Governance (CIAG) Conference 2024	1
8.	Effective Occupational Safety and Health Committee Programme	1
9.	ESG National Conference	1
10.	Global CFO & Financial Transformation 2024	1
11.	Handling Misconduct Relating to Absenteeism	1
12.	High Impact Presentations	1
13.	How to Avoid Claims of Constructive Dismissal and Forced Resignation Programme	1

PILLAR 4 – EMBEDDING SUSTAINABILITY INTO CGC

No.	Programme Title	No. of Staff
14.	How to Manage Fixed Term Contract Issues and Under-Performing Employees	2
15.	HRD Corp Workshop (Employer)	3
16.	Identification of Beneficial Ownership	1
17.	IIA Malaysia National Conference 2024	5
18.	Introduction to Carbon Footprint Assessment and Waste Management	4
19.	Introduction to Carbon Management	3
20.	KWAP Inspire Conference	1
21.	MAICSA Annual Conference 2024	2
22.	MIA Conference 2024	1
23.	*Muzakarah Penasihat Syariah Kewangan Islam KLIFF 2024*	2
24.	Practical Payroll Computation Workshop	1
25.	RAM Credit Seminar 2024	6
26.	Regulatory Forum 2024	1
27.	Safety and Health Officer Enrichment Programme	1
28.	Seminar Perburuhan Rang Undang-Undang	1
29.	Siber Siaga – Reveal the Unseen	2
30.	SSM National Conference 2024	1
31.	Strategic Management Programme	1
32.	The CHRO Nexus Forum 2024	1
33.	Total Rewards Asia Summit Malaysia 2024	1
34.	Transfer Pricing Methodology	1
35.	Understanding the Roles and Responsibilities	1
36.	What Amounts to a Conflict of Interest by Directors	1

No.	Programme Title	No. of Staff
37.	Wirecard's Reluctant Whistleblower and Other Financial Deceptions	4
38.	Agile Scrum Foundation	2
39.	Agile Scrum Master	1
40.	Agile Scrum Product Owner	1
41.	Architecting on AWS	1
42.	Certificate in Climate Risk (CICR)	2
43.	Certified in Risk and Information System Control	1
44.	Certified Information Systems Security Professional	1
45.	Certified of Cloud Auditing Knowledge	1
46.	DO374: Developing Advanced Automation with Red Hat Ansible Automation Platform	1
47.	Microsoft Certification	4
48.	Microsoft Cybersecurity Architect	1
49.	Microsoft Identity and Access Administrator	1
50.	Prince2 Agile Foundation	1
51.	Professional Scrum Product Owner	2
52.	Project Management Essentials	1
53.	Running Containers on Amazon Elastic Kubernetes Service (Amazon EKS)	1
54.	Security Engineering on AWS	1
55.	Strategic Management Programme	1
56.	Train-The-Trainer	2
57.	32nd ACSIC Training Programme (ATP)	4
58.	CIPD Assessment for Chartered Fellow	1
	Total	**133**

PILLAR 4 – EMBEDDING SUSTAINABILITY INTO CGC

Leadership Programme

01 Talent Development Programme (TDP) for Managers (16 pax) | **18 September 2023 - 17 January 2024**

INCEIF, Kuala Lumpur

Developed and strengthened managers' leadership skills through hands-on workshops, group coaching, experiential learning, and the examination of different leadership frameworks.

02 Leadership Workshop: Empower & Elevate: Navigating Leadership Excellence (98 pax) | **6 March 2024**

Sasana Kijang, Kuala Lumpur

Inspired and empowered leaders with the mindset and skills needed to drive excellence in their leadership journey.

03 Talent Development Programme (TDP) for AVPs and VPs (19 pax) | **16 April - 19 July 2024**

AICB, Kuala Lumpur

Nurtured and enhanced the leadership capabilities of CGC's middle management, equipping them with the necessary skills and knowledge to excel in their current roles while preparing them for greater responsibilities.

04 **Leadership Assessment (55 pax)** **19 September - 15 October 2024**

Bangunan CGC

Evaluate the leadership capabilities, potential, and readiness of identified candidates for key leadership roles within CGC, while identifying and addressing potential gaps in their respective development plans.

05 **Executive Accelerator Programme (EAP)** **Cohort 1: 22-23 October 2024**
Cohort 2: 29-30 October 2024

Bangunan CGC

Supported the continuous growth and sustained high performance of high-performing executives and senior executives, empowering them to excel in their current roles while equipping them for future responsibilities.

PILLAR 4 – EMBEDDING SUSTAINABILITY INTO CGC

Professional Qualification Programmes

Professional Qualification Programmes and No. of Participation in 2024 and 2025

Professional Qualification	No. of Staff	Programme Status	No. of Staff
Chartered Banker by Experience	2	Completed	1
		In Progress	1
Chartered Banker	21	Passed	6
		In Progress	15

Certification Programme

Certification Programmes and Participation in 2024 and 2025

No.	Programme Title	No. of Staff	Programme Status
1.	Financial Risk Management (FRM)	2	In Progress
2.	ACCA	2	In Progress
3.	Certificate in Climate Risk (CICR)	4	In Progress
4.	Certificate in Digital & AI Evolution in Banking (CertDEB)	10	In Progress
5.	Certificate in Green and Sustainable Finance (CGSF)	1	In Progress
6.	ESG Certificate: Internal Auditing for Sustainable Organisations	1	Completed
7.	Pasaran Kewangan Malaysia Certificate (PKMC)	1	In Progress
8.	Certified Fraud Examiner (CFE)	1	In Progress

EMPLOYEES, NEW HIRES AND TURNOVER

Our employees are our greatest asset, driving CGC's resilience, success, and long-term sustainability. A diverse workforce brings a wealth of experiences, perspectives, and skills, strengthening our ability to innovate and grow.

We are committed to fostering an equitable and inclusive culture, ensuring fairness, respect, and opportunities for all. By embracing diverse representation across all facets of our operations, we create a work environment that is free from discrimination and where every individual feels valued and empowered.

WORKFORCE INDICATOR			
	Item	**Year 2024**	
1	**WORKFORCE**		
a.	**TOTAL NUMBER OF EMPLOYEES**		
i.	***By Location***	**No.**	**%**
	Head Office	483	83.7
	Branches	94	16.3
ii.	***By Employee Category***	**No.**	**%**
	Senior Management	26	4.5
	Middle Management	177	30.7
	Executive	345	59.8
	Non-executive	29	5.0
iii.	***By Hiring Type***		
	Permanent	**No.**	**%**
	Male	245	42.8
	Female	328	57.2
	Non-permanent	**No.**	**%**
	Male	1	25.0
	Female	3	75.0

PILLAR 4 – EMBEDDING SUSTAINABILITY INTO CGC

WORKFORCE INDICATOR			
	Item	Year 2024	
iv.	***By Gender***	**No.**	**%**
	Male	246	42.6
	Female	331	57.4
v.	***By Age Group***	**No.**	**%**
	<30	56	9.7
	30 – 39	201	34.8
	40 – 50	258	44.7
	>50	62	10.7
vi.	***By Race***	**No.**	**%**
	Malay	474	82.1
	Chinese	63	10.9
	Indian	21	3.6
	Others	19	3.3
2	**DIVERSITY AND INCLUSION**		
a.	**Senior Management**		
i.	***By Gender***	**No.**	**%**
	Male	18	69.2
	Female	8	30.8
ii.	***By Age Group***	**No.**	**%**
	<30	–	–
	30 – 50	12	46.2
	>50	14	53.8
b.	**Middle Management**		
i.	***By Gender***	**No.**	**%**
	Male	89	50.3
	Female	88	49.7

WORKFORCE INDICATOR			
	Item	**Year 2024**	
ii.	***By Age Group***	***No.***	***%***
	<30	3	1.7
	30 – 50	149	84.2
	>50	25	14.1
c.	**Executive**		
i.	***By Gender***	***No.***	***%***
	Male	122	35.4
	Female	223	64.6
ii.	***By Age Group***	***No.***	***%***
	<30	53	15.4
	30 – 50	273	79.1
	>50	19	5.5
d.	**Non-Executive**		
i.	***By Gender***	***No.***	***%***
	Male	17	58.6
	Female	12	41.4
ii.	***By Age Group***	***No.***	***%***
	<30	–	–
	30 – 50	25	86.2
	>50	4	13.8
3	**EMPLOYEE TURNOVER RATE**		
a.	***By Location***	***No.***	***%***
	Head Office	30	85.7
	Branches	5	14.3

PILLAR 4 – EMBEDDING SUSTAINABILITY INTO CGC

WORKFORCE INDICATOR			
	Item	**Year 2024**	
b.	***By Gender***	***No.***	***%***
	Male	23	65.7
	Female	12	34.3
c.	***By Age Group***	***No.***	***%***
	<30	8	22.9
	30 – 50	26	74.3
	>50	1	2.9
4	**NEW HIRES**		
a.	***By Location***	***No.***	***%***
	Head Office	59	95.2
	Branches	3	4.8
b.	***By Gender***	***No.***	***%***
	Male	28	45.2
	Female	34	54.8
c.	***By Age Group***	***No.***	***%***
	<30	10	16.1
	30 – 50	43	69.4
	>50	9	14.5

FINANCIAL SECTOR TALENT ENRICHMENT PROGRAMME (FSTEP) TRAINEE

01 ELLYANI SOFEA BINTI RAJAB
FSTEP Trainee, Internal Audit

My FSTEP journey served as a vital stepping stone in bridging academic knowledge with real-world financial expertise. It deepened my understanding of digital banking, risk management, and regulatory compliance, while also fostering the resilience and adaptability essential for success in the industry. My time at CGC was both challenging and rewarding, offering hands-on experience in a dynamic environment. With the support of my Manager and colleagues, I was able to perform at my best and gain invaluable insights. I strongly believe this journey has played a pivotal role in shaping my career growth.

02 NUR NI'MATUL AIN BINTI MOHD YUSSOFF
FSTEP Trainee, Risk Management

My motivation to join the FSTEP programme was to gain industry exposure and enhance my skills in financial services. Organising a financial literacy workshop for students strengthened my planning, teamwork, and communication skills, while the programme broadened my knowledge in banking operations, data analysis, cybersecurity, and public speaking. My experience at CGC was particularly impactful, as I had the opportunity to learn from supportive colleagues and a dedicated supervisor. Their guidance provided practical insights into IT and Risk Management, equipping me with the skills and confidence to advance my career.

03 NURNISA ELYSHA BINTI AZMAN
FSTEP Trainee, Strategic Planning

Joining the FSTEP programme was driven by my passion for the financial industry. The practical exposure at CGC, especially working on the corporate scorecard, was both challenging and rewarding. This experience honed my skills in strategic planning and performance management, preparing me for a successful career in the financial sector. The comprehensive training and hands-on experience I obtained have been invaluable in shaping my professional journey.

PILLAR 4 – EMBEDDING SUSTAINABILITY INTO CGC

04 WAN NUR HUSNA BINTI WAN ASRUL AFENDI

FSTEP Trainee, Data Engineering

Joining FSTEP allowed me to explore the financial industry and connect with peers from various fields. Contributing to an SDG-related project taught me empathy, collaboration and the importance of sustainability. I gained valuable skills in communication, teamwork, and financial industry knowledge. At CGC, I am grateful for the growth-oriented environment, which has helped me build a strong foundation for my career in data within the financial sector.

05 MUNIRAH BINTI ZULKAFLI

FSTEP Trainee, Organisational Effectiveness & Rewards

Joining the FSTEP programme was my way of stepping out of my comfort zone and gaining industry knowledge. A memorable experience was collaborating on a project with fellow trainees and winning the Best Project award despite facing challenges. Throughout the programme, I gained valuable skills in communication, problem-solving, and adaptability. My experience at CGC has provided first-hand exposure to a professional environment, helping me grow both personally and professionally.

INTERNSHIP

01 NURUL IZZATY BINTI MUHAMMAD ARIS

Intern, IT and Data Analytics (Internal Audit)

During my internship at CGC, my interest in Internal Audit grew, driven by my audit lecturer's insights on its profitability and the guidance of En Sofian, VP of Internal Audit, who emphasised its importance. Currently, I lead the audit of Business Continuity and Disaster Recovery, gaining hands-on experience in drafting findings and recommendations. With the support of my teammates, I have strengthened my confidence and developed essential skills in analysis, communication, leadership, problem-solving, and adaptability, all of which contribute to my career development.

02 ALIF ISYRAQ BIN ANIS SYAHREIN

IT Security & Governance

My internship at CGC has been an amazing learning experience. I chose CGC for its career development opportunities and supportive HR team. A special memory was the IT Division Day Out, where I had the opportunity to meet colleagues from different teams. This internship proved successful in improving my time management and skills in security tools such as Azure, Defender, Cortex, and Tenable. My supportive seniors and team lead provided valuable guidance, benefiting my future career development.

PILLAR 4 – EMBEDDING SUSTAINABILITY INTO CGC

03 AKID AYISY BIN MOHD ASRI

Intern, Risk Policy & Assessment

I joined the CGC Internship Programme because of the company's strong reputation across Malaysia. A highlight of my experience was assisting my team in establishing policies, which enhanced both my technical and interpersonal skills. Through this experience, I gained valuable insight into how CGC bridges the financing gap, empowering Malaysian MSMEs and strengthening the economy. I am proud of my internship at CGC, as it has significantly contributed to my professional growth and career development.

04 MOHAMAD SYAFIQ BIN SHAHNASIRI

Intern, IT Security & Governance

I joined the CGC Internship Programme to gain hands-on experience in IT security and expand my technical knowledge. A key achievement was resolving a Microsoft Azure security case with my team, which significantly enhanced my problem-solving skills and understanding of cloud security. The experience also improved my teamwork and communication skills, and the knowledge I gained at CGC will be invaluable for my future career in IT security.

PROTECTING OUR PEOPLE

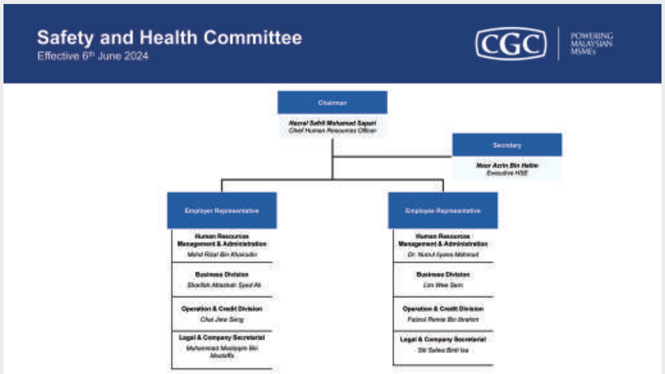
Scorecard

Indicator	2024	Remarks
Employees that received occupational health and safety training	47	Emergency Response Team Training was organised by Jabatan Bomba dan Penyelamat Petaling Jaya
Fatalities as a result of work-related injuries	-	Zero incidents were recorded in 2024
High-consequence work-related injuries (excluding fatalities)	-	
Total work-related injuries (Lost Time Incident Rate)	-	

PILLAR 4 – EMBEDDING SUSTAINABILITY INTO CGC

01 Restructuring of Safety and Health Committee

Effectively 6 June 2024



CGC's Safety and Health Committee was restructured in 2024 to enhance compliance with OSH regulations and improve workplace safety governance.

Key changes included redefining committee roles, updating the committee's Terms of Reference, and streamlining communication between branches and headquarters. These enhancements collectively support improved oversight of safety and health matters, and drives enhanced resolution of issues raised.

02 Emergency Response Team Training

24-25 June 2024

Bangunan CGC

As part of OSH compliance, ERT training was conducted to enhance workplace safety by equipping employees with fire safety knowledge, evacuation procedures, and hands-on firefighting techniques.

The training was organised in collaboration with Jabatan Bomba Petaling Jaya to strengthen workplace emergency preparedness and ensure employees are equipped to respond effectively in critical situations.

03 Knowledge Sharing Session – Safety Briefing & Awareness

26 June 2024

(Virtual)

All CGC staff were invited to attend this Microsoft Teams session aimed at enhancing employee awareness of workplace safety, covering key topics such as OSH policy, definitions of safety, hazards and risks, causes of accidents, fire safety, emergency response, first aid, and accident reporting.

LEADERSHIP

- BOARD COMPOSITION
- PROFILE OF BOARD OF DIRECTORS
- PROFILE OF GROUP MANAGEMENT TEAM

BOARD COMPOSITION

INDEPENDENCE

- Non-Independent Non-Executive Director
- Independent Non-Executive Directors

GENDER

7 Directors

6 Male

1 Female

AGE GROUP

2 45 to 59 years old

5 60 years and above

BOARD TENURE

2 Less than 3 years

4 3 to 6 years

1 More than 6 years

EXPERIENCE AND SKILLS

- Banking & Finance
- Leadership & Management
- Corporate Governance
- Capital & Securities Market
- Economics
- Information Technology
- Legal/Regulatory
- Risk Management
- Corporate Planning & Development
- Asset Management
- Investment

BOARD COMMITTEES

BAC Board Audit Committee

BRMC Board Risk Management Committee

BIC Board Investment Committee

BNRC Board Nomination and Remuneration Committee

Chairman

Member

PROFILE OF BOARD OF DIRECTORS

DATO' MOHAMMED HUSSEIN *FCB*

75

M

Independent Non-Executive Director (Chairman)

BNRC

Appointed	:	**1 May 2020**
Tenure of Directorship	:	**5 years 2 months** *(as at 52nd AGM – 19 June 2025)*
Board Meeting Attendance	:	**100% (6/6)**

Qualifications:

- Bachelor of Commerce (Accounting) – University of Newcastle, Australia
- Advanced Management Programme (AMP 163) – Harvard Business School – Boston, USA
- Fellow Chartered Banker of the Chartered Banker Institute and Asian Institute of Chartered Bankers

Working Experience:

- Dato' Mohammed Hussein spent 31 years with Malayan Banking Berhad (Maybank) Group, where he held various senior management roles, including Head of Corporate Banking, Head of Commercial Banking, Head of Malaysian Operations, Managing Director of Aseambankers Malaysia Berhad (now Maybank Investment Bank Berhad), and Executive Director (Business Group).
- He retired from Maybank Group on 30 January 2008 as Deputy President/Executive Director/Chief Financial Officer and subsequently served as the Advisor of Maybank from April 2008 to September 2008.
- He also served as the President Commissioner of PT Syarikat Takaful Indonesia and has been a Professor of Practice at INCEIF University since 5 August 2023.
- His previous roles included Chairman of Gamuda Berhad from 2013 to 2022, Danajamin Nasional Berhad from 2013 to 2018, and Quill Capita Management Sdn Bhd from 2008 to 2015.
- He has also served an independent role on the Boards of Bank of America Malaysia Berhad, Tasek Corporation Berhad, CapitaLand Malls Malaysia Berhad, Hap Seng Consolidated Berhad, PNB Commercial Sdn Bhd, B2B Finpal Sdn Bhd and Chairman of the Corporate Debt Restructuring Committee, which was set up under the auspices of Bank Negara Malaysia to facilitate the resolution of major corporate debts.

Present Directorship:

- Dato' Mohammed Hussein is the Independent Non-Executive Chairman of Hap Seng Plantations Holdings Berhad and Syarikat Takaful Malaysia Keluarga Berhad.

Declaration:

- *Dato' Mohammed Hussein does not have any conflict of interest or family relationship with any Director and/or major shareholder of CGC Malaysia.*
- *Dato' Mohammed Hussein has not been charged and/or convicted for any offence.*
- *Dato' Mohammed Hussein has not been subjected to any public sanction or penalty by the relevant regulatory bodies during the financial year.*

PROFILE OF BOARD OF DIRECTORS

CHOONG TUCK OON

67

M

Independent Non-Executive Director

Appointed:	:	**20 January 2017**
Tenure of Directorship	:	**8 years 5 months** *(as at 52nd AGM – 19 June 2025)*
Board Meeting Attendance	:	**100% (6/6)**

BRMC

Qualifications:

- Bachelor of Science (First Class) in Mathematics - University of Malaya
- Executive Diploma in Directorship - Singapore Management University
- Master of Science in Computer Applications - Asian Institute of Technology

Working Experience:

- Choong Tuck Oon began his career at Petronas, where he held executive positions in various upstream and downstream functions for over 7 years. Following this, he worked for 26 years at Accenture, where he retired as Senior Partner of Financial Services in the Asia-Pacific.
- Specialising in technology, strategy, and transformation for the banking and insurance industries, Choong Tuck Oon has led numerous strategic initiatives involving more than 20 large domestic and global banks and insurers in Asia, including national payment projects in Malaysia and Singapore.
- He remains actively involved in the ASEAN digital start-up ecosystem, with his expertise in digital and Fintech programs being highly sought after in the region.
- He has been engaged in NGO initiatives, advising a consortium of international aid agencies on core systems for the launch of bank-of-banks microfinancing in Indonesia, and assisting a global wildlife/nature agency in developing a new growth strategy across 11 Asian countries.
- He has previously served as an Independent Non-Executive Director of Star Media Group Berhad, NTUC Income Insurance Cooperative Ltd Singapore, RHB Bank, RHB Islamic Bank, RHB Indochina Bank, RHB Indochina Securities, and RHB Private Equity.

Present Directorship:

- He is the Non-Executive Chairman of CGC Digital Sdn Bhd (a subsidiary of CGC Malaysia) and Generali Life Insurance Malaysia Berhad (formerly known as AXA Affin Life Insurance Berhad).
- He also serves as an Independent Non-Executive Director on the Board of FIDE Forum Malaysia.

Declaration:

- *Choong Tuck Oon does not have any conflict of interest or family relationship with any Director and/or major shareholder of CGC Malaysia.*
- *Choong Tuck Oon has not been charged and/or convicted for any offence.*
- *Choong Tuck Oon has not been subjected to any public sanction or penalty by the relevant regulatory bodies during the financial year.*

FAISAL ISMAIL *FCA*

62

M

Independent Non-Executive Director

BAC

BIC

BRMC

Appointed:	:	**1 December 2019**
Tenure of Directorship	:	**5 years 7 months** *(as at 52nd AGM - 19 June 2025)*
Board Meeting Attendance	:	**100% (6/6)**

Qualifications:

- Fellow of the Institute of Chartered Accountants in England & Wales
- Member of the Malaysian Institute of Accountants

Working Experience:

- Faisal bin Ismail has accumulated over 30 years of experience across various board-level and top management roles, with expertise in mergers and acquisitions, corporate finance, tax planning, consulting, transformation, and human resources.
- His broad experience spans numerous industries, including hospitality, property investment and development, healthcare, shipbuilding and repairs, banking, power and education.
- His previous roles include serving as Non-Independent Non-Executive Director of Danajamin Nasional Berhad, Independent Non-Executive Director of J.P. Morgan Chase Bank Berhad, Executive Director of Landmarks Berhad, Executive Director of BinaFikir Sdn Bhd, Director in the Investment division of Khazanah Nasional Berhad and Group Managing Director of Pantai Holdings Berhad.

Present Directorship:

- He has served as an Independent Non-Executive Director of BNP Paribas Malaysia Berhad since October 2020.

Declaration:

- *Faisal bin Ismail does not have any conflict of interest or family relationship with any Director and/or major shareholder of CGC Malaysia.*
- *Faisal bin Ismail has not been charged and/or convicted for any offence.*
- *Faisal bin Ismail has not been subjected to any public sanction or penalty by the relevant regulatory bodies during the financial year.*

PROFILE OF BOARD OF DIRECTORS

72

F

SALEHA M. RAMLY

Independent Non-Executive Director

Appointed:	:	**1 December 2019**
Tenure of Directorship	:	**5 years 7 months** *(as at 52nd AGM – 19 June 2025)*
Board Meeting Attendance	:	**100% (6/6)**

BAC
BNRC

Qualifications:

- Bachelor of Laws (LL.B) – University of Malaya
- Master of Laws (LL.M) – University of London, UK

Working Experience:

- Saleha M. Ramly began her career as a lecturer in the Law Faculty of the University of Malaya, where she served for over 8 years.
- She then held various senior positions in legal and/or secretarial departments within government-linked and public-listed companies, including Sime UEP Properties Berhad, its holding company Sime Darby Berhad and its other listed subsidiaries, Country Heights Holdings Berhad, and Landmarks Berhad.
- After retiring from full-time employment in 2007, she continued to serve in similar capacities on a fixed term contract basis until 2018, completing stints at the University of Malaya, Perbadanan Insurans Deposit Malaysia, Scomi Group Berhad, and the ACR Capital Holdings Pte Ltd group of companies in Malaysia and Singapore.
- With over 30 years of experience in corporate legal and secretarial operations, she possesses extensive expertise in crafting corporate governance policies and legal documents, as well as providing staff training on governance and legal matters.
- Her experience also spans a range of corporate transactions and exercises, including acquisitions and disposals of assets (both domestic and cross-border), due diligence exercises, capital raising, and advisory on human resource-based legal matters such as retrenchments, grievance procedures, and industrial relations.
- She is currently a member of the Institute of Corporate Directors Malaysia (ICDM).

Present Directorship:

- She serves as Director of Ouch Protect Berhad, an approved digital takaful operator in Bank Negara Malaysia's Regulatory Sandbox, since 23 November 2023.

Declaration:

- *Saleha M. Ramly does not have any conflict of interest or family relationship with any Director and/or major shareholder of CGC Malaysia.*
- *Saleha M. Ramly has not been charged and/or convicted for any offence.*
- *Saleha M. Ramly has not been subjected to any public sanction or penalty by the relevant regulatory bodies during the financial year.*

ANTHONY LIM CHOON ENG *FAIBF, CB*

67

M

Independent Non-Executive Director

BRMC

BIC

Appointed:	:	**1 April 2022**
Tenure of Directorship	:	**3 years 3 months** *(as at 52nd AGM – 19 June 2025)*
Board Meeting Attendance	:	**100% (6/6)**

Qualifications:

- Fellow of the Australian Institute of Banking and Finance
- Chartered Banker of the Asian Institute of Chartered Bankers
- Senior Leadership and Advanced Management Programs – Wharton School of Business, University of Pennsylvania, USA
- Senior Associate – Securities Institute of Australia
- Master of Applied Finance – Macquarie University, Australia

Working Experience:

- Anthony Lim has over 35 years of experience in the banking and finance industry, having held key management roles in treasury, business banking, investment banking, and risk management.
- From 2011 to 2015, he was an Independent Director at Sumitomo Mitsui Banking Corporation Malaysia Berhad (SMBC), and subsequently served as the Deputy Chief Executive Officer of the same bank from 2015 to 2020.
- Between 1995 and 2009, he held various senior management positions within the Maybank group of companies.
- He previously held the role of private equity investor and director at Implico GmbH in Germany and Malaysia.
- His past working experience includes roles at St. George Bank Limited and ANZ Bank Limited in Sydney, Australia.

Present Directorship:

- He serves as the Non-Executive Director of CGC Digital Sdn Bhd, a subsidiary of CGC Malaysia.
- He is currently the Chairman of Bank of America Malaysia Berhad.
- He is also a member of the Investment Panel for Kumpulan Wang Persaraan (Diperbadankan) (KWAP).

Declaration:

- *Anthony Lim Choon Eng does not have any conflict of interest or family relationship with any Director and/or major shareholder of CGC Malaysia.*
- *Anthony Lim Choon Eng has not been charged and/or convicted for any offence.*
- *Anthony Lim Choon Eng has not been subjected to any public sanction or penalty by the relevant regulatory bodies during the financial year.*

PROFILE OF BOARD OF DIRECTORS

SUHAIMI ALI

50

M

Non-Independent Non-Executive Director

Appointed:	:	**28 April 2022**
Tenure of Directorship	:	**3 years 2 months** *(as at 52nd AGM – 19 June 2025)*
Board Meeting Attendance	:	**50% (3/6)**

Qualifications:

- Bachelor of Accounting – University of Notre Dame, United States of America

Working Experience:

- Suhaimi Ali currently serves as an Assistant Governor of Bank Negara Malaysia (BNM). He oversees the Financial Development and Innovation Department, Islamic Finance Department, LINK and BNM Offices, and Financial Inclusion Department.
- With 26 years of service at BNM, his experience spans across financial sector development, regulation and supervision, strategic planning, market conduct, international negotiations, IT services, and the Governor's Office.
- He is a member of multiple committees at BNM, including the Management Committee, Risk Management Committee, Crisis Management Committee, Digital Technology Committee, Financial Development Committee, Financial Stability Committee, Joint Policy Committee, Reserve Management Committee, and Financial Market Infrastructure Committee.

Present Directorship:

- Suhaimi Ali is the Non-Executive Director of CGC Digital Sdn Bhd, a subsidiary of CGC Malaysia.
- He serves as a member of the Board of Trustees for the International Centre for Leadership in Finance (ICLIF) Trust Funds.

Declaration:

- *Suhaimi Ali is a nominee of BNM, the major shareholder of CGC Malaysia.*
- *Suhaimi Ali does not have any conflict of interest or family relationship with any Director.*
- *Suhaimi Ali has not been charged and/or convicted for any offence.*
- *Suhaimi Ali has not been subjected to any public sanction or penalty by the relevant regulatory bodies during the financial year.*

KELLEE KAM CHEE KHIONG

52

M

Independent Non-Executive Director

BIC
BNRC
BAC

Appointed:	:	**16 October 2023**
Tenure of Directorship	:	**1 year 8 months** *(as at 52nd AGM – 19 June 2025)*
Board Meeting Attendance	:	**100% (6/6)**

Qualifications:

- Bachelor of Law from Manchester Metropolitan University, United Kingdom
- Master in Business Administration from Richmond, The American International University in London, United Kingdom
- Master of Arts in South East Asian Business World from University of London, United Kingdom

Working Experience:

- Kellee Kam Chee Khiong has over 24 years of experience in the banking industry. He previously held the role of Group Chief Financial Officer of RHB Capital Berhad, overseeing Group Finance and Accounting, MIS, Corporate Finance & M&A, Investor Relations, and Strategy for the RHB Capital Group and its subsidiaries.
- From 2011 to 2015, he served as the Group Managing Director at RHB Capital Berhad, where he led operations across Banking, Investment Banking, Islamic Banking, Asset Management, and Insurance.
- In October 2016, Kellee Kam was appointed as an Independent Director at Bank of America Malaysia Berhad (BAMB) and was subsequently elected Charmain in June 2021.
- After his tenure at BAMB, he assumed the position of Group Chief Executive Officer of Alliance Bank Malaysia Berhad on 1st September 2022.

Present Directorship:

- NIL

Declaration:

- *Kellee Kam Chee Khiong does not have any conflict of interest or family relationship with any Director and/or major shareholder of CGC Malaysia.*
- *Kellee Kam Chee Khiong has not been charged and/or convicted for any offence.*
- *Kellee Kam Chee Khiong has not been subjected to any public sanction or penalty by the relevant regulatory bodies during the financial year.*

PROFILE OF GROUP MANAGEMENT TEAM

DATUK MOHD ZAMREE MOHD ISHAK

President & Chief Executive Officer

Nationality	Age/Gender	Date Joined
Malaysian	58/Male	1 January 2015

Academic/Professional Qualification(s)

- Bachelor of Science in Business Administration, Saint Louis University, United States of America
- Master of Business Administration (Finance), University of Hull, United Kingdom
- Chartered Institute of Islamic Finance Professional
- Chartered Banker, Asian Institute of Chartered Bankers & Chartered Banker Institute, United Kingdom

Executive Education

- Asian International Executive Programme, INSEAD
- Global Leadership Development Programme, ICLIF
- Advanced Management Programme (AMP 191), Harvard Business School, United States of America

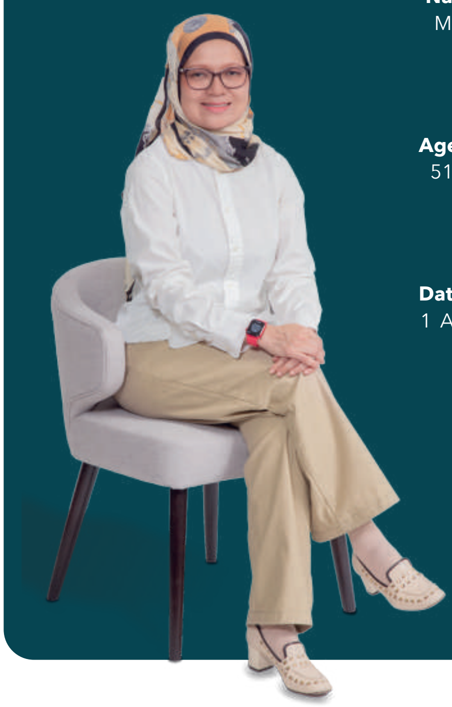
Working Experience

Over 35 years of experience in banking operations, corporate banking, consumer banking and Islamic finance. He has held the following key positions:

- Chief Operations Officer, INCEIF – The Global University of Islamic Finance
- Executive Vice President, Corporate Banking, Malayan Banking Berhad (Maybank)
- Vice President, Consumer Banking, Maybank
- Executive Assistant to the President & Chief Executive Officer, Maybank

AWARDS

- Outstanding CEO Award, Association of Development Financing Institutions in Asia and the Pacific (ADFIAP)
- Sustainability Leader of the Year, European Organisation for Sustainable Development, ADFIAP and the Association of African Development Finance Institutions in collaboration with the City of Karlsruhe, Germany



Nationality
Malaysian

Age/Gender
51/Female

Date Joined
1 April 2016

YUSHIDA HUSIN

Chief Executive Officer, CGC Digital Sdn Bhd

Academic/Professional Qualification(s)

- Bachelor of Science in Statistics, University of Illinois Urbana-Champaign, United States of America

Working Experience

Currently leading CGC Digital, the digital subsidiary of CGC Malaysia, to further aid MSMEs' access to financing and help them scale their businesses using data and technology-driven innovation.

She possesses over 28 years of experience in various leading roles spanning transformation, strategy, corporate startup, technology-led innovation, corporate support functions, operations, and management consulting within the financial services industry at both local and regional levels.

Her previous roles at CGC Malaysia include Chief Technology & Operations Officer, Chief Information Officer and Senior Vice President of the Programme Management Office. She has also previously held the following positions:

- Chief Corporate Services Officer of Takaful Ikhlas Berhad
- Management Consultant, Accenture

PERBAGARAN KUPPUSAMY

Chief Internal Auditor

Academic/Professional Qualification(s)

- Bachelor of Accountancy (Hons.), Universiti Utara Malaysia (UUM)
- Master of Business Administration, Cardiff Metropolitan University, United Kingdom (UK)
- Chartered Banker, AICB/(CB), Chartered Banker Institute UK & Asian Institute of Chartered Bankers
- Certified Internal Auditor (CIA) from Institute of Internal Auditors Malaysia (IIAM)
- Advanced Credit Enhancer Certification, CGC – Institut Bank-Bank Malaysia
- Member, Institute of Internal Auditors Malaysia
- Member, Malaysian Institute of Accountants

Working Experience

Over 26 years of experience in Audit & Risk Management. He has held the following key positions:

- Chief Risk Officer, CGC
- Senior Manager of Asset Management, CGC
- Head of Internal Audit, CGC
- Head of Branch Audit, Affin Bank Berhad

Nationality
Malaysian

Age/Gender
55/Male

Date Joined
1 August 2005

PROFILE OF GROUP MANAGEMENT TEAM

Nationality
Malaysian

Age/Gender
53/Male

Date Joined
4 May 2015

DAENG HAFEZ ARAFAT ZUHUD

General Counsel & Company Secretary

Academic/Professional Qualification(s)

- Bachelor of Laws (Hons.), International Islamic University Malaysia, 1994
- Advocate and Solicitor of High Court of Malaya. Admitted on 18 March 1995
- Licensed Company Secretary of Companies Commission of Malaysia since 1998

Working Experience

Has accumulated 30 years of experience in various sectors such as financial services, oil & gas, telecommunications, aerospace, and hotel & property development. He has held the following key positions:

- Assistant Vice President, Group Corporate Secretarial, Maybank, and Company Secretary of Maybank Asset Management Group of Companies and Maybank (Cambodia) Plc
- Senior Manager, Legal & Human Resources, Intraline Group of Companies
- Senior Manager, Legal & Company Secretarial/Joint Company Secretary, Lankhorst Berhad
- Manager, Legal & Corporate Services, and Company Secretary, Aerospace Technology Systems Corp. Sdn Bhd

ZARINA OSMAN

Chief Risk Officer

Academic/Professional Qualification(s)

- Bachelor of Accountancy (Hons.), University of Malaya
- Certified Credit Professional (CCP) from Institut Bank-Bank Malaysia
- Banking Credit Specialist from Islamic Banking and Finance Institute Malaysia (IBFIM)
- Islamic Professional Credit Certification from IBFIM

Working Experience

Over 30 years of combined experience in business and credit management covering the entire Business Banking portfolio, including Investment, Treasury and Capital Markets, Corporate, Commercial, SMEs and Retail Business. With expertise in investment and corporate business at Amanah Merchant Bank Bhd, she was a pioneer member of RHB Islamic Bank Bhd, contributing to establishing Malaysia's first Islamic Window subsidiary. She has held the following key positions and undertook credit transformation exercises as Head of Credit Management in:

- Kuwait Finance House Malaysia Bhd
- Bank Muamalat Malaysia Bhd

Nationality
Malaysian

Age/Gender
54/Female

Date Joined
3 April 2017

Nationality
Malaysian

Age/Gender
48/Male

Date Joined
2 May 2018

RAHIM RADUAN

Chief Operations Officer

Academic/Professional Qualification(s)

- Fellow, Association of Chartered Certified Accountants, UK
- CIMB-INSEAD Leadership Programme, INSEAD France
- Member, Institute of Corporate Directors Malaysia
- Member, Malaysian Institute of Accountants
- Member, Malaysian Financial Planning Council
- Member, Financial Planning Association of Malaysia

Working Experience

Over 25 years of experience across key industries, holding senior positions related to financial services primarily in the banking, wealth management, and fund management sectors, as well as in automotive, infrastructure, and property development. His previous roles include:

- Chief Corporate Officer, CGC
- Director in Group MD/CEO's Office, UEM Group Bhd
- Managing Director/Head of Consumer Banking's Operations & Services Support, CIMB Bank Bhd
- Managing Director/Chief Operating Officer, CIMB-Principal Asset Management Bhd (now known as Principal Asset Management Bhd)
- Chief Operating Officer, CIMB Wealth Advisors Bhd
- General Manager/Head of Group Finance Division, PROTON Holdings Bhd
- Senior Manager, PricewaterhouseCoopers

SEAN TAN

Chief Business Officer

Academic/Professional Qualification(s)

- Bachelor of Commerce, Major in Finance and Marketing, Curtin University of Technology, Perth, Australia

Working Experience

Over 24 years of experience in banking and PropTech covering SME and Consumer Segments including Business Development, Sales Management, Product and Marketing, Business Strategy, Strategic Alliances, Collection and Recovery and Data Software Solutions. He has held the following key positions:

- Head of Business Development, Data and Software Solutions Division, PropertyGuru Group
- Head of Sales and Partnership, Business Banking, UOB Bank Malaysia
- Head of Sales, Retail SME, Standard Chartered Bank Malaysia
- Head of Personal Loan, Personal Loan, Hong Leong Bank
- Head of Propositions, Strategy and Channels, Commercial Banking, HSBC Bank Malaysia
- Head of Product Service Unit, Commercial Banking and Business Banking, CIMB Bank Malaysia

Nationality
Malaysian

Age/Gender
48/Male

Date Joined
5 April 2023

PROFILE OF GROUP MANAGEMENT TEAM

Nationality
Malaysian

Age/Gender
55/Male

Date Joined
8 May 2023

NAZRAL SAFRIL MOHAMMAD SAPARI

Chief Human Resources Officer

Academic/Professional Qualification(s)
- Diploma in Banking Studies, Universiti Teknologi MARA (UiTM)
- Advanced Diploma in Business Management, Swansea Institute of Higher Education, Wales, United Kingdom
- Bachelor of Business Administration (Hons) in Human Resource Management, UiTM

Working Experience
Over 32 years of experience in human resource strategies, management, administration, and operations in banking as well as in various corporate environments. He has held the following key positions:
- Director, Human Resources & Administration, Malaysia Digital Economy Corporation
- Head/General Manager, Human Resources & Administration, Touch 'N Go Sdn Bhd
- Regional Head/Director, HR Business Partner for Group Asset Management & Investments (CIMB Principal Asset Management Group), CIMB Investment Bank Berhad
- Assistant General Manager, Planning & Organisation Design – Human Capital/Founding team member, Alinma Bank, Riyadh, Kingdom of Saudi Arabia
- Senior Manager, Group Human Resources at AmBank (M) Berhad

Awards
- The People Leader of the Year 2024 (Gold) Award by Jobstreet's SEEK People + Purpose Awards
- Top HR Leader Award 2024 by Jobstore.com

Nationality
Malaysian

Age/Gender
43/Female

Date Joined
6 June 2023

NURUL AMNI MOHD AMIN

Chief Financial Officer

Academic/Professional Qualification(s)

- Bachelor of Science in Accounting and Finance, University of Southampton, United Kingdom
- Fellow of Institute of Chartered Accountants in England and Wales
- Member of Malaysian Institute of Accountants

Working Experience

Over 20 years of professional experience in accounting firms, with auditing experience in various commercial sectors within government agencies, financial institutions, and the sovereign wealth fund industry. She played an instrumental role in Khazanah's strategic planning, performance reporting, and portfolio management. She led transformative initiatives at PNB, implementing core investment systems, data warehouses, and building data teams. At Ernst & Young, she headed asset and fund management, investment holding, services and trading, property development, and the manufacturing industry. She has held the following key positions:

- Vice President of Project Management Unit, Public Market Division, Permodalan Nasional Berhad
- Associate Director, Head of Finance and Capital Management, Danajamin Nasional Berhad
- Vice President of Strategic Management Unit in Managing Director's Office, Khazanah Nasional Berhad

WAI KO-CHI

Chief Technology Officer

Academic/Professional Qualification(s)

- Bachelor of Engineering (Hons. Mechanical), University of Malaya

Working Experience

Over 28 years of experience with various national and international organisations, involved in global and regional projects in applications development, systems integration, enterprise architecture, and managed services delivery. He oversees the company's technology strategy, initiatives, and ensures efficient technology and cybersecurity operations in his current role. He has held the following positions:

- Chief Engineer, DXC Technology/Hewlett Packard Enterprise
- Architect, Shell IT/Hewlett Packard Malaysia
- Analyst, Andersen Consulting/Accenture

Nationality
Malaysian

Age/Gender
51/Male

Date Joined
15 June 2017

PROFILE OF GROUP MANAGEMENT TEAM

Nationality
Malaysian

Age/Gender
70/Female

Date Joined
1 September 2015

SUM LENG KUANG

Advisor, Investment

Academic/Professional Qualification(s)

- Bachelor of Commerce (Finance), University of Canterbury, New Zealand

Professional Qualifications

- Certified Financial Planner

Working Experience

Over 41 years of experience in fund management, particularly in managing fixed income investment portfolios, credit evaluation, and credit risk management. She has held the following key positions:

- Acting CEO, Hong Leong Asset Management Berhad
- Senior Vice President, Head of Fixed Income Investment, Great Eastern Life Assurance (Malaysia) Berhad

MOHD SUKERI ISMAIL

Head, Operations

Academic/Professional Qualification(s)

- Diploma, Indiana University, USA
- Bachelor of Science in Business Administration (Finance), Creighton University, USA

Working Experience

Over 28 years of experience in Shared/Full Risk and Financing applications. He has held the following positions:

- Assistant General Manager, Credit, CGC
- Senior Manager, Credit, CGC
- Senior Manager, Operations, CGC
- Manager, Credit Evaluation, CGC
- Assistant Manager, Guarantee, CGC
- Branch Manager, Hong Leong Finance Berhad
- Branch Executive, Hong Leong Finance Berhad

Nationality
Malaysian

Age/Gender
57/Male

Date Joined
6 May 1996

Nationality
Malaysian

Age/Gender
59/Male

Date Joined
4 February 2015

MOHAMED AZMAN MOHAMED TAUFIK

Head, Business Development & Product Management

Academic/Professional Qualification(s)

- Bachelor of Management Studies, University of Waikato, New Zealand

Working Experience

With over 35 years of distinguished experience in the banking and financial sectors across Malaysia and Indonesia, Mohamed Azman Mohamed Taufik brings extensive expertise in corporate banking, SME banking, and branch management. His strategic leadership has been instrumental in driving business growth and innovation at CGC. Throughout his career, he has held several senior positions, including:

- Senior Account Manager, Malayan Banking Berhad
- Associate Director, Danajamin Nasional Berhad
- Associate Director, The Bank of Nova Scotia Berhad

Since joining CGC in 2015, Azman has played a pivotal role in enhancing product offerings and strengthening business development initiatives, contributing significantly to the organisation's mission of supporting SMEs and fostering financial inclusion.

AZMAN IDRUS

Head, Strategic Management & Communications

Academic/Professional Qualification(s)

- Bachelor of Information Science, Universiti Teknologi MARA (UiTM)
- Master of Business Administration, University of Hull, United Kingdom

Working Experience

Over 27 years of experience in consumer banking strategy development, operations, channels, and change management leadership within financial institutions, including those with regional presence. Previous positions include:

- Head of Channel Operations & Services, Al Rajhi Bank Malaysia
- Head of Channel Operations & Head of Strategic Management, Consumer Banking, CIMB Bank Berhad
- Senior Manager, AmBank (M) Berhad/AmBank Islamic
- Consultant & Consulting Manager, Cap Gemini Ernst & Young Malaysia and Asia Pacific
- Research Officer & Junior Analyst, Citibank Berhad

Nationality
Malaysian

Age/Gender
55/Male

Date Joined
12 September 2022

PROFILE OF GROUP MANAGEMENT TEAM

Nationality
Indian

Age/Gender
47/Female

Date Joined
15 March 2022

ILA DIXIT

Chief Digital and Innovation Officer, CGC Digital Sdn Bhd

Academic/Professional Qualification

- Master of Computer Management, Devi Ahilya Vishwavidyalaya, Indore, India

Working Experience

Over 22 years of multi-channel delivery experience have established her as a leading expert in digital transformation. Her track record includes numerous successful engagements that have transformed customer experiences and streamlined operations. Previous key positions include:

- Head, Digital Channels and Products, Celcom Axiata Berhad
- Head, Digital Operations, Celcom Axiata Berhad
- Digital Delivery Lead and Consultant, Tata Consultancy Services, Malaysia Sdn Bhd
- IT Billing and Operations, IBM, India

NAZRUL HISYAM BIN MOHD NOH

Chief Growth Officer, CGC Digital Sdn Bhd

Academic/Professional Qualification(s)

- Bachelor of Arts in Economics, Cambridge University, United Kingdom
- Master of Arts in Economics, Cambridge University, United Kingdom

Executive Education

- Chartered Banker, Asian Institute of Chartered Bankers
- Sijil Pasaran Kewangan, Persatuan Pasaran Kewangan Malaysia & Institute of Bankers Malaysia

Working Experience

Over 27 years of experience in various leading roles involving financial market development, open-market operations, foreign exchange intervention, investment management, international relations, strategic management, corporate communication and corporate governance. He has also been seconded to global financial market intermediaries in Wall Street, New York & Princeton, New Jersey, USA. He has held the following key positions:

- Managing Director, Financial Park (Labuan) Berhad
- Assistant Governor, Bank Negara Malaysia
- Secretary to the Board, Bank Negara Malaysia
- Member of the Board of Directors and Board Risk Management Committee of Cagamas Berhad
- Chief of Staff, Bank Negara Malaysia
- Director, International Department, Bank Negara Malaysia
- Deputy Director, Monetary Policy Implementation, Bank Negara Malaysia
- Co-Chair, ASEAN Working Group, Trade in Financial Services

Nationality
Malaysian

Age/Gender
50/Male

Date Joined
15 July 2024

LEADERSHIP

- ORGANISATIONAL STRUCTURE

ORGANISATIONAL STRUCTURE

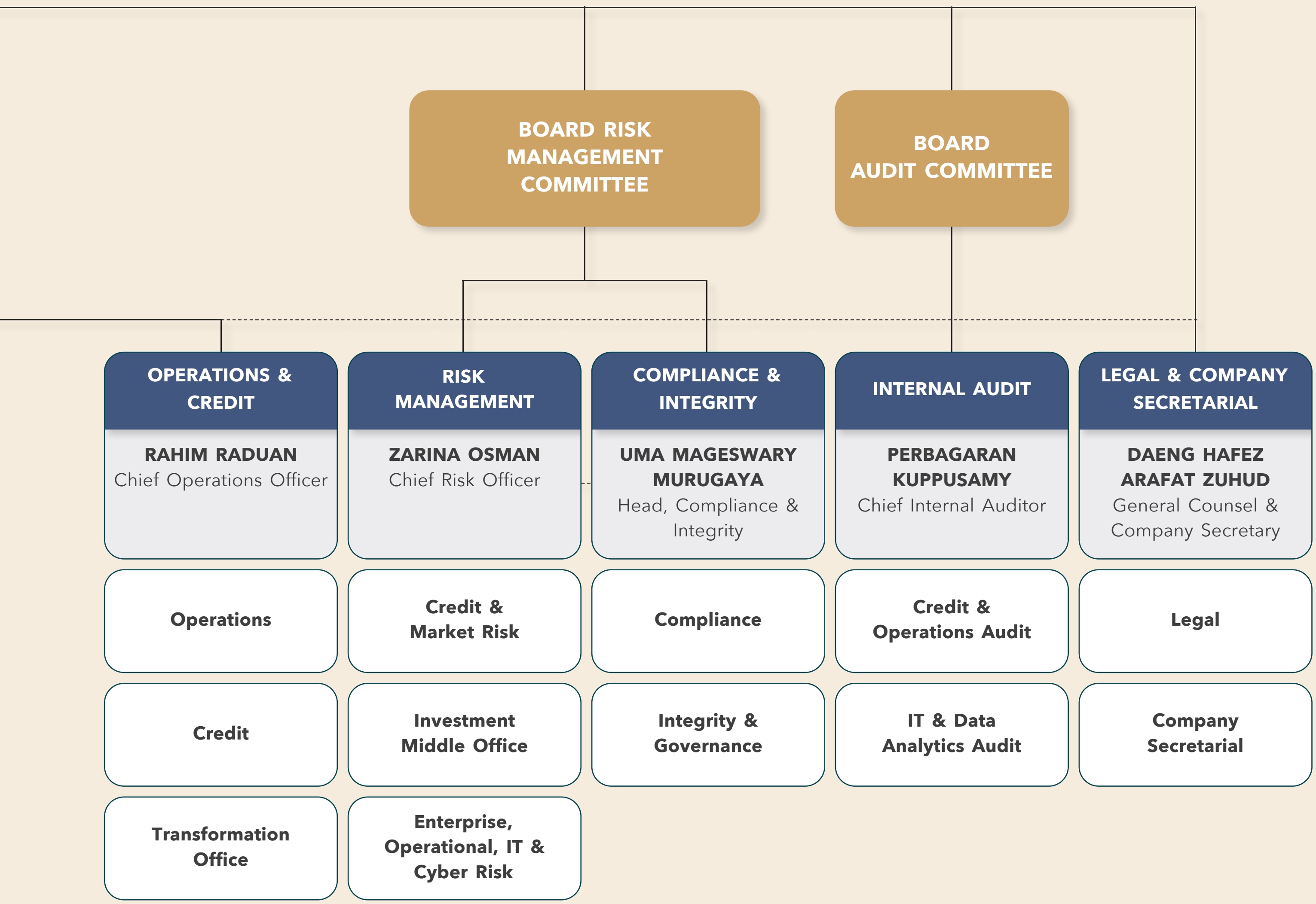
Effective 1 March 2025

BOARD OF DIRECTORS

PRESIDENT & CHIEF EXECUTIVE OFFICER

DATUK MOHD ZAMREE MOHD ISHAK

BUSINESS	HR MANAGEMENT & ADMINISTRATION	INVESTMENT	INFORMATION TECHNOLOGY	STRATEGY & FINANCE
SEAN TAN Chief Business Officer	**NAZRAL SAFRIL MOHAMMAD SAPARI** Chief Human Resources Officer	**SUM LENG KUANG** Advisor	**WAI KO-CHI** Chief Technology Officer	**NURUL AMNI MOHD AMIN** Chief Financial Officer
Branch & GLC Management	Organisational Effectiveness & Rewards	Investment (Credit & Capital Market)	IT Projects & Functional	Strategic Management & Communications
Bumiputera Private Sector	Talent Development & Engagement		IT Applications	Finance
Business Development & Product Management	HR Services		Enterprise Architecture & Strategy	Procurement
SME Advisory & Strategic Alliances	Facility & Administration Services		IT Governance & Security	Strategic Data
Business Growth Management			IT Infrastructure	
			IT Service Management	
			Data Engineering	


BOARD RISK MANAGEMENT COMMITTEE
BOARD AUDIT COMMITTEE
OPERATIONS & CREDIT
RAHIM RADUAN
Chief Operations Officer
Operations
Credit
Transformation Office
RISK MANAGEMENT
ZARINA OSMAN
Chief Risk Officer
Credit & Market Risk
Investment Middle Office
Enterprise, Operational, IT & Cyber Risk
COMPLIANCE & INTEGRITY
UMA MAGESWARY MURUGAYA
Head, Compliance & Integrity
Compliance
Integrity & Governance
INTERNAL AUDIT
PERBAGARAN KUPPUSAMY
Chief Internal Auditor
Credit & Operations Audit
IT & Data Analytics Audit
LEGAL & COMPANY SECRETARIAL
DAENG HAFEZ ARAFAT ZUHUD
General Counsel & Company Secretary
Legal
Company Secretarial

CHAIRMAN'S STATEMENT ON CORPORATE GOVERNANCE

THE CGC BOARD OF DIRECTORS (THE BOARD) BELIEVES THAT EFFECTIVE CORPORATE GOVERNANCE IS ESSENTIAL FOR MAINTAINING THE TRUST AND CONFIDENCE OF OUR SHAREHOLDERS, CUSTOMERS, AND EMPLOYEES. IT ENABLES US TO FORMULATE STRATEGIES, MANAGE OPERATIONS, MITIGATE RISKS AND UPHOLD OUR COMMITMENT TO TRANSPARENCY AND ACCOUNTABILITY.

In an increasingly complex and fast-evolving operating environment, strong leadership provides the foundation upon which we formulate strategies, anticipate and respond to risks, and steward the organisation towards sustainable growth. In this regard, we continuously review and update our policies and procedures to ensure they remain aligned with evolving regulations, industry standards, and stakeholder expectations.

We have strengthened our internal controls and risk management systems, addressing financial, economic, environmental and social risks. Our commitment to integrity and ethical conduct remains uncompromised, and we hold ourselves accountable to the highest ethical standards in all our business dealings.

Our Board comprises experienced individuals with diverse backgrounds and expertise, which enhances our decision-making processes with their valuable insights and perspectives. They are responsible for providing strategic direction and have worked diligently to ensure that our company operates in accordance with applicable laws, regulations, and best practices.

We view governance as a discipline that evolves with the organisation, nurtured through continuous learning, open dialogue, and robust feedback mechanisms. Our Board members actively contribute to sharpening our governance practices through feedback and guidance, and aligning our strategic direction with long-term growth objectives.

Looking ahead, we remain resolute in our commitment to upholding the highest standards of corporate governance. We will continue our efforts to evolve our practices in line with evolving expectations and best practices. We will continue to refine our practices, align with emerging expectations, and reinforce CGC's role as a principled and progressive organisation–creating long-term value for MSMEs, stakeholders, and the nation at large.

Dato' Mohammed Hussein
Chairman

CORPORATE GOVERNANCE OVERVIEW STATEMENT

THE BOARD AND MANAGEMENT OF CGC ARE COMMITTED TO UPHOLDING STRONG CORPORATE GOVERNANCE BY CONSISTENTLY ADOPTING AND MAINTAINING HIGH STANDARDS ACROSS THE ORGANISATION. THIS COMMITMENT IS KEY TO IMPLEMENTING EFFECTIVE PRACTICES WHILE MAINTAINING PROFESSIONALISM, INTEGRITY AND ACCOUNTABILITY IN DAY-TO-DAY OPERATIONS. THESE STANDARDS ARE EMBEDDED INTO CGC'S BUSINESS PLANS, STRATEGIES, AND RISK MANAGEMENT PROCESSES, WITH CONTINUOUS REVIEWS UNDERTAKEN TO INTEGRATE BEST PRACTICES IN GOVERNANCE, SUSTAINABILITY, AND ENVIRONMENTAL STEWARDSHIP.

At the fundamental level, the Board ensures compliance with the Companies Act 2016 and CGC's Constitution, and upholds high corporate governance standards through adherence to the best practices in the following regulatory policies and guidelines:

Policy on Corporate Governance issued by Bank Negara Malaysia (BNM CG Policy)

Malaysian Code on Corporate Governance 2021 issued by Securities Commission Malaysia (Code)

The Board and Management collectively and diligently oversee the implementation of the principles and practices outlined in the Code, ensuring they are well understood and consistently applied to enhance CGC's governance framework, ethical standards, and the integrity of its business conduct and practices.

This Corporate Governance Overview Statement provides shareholders and investors with comprehensive insights into CGC's corporate governance practices during FY2024, structured around the following three (3) key principles of the Code:

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS

Read more on page 232

PRINCIPLE B

EFFECTIVE AUDIT AND RISK MANAGEMENT

Read more on page 246

PRINCIPLE C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

Read more on page 247

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Principle A

BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD ROLES AND RESPONSIBILITIES

CGC is guided by a diverse and experienced Board that provides strategic oversight and effective leadership in steering the organisation's direction and operations. The Board is committed to upholding sound governance, professional conduct, and CGC's core values while discharging its fiduciary duties with diligence and integrity.

As the highest governing body, the Board assumes ultimate responsibility for CGC's performance, strategic direction, and overall affairs. It plays a central role in decision-making on significant matters, including endorsing CGC's corporate strategy, approving key policies, setting long-term business goals, and defining the organisation's risk appetite. The Board also reviews and approves the annual budget and financial statements, ensuring the delivery of sustainable value to shareholders.

In discharging its duties, the Board is also responsible for the following:

- Championing the highest standards of corporate governance
- Upholding robust management of corporate performance
- Supporting the development of CGC's human capital
- Ensuring CGC is equipped with the necessary resources, processes, controls and culture to deliver its strategic objectives and promote long-term growth

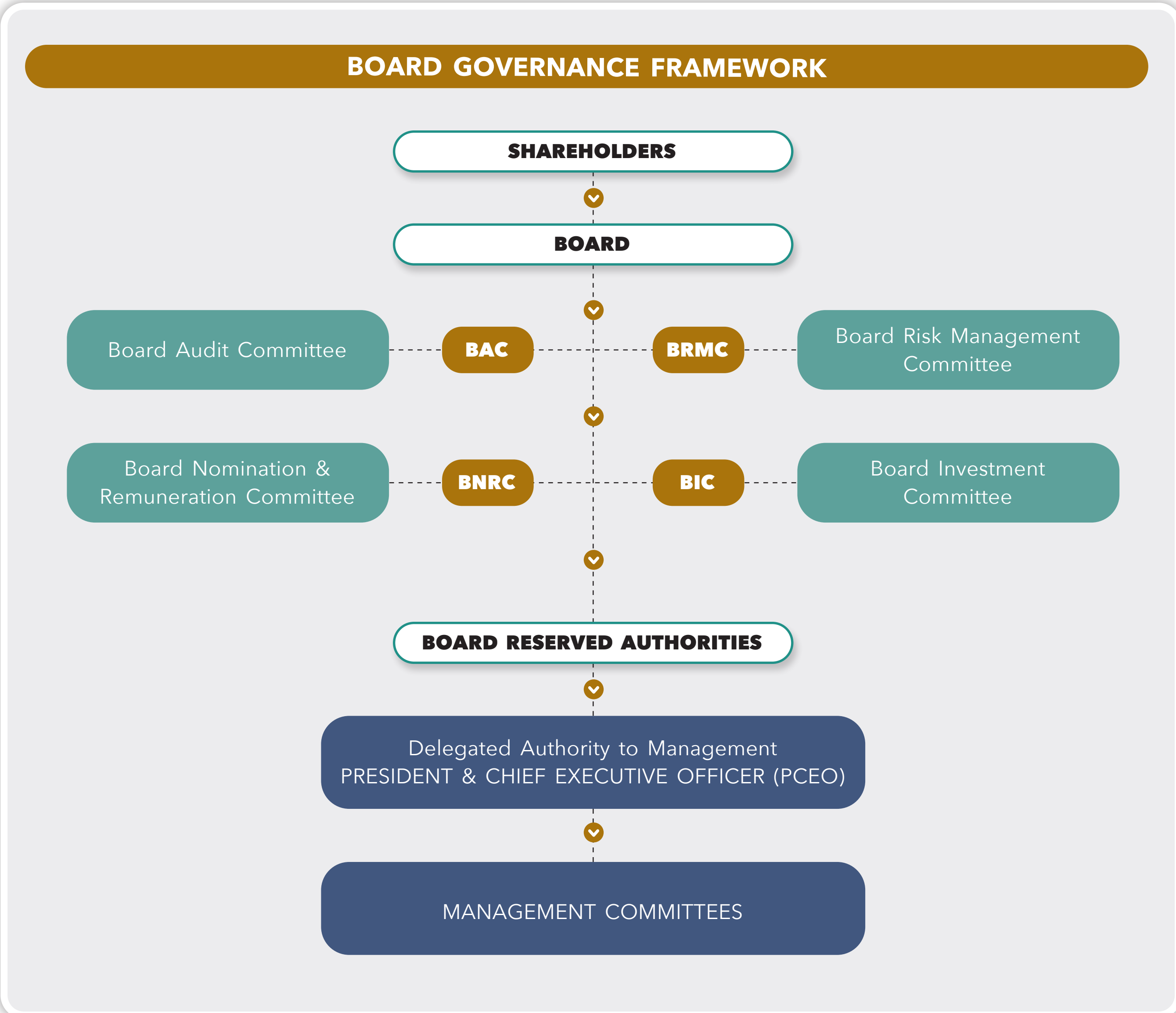
The formal schedule of matters reserved for the Board's decision is clearly defined in the Board Charter. A clear separation of duties and responsibilities between the Chairman and the President & Chief Executive Officer (PCEO) has also been explicitly outlined in the Board Charter, with distinct roles and responsibilities carried out by separate individuals fostering an optimal balance, enhancing accountability and improving decision-making.

The Board is chaired by Dato' Mohammed Hussein, an Independent Non-Executive Director. He plays a vital role in steering the Board towards achieving corporate goals and overseeing processes to ensure full compliance with legal and regulatory responsibilities. As Chairman, he also cultivates the right culture, values, and behaviours throughout CGC, while providing robust leadership to ensure the Board operates effectively.

Datuk Mohd Zamree Mohd Ishak, CGC's PCEO, is responsible for managing the day-to-day operations of the CGC Group. He is responsible for executing the strategies, policies, and decisions set by the Board, ensuring operational excellence and the realisation of CGC's strategic goals. In his role as PCEO, he serves as an essential link between the Board and Management, and is supported by the Management Committees in fulfilling his responsibilities.

II. BOARD GOVERNANCE FRAMEWORK

The Board Governance Framework is structured to support the orderly and effective discharge of the Board's functions and responsibilities. To facilitate this, the Board delegates specific roles and oversight responsibilities to four (4) principal Board Committees, each governed by clearly defined Terms of Reference (TOR).



The Framework facilitates strategic alignment and efficient decision-making across CGC. It is supported by the Board Charter and TORs, which are accessible on CGC's website at www.cgc.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

III. KEY RESPONSIBILITIES

CGC maintains a well-defined governance structure that promotes clarity in roles and responsibilities, fostering accountability. The clear delineation of duties supports efficient operations and strengthens independent governance across the organisation.

CHAIRMAN

- Responsible for leadership and management of the Board, ensuring its overall effectiveness.
- Encourages all Directors to maximise their contributions to the Board by drawing on their skills, experience, knowledge and, where appropriate, independence.
- Promotes a culture of openness, constructive challenge and debate, especially for complex and critical issues.
- Engages and consults with major shareholders and principal stakeholders.
- Leads the Board in establishing and monitoring strong corporate governance practices across CGC.
- Promotes respectful and collaborative relationships among Directors and between the Board and Management.
- Sets the Board agenda and ensures that Directors receive complete and accurate information in a timely manner.

PRESIDENT & CHIEF EXECUTIVE OFFICER

- Provides executive leadership and oversees the day-to-day management of CGC's business, within the authority delegated by the Board.
- Implements the strategic direction and priorities as determined by the Board.
- Ensures that CGC's businesses are properly and efficiently managed, with the executive team effectively implementing policies and strategies approved by the Board and Board Oversight Committees.
- Oversees the implementation of operational planning and control systems, monitors performance against targets, and initiates corrective actions when required.

NON-EXECUTIVE DIRECTOR

- Contributes sound judgment to Board deliberations, offering constructive challenge to Board discussions and decision-making.
- Supports the Chairman and Senior Management in instilling the appropriate culture and values within the Board and throughout CGC.
- Scrutinises the performance of Management to ensure accountability and alignment with strategic objectives.

COMPANY SECRETARY

- The General Counsel & Company Secretary (GC&CS) is responsible for ensuring Board procedures and all applicable rules are observed.
- Together with the Company Secretarial team, the GC&CS provides sound governance advice, comprehensive support, and appropriate guidance to ensure compliance with Board policies, procedures, and regulatory requirements, while promoting best practices in corporate governance.
- The GC&CS works closely with the Chairman, Chairs of the Board Committees, and the PCEO to set meeting agendas and ensure timely presentation of high-quality information to the Board. All Directors have the power to propose items for Board discussions and regularly did so during the year.
- The GC&CS also advises Directors on their statutory obligations, including the disclosure of interests in securities and any potential conflicts of interest in transactions involving CGC.

IV. ATTENDANCE AT BOARD MEETINGS

The Board remains committed to dedicating ample time and effort to fulfil its responsibilities effectively and convened a total of six (6) meetings during FY2024 to deliberate and/or review a wide range of significant matters requiring the Board's guidance and approval. To ensure optimal attendance and active participation, the corporate calendar for Board and Board Committee meetings was scheduled in advance during the final quarter of the preceding financial year. Special meetings may also be convened as necessary when urgent decisions are required outside of the scheduled sessions.

Senior Management was regularly invited to attend Board meetings to provide briefings on specific developments or proposals related to the matters under discussion. This practice promotes direct and transparent engagement between the Board and Management, resulting in constructive and meaningful discussions.

The Board is pleased with the level of commitment demonstrated by Directors in discharging their responsibilities throughout the year. The table below provides a summary of each Director's attendance at Board meetings during FY2024:

ATTENDANCE

No.	Director	Designation	Attendance
1	**Dato' Mohammed Hussein**	Independent Non-Executive Director (Chairman)	6/6
2	**Choong Tuck Oon**	Independent Non-Executive Director	6/6
3	**Faisal Ismail**	Independent Non-Executive Director	6/6
4	**Saleha M. Ramly**	Independent Non-Executive Director	6/6
5	**Anthony Lim Choon Eng**	Independent Non-Executive Director	6/6
6	**Suhaimi Ali**	Non-Independent Non-Executive Director	3/6
7	**Kellee Kam Chee Khiong**	Independent Non-Executive Director	6/6

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The table below summarises Directors' attendance at Board Committee Meetings during FY2024:

No.	Name of Directors	Date of Appointment	BNRC	BAC	BRMC	BIC
1	Dato' Muhammed Hussein	01.05.2020	4/4 (Chairman)	–	–	–
2	Choong Tuck Oon	20.01.2017	–	–	8/8	–
3	Faisal Ismail	01.12.2019	–	6/6 (Chairman)	8/8	5/5
4	Saleha M. Ramly	01.12.2019	4/4	6/6	–	–
5	Anthony Lim Choon Eng	01.04.2022	–	–	8/8 (Chairman)	4/5
6	Suhaimi Ali	28.04.2022	–	–	–	–
7	Kellee Kam Chee Khiong	16.10.2023	3/4	6/6	–	5/5 (Chairman)
	Number of Meetings held in FY2024		4	6	8	5

BOARD FOCUS AREAS 2024

The main focus areas deliberated by the Board during FY2024 were as follows:

1. **High-Level Development Plan of CGC Group 5-Year Strategic Plan 2026-2030**
Key emphasis was placed on CGC Group's future strategy based around four (4) Key Focus Areas and nine (9) Strategic Priorities, which focused on expanding targeted segments, expanding beyond MSME life stages, expanding partners beyond Financial Institutions and expanding non-financial support to MSME.

2. **Group Profit Mandate**
The Board, with the assistance of Board Risk Management Committee, had revisited CGC Group's pricing strategy through the introduction of a dynamic pricing structure. New Product Grouping was introduced to more effectively serve CGC Group customer segments – namely Commercial, Targeted and Developmental segments – and price them accordingly. This strategy enables us to align our financial sustainability objectives with our commitment to developmental goals.

3. **Technology Risk Management**
Aligned with the Board's emphasis on technology risk management, a Cybersecurity Maturity Assessment (CMA) was undertaken to enhance CGC's cyber security posture. The Technology and Cyber Risk Management Framework and Policy were updated to include Risk Management in Technology (RMiT) standards, ensuring a more robust approach to overseeing cybersecurity and digital risks.

V. BOARD ACTIVITIES AND DISCUSSIONS

Other key areas/matters reviewed, deliberated and approved by the Board during FY2024 were as follows:

FINANCE

- Audited Financial Statements for the Year Ended 31 December 2023
- Non-Distribution of Dividend for Financial Year Ended 31 December 2023
- FY2024 Mid-Year Review
- CGC Digital Funding
- Re-appointment of External Auditor for FY2024
- Revision of Expected Credit Losses (ECL) Methodologies – Probability of Default (PD), Macroeconomic Variables (MEV) and Management Overlay (MO)
- Enhancement of Terms and Conditions of CGC Digital's Non-Cumulative Redeemable Convertible Preference Shares (RCPS)

STRATEGY

- CGC Corporation Scorecard for Financial Year FY 2023
- High-Level Plan of CGC Group 5-Year Strategic Plan 2026-2030
- CGC Group Strategic Plan for the Sharing Economy
- Group Profit Mandate
- New Contract Financing Facility

CORPORATE GOVERNANCE OVERVIEW STATEMENT

GOVERNANCE

- Board Evaluation Exercise for Year 2023
- 51st Annual General Meeting/Annual Report 2023
- Re-election of Directors Retiring pursuant to Articles 76A, 76B and 77 of CGC's Constitution
- Proposed Appointment of Attorneys under Power of Attorney
- Amendments of CGC Digital's Constitution pursuant to the Refinement of Terms and Conditions of Non-Cumulative RCPS
- Declaration of Compliance to the CCRIS Participation Agreement

RISK MANAGEMENT/COMPLIANCE

- Revision of Rescheduling and Restructuring Policy for Guarantee and Financing
- Revision to the Whistleblowing Policy and Grievance Policy
- Independent Credit Review on PG/WG
- Revision of Credit Underwriting Policy for Guarantee and Financing
- Increase of Single Counterparty Exposure Limit (SCEL) and Group Exposure Limit (GEL)
- Revision of Approving Authority Matrix (AAM) 2024
- Revision to the Shariah Governance Framework
- Revision of Write-off Policy for Guarantee and Financing
- Revision of Compliance and Integrity Policy
- Revision to the Anti-Bribery and Anti-Corruption (ABAC) Policy Statement
- Revision of Credit Risk Related Policies
- Corporation Risk Appetite Statement and Threshold for FY2025
- Credit Concentration Limits (CCL) for FY2025
- MFRS 9 Macroeconomic Variable (MEV) and Scalars Review for 2H 2024
- Revision of Fraud Management Framework
- Corporate Stress Testing 2024
- Annual Review of Investment Policy Statement and Tactical Asset Allocation for Year 2024
- Gap Analysis on Global Internal Audit Standards 2024

TECHNOLOGY

- Technology and Cyber Risk Management Framework and Policy
- Bots Development Plan 2024-2025
- Revision of IT Information Security (IS) Policy
- Technology Modernisation 2017-2030

PEOPLE & CULTURE

- Revision of Records Management Policy
- Proposed Exceptions to the No Gift Policy
- Revision of Non-Executive Directors' Remuneration
- 2023 Bonus and 2024 Salary Increment
- Preliminary Evaluation of Identified Talent for Succession Planning C-1 & C-2
- Proposed Renewal of Group Hospitalisation & Surgical (GHS) Insurance and Re-appointment of Outpatient Third Party Administrator
- Enhancement of Performance Management Framework
- Revisions to Human Resources Management (HRM) Policy
- Revision to Grievance Policy
- Strategic Workforce Planning
- Alignment of Future Skills Framework with CGC Core Competencies

VI. BOARD COMPOSITION

As at 31 December 2024, the Board consists of seven (7) Directors, six (6) male and one (1) female, of whom six (6) are Independent Non-Executive Directors and one (1) being a Non-Independent Non-Executive Director. The Non-Independent Non-Executive Director represents Bank Negara Malaysia, CGC's major shareholder.

The effectiveness of the Board is pivotal to CGC's strategic direction and long-term sustainability, underpinned by strong working relationships among its members. The current Board comprises a balanced mix of experienced individuals, with a majority serving as Independent Non-Executive Directors. These Directors contribute valuable external perspectives and play a critical role in constructively challenging Management, particularly in shaping and refining CGC's business strategies.

INDEPENDENCE

6 Independent Non-Executive Directors

1 Non-Independent Non-Executive Director

GENDER

7 Directors

6 1

Male & Female

EXPERIENCE AND SKILLS

- Banking & Finance
- Corporate Governance
- Economics
- Legal/Regulatory
- Corporate Planning & Development
- Investment
- Leadership & Management
- Capital & Securities Market
- Information Technology
- Risk Management
- Asset Management

AGE GROUP

2 45 to 59 years old

5 60 years and above

BOARD TENURE

2 Less than 3 years

4 3 to 6 years

1 More than 6 years

(a) Board Diversity

The composition of the Board and its Board Committees is fundamental to ensuring access to diverse perspectives, independence in decision-making, and strong, effective leadership. The Board recognises that diversity enhances its decision-making capability and the overall quality of its performance. A diversified Board brings positive and valuable impact to CGC, supporting its ability to remain relevant and sustainable in an ever-evolving business landscape.

To maintain diversity, the composition of the Board and its BCs is periodically reviewed to ensure a balanced mix of dynamic and experienced members. Memberships are rotated among Directors based on the recommendations of the Board Nomination & Remuneration Committee (BNRC) and subject to Board approval. This approach is intended to bring fresh perspectives and relevant skills into the boardroom, enhancing the Board's overall effectiveness.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The current Board is composed of individuals with diverse backgrounds in age, gender, and professional experience. Collectively, they possess a robust mix of skills, education, knowledge, expertise, and business acumen. Their broad range of expertise spans investment and banking, credit analysis and rating, business management, legal and corporate governance, insurance, accounting and finance, information technology and asset management. This well-balanced composition promotes effective dialogue, supports constructive deliberation, and facilitates sound decision-making, ensuring robust stewardship and management.

The Board is confident that the existing appointment process and selection criteria are adequate to promote diversity, gender equality, and inclusive opportunities. While the Board acknowledges the importance of achieving 30% representation of women directors, all appointments are ultimately guided by merit, suitability, and alignment with CGC's strategic needs.

(b) Board Independence

Pursuant to CGC's Board Charter, the tenure of an independent director shall not exceed two (2) terms or six (6) years in total.

Notwithstanding that, the Board shall exercise its discretion to extend for another one (1) term or such period not exceeding three (3) years, subject to the endorsement of the BNRC, based on the result of the Independent Director's Board Annual Assessment.

In the event that the service of an Independent Director is to be further extended, beyond nine (9) years, the Board should justify and seek annual shareholders' approval. If the Board continues to retain an Independent Director after the twelfth years, the Board should seek annual shareholders' approval through a two-tier voting process.

VII. TERMS OF APPOINTMENT OF NON-EXECUTIVE DIRECTORS

CGC is dedicated to upholding a high standard of effective corporate governance, fostering a culture of ethical behaviour and promoting integrity and respect. Consistent with these values, CGC maintains a formal and transparent procedure for the appointment and re-appointment of Directors to the Board.

The criteria for Director appointments and qualifications are governed by the Companies Act 2016, CGC's Constitution, and CGC's Guidelines on Appointment of the Board of Directors. The BNRC is tasked with identifying, assessing, and nominating potential candidates to fill Board vacancies and manage succession planning. In doing so, the BNRC takes into account the current composition of the Board members and CGC's evolving needs.

To source qualified candidates, the BNRC utilises a range of channels and conducts a thorough assessment of their skills, experience, and suitability. Candidates are evaluated for fitness and propriety based on the following criteria during the initial screening and selection process:

- Probity, personal integrity and reputation — A
- Financial integrity — B
- Competency and capability — C

VIII. RETIREMENT AND RE-ELECTION OF DIRECTORS

In assessing Directors' eligibility for re-election and re-appointment, the BNRC assesses each retiring Director's competencies, contributions, commitment, performance, and personality in accordance with Bank Negara Malaysia's Fit & Proper Criteria and the results of the Board Evaluation Exercise. This assessment is further supported by background screenings and verifications conducted by an independent agent and the Company Secretary. The list of retiring Directors is submitted to the BNRC for recommendation, followed by Board endorsement and subsequent shareholders' approval. Retiring Directors are required to provide their consent on their re-election prior to BNRC's deliberation and Board's endorsement.

Pursuant to Article 76A of CGC's Constitution, one-third of the directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office by rotation at each Annual General Meeting (AGM).

Article 76B of CGC's Constitution states that Directors to retire shall be the Directors who have been longest in office since the Directors' last election. Additionally, Article 76C of CGC's Constitution stipulates that a retiring director shall be eligible for re-election.

The following three (3) Directors, having served the longest since their last election, will retire by rotation at the forthcoming 52nd AGM. Upon recommendation by the BNRC and endorsement by the Board, all three (3) Directors have given their consent to be re-elected:

1. **Choong Tuck Oon**
2. **Faisal Ismail**
3. **Saleha M. Ramly**

All the above Directors have abstained from deliberations and decisions on their eligibility to stand for re-election at the Board Meeting.

IX. TIME COMMITMENT

Non-Executive Directors are required to commit sufficient time to effectively fulfil their responsibilities. The attendance record of the Directors demonstrates their strong dedication to the Group, with consistent and active participation in Board activities and meetings throughout the year.

The Chairman devotes significant time to fulfilling his responsibilities, placing CGC's interests as a priority above other business commitments. Beyond formal meetings, the Chairman and Non-Executive Directors invest additional time in gaining deeper insights into CGC's operations and the evolving business environment. This includes attending briefing sessions with Senior Management and participating in regular training to remain well-informed and equipped to lead the business.

X. DIRECTORS' REMUNERATION

Fees and benefits payable to Non-Executive Directors (NEDs) are subject to shareholders' approval at CGC's AGM. Any proposed revision to Directors' remuneration is assessed by the Board, taking into account benchmarking against industry peers of comparable size and reference to remuneration reports provided by professional bodies, before being presented for shareholders' approval.

Directors' Remuneration Framework

A. Benchmarking CGC's financial performance and remuneration against industry peers

B. Consideration of the achievement of CGC's initiatives

C. Referenced against remuneration reports by professional bodies such as FIDE Forum or external consultants

Given the significant responsibilities shouldered by the current composition of seven (7) Directors, a comprehensive review of Directors' remuneration was undertaken in 2024. As a result, the revised remuneration and benefits for NED and Board Committees, including the introduction of Board Committees Fees, were approved at CGC's 51st AGM held on 20 June 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Details of the remuneration received by the Directors during FY2024 are as follows:

The Company 2024	Salary and bonus (RM'000)	Fees (RM'000)	Meeting Allowance (RM'000)	Benefit-in-kind (RM'000)	Total (RM'000)
Non-Executive Directors:					
Dato' Mohammed bin Haji Che Hussein	–	193	65	147	405
Encik Choong Tuck Oon	–	85	56	55	196
Encik Faisal bin Ismail	–	85	97	87	269
Puan Saleha binti M. Ramly	–	85	63	32	180
Encik Lim Choon Eng	–	85	74	38	197
Encik Suhaimi bin Ali	–	79	8	8	95
Encik Kellee Kam Chee Khiong	–	85	85	35	205
Total Directors' remuneration	**-**	**697**	**448**	**402**	**1,547**

XI. PERFORMANCE EVALUATION

The Board Evaluation Exercise is conducted annually to review the performance of the Board, its BCs and individual directors. This process is facilitated by the BNRC with the assistance of the Company Secretary.

In line with the Code and BNM's Policy on Corporate Governance, the CGC Board Evaluation exercise for 2024 was conducted via an online questionnaire. This exercise covered the following areas:

- Board Evaluation **A**
- Directors' Peer and Self (optional) Evaluation **B**
- Management Evaluation of the Board **C**

The results of the 2024 evaluation showed that the overall performance of the Board, its Committees, and individual Directors – including Management's assessment of the Board – was rated as 'Exceed Expectations', reflecting the effective discharge of their roles and responsibilities.

XII. BOARD INDUCTION AND TRAINING

The CGC Board Induction Programme is designed to equip new Directors with a thorough understanding of CGC's operations, the business environment in which it operates, its strategic direction, talent pool and corporate culture, and the expectations of their role in contributing to the organisation's success. This program comprises a blend of technical briefings on key operational areas, office visits and introductory meetings, ensuring that each new director receives a customised, extensive, and comprehensive induction upon their appointment to the Board.

The Board acknowledges the vital role that Directors play in driving CGC's continued success and fulfilling their fiduciary duties. To support this, continuous professional development is encouraged to ensure Directors remain informed of industry developments, regulatory changes, and emerging trends. Participation in relevant training opportunities is promoted to equip Directors with the knowledge and insights necessary to carry out their responsibilities effectively.

In FY2024, CGC's Board members attended various training programmes focused on leadership, technology, risk management, strategy and economic outlook, governance, the financial industry and sustainability. The details of these training programmes are presented below:

List of Training Programmes Attended by Directors in 2024

LEADERSHIP

1. Stewardship as the Guiding Principle for your Board and People Agenda
2. Senior Management Crisis Workshop
3. FIDE FORUM – Preventing Fraud: The Board's Roles and Responsibilities

TECHNOLOGY

1. ALLIANCE – Information Risk Management & Cyber Security
2. CGC Malaysia – Executive Guide to AI Work Companion – Co Pilot MS365
3. KWAP – Block Chain Tech-in Session
4. CGC Malaysia – Cyber Security and Data Privacy: The fight against financial crime
5. BNPP – Cyber Security Awareness Briefing
6. Reserve Bank of India – Global Conference on "Digital Public Infrastructure (DPI) and Emerging Technologies", Bengaluru India
7. FIDE FORUM – Governance-of-Generative-AI

RISK MANAGEMENT

1. ALLIANCE – Anti-Bribery and Corruption
2. ALLIANCE – Banking Secrecy and Management of Customer Information and Permitted Disclosures (MCIPD)
3. ALLIANCE – Operational Risk Management
4. ALLIANCE – Anti-Money Laundering, Counter-Financing of Terrorism, Countering Proliferation Financing & Targeted Financial Sanctions (AML/CFT, CPF, TFS)
5. ASB ICLIF – FIDE Elective – Banking Sector – Market Risk Management

STRATEGY/ECONOMIC OUTLOOK

1. GFIEF Global Forum on Islamic Economics and Finance – Shaping a Resilient Global Islamic Economy Through Values-based Reforms
2. Bank Negara Malaysia – Global Forum on Islamic Economics and Finance (GFIEF), Kuala Lumpur
3. FIDE FORUM – Engagement Session with FIDE FORUM Members on BNM Annual Report 2023, Economic and Monetary Review 2023 and Financial Stability Review 2H 2023
4. FIDE FORUM – Economic Outlook & Post-Budget 2025 Forum
5. Asia School of Business – Beyond Box Ticking: Essentials for Effectiveness of Nominating Committees

FINANCIAL INDUSTRY

1. BIS – The Singapore Fintech Festival
2. Asian Institute Chartered Bankers (AICB) and The Association of Banks in Malaysia – 3rd Malaysian Banking Conference 2024: "Banking in the Era of GenAI – Reshaping Banking, Innovating for the New Economy & Accelerating Sustainability"
3. Asia School of Business – Central Banking in an Evolving International Financial System
4. FIDE FORUM – Data Innovation to Drive Financial Inclusion – Pushing New Frontiers
5. Insurance Core A – Financial Institution Directors Education
6. CGC Malaysia – Discussion with CGC's Finance team on accounting for investment assets, focusing on FVOCI
7. BNM-FIDE FORUM Engagement: Responsibility Mapping Engagement with Directors of Financial Institutions
8. Reserve Bank of India – Global Fintech Fest 2024 (GFF-24), Mumbai, India

SUSTAINABILITY

1. ALLIANCE – Sustainability
2. Net Zero and Internal Carbon Pricing (ICP)
3. EY – Sustainable Finance
4. FIDE FORUM – Directors Masterclass Series – What Directors Must Know: Boardroom Dynamics in Climate Talks
5. FIDE FORUM – Masterclass 1 Boardroom Climate Essentials
6. Asia School of Business/FIDE FORUM – Kuala Lumpur International Sustainability Forum
7. BNPP – APAC Director's Training on ESG
8. Institute of Internal Auditors Malaysia National Conference (IIAM NC) 2024

OTHERS

1. ALLIANCE – Data Management
2. ALLIANCE – Personal Data Protection Act 2010 (PDPA)
3. FIDE FORUM – Directors' Remuneration Report Launch
4. PIDM – National Resolution Symposium
5. BNPP – Application of Hajah and Darurah in Islamic Finance
6. Elevandi (Monetary Authority of Singapore) – Point Zero Forum, Zurich, Switzerland
7. Bank Negara Malaysia – Sasana Symposium 2024 (SS2024), Kuala Lumpur

CORPORATE GOVERNANCE OVERVIEW STATEMENT

XIII. BOARD COMMITTEES (BCs)

The Board delegates specific authorities to its respective BCs to support the effective discharge of its fiduciary duties and responsibilities, while preserving independent oversight. This delegation allows the Board to devote greater focus to strategic and high-priority matters.

Each BC operates under a Board-approved Terms of Reference (TOR), which are periodically reviewed and updated, that clearly defines its roles and responsibilities, including procedural matters such as quorum requirements, voting protocols, and membership composition.

BCs primarily function in a review or advisory capacity. Their deliberations are reported to the Board, which retains ultimate decision-making authority, except in matters where specific powers have been delegated to a committee.

Currently, the Board has a total of four (4) BCs. A description of each BC is as follows:

BOARD AUDIT COMMITTEE (BAC)

- To establish cost-effective controls, assess risks, review the financial condition of CGC, its internal controls, information system, performance and findings of the internal and external auditors, and to recommend appropriate remedial action.
- To provide the same oversight on CGC Digital Sdn Bhd.

BOARD RISK MANAGEMENT COMMITTEE (BRMC)

- To assist the Board to deliberate on CGC's risk management practices.
- To ensure effectiveness of identification, measurement, monitoring and control of risks, as well as compliance with applicable laws, regulations and guidelines for good corporate governance.
- To provide oversight on any matters related to the management of risks and compliance associated with the operations of CGC Digital Sdn Bhd as and when required by the Board of CGC Digital Sdn Bhd.

BOARD NOMINATION & REMUNERATION COMMITTEE (BNRC)

- To assist the Board on the following:
  - (i) Appointment and remuneration of Directors and President & Chief Executive Officer and/or Executive Director (if any), as well as assessment of effectiveness of individual Directors, Board, BCs and assessment of the performance of PCEO and/or Executive Directors (if any) and Senior Management Officers.
  - (ii) CGC's human resource strategies, policies, performance and reward systems, as well as ethical business conduct of employees.
- To provide oversight on the appointment, removal and fixing of remuneration of directors and CEO of CGC Digital Sdn Bhd, as and when required by the Board of CGC Digital Sdn Bhd.

BOARD INVESTMENT COMMITTEE (BIC)

- To review investment policies, strategies, policies and guidelines.
- To provide strategic direction governing CGC's investment activities.

Note: CGC Digital Sdn Bhd was established In July 2022 as CGC's subsidiary tasked with leading digital transformation initiatives and projects.

XIV. EXTERNAL ADVICE

Directors are entitled to seek independent professional advice, at CGC's expense, to assist them in fulfilling their duties to the Board and its BCs, where necessary. This provision empowers Directors to make independent and informed decisions. During the year under review, no Directors exercised this entitlement.

XV. DIRECTORS' CONFLICT OF INTEREST

The Directors acknowledge their responsibility to avoid any actual or potential conflicts of interest. All Directors shall promptly disclose any actual, potential, or perceived personal interest that may conflict with CGC's interests, in accordance with the Companies Act 2016 and the Board Charter.

XVI. SUPPLY OF AND ACCESS TO INFORMATION

The Board receives timely updates and has full, unrestricted access to information on the Group's business and affairs, enabling them to discharge their responsibilities effectively. Board materials, including meeting agendas and supporting reports, are uploaded in advance to a secure digital platform. This ensures all Directors have sufficient time to review the materials, seek clarification where necessary, and prepare for informed and constructive discussions. This practice supports efficient decision-making and reinforces good governance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Principle B

EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

The Board Audit Committee (BAC) plays a crucial role in enhancing the governance and oversight mechanisms within the CGC Group, focusing on integrity of financial reporting, corporate governance, risk management and internal control systems and processes. It accomplishes this through assessments conducted by the Internal Audit Division (IAD), maintaining oversight over the IAD's independence, scope and resources, and periodically reviewing audit reports to ensure that CGC Group governance standards are upheld.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board plays a crucial role in Corporate Governance (CG). It strives to instil an effective risk governance structure through the Enterprise Risk Management (ERM) Framework in meeting its obligations to benefit customers, shareholders and other stakeholders. As risk evolves and is present in all CGC activities, owing to the dynamic business landscape, the Board continuously reviews CGC's policies, procedures and processes to ensure that they remain relevant and effective by:

- Determining CGC's overall risk appetite based on risk capacity and risk tolerance level with alignment to CGC's vision and mission, strategic, business and operational objectives.
- Risk Policy and procedures to be updated on a regular basis to incorporate latest regulatory policy, management of emerging risk and based on industry best practices.
- Deciding on the right risk management strategy to manage the material risk, taking into account CGC's Risk Appetite Statement (RAS), cost and benefit analysis.
- Risk identification, measurement, assessment and mapping of all risks faced by CGC at the enterprise level to determine its materiality and acceptance level based on the Board approved RAS.

The above is demonstrated by the Board through:

1. Regularly reviewing the effectiveness of CGC's risk management and internal control system. It is pertinent to note that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.
2. Reviewing reports from Management and assessing if significant risks are identified, managed and mitigated. This includes financial reports where the Board's oversight includes forecast variance analysis and authority limits.

Ensuring that significant weaknesses are promptly addressed, remedied and, where relevant and required, impose a need for more extensive monitoring.

Principle C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. RELATIONSHIP WITH STAKEHOLDERS

CGC recognises the importance of fostering strong and meaningful relationships with its stakeholders and remains committed to promoting transparency, accountability, and open communication in all stakeholder engagements.

II. RELATIONSHIP WITH EMPLOYEES

Significant efforts are made to nurture a productive, engaged, and welcoming workplace, directly contributing to the organisation's mission and objectives. The relationship with employees is central, involving the development of a supportive organisational structure, enhancing skills and capabilities for future growth, and addressing the current challenges they face.

Regular communication keeps employees engaged with updates via HCcomms, HR Teams Channel, Quarterly Town Hall, leadership sessions, and HR suggestion box.

Enhancing staff benefits and welfare, supporting the employee's well-being, and reinforcing a nurturing, supportive work environment.

Leadership excellence is fostered through inter- and intra-divisional sessions and direct engagement activities, such as the Management Walkabout during Merdeka Month, which aims to inspire the spirit of independence and strengthen leadership connections within the organisation.

Several occasions are held every year to acknowledge employees' contributions, i.e., the CGC Group Annual Dinner, Long Service Awards, birthday wishes, and farewell celebrations for retirees.

Various training programmes (internal & external training) were offered to address several aspects of core & technical competencies.

Employees are engaged in a more informal setting through Kelab Rekreasi CGC (KRCGC) activities, such as Treasure Hunts, Sports Activities, Solat Hajat, and recreational activities.

1 Competencies Alignment with Future Skills Framework (FSF)

The organisation has taken proactive steps to align employee competencies with the Future Skills Framework (FSF), ensuring readiness for emerging roles and evolving industry demands. Through structured upskilling and reskilling initiatives, employees are equipped with critical capabilities such as digital fluency, adaptability, and systems thinking. This alignment fosters a future-ready workforce that can thrive in a dynamic work environment while supporting the company's strategic transformation goals.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

2 Performance and Rewards

A robust performance and rewards framework is in place to recognise and reinforce high performance across all levels. The system is designed to be transparent, fair, and aligned with both individual and organisational goals. By linking performance outcomes to tangible rewards and career progression, the framework fosters a culture of excellence, accountability, and continuous improvement, ultimately enhancing overall employee satisfaction and retention.

3 Energise employees

Continuous engagement initiatives are deployed at both corporate and divisional levels to energise employees, ensuring the team remains motivated and unified. These efforts include frequent touchpoints, pulse surveys, well-being programmes, and informal gatherings that cultivate a sense of belonging and shared purpose. Such initiatives not only boost morale but also strengthen cross-functional collaboration and organisational resilience.

III. RELATIONSHIP WITH CUSTOMERS

In 2024, Client Service Centre (CSC) handled a total of 5,640 enquiries–62.39% via calls (3,519), 37.41% via emails (2,110), 0.18% through letters (10), and 0.02% through walk-ins (1). CSC maintained an exceptional First Call Resolution (FCR) rate of 96%, well above the 80% target. The abandoned call rate remained impressively low at 0.06%, significantly outperforming the 5% threshold. All abandoned calls were promptly returned to ensure timely assistance where needed.

CSC also achieved a 99% call response rate within 20 seconds, surpassing the target of 80%. As CGC's designated Complaint Centre, CSC resolved customer cases efficiently within the 10-working-day Client Charter, averaging just four working days per case. All customer emails were addressed within the 24-working-hour charter.

In CGC's Customer Satisfaction Survey, 99% of respondents rated CSC's overall performance as excellent or good, exceeding the 80% benchmark.

To strengthen digital engagement, CSC partnered with CGC Digital Sdn Bhd in 2024 to introduce the imSME Digital Assistant (iDA), a chatbot feature within the imSME platform. Since launch, iDA has provided real-time virtual assistance to 7,066 users, facilitating 18,631 interactions and further enhancing accessibility and responsiveness.

IV. RELATIONSHIP WITH SUPPLIERS

CGC is committed to fostering strong mutually beneficial relationships with suppliers, grounded in the following principles and practices:

FAIR TREATMENT

CGC is committed to treating all vendors with fairness and impartiality, promoting a culture of trust and mutual respect in all dealings.

LONG TERM PARTNERSHIP

Cultivating long-term, value-driven relationships with our vendors is prioritised, focused on mutual benefit through cost optimisation, supply chain resilience, and the exchange of best practices.

VENDOR CODE OF CONDUCT

CGC has established a Vendor Code of Conduct that sets out clear expectations for ethical behaviour, sustainability commitments, anti-bribery and anti-money laundering practices, conflict of interest management, and compliance with all applicable legal and regulatory standards.

WHISTLEBLOWING CHANNELS

Vendors are provided with multiple channels to report any misconduct, unethical practices, or legal violations involving CGC employees or management.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

We promote ESG adoption among our vendors and seek to collaborate on sustainability initiatives aligned with CGC's corporate values and broader sustainability agenda.

V. RELATIONSHIP WITH SHAREHOLDERS

The Board acknowledges the critical importance of transparency and accountability to CGC's stakeholders and recognises the need to keep shareholders promptly informed of significant matters affecting the Group.

General Meetings provide a key platform for meaningful, two-way engagement between shareholders, the Board, and Management. Shareholders are encouraged to attend, participate, and raise questions during the Question and Answer (Q&A) sessions relating to proposed resolutions or CGC's operations. Responses to shareholders' queries are provided by the Directors, Management, or External Auditors during the meeting.

Shareholders may also access important updates and information on CGC's financial performance and strategic initiatives through CGC's Annual Report and official website at www.cgc.com.my.

While CGC strives to ensure the timely and comprehensive disclosure of information, it remains guided by the relevant legal and regulatory requirements governing the release of materials to the public.

VI. ANNUAL GENERAL MEETING (AGM)

The 51st Annual General Meeting (AGM) was conducted virtually, leveraging technology in compliance with Section 327 of the Companies Act 2016 and directives issued by the Securities Commission Malaysia. The adoption of a virtual platform facilitated greater shareholder attendance through remote participation and enhanced the overall conduct of the proceedings.

The Board ensures that shareholders are provided with sufficient notice and time to consider the resolutions tabled at the AGM. The Notice of Meeting includes detailed information on each proposed resolution, along with supporting documents and reports. In line with corporate governance best practices, the Notice of the 52nd AGM and a copy of CGC's Annual Report were circulated 28 days prior to the meeting. This allows shareholders ample time to review the contents and make informed decisions.

Directors are committed to attending the AGM, which is scheduled and approved in advance by the Board, except in cases of unforeseen circumstances beyond their control.

BOARD AUDIT COMMITTEE REPORT

COMMITTEE MEMBERSHIP

The following table outlines the committee members for the year:

1	**Faisal bin Ismail**	Chairperson/Independent Non-Executive Director
2	**Saleha binti M. Ramly**	Independent Non-Executive Director
3	**Kellee Kam Chee Khiong**	Independent Non-Executive Director

The three (3) above were members of the Board Audit Committee (BAC) at the beginning and the end of 2024. All three BAC members are Independent Non-Executive Directors.

The Board is satisfied that at least one member of the BAC has the relevant financial experience and that all members bring extensive expertise to the Committee across key areas relevant to CGC's operations.

The table on page 236 provides details of their meeting attendance throughout the year.

The BAC is equipped with the resources required to discharge its oversight functions effectively, which includes the authority to obtain advice from independent professional advisors. The BAC also has the authority to direct the Internal Audit Division (IAD) to conduct audits and investigations on any entity within the CGC Group on any matters indicated within its Terms of Reference.

ROLES AND RESPONSIBILITIES

The BAC assists the Board by providing oversight on CGC Group's financial reporting, corporate governance, risk management, and internal control systems and processes. Additionally, the BAC is responsible for overseeing whistleblowing matters within the remit of the Board. The BAC's roles and responsibilities are defined in its Terms of Reference.

PRINCIPAL ACTIVITIES

The BAC's principal activities during the year were performing oversight responsibilities pertaining to the above, including as outlined below:

INTERNAL AUDIT

- Approved the 2024 Internal Audit Plan and the Internal Audit Budget on 8th December 2023. In approving the Audit Plan, the BAC reviewed the risk-based methodology and staffing adequacy to ensure effective implementation of the Audit Plan. A half-year review of the 2024 audit plan was conducted and approved on 15th July 2024.
- Approved the 2024 Key Performance Indicators (KPIs) and evaluated the performance of the Chief Internal Auditor (CIA) and Internal Audit Division (IAD).
- Developed the new CGC 3-Year Internal Audit Strategic Plan (2025-2027), which was deliberated and approved by the BAC on 10th December 2024. IAD developed the Internal Audit Strategic Plan by, inter alia, understanding organisational objectives, applying lessons learnt from previous strategic plan, analysing global risks, reviewing core competencies and defining key initiatives.
- Deliberated the audit reports, the audit recommendations and the Management's responses. The BAC met six (6) times in 2024 to deliberate audit reports and financial reporting matters.
- The Audit Compliance Committee (ACC) is a BAC-delegated committee. The ACC was established to monitor the progress of Management's actions in addressing corporate governance, risk management and internal control issues highlighted in internal audit reports and other internal control reports issued by external parties, such as External Auditors and Bank Negara Malaysia Auditors. The ACC met twelve (12) times in 2024, with the BAC reviewing the ACC's status updates during every meeting.

EXTERNAL AUDIT

- Completed the annual assessment of the External Auditor in respect of the FY 2023 audit. This encompassed performance, independence, objectivity and effectiveness of the auditor and the audit process, prior to recommending to the Board to re-appoint the Auditor. The assessment included an assessment of audit quality, the External Auditor's handling of key judgement issues, and the External Auditor's responses to questions from the BAC in respect of the FY 2023 audit.
- Met with the External Auditor on 10th April 2024, without the presence of Management, discussed matters privately and obtained open and transparent feedback for further improvements.
- Reviewed and approved the External Auditor's Financial Year (FY) 2024 Audit Plan and scope of work on 10th October 2024. The Audit Plan, inter alia, highlighted areas which would receive special consideration and the resources for executing the Audit Plan. The BAC also evaluated the objectivity and independence of the External Auditor.
- Reviewed and recommended to the Board the approval of audit fees (including SST) and provisions for expenses for the audit services to be provided by the External Auditor, in accordance with established procedures.

BOARD AUDIT COMMITTEE REPORT

FINANCIAL REPORTING

Received and reviewed comprehensive reports from the External Auditor, which included the audited financial statements, accounting policies, judgements and disclosure requirements.

INTERNAL AUDIT (IAD)

The IAD supports the attainment of CGC Group's goals by bringing an objective and disciplined approach to evaluating and improving the effectiveness of its corporate governance, risk management and control processes. IAD plays a key advisory role for the BAC in these three areas.

The CIA reports directly to the BAC to ensure that the Internal Audit function is independent of the Management and is thus able to perform its activities objectively.

IAD has established a risk-based Annual Internal Audit Plan, which takes into account CGC Group's strategic, financial, and business development objectives, as well as current and emerging risks that could impact their achievement. The Audit Plan was approved by the BAC.

IAD leveraged technology to enhance the effectiveness and efficiency of its audits. Specifically, data analytics has enabled IAD to review larger numbers of transactions than it previously could with sampling, increased efficiency through automation and derive greater insights from its audits.

As of 31st December 2024, the number of audit staff was twenty-two (22) against the total approved twenty-four (24).

IAD's work involves assessing the adequacy and effectiveness of CGC Group's corporate governance, risk management and internal control processes in meeting its strategic objectives. In effectively assessing these matters, IAD adopted the Committee of Sponsoring Organisation of the Treadway Commission (COSO) Integrated Internal Control Framework and the Control Objectives for Information and Related Technologies (COBIT) Framework. COSO and COBIT are internationally recognised frameworks, providing thought leadership and guidance on internal controls, enterprise risk management and fraud deterrence.

IAD's activities were carried out in accordance with the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors, as well as with relevant regulatory guidelines issued by Bank Negara Malaysia.

IAD has unrestricted access to information and is provided sufficient resources to complete all required audits.

IAD presented internal audit reports to the BAC six (6) times in 2024. The reports highlighted gaps in corporate governance, risk management, and controls practices, while providing recommendations for improvement.

SUMMARY OF AUDIT ACTIVITIES DURING THE YEAR

- Carried out IAD's activities according to the approved Audit Plan. A total of thirty (30) audit assignments were completed in 2024.
- In 2024, IAD successfully created thirty-seven (37) new audit bots through the use of Robotic Process Automation software. IAD also initiated Continuous Auditing by re-running forty-seven (47) previously developed Audit Bots. The bots assisted IAD in performing audits effectively and efficiently.
- Monitored and followed up on the implementation of the audit recommendations and reported the status of outstanding audit findings at all BAC and ACC meetings.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

OUR APPROACH

THE BOARD IS COMMITTED TO MAINTAINING SOUND RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS WITHIN CGC, AND CONDUCTS ONGOING REVIEWS TO ASSESS THEIR ADEQUACY AND EFFECTIVENESS. MANAGEMENT SUPPORTS THE BOARD BY IMPLEMENTING THE NECESSARY POLICIES, PROCEDURES, GOVERNANCE STRUCTURES, AND PROCESSES TO IDENTIFY, EVALUATE, MONITOR, MANAGE, AND REPORT SIGNIFICANT RISKS, AS WELL AS TO ENSURE THE ROBUSTNESS OF INTERNAL CONTROLS IN ACHIEVING CGC'S STRATEGIC OBJECTIVES.

With an Enterprise Risk Management (ERM) framework in place, CGC is well positioned to manage its key risks. These include strategic, business, credit, market, liquidity, financial, operational (including cyber, legal and business continuity), compliance and reputational risks. The framework articulates our risk appetite and capital management approach, supported by clearly articulated risk tolerances and limits for various risk categories. CGC's risk governance structure ensures effective oversight and accountability, with continuous vulnerability mapping and integrated risk evaluations forming the foundation for proactive and informed risk management.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

With the enhanced ERM Framework in place, CGC has shifted its focus towards the effective implementation of key policies outlined within the framework. During the year under review, we observed encouraging progress in the adoption of these policies across the organisation, further reinforcing CGC's risk governance and strengthening overall risk management capabilities. As the application of ERM continues to deepen, CGC is advancing towards a more mature and integrated risk culture.

Risk management and internal control systems are embedded across all levels of the Corporation, including strategic planning, project management, change management, and decision-making processes. Internal controls are applied consistently through established guidelines, which are reviewed periodically to ensure their relevance and effectiveness. Business Lines play a key role in assessing the effectiveness of these controls and in managing identified risks within their respective areas.

The Board is supported by various sub-Board and Management Committees as part of the governance structure. The Risk Management function provides independent oversight and integrated risk assessments across various business lines. Additionally, the Internal Audit and Compliance functions are responsible for:

- Independently evaluating the adequacy and effectiveness of internal controls; and
- Ensuring that Business Lines operate in reasonably adherence to internal processes and procedures, as well as regulatory and legal requirements.

Risk Strategy

Our risk management strategy addresses:

- The scope of risk management activities, including the methods and tools used for risk assessment, analysis, mitigation, monitoring, and the communication of risk-related information.
- The establishment of risk appetite and tolerance parameters, supported by a risk matrix with defined thresholds to guide appropriate mitigation techniques based on identified risks.

Risk Governance

We maintain a well-established risk governance structure anchored by an active and engaged Board and management committees, supported by an enterprise-wide Three Lines Of Defence model. Robust governance ensures the necessary direction, oversight and structure required to make well-informed decisions aligned with our strategic objectives.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Risk Culture

The risk culture at CGC is shaped by a strong 'Tone from the Top', with clear and consistent communication from the Board regarding risk behaviour expectations. This culture is embedded throughout the organisation and continuously reinforced through mandatory and customised training for all employees.

Risk Management Policies and Procedures

Our risk management framework is supported by comprehensive policies, procedures, and processes that enable CGC to respond effectively in a dynamic environment. It involves:

- Identifying and assessing risks that may impact the achievement of strategic objectives
- Determining appropriate risk response strategies and controls, and implementing them through structured frameworks, policies, guidelines, and processes aligned with established risk appetites

ADHERENCE TO COMPLIANCE STANDARDS

CGC upholds strict adherence to internal and external compliance standards, enabling the organisation to operate in line with strategic objectives and fulfil stakeholder expectations.

CGC RISK MANAGEMENT FRAMEWORK

The primary goals of CGC's risk management framework are to ensure that:

1. The outcomes of risk-taking activities are consistent with our strategies and risk appetite.
2. We strike an appropriate balance between risk and reward in order to maximise value for MSMEs and shareholders.

The risk management framework comprises the following key components for effective risk management across CGC:

RISK APPETITE

CGC's risk appetite is determined by the Board and is guided by a top-down approach that incorporates both quantitative and qualitative measures. It defines the level of risk CGC is prepared to accept in pursuit of its strategic goals while upholding responsibilities to MSMEs, shareholders, and stakeholders. This risk appetite is articulated through a formal and enforceable risk statement that serves as a critical input for both business planning and capital allocation, ensuring alignment between risk strategy and business strategy.

1	Capital	• Guarantee Reserve Ratio • Capital Adequacy Ratio
2	Liquidity	• Liquidity Gap
3	Financial Risk	• Credit • Market
4	Non-Financial Risk	• Operational • People • Business Continuity Plan
5	Compliance	• Anti-Money Laundering/Combating Financing of Terrorism • Regulatory • Shariah Non-Compliance Risk
6	Business Related Risk	• Reputation • Investment • Strategy
7	Integrity and Governance	• Corruption and Bribery Risk

Capital Management

Capital Management is integrated into our governance processes, involving continuous reviews of our position to maintain a strong capital base that supports long-term stability and planned business growth while ensuring resilience to risks inherent across our various businesses. CGC adopts a sound Capital Management Framework to monitor capital adequacy and allocate sufficient capital to support operational requirements and meet regulatory mandates. We are committed to maintaining a strong capital positions that equips CGC to withstand potential business and operational losses or shocks.

Material Risk Assessment

We have enhanced our current risk assessment practices to incorporate a broader range of risk categories, with an emphasis on business, strategic and financial risks. The Material Risk Assessment (MRA) Framework has been established to identify all risks material to CGC, alongside their corresponding mitigation measures and controls. This approach provides CGC with a holistic view of the potential threats or risks we may face, and enables an informed assessment of whether we are sufficiently capitalised to absorb financial losses arising from unexpected events.

Stress Tests and Reverse Stress Tests

Stress Testing is a forward-looking element of capital adequacy management and an integral tool in the risk management framework, empowering cognisance of our risk exposure under exceptional but plausible and worst-case scenarios. Reverse Stress Testing is used to identify a range of adverse scenarios which could threaten the viability of CGC, with outcomes utilised to develop or select appropriate strategies for mitigating such risks. The results of stress tests are assessed against our internal risk appetite for capital adequacy and periodically reported to the Board and Management.

Business Continuity Management (BCM)

BCM is embedded within CGC's strategic planning to ensure alignment with business priorities. The BCM Framework is designed to strengthen organisational preparedness and resilience during crises or disruptive events, enabling CGC to effectively prepare for, respond to, and recover from such incidents.

In the post-COVID-19 environment, CGC has reinforced its focus on operational resilience – across people, processes, and infrastructure – through established crisis management and business continuity policies and procedures. Several of these processes have since become part of the organisation's operating norm, with ongoing assessments conducted to ensure continuity and recovery strategies remain effective, tested, and ready for activation.

Crisis Management

The objective of Crisis Management at CGC is to build organisational capability to anticipate, prepare for, respond to, and recover from crises. CGC is committed to protecting the interests of its key stakeholders and the environment, as well as our reputation, brand, and value creation during emergencies or disruptions. To support this, CGC has implemented a comprehensive Crisis Management and Business Continuity Programme designed to protect employees, safeguard critical assets, and ensure the continuous delivery of products and services.

Authority Limit

CGC's Approving Authority Limit (AAM) defines clear lines of accountability and responsibility across all levels of management, including matters requiring Board approval. It serves as a reference guide to identify the appropriate approving authority for various decisions. The AAM is reviewed at least annually, with realignments made as needed to reflect changes in the organisational structure and to uphold effective decision-making based on proper governance.

Compliance Risk Management

Board-approved compliance policies provide the foundation for CGC's compliance risk management processes and tools, which are applied across the organisation. The Compliance team supports both the Board and Management by overseeing existing and emerging compliance risks and offering advisory support to various business lines and stakeholders.

CGC Shariah Governance Framework (SGF)

The SGF serves as a blueprint for managing Shariah governance within CGC. It provides a holistic, integrated and coherent approach to managing Shariah compliance risk, specifically in Islamic Guarantee Schemes and Direct Financing Schemes. Consequently, the SGF has been embedded as an integral part of organisational and individual decision-making processes rather than a stand-alone activity. The SGF is applied during strategy implementation as well as at operational, business, or project levels for all Shariah-compliant products and services offered by CGC.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Anti-Bribery and Anti-Corruption Policy

CGC is committed to conducting business in accordance with high ethical standards, integrity and accountability. We have adopted a zero-tolerance approach against all forms of bribery and corruption by the Board, our employees, or any persons or companies acting for CGC or on its behalf. In recognition of this commitment, the Board and Management have implemented and enforced a comprehensive anti-bribery and anti-corruption programme to prevent, deter and monitor bribery and corruption risk within our business activities. Our approach is guided by the Malaysian Anti-Corruption Commission Act 2009, procedures and guidelines issued by the Prime Minister's Department, our own internal ABAC Policy, as well as best practices recommended by ISO 37001:2016 Anti-Bribery Management System.

Anti-Money Laundering and Countering Financing of Terrorism

As a non-prescribed DFI, CGC remains fully committed to combating money laundering and terrorism financing activities. We recognise our responsibility to help safeguard the integrity of Malaysia's financial ecosystem by ensuring that illicit funds are prevented from entering the system. Our approach is guided by the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001, applicable policy documents and guidelines issued by Bank Negara Malaysia, as well as our own AML/CFT policies and procedures. These efforts are aligned with best practices recommended by the Financial Action Task Force.

Personal Data Protection (Amendment) Act 2024

As a data controller, CGC bears a statutory duty to comply with the principles set forth in the Personal Data Protection (Amendment) Act 2024 (PDPA) and any relevant guidelines issued from time to time. In fulfilling this duty, CGC is guided by the PDPA, applicable regulatory guidelines, and our own internal policies and processes developed in alignment with the Act to ensure that all personal data under our care or possession is protected accordingly.

Technology and Cybersecurity Risk Management

CGC systematically manages technology and cybersecurity risks in line with relevant regulatory requirements and industry best practices, to ensure the effective protection of its IT ecosystem. A dedicated Technology and Cybersecurity Risk Framework and Policy serves as a guiding document for all staff, outlining the principles and processes for managing technology-related risks. This includes the identification, assessment, treatment, monitoring, reporting, and communication of risks inherent in CGC's operations and digital activities.

RISK MANAGEMENT PROCESSES

Risk Management at CGC involves effectively identifying and addressing all potential risks that may impact the achievement of business objectives or result in financial or reputational damage. Our policy on risk management is drafted and periodically reviewed to ensure ongoing alignment with strategic business goals. The risk management process is applied at strategic, operational and project levels. An effective risk management process supports CGC in achieving its performance and strategic objectives by providing timely and relevant risk information to enable better decision-making.

Risk Identification

Identify risks that may affect business operations or objectives.

Risk Assessment

Analyse the root causes of each risk and determine the likelihood and impact of risk exposure (either quantitatively or qualitatively).

Risk Mitigation

Determine appropriate risk mitigation strategies that address the underlying causes of risk.

Risk Monitoring

Establish an accountability structure for implementing risk mitigation actions and continuously monitoring risks.

Risk Reporting

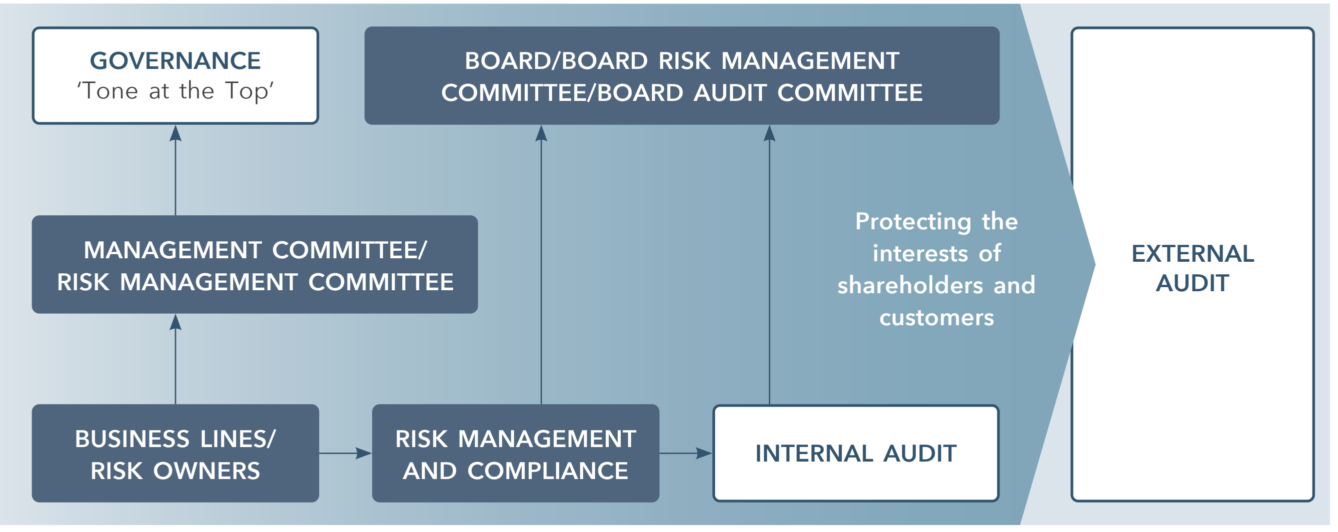
Develop a reporting process that supports risk monitoring and risk-informed decision making.

Risk Communication

Facilitate ongoing sharing of risk-related insights and 'lessons learnt' across all business areas.

CGC THREE-LINES-OF-DEFENCE

CGC adopts the Three-Lines-of-Defence model, where business lines and independent risk and compliance functions collaborate to ensure that strategies and activities align with internal policies and risk limits. This model promotes clear accountability, strong internal controls, and effective risk management practices, reinforcing CGC's risk and compliance culture across all divisions.



The responsibilities of each line of defence lines are as follows:

1st Line of Defence

Business lines/risk owners are accountable for the day-to-day management of risks within their operations. This includes identifying, assessing, mitigating, monitoring, and reporting risks, as well as implementing effective internal controls to ensure that activities operate within CGC's risk appetite and policy guidelines.

2nd Line of Defence

Independent risk management and compliance functions establish and maintain robust frameworks to support enterprise-wide risk and compliance oversight.

- The Risk Management function is responsible for providing reasonable assurance to the Board and Management that key risks are being identified, managed, and communicated effectively.
- The Compliance function acts as a consultant on regulatory compliance, internal policies and procedures. It bears responsibility for conducting ongoing enterprise-wide risk-based assessments, monitoring, testing and other activities to gain reasonable assurance as to the adequacy and effectiveness of CGC's Compliance Programme in ensuring regulatory adherence.

3rd Line of Defence

The Internal Audit function provides independent assurance on the design and operating effectiveness of CGC's governance, risk management, and internal control systems. It also offers recommendations for improvements and enhancements where necessary.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Governing and Oversight Functions

The Board exercises oversight both directly and through its committees to ensure that decision-making remains aligned with CGC's strategies and risk appetite. The Board receives regular updates on risk information, and periodically reviews and approves the risk management framework, policies, and limits. At the management level, committees comprising senior managers support the Board in implementing and maintaining an effective, organisation-wide risk management framework.

SIGNIFICANT MATERIAL RISKS OF CGC

Default Risk

CGC is inherently exposed to default risk due to the nature of our business. This is considered a material risk, primarily because CGC provides credit guarantees and financing to the relatively higher-risk MSME segment as part of our developmental and countercyclical role. To manage this risk, portfolio-specific risk appetites and thresholds have been established. In addition, credit risk-related policies and procedures governing end-to-end credit processes are in place to ensure that CGC operates within its defined risk parameters.

Operational Risk

This refers to the risk of loss arising from inadequate or failed internal processes, systems, or human factors, as well as external events. CGC continues to implement initiatives to mitigate operational risk, including those related to technology, as part of ongoing risk management enhancements.

Opportunity Cost Risk

CGC is exposed to opportunity cost risk due to its large investment portfolio, which, while generating significant revenue, includes a high proportion of securities held to maturity. Capital tied up in existing investment positions may limit our ability to pursue investments with potentially higher returns.

Credit Concentration Risk

Given CGC's focus on the MSME segment, our business is exposed to the variability in performance often exhibited by micro, small, and medium-sized enterprises. This creates potential credit concentration risk at the portfolio level across different segments. To manage this risk, exposures are grouped based on similar risk characteristics. In addition, statistically derived thresholds–based on financial institutions, sectors, business constitutions, and other relevant dimensions – are applied to guide decision-making and ensure effective management of concentration risk.

MSME SUCCESS STORIES

GOBI KUMARAN A/L JAYARAMAN
GV M&E Engineering

Embodying the true spirit of unwavering entrepreneurship, Gobi's mindset remains resilient: "Whatever happens, we must move forward in the right manner – and one day, we will achieve our goals."

OVERCOMING CHALLENGES WITH RESILIENCE AND INTEGRITY

GV M&E Engineering, a provider of mechanical and electrical contractor services, has weathered its fair share of financial challenges. A major setback came when a main contractor failed to honour payment for a large job, leaving founder Gobi Kumaran burdened with outstanding debts to workers and suppliers, and struggling to maintain enough working capital to take on new projects.

Despite having a solid reputation and a steady stream of job offers, Gobi faced a tough reality–many of the jobs came with payment terms of 60 to 75 days and no upfront deposit. Asking for a deposit meant risking the job, as competitors were willing to proceed without one. When he received an offer for a significant underground earthing project for a condominium's lighting system, Gobi knew financing was essential to take it on.

With CGC's guarantee, Gobi secured a BSN Teman Niaga loan in 2023. The financing enabled him to take on the project, keep his business running, and steadily repay outstanding debts–marking a critical step toward stabilising his operations.

Amidst these challenges, Gobi remains committed to doing business the right way. His strong work ethic and integrity have since opened new doors, including a solar installation project with more favourable payment terms. Although he still carries high monthly repayments, he is optimistic about improving the company's finances in the near future.

Looking ahead, Gobi plans to strengthen his cash flow, improve staff salaries, and build a more sustainable pipeline of projects. While his engineering talents are evident, he recognises the importance of improving his financial literacy and hopes to participate in CGC's workshops to sharpen his business management skills – something he had previously missed due to scheduling conflicts.

EXPANDING MARKETS AND EMBRACING DIGITAL TRANSFORMATION

When the pandemic hit, Winnex Worldwide–known for its specialised degreasers used for kitchenware and tableware–faced a steep decline in business. With restaurants and mall-based outlets shutting down, sales plummeted. After learning through Bank Negara Malaysia's media announcements that CGC was actively supporting SMEs through the crisis, Winnex reached out for assistance. Although the initial bank loan attempt was unsuccessful, this marked the beginning of a lasting and impactful relationship.

Since then, CGC has supported Winnex through a suite of developmental programmes focused on financial management, business expansion, and digital marketing. The company gained hands-on exposure through CGC's Networking Sessions, Access New Markets initiative, and TikTok Coaching Sessions – leveraging the insights gleaned from these engagements to strengthen its sales and marketing efforts. This enabled Winnex to successfully expand beyond the F&B sector into hardware outlets and supermarkets.

Through the networking sessions, Winnex engaged with potential partners in related industries, opening opportunities for resource sharing and collaboration that broadened both commercial reach and brand presence. Meanwhile, the TikTok Coaching Sessions enhanced the company's digital marketing fluency, sparking engagement with hotel restaurants and e-commerce influencers, and laying a strong foundation for entry into online sales channels.

ELISE HOW
Winnex Worldwide Sdn Bhd

Today, CGC's guidance has helped Winnex refine its financial planning, diversify marketing channels, and begin preparing for regulatory changes such as e-invoicing. More than just training, CGC's support has shaped Winnex's long-term strategy–helping the company shift its mindset from survival to sustainable growth in a competitive, digital-driven market.

STATUTORY FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

DIRECTORS' REPORT
– 31 DECEMBER 2024

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

DIRECTORS

The Directors in office during the financial year and up to the date of this report are:

Dato' Mohammed bin Haji Che Hussein (Chairman)
Encik Choong Tuck Oon
Encik Faisal bin Ismail
Puan Saleha binti M. Ramly
Encik Lim Choon Eng
Encik Suhaimi bin Ali
Encik Kellee Kam Chee Khiong

The Directors of the Company's subsidiary who have held office during the financial year and up to the date of this report are:

CGC Digital Sdn. Bhd.

Encik Choong Tuck Oon (Chairman)
Datuk Mohamad Zamree bin Mohamad Ishak
Encik Lim Choon Eng
Encik Suhaimi bin Ali

PRINCIPAL ACTIVITIES

The principal activities of the Company are providing services and provision on guarantees, financing and loans.

The principal activities of the subsidiary and associate are disclosed in Notes 7 and 8 to the financial statements, respectively.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Net profit for the financial year	**52,225**	**65,786**

DIRECTORS' REPORT
– 31 DECEMBER 2024

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year have been disclosed in the financial statements.

ISSUANCE OF SHARES

During the financial year, there were no changes in the issued and fully paid capital of the Company. Details of the shares are set out in Note 16 to the financial statements.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the benefits shown under Directors' Remuneration) by reason of a contract made by the Company or by a related company 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.

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

DIVIDENDS

No dividends have been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any dividends to be paid for the financial year ended 31 December 2024.

DIRECTORS' REMUNERATION

The remuneration in aggregate for Directors of the Group and of the Company for the financial year are as follows:

	Group RM'000	Company RM'000
Directors of the Group and the Company		
Directors' fees	767	697
Directors' other emoluments	932	850
	1,699	1,547

During the financial year, Directors and Officers are covered under the Directors' & Officers' Liability Insurance in respect of liabilities arising from acts committed in their respective capacities as Directors and Officers subject to the terms of the policy. The total coverage amount of Directors' & Officers' Liability Insurance effected for the Directors & Officers was RM15.0 million. The total amount of contribution paid for the Directors' & Officers' Liability Insurance by the Company was RM0.1 million (2023: RM0.1 million).

Details of Directors' Remuneration are set out in Note 35 to the financial statements.

SHARE OPTIONS SCHEME

No share options were issued by the Company during the financial year.

DIRECTORS' REPORT
– 31 DECEMBER 2024

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing-off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written-off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including the value of current assets as shown in the accounting records of the Group and of the Company, had been written down to an amount which the current assets might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

(i) which would render the amounts written-off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

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

(ii) any contingent liability in the Group and in the Company which has arisen since the end of the financial year other than in the ordinary course of business.

(d) 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 affect the ability of the Group and of the Company to meet their obligations when they fall due.

(e) 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 respective financial statements misleading.

(f) In the opinion of the Directors:

(i) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

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

DIRECTORS' REPORT
– 31 DECEMBER 2024

AUDITORS' REMUNERATION

Auditors' remuneration of the Group and of the Company are RM420,000 and RM415,000 respectively. Details of auditors' remuneration are set out in Note 32 to the financial statements.

BUSINESS REVIEW

Malaysia's economic grew by 5.1% in 2024, following the strong growth registered in the previous year (2023: 3.7%). This robust performance was underpinned by strong gains in the services, manufacturing, and construction sectors. Key contributing factors include heightened global demand for electrical and electronics ("E&E"), resilient domestic consumption, improved labour market conditions, increased foreign direct investment, and supportive government policies under the Ekonomi MADANI framework.

In the resilient economic conditions of 2024, Credit Guarantee Corporation Malaysia Berhad ("CGC") registered a commendable performance, evidenced by growth in revenues and higher net profit. Meanwhile, Micro, Small and Medium Enterprises ("MSME") support continued through the CGC's Beyond Guarantee initiatives.

(a) Overall Performance

CGC continued to record higher total revenue. This grew by 3.5% to RM241.1 million (2023: RM233.0 million), with the main contributor being guarantee fees from Portfolio Guarantee ("PG") schemes.

During the year, CGC approved more than 6,000 new guarantee and financing accounts with an aggregate approval value of RM4.0 billion lower by 21.6% than 2023 approval of RM5.1 billion. PG schemes continued to be the significant contributors, with over 84% share of the year's total guarantee approval value.

CGC also approved 425 accounts for its contract financing scheme, Tabung Projek Usahawan Bumiputera-i ("TPUB-i"). The total approved amount in 2024 was RM205.1 million, a 78.3% year-on-year growth (2023: RM115.0 million). This scheme is to address financial inclusion, aimed specifically at Bumiputera contractors.

Under the Beyond Guarantee pillar, over 57,800 MSMEs had been assisted through the CGC Developmental Programme® as of December 2024. Through imSME, a hassle-free platform allowing MSMEs to access real-time information on financing/loan products whenever they wish, over 6,200 accounts amounting to RM626.1 million had been approved as of December 2024. Khidmat Nasihat Pembiayaan ("MyKNP@CGC") continues to provide financial advisory support to MSMEs, with more than 4,700 enquiries received as at year end since its establishment in August 2019.

(b) Key Performance Indicators ("KPIs")

2024 marked the fourth year of the 5-Year Strategic Plan ("5SP") 2021-2025. CGC managed to record at least 90% achievement in the Headline Targets set in the 5SP i.e. Guarantee & Financing Base, Number of MSMEs Assisted through Financial Assistance, Guarantee Reserve Ratio and Cost-to-Income Ratio.

DIRECTORS' REPORT
– 31 DECEMBER 2024

BUSINESS REVIEW (CONTINUED)

(c) Key Risks and Mitigations

CGC continues to strengthen credit and portfolio risk management practices through data driven analytics and risk modelling practices for insightful reporting, in line with the standards imposed by the Malaysian Financial Reporting Standards ("MFRS") and BNM Internal Capital Adequacy Assessment Process ("ICAAP").

In addition, CGC continuously enhances its Enterprise Risk Management ("ERM") Framework to further fortify both its risk management capabilities and its governance structure.

CGC enhanced and tested its business continuity plan, enabling it to continue to provide critical business functions, while protecting staff and customer health and well-being. Nevertheless, there was increased exposure to technology and cyber-attack risks due to greater reliance on digital platforms, and risk of data and information leakage from conducting operations in home-based environments. As part of the mitigations, CGC works towards the adoption of Risk Management in Technology ("RMiT") guidelines and has conducted Cybersecurity Maturity Assessment ("CMA") to ensure compliance towards RMiT. Cybersecurity risk profiles and Information Technology ("IT") strategies were regularly reassessed to ensure digital risks were well managed while other key risks are closely monitored. CGC ensures compliance with all applicable laws, regulations, and guidelines by continually staying informed about regulatory and legal requirements issued by authorities.

CGC manages compliance risks through strong commitment from the Board of Directors, Senior Management and the Compliance and Integrity Division. Compliance risks in CGC include risk of legal or regulatory sanctions, material financial loss and reputational damage resulting from failure to comply with laws, regulations, rules and ethical standards vis-a-vis its customers and products. Apart from implementing comprehensive compliance policies and processes and timely reporting to the Board of Directors and Senior Management of any identified or emerging risks or concerns, CGC ensures constant staff awareness vis-à-vis compliance risks through a variety of training courses and knowledge-sharing sessions.

(d) Human Resource Development

As CGC transitions into 2025, Human Resources Management and Adminstration ("HRMA") focuses on enhancing workforce agility to support the growth of MSMEs. Due to rapid digital transformation, increased regulatory demands, and a stronger emphasis on sustainability, a resilient and high-performing workforce is essential. HRMA promotes ongoing engagement and performance excellence to address these challenges, ensuring adaptability in a changing business landscape.

HRMA has identified four main priorities to support these initiatives: improving essential skills through digital learning, aligning job roles with sustainability and technology goals, enhancing retention strategy with competitive and transparent compensation, and strengthening workforce capabilities through new CGC Core Competencies. HRMA aims to develop a future-ready workforce that supports long-term business success by integrating digital fluency, competency-based assessments, and strategic partnerships.

(e) Corporate Social Responsibility ("CSR")

In 2024, CGC reinforced its dedication to social and environmental sustainability by aligning its initiatives with the United Nations Sustainable Development Goals. Through various CSR programmes, CGC supported over 7,000 beneficiaries, enhancing food security, expanding access to education, and healthcare. Simultaneously, CGC expanded its efforts in environmental sustainability.

DIRECTORS' REPORT
– 31 DECEMBER 2024

BUSINESS REVIEW (CONTINUED)

(e) Corporate Social Responsibility ("CSR") (continued)

(i) Social Impact

CGC is committed to empowering youth through entrepreneurship. The CGC100 Youth Entrepreneurship Programme, launched in partnership with PINTAR Foundation and supported by the Ministry of Education, nurtures aspiring entrepreneurs from B40 and M40 communities, equipping them with essential skills in business, sustainability, and leadership.

Since its inception in 2022, the programme has produced 70 graduates, with 74% seeing an increase in average revenue after graduation. By fostering entrepreneurial talent and preparing young minds for an evolving economic landscape, CGC continues to drive sustainable economic growth and uplift communities.

(ii) Enviromental Impact

As part of its commitment to environmental stewardship, CGC, in collaboration with Kelab Belia Prihatin and close to 100 volunteers, launched the 2024 Tree Planting Programme, planting 200 mangrove trees at Taman Alam, Kuala Selangor. This initiative supports Malaysia's 100 Million Tree Planting Campaign while enhancing biodiversity and helping to offset CGC's operational emissions. With the potential to absorb up to eight tons of Carbon Dioxide ("CO2") annually, these mangrove trees play a vital role in global sustainability efforts, particularly under Sustainable Development Goals 15 ("SDG15") (Life on Land).

Furthering its sustainability and community care efforts, CGC partnered with Saving Graze Sdn Bhd to provide fresh food to 50 underserved families at PPR Taman Putra Damai. Over three months, the initiative ensured food security while reducing waste by sourcing surplus produce from farmers in excellent condition. This effort rescued 2.4 tonnes of food, preventing waste and cutting an estimated 6 tonnes of greenhouse gas emissions, reinforcing CGC's dedication to environmental sustainability.

In its push for sustainable energy solutions, CGC, in collaboration with Petronas Dagangan Berhad, spearheaded the Recycle Your Cooking Oil for a Sustainable Tomorrow campaign. They successfully collected over 580 kg of used cooking oil. By preventing improper disposal, this initiative mitigated risks such as clogged pipes, sewer blockages, and water pollution, safeguarding both infrastructure and natural ecosystems. Beyond waste reduction, the campaign served as a powerful educational platform, raising awareness of the environmental impact of used cooking oil and inspiring greater community participation in sustainable practices. Through this effort, CGC continues to champion a circular economy, fostering a culture of responsibility and environmental stewardship.

AUDITORS

The auditors, Ernst & Young PLT has expressed its willingness to accept reappointment as the external auditors of the Company and its subsidiary.

This report was approved by the Board of Directors on 18 April 2025. Signed on behalf of the Board of Directors:

DATO' MOHAMMED BIN HAJI CHE HUSSEIN
Chairman

FAISAL BIN ISMAIL
Director

Petaling Jaya, Selangor

STATEMENT BY DIRECTORS

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

We, **DATO' MOHAMMED BIN HAJI CHE HUSSEIN** and **FAISAL BIN ISMAIL**, two of the Directors of **CREDIT GUARANTEE CORPORATION MALAYSIA BERHAD**, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 271 to 381 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of the financial performance and the cash flows of the Group and of the Company for the financial year ended 31 December 2024 in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

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

DATO' MOHAMMED BIN HAJI CHE HUSSEIN
Chairman

FAISAL BIN ISMAIL
Director

Petaling Jaya, Selangor

STATUTORY DECLARATION

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

I, **NURUL AMNI BINTI MOHD AMIN (CA 45480)**, the Officer primarily responsible for the financial management of **CREDIT GUARANTEE CORPORATION MALAYSIA BERHAD**, do solemnly and sincerely declare that, the accompanying financial statements set out on pages 271 to 381 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

NURUL AMNI BINTI MOHD AMIN

Subscribed and solemnly declared by the abovenamed Nurul Amni Binti Mohd Amin at Petaling Jaya, Selangor on 18 April 2025.

Before me,

COMMISSIONER FOR OATHS

PESURUHJAYA SUMPAH
B644
Sollehan Shafura binti Zainuddin
BC/S/2446
1/1/2024 - 31/12/2026
MALAYSIA

B-2-13 Capital 2, Oasis Square,
No. 2, Jln PJU 1A/7A,
Ara Damansara
47301, Petaling Jaya, Selangor

INDEPENDENT AUDITORS' REPORT

to the members of Credit Guarantee Corporation Malaysia Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Credit Guarantee Corporation Malaysia Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 271 to 381.

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 year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

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

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 Directors' Report and 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. The Director's Report was obtained prior to the date of this auditors' report, while the Annual Report is expected to be made available to us after the date of this auditors' report.

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 concluded that there is a material mistatement of this other information, we are required to report that fact. We have nothing to reporting in regard to the Directors' Report.

When we read the Annnual Report, if we conclude that there is material misstament therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

INDEPENDENT AUDITORS' REPORT

to the members of Credit Guarantee Corporation Malaysia Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Responsibilities of the directors for the financial statements

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

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

to the members of Credit Guarantee Corporation Malaysia Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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.

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.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Muhammad Syarizal bin Abdul Rahim
No. 03157/01/2027 J
Chartered Accountant

Kuala Lumpur, Malaysia
18 April 2025

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		Group		Company	
	Note	**2024 RM'000**	2023 RM'000	**2024 RM'000**	2023 RM'000
ASSETS					
Property, plant and equipment	4	**9,866**	10,617	**9,866**	10,617
Intangible assets	5	**16,923**	12,212	**11,106**	10,898
Right-of-Use ("ROU") assets	6	**3,666**	3,793	**3,666**	3,793
Investment in subsidiary	7	**-**	–	**40,000**	20,000
Investment in associate	8	**7,084**	9,450	**7,141**	7,141
Investment securities: Fair value through profit or loss ("FVTPL")	9	**1,145,923**	1,164,900	**1,145,923**	1,164,900
Investment securities: Fair value through other comprehensive income ("FVOCI")	10	**2,931,017**	2,771,768	**2,926,541**	2,767,074
Investment securities: Amortised cost	11	**130,886**	181,532	**130,886**	181,532
Derivative financial assets	12	**1,071**	235	**1,071**	235
Financing, loans and advances	13	**87,594**	152,582	**87,594**	152,582
Amount due from a subsidiary		**-**	–	**188**	1,644
Other receivables	14	**33,631**	27,028	**33,444**	27,022
Deferred tax assets	37	**-**	–	**-**	–
Term deposits	15	**456,947**	424,995	**450,823**	421,991
Cash and cash equivalents		**339,545**	337,523	**333,555**	331,349
TOTAL ASSETS		**5,164,153**	5,096,635	**5,181,804**	5,100,778
EQUITY AND LIABILITIES					
Equity attributable to the Shareholders of the Company					
Share capital	16	**1,785,600**	1,785,600	**1,785,600**	1,785,600
Reserves	17	**575,947**	767,322	**575,947**	767,322
Retained earnings		**1,962,051**	1,718,451	**1,981,782**	1,724,621
FVOCI reserve	18	**74,295**	69,324	**74,513**	69,324
TOTAL EQUITY		**4,397,893**	4,340,697	**4,417,842**	4,346,867
Amount due to Bank Negara Malaysia ("BNM")	19	**56,466**	37,957	**56,466**	37,957
Funds from BNM	20	**114,018**	156,067	**114,018**	156,067
Tabung Usahawan Kecil ("TUK")	21	**15,000**	30,000	**15,000**	30,000
Government funds	22	**-**	9,602	**-**	9,602
Derivative financial liabilities	23	**10,976**	2,480	**10,976**	2,480
Expected credit losses for guarantee schemes	24	**417,165**	363,450	**417,165**	363,450
Claims payable		**873**	1,588	**873**	1,588
Other payables	25	**147,881**	150,868	**145,108**	148,841
Amount due to a subsidiary		**-**	–	**475**	–
Lease liabilities	6	**3,881**	3,926	**3,881**	3,926
Deferred tax liabilities	37	**-**	–	**-**	–
TOTAL LIABILITIES		**766,260**	755,938	**763,962**	753,911
TOTAL EQUITY AND LIABILITIES		**5,164,153**	5,096,635	**5,181,804**	5,100,778

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	**2024 RM'000**	2023 RM'000	**2024 RM'000**	2023 RM'000
Revenue	27	**241,109**	233,023	**241,103**	233,023
Investment income	28	**217,824**	243,478	**217,450**	243,478
		458,933	476,501	**458,553**	476,501
Other operating income	29	**58,259**	60,992	**58,755**	61,694
Total income		**517,192**	537,493	**517,308**	538,195
Staff costs	30	**(114,147)**	(99,117)	**(106,298)**	(93,406)
Depreciation on property, plant and equipment	4	**(3,231)**	(4,153)	**(3,231)**	(4,153)
Amortisation of intangible assets	5	**(5,404)**	(5,868)	**(4,868)**	(5,853)
Other operating expenses		**(54,962)**	(52,338)	**(52,268)**	(50,998)
Total operating expenses		**(177,744)**	(161,476)	**(166,665)**	(154,410)
Total operating profit before expected credit losses		**339,448**	376,017	**350,643**	383,785
Expected credit losses for guarantee schemes	24	**(281,447)**	(293,774)	**(281,447)**	(293,774)
Expected credit losses for financing, loans and advances	13	**(4,614)**	(31,232)	**(4,614)**	(31,232)
Expected credit losses written-back/(charged) for investment securities and others	31	**1,204**	(425)	**1,204**	(425)
Total expected credit losses		**(284,857)**	(325,431)	**(284,857)**	(325,431)
Total operating profit		**54,591**	50,586	**65,786**	58,354
Share of loss after tax of an associate	8(b)	**(2,366)**	(570)	**-**	-
Profit from continuing operations	32	**52,225**	50,016	**65,786**	58,354
Taxation	37	**-**	-	**-**	-
Net profit for the financial year		**52,225**	50,016	**65,786**	58,354
Other comprehensive income:					
Items that may be subsequently reclassified to profit or loss					
- Net fair value gain on FVOCI investments		**5,590**	78,533	**5,808**	78,533
- Changes in expected credit losses for FVOCI investments		**(619)**	576	**(619)**	576
Other comprehensive income for the financial year		**4,971**	79,109	**5,189**	79,109
Total comprehensive income for the financial year		**57,196**	129,125	**70,975**	137,463
Net profit for the financial year attributable to:					
Shareholders of the Company		**52,225**	50,016	**65,786**	58,354
		52,225	50,016	**65,786**	58,354
Total comprehensive income for the financial year attributable to:					
Shareholders of the Company		**57,196**	129,125	**70,975**	137,463
		57,196	129,125	**70,975**	137,463

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	<---------------- Attributable to Shareholders of the Company				--------------->	
		<------------------------ Non-Distributable			----------------------->	Distributable	
	Note	Share capital RM'000	Special reserve RM'000	Special Purpose reserve RM'000	FVOCI reserve RM'000	Retained earnings RM'000	Total equity RM'000
Group							
Balance as at 1 January 2024		**1,785,600**	**281,014**	**486,308**	**69,324**	**1,718,451**	**4,340,697**
Total comprehensive income for the financial year		**-**	**-**	**-**	**4,971**	**52,225**	**57,196**
Transfer between reserves	17	**-**	**(212,130)**	**20,755**	**-**	**191,375**	**-**
Balance as at 31 December 2024		**1,785,600**	**68,884**	**507,063**	**74,295**	**1,962,051**	**4,397,893**
Balance as at 1 January 2023		1,785,600	458,245	466,865	(9,785)	1,510,647	4,211,572
Total comprehensive income for the financial year		-	-	-	79,109	50,016	129,125
Transfer between reserves	17	-	(177,231)	19,443	-	157,788	-
Balance as at 31 December 2023		1,785,600	281,014	486,308	69,324	1,718,451	4,340,697
Company							
Balance as at 1 January 2024		**1,785,600**	**281,014**	**486,308**	**69,324**	**1,724,621**	**4,346,867**
Total comprehensive income for the financial year		**-**	**-**	**-**	**5,189**	**65,786**	**70,975**
Transfer between reserves	17	**-**	**(212,130)**	**20,755**	**-**	**191,375**	**-**
Balance as at 31 December 2024		**1,785,600**	**68,884**	**507,063**	**74,513**	**1,981,782**	**4,417,842**
Balance as at 1 January 2023		1,785,600	458,245	466,865	(9,785)	1,508,479	4,209,404
Total comprehensive income for the financial year		-	-	-	79,109	58,354	137,463
Transfer between reserves	17	-	(177,231)	19,443	-	157,788	-
Balance as at 31 December 2023		1,785,600	281,014	486,308	69,324	1,724,621	4,346,867

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit for the financial year	**52,225**	50,016	**65,786**	58,354
Adjustments for:				
Depreciation on property, plant and equipment	**3,231**	4,153	**3,231**	4,153
Depreciation on ROU assets	**1,316**	1,634	**1,316**	1,634
Amortisation of intangible assets	**5,404**	5,868	**4,868**	5,853
Write-off of property, plant and equipment	**168**	–	**168**	–
Write-off of intangible assets	**247**	83	**247**	83
Interest expense for lease liability	**182**	195	**182**	195
Realised gain on FVOCI investments	**(1,724)**	(510)	**(1,724)**	(510)
Realised (gain)/loss on FVTPL investments	**(8,675)**	5,228	**(8,675)**	5,228
Unrealised fair value loss/(gain) on FVTPL investments	**25,586**	(70,252)	**25,586**	(70,252)
Accretion of discount on FVTPL investments	**(1,960)**	(967)	**(1,960)**	(967)
Amortisation of premium on FVOCI investments	**1,673**	1,367	**1,673**	1,367
Realised (gain)/loss on derivatives	**(15,349)**	22,963	**(15,349)**	22,963
Unrealised loss on derivatives	**6,643**	954	**6,643**	954
Expected credit losses for guarantee schemes	**281,447**	293,774	**281,447**	293,774
Expected credit losses for financing, loans and advances	**4,614**	31,232	**4,614**	31,232
Expected credit losses (written-back)/charged for investment securities and others	**(1,204)**	425	**(1,204)**	425
Derecognition of Government fund	**-**	(5,003)	**-**	(5,003)
Share of loss after tax of an associate	**2,366**	570	**-**	–
	356,190	341,730	**366,849**	349,483
Decrease in interest receivable for investments	**32,228**	2,510	**32,228**	2,510
Decrease/(Increase) in amount due from a subsidiary	**-**	–	**1,931**	(964)
(Increase)/Decrease in other receivables	**(6,603)**	3,875	**(6,422)**	3,881
Decrease in financing, loans and advances	**60,374**	70,244	**60,374**	70,244
Decrease in claims payable	**(228,447)**	(215,838)	**(228,447)**	(215,838)
Decrease in amount due from an associate	**-**	16	**-**	16
(Decrease)/Increase in other payables	**(2,987)**	19,236	**(3,733)**	17,240
Net cash inflows from operating activities	**210,755**	221,773	**222,780**	226,572

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

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	**(2,648)**	(3,409)	**(2,648)**	(3,409)
Purchase of intangible assets	**(10,362)**	(2,830)	**(5,323)**	(1,501)
Increase in investment in subsidiary	**-**	–	**(20,000)**	(20,000)
Purchase of FVTPL investments	**(36,892)**	(457,979)	**(36,892)**	(457,979)
Purchase of FVOCI investments	**(449,958)**	(363,836)	**(449,958)**	(359,142)
Proceeds from disposal of FVOCI investments	**349,211**	235,569	**349,211**	235,569
Proceeds from disposal of FVTPL investments	**7,060**	433,592	**7,060**	433,592
Decrease/(Increase) in derivative financial liabilities - net	**16,366**	(22,963)	**16,366**	(22,963)
Increase in term deposits – net	**(31,952)**	(114,785)	**(28,832)**	(111,781)
Net cash outflows from investing activities	**(159,175)**	(296,641)	**(171,016)**	(307,614)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of TUK	**(15,000)**	(12,000)	**(15,000)**	(12,000)
Repayments of Government fund	**(9,602)**	–	**(9,602)**	–
Increase in amount due to BNM	**18,509**	7,763	**18,509**	7,763
Decrease in funds from BNM	**(42,049)**	(69,719)	**(42,049)**	(69,719)
Repayment of lease liabilities	**(1,416)**	(1,811)	**(1,416)**	(1,811)
Net cash outflows from financing activities	**(49,558)**	(75,767)	**(49,558)**	(75,767)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR	**2,022**	(150,635)	**2,206**	(156,809)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	**337,523**	488,158	**331,349**	488,158
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	**339,545**	337,523	**333,555**	331,349
Cash and cash equivalents comprise the following:				
Cash and bank balances	**117,605**	108,863	**116,679**	105,691
Term deposits less than 90 days	**221,940**	228,660	**216,876**	225,658
	339,545	337,523	**333,555**	331,349

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

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The Company is a public limited liability company incorporated and domiciled in Malaysia. The address of the registered office of the Company is Level 14, Bangunan CGC, Kelana Business Centre, No. 97, Jalan SS 7/2, 47301 Petaling Jaya, Selangor.

The principal place of business of the Company is located at Level 8, Bangunan CGC, Kelana Business Centre, No. 97, Jalan SS 7/2, 47301 Petaling Jaya, Selangor.

The Group and the Company are principally engaged in providing services and provision on guarantees, financing and loans. There have been no significant changes in the nature of principal activities during the financial year.

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 18 April 2025.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the MFRS Accounting Standards, IFRS Accounting Standards, and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention, unless otherwise indicated in this summary of material accounting policies information.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying Group accounting policies. Although these estimates and judgements are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

(a) Standards, amendments to published standards and interpretations that are effective

The Group and the Company have applied the following standards and amendments for the first time for the financial year beginning on 1 January 2024:

- Amendments to MFRS 101 'Presentation of Financial Statements - Non-Current Liabilities with Covenants'
- Amendments to MFRS 16 'Lease Liability in a Sale and Leaseback'

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.1 Basis of preparation (continued)

(a) Standards, amendments to published standards and interpretations that are effective (continued)

Amendments to MFRS 101 'Presentation of Financial Statements – Non-Current Liabilities with Covenants'

The amendments to MFRS 101 require companies to disclose their current liabilities arising from a loan arrangement for at least twelve months after the reporting period subject to the companies complying with conditions specified in that loan arrangement (hereafter referred to as 'covenants').

When a company breaches a covenant of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, it classified the liability as current, even if the lender agreed, after the reporting period and before the authorisation of the financial statement for issue, not to demand payment as a consequence of the breach.

An entity classifies the liability as current because, at the end of the reporting period, it does not have the right to defer its settlement for at least twelve months after that date.

However, an entity classifies the liability as non-current if the lender agreed by the end of then reporting period to provide a period of grace ending at least twelve months after the reporting period, within which the entity can rectify the breach and during which the lender cannot demand immediate repayment.

In such situations, the entity shall disclose information in the notes that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, including information of the covenants, the carrying amount of the related liabilities and the facts and circumstances, if any, that indicate the entity may have difficulty complying with the covenants.

Amendments to MFRS 16 'Lease Liability in a Sale and Leaseback'

The amendments clarify that the lessee shall determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee companies would not recognise any amount of gain or loss relates to the right of use retained by the seller-lessee. However, this does not prevent the seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

(b) Standards and amendments that have been issued but not yet effective

A number of new standards and amendments to standards and interpretations are effective for financial year beginning after 1 January 2025. None of these are expected to have a significant effect on the financial statements of the Group and of the Company, except for the following set out below:

Amendments to MFRS 9 'Financial Instruments' and MFRS 7 'Financial Instruments: Disclosures'

Amendments to MFRS 9 'Financial Instruments' and MFRS 7 'Financial Instruments: Disclosures' requires companies to disclose for each class of investment the fair value at the end of the reporting period. The fair value gain or loss presented in other comprehensive income during the period should show separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period.

If an entity derecognised investments in equity instruments measured at fair value through other comprehensive income during the reporting period, it shall disclose any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

The impact assessment of the amendments on the financial statements of the Group and the Company is ongoing.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.1 Basis of preparation (continued)

(b) Standards and amendments that have been issued but not yet effective (continued)

MFRS 18 'Presentation and Disclosure in Financial Statement'

Key requirements

MFRS 18 replaces MFRS 101 Presentation of Financial Statements and introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures and includes new requirements for the location, aggregation and disaggregation of financial information.

Statement of Profit or Loss

An entity will be required to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. In addition, MFRS 18 requires an entity to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'.

Management-defined performance measures ("MPM")

MFRS 18 requires disclosure of information about all of an entity's MPMs within a single note to the financial statements and requires reconciliation to the most comparable subtotal specified by MFRS 18 or another MFRS accounting standard.

Location of information, aggregation and disaggregation

MFRS 18 requires aggregation and disaggregation of information to be performed with reference to similar and dissimilar characteristics. Guidance is also provided for determining meaningful descriptions, or labels, for items that are aggregated in the financial statements.

Consequential amendments to other accounting standards

Narrow-scope amendments have been made to MFRS 107 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method from 'profit or loss' to 'operating profit or loss'. The optionality around classification of cash flows from dividends and interest in the statement of cash flows has also largely been removed.

The impact assessment of the amendments on the financial statements of the Group and the Company is ongoing.

2.2 Consolidation, subsidiary and associate

(a) Subsidiary

Subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.2 Consolidation, subsidiary and associate (continued)

(a) Subsidiary (continued)

The Group applies the acquisition method to account for business combinations when the acquired sets of activities and assets meet the definition of a business. The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair value at the acquisition date. The Group recognise any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statements of comprehensive income.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the statements of comprehensive income.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 in the profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Inter-Company transactions, balances and unrealised gains on transactions between companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests in the results and equity of subsidiary are shown separately in the consolidated statements of financial position, statements of comprehensive income and statements of changes in equity respectively.

(b) Changes in ownership interests in subsidiary without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to the owners of the Group.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.2 Consolidation, subsidiary and associate (continued)

(c) Disposal of subsidiary

When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in the statements of comprehensive income. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the profit or loss.

Gains or losses on the disposal of subsidiary include the carrying amount of goodwill relating to the subsidiary sold.

(d) Associate

Associate is an entity over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associate is accounted for using the equity method of accounting. Under the equity method, the investment in an associate is initially recognised at cost, and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the associate in the statements of comprehensive income, and the Group's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from an associate are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interests in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. The Group's investment in associate includes goodwill identified on acquisition.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. An impairment loss is recognised for the amount by which the carrying amount of the associate exceeds its recoverable amount. The Group presents the impairment loss in share of profit after tax of associates in statements of comprehensive income.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associate. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associate have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group cease to equity account their associate because of a loss of significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in the comprehensive income. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the statements of comprehensive income.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to the profit or loss where appropriate.

Dilution gains or losses arising in investments in associate are recognised in the profit or loss.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.3 Investments in subsidiary and associate in separate financial statement

In the Group's separate financial statements, investments in subsidiary and associate are carried at cost less accumulated impairment losses. On disposal of investments in subsidiary and associate, the difference between disposal proceeds and the carrying amounts of the investments are recognised in the statements of comprehensive income.

The amount due from subsidiary from which the Group does not expect repayment in the foreseeable future is considered as part of the Group's investments in the subsidiary.

2.4 Property, plant and equipment

Property, plant and equipment are initially stated at cost. The cost of an item of property, plant and equipment initially recognised includes its purchase price, import duties, non-refundable purchase taxes and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and of the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in the statements of comprehensive income during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in 'other operating income' in the statements of comprehensive income.

Freehold land is not depreciated as it has an infinite life. Other property, plant and equipment are depreciated on the straight-line method to allocate the cost or the revalued amounts, to their residual values over their estimated useful lives, summarised as follows:

Building	25 years
Leasehold land	Over the remaining lease period
Motor vehicles	5 years
Office equipment	5 years
Furniture, fittings and fixtures	5 years
Renovation	5 years
Computer equipment	5 years

At the end of the reporting period, the Group and the Company assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write-down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 2.6 on impairment of non-financial assets.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.5 Intangible assets

Acquired software costs and development costs that are directly associated with identifiable software products controlled by the Group and the Company that will generate probable future economic benefits exceeding costs beyond one year are recognised as intangible assets.

Intangible assets are stated at cost less any accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is recognised in the statements of comprehensive income as incurred.

Intangible assets with finite useful lives are amortised from the date they are available for use.

Amortisation is recognised in the statements of comprehensive income on a straight-line basis over the estimated lives of the intangible assets, summarised as follows:

Application software	5 - 7 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

At the end of the reporting period, the Group and the Company assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A written down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 2.6 on impairment of non-financial assets.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs.

2.6 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserve.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.7 Financial assets

Classification

The Group and the Company classify their financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through profit or loss or through other comprehensive income); and
- those to be measured at amortised cost.

Recognition of financial assets

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group and the Company commit to purchase or sell the asset.

Measurement

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest ("SPPI").

Debt instruments

Subsequent measurement of debt instruments depends on the Group’s and the Company's business model for managing the asset and the cash flow characteristics of the asset. The Group and the Company reclassify debt investments when and only when the business model for managing those assets changes.

There are three measurement categories into which the Group and the Company classify the debt instruments:

(i) *Amortised cost*

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in investment income using the effective interest rate ("EIR") method. Any gain or loss arising on derecognition is recognised directly in the statements of comprehensive income and presented in investment income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statements of comprehensive income.

(ii) *Fair value through other comprehensive income ("FVOCI")*

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent SPPI, are measured at FVOCI. Movements in the carrying amount are taken through Other Comprehensive Income ("OCI"), except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statements of comprehensive income and recognised in investment income. Interest income from these financial assets is included in other income using the EIR method. Foreign exchange gains and losses are presented in investment income and impairment expenses are presented as a separate line item in the statements of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.7 Financial assets (continued)

Debt instruments (continued)

There are three measurement categories into which the Group and the Company classify the debt instruments: (continued)

(iii) *Fair value through through profit or loss ("FVTPL")*

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Group and the Company may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes are recognised in the statements of comprehensive income and presented net within investment income in the period in which they arise.

Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Where the Group's and the Company's management have elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the statements of comprehensive income following the derecognition of the investments. Dividends from such investments continue to be recognised in the statements of comprehensive income as other income when the Group's and the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in investment income in the statements of comprehensive income.

Impairment for debt instruments and financial guarantee contracts

The Group and the Company assess on a forward-looking basis the expected credit losses ("ECL") associated with their debt instruments carried at amortised cost and at FVOCI and financial guarantee contracts issued. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group and the Company have three types of financial instruments that are subject to the ECL model:

- Other receivables;
- Financing, loans and advances; and
- Financial guarantee contracts.

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss is immaterial.

ECL represents a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Company expect to receive, over the remaining life of the financial instrument. For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group and the Company expect to receive from the holder, the debtor or any other party.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.7 Financial assets (continued)

Impairment for debt instruments and financial guarantee contracts (continued)

The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(i) *General 3-stage approach for financial guarantee contracts and financing, loans and advances issued*

At each reporting date, the Group and the Company measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

(ii) *Simplified approach for other receivables and lease receivables*

The Group and the Company apply the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all other receivables and contract assets. Note 38 sets out the measurement details of ECL.

Significant increase in credit risk ("SICR")

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available, reasonable and supportable forward-looking information.

The following indicators are incorporated:

- Default risk

  The Group and the Company shall compare the risk of a default occuring on the financial instrument as at the reporting date with the risk of a default as at the date of initial recognition.

- Forward-looking information

  When more forward-looking than past-due information is available, it must be used to assess SICR. This is because credit risk typically increases significantly before a financial instrument becomes past due or other lagging customer-specific factors (for example, a modification or restructuring) are observed.

- Past-due information

  When information that is more forward-looking than past-due status is not available, the Group and the Company may use past due information to determine SICR.

- Collective assessment

  Some factors or indicators may not be identifiable on an individual financial instrument level. In such a case, the factors or indicators should be assessed for appropriate portfolios, groups of portfolios or portions of a portfolio of financial instruments to determine SICR.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.7 Financial assets (continued)

Significant increase in credit risk ("SICR") (continued)

The following indicators are incorporated: (continued)

- Low credit risk at reporting date

  Financial instruments with low credit risk at reporting date could be considered as no SICR.

- Non-funded product consideration

  For financing commitments, using changes in the risk of a default occuring on the financing to which a financing commitment relates. For financial guarantee contracts, an entity considers the changes in the risk that the specified debtor will default on the contract.

- Derecognition of SICR

  Financial instruments that move from Stage 2 back to Stage 1 need to have a history of timely payment performance against the modified contractual terms.

Macroeconomic information (such as unemployment rates, gross domestic product and others) is incorporated as part of the internal ECL model.

The Group and the Company has also considered the emerging risks arising from climate changes in the form of Management Overlay for ECL.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making a contractual payment.

Definition of default and credit-impaired financial assets

The Group and the Company define a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:

The Group and the Company define a financial instrument as default, when the counterparty fails to make contractual payment within 90 days of when it falls due.

Qualitative criteria:

The debtor meets unlikeliness-to-pay criteria, which indicates the debtor is in significant financial difficulty. The Group and the Company consider the following instances:

- The debtor is in breach of financial covenants;
- Concessions have been made by the lender relating to the debtor's financial difficulty;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- The debtor is insolvent.

Financial instruments that are credit-impaired are assessed on individual basis.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.7 Financial assets (continued)

Groupings of instruments for ECL measured on collective basis

(i) *Collective assessment*

To measure ECL, financial guarantees and financing, loans and advances have been grouped based on shared credit risk characteristics and the days past due. Financing, loans and advances includes contract assets related to unbilled work in progress and have substantially the same risk characteristics as the other financing, loans and advances. The Group and the Company have therefore concluded that the expected loss rates for financial guarantees and financing, loans and advances are a reasonable approximation of the loss rates for the financial assets.

(ii) *Individual assessment*

Other receivables and contract assets which are in default or credit-impaired are assessed individually.

Write-off

(i) *Other receivables*

The Group and the Company write off financial assets, in whole or in part, when they have exhausted all practical recovery efforts and have concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group and the Company may write off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written-off will result in impairment gains.

Modification of financing and loans

The Group and the Company sometimes renegotiate or otherwise modify the contractual cash flows of financing and loans to customers. When this happens, the Group and the Company assess whether or not the new terms are substantially different to the original terms. The Group and the Company do this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay;
- Whether any substantial new terms are introduced, such as a profit share or equity-based return that substantially affects the risk profile of the financing/loan;
- Significant extension of the financing/loan term when the borrower is not in financial difficulty;
- Significant change in the profit/interest rate;
- Change in the currency the financing/loan is denominated in; and
- Insertion of collaterals, other securities or credit enhancements that significantly affect the credit risk associated with the financing/loan.

If the terms are substantially different, the Group and the Company derecognise the original financial asset and recognise a 'new' asset at fair value and recalculate a new EIR for the asset. However, the Group and the Company also assess whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amounts are also recognised in the income statements as a modification gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group and the Company recalculate the gross carrying amount based on the revised cash flows of the financial asset and recognise a modification gain or loss in the income statements. The new gross carrying amount is recalculated by discounting the modified cash flows at the original EIR.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.7 Financial assets (continued)

Reclassification of financial assets

The Group and the Company reclassify financial assets when and only when their business model for managing those assets changes.

Derecognition of financial assets

A financial asset is derecognised when there is substantial modification of terms and conditions or factors other than substantial modification.

(a) *Derecognition due to substantial modification of terms and conditions*

The Group and the Company derecognise a financial asset, such as a financing/loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financing/loan, with the difference recognised as a derecognition gain or loss. The newly recognised financing is classified as Stage 1 for ECL measurement purposes.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group and the Company record a modification gain or loss, to the extent that an impairment loss has not already been recorded.

(b) *Derecognition other than for substantial modification*

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Group and the Company transfer substantially all the risks and rewards of ownership, or (ii) the Group and the Company neither transfer nor retain substantially all the risks and rewards of ownership and the Group and the Company have not retained control.

2.8 Financial liabilities

Financial liabilities are measured at amortised cost, except for trading liabilities designated at fair value, which are held at FVTPL. Financial liabilities are initially recognised at fair value plus transaction costs for all financial liabilities not carried at FVTPL. Financial liabilities at FVTPL are initially recognised at fair value, and transaction costs are expensed in the statements of comprehensive income. Financial liabilities are derecognised when extinguished.

(a) Recognition and initial measurement

Other financial liabilities measured at amortised cost

Other financial liabilities are initially recognised at fair value plus transaction costs. Subsequently, other financial liabilities are re-measured at amortised cost using the EIR method.

Other financial liabilities measured at amortised cost are 'amount due to BNM', 'claims payable' and 'other payables'.

(b) Derecognition

Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

NOTES TO THE FINANCIAL STATEMENTS
- 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

2.10 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and option pricing models, as appropriate. All derivatives are carried as assets when fair values are positive, and as liabilities when fair values are negative.

The best evidence of fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless fair value of the instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets.

The Group's and the Company's derivatives do not qualify for hedge accounting. They are classified as FVTPL and accounted for in accordance with the accounting policy set out in Note 2.7.

2.11 Financial guarantee contracts

Financial guarantee contracts are contracts that require the Group or Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The fair value of a financial guarantee at the time of issuance is zero because all guarantees are agreed on arm's length terms and the value of the premium agreed corresponds to the value of the guarantee obligation. No receivable for the future premium is recognised.

Subsequently the financial guarantee contracts are measured at the higher of:

- The amount of the loss allowance; and
- The premium received on initial recognition less income recognised in accordance with the principles of MFRS 15.

2.12 Leases in which the Group and the Company is a lessee

The Group and the Company as a lessee

Leases are recognised as right-of-use ("ROU") asset and a corresponding liability at the date on which the leased asset is available for use by the Group and the Company (i.e. the commencement date).

Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.12 Leases in which the Group and the Company is a lessee (continued)

The Group and the Company as a lessee (continued)

Contracts may contain both lease and non-lease components. The Group and the Company allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group and the Company are a lessee, it has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

(a) Lease term

In determining the lease term, the Group and the Company consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group and the Company reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and the Company and affects whether the Group and the Company are reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities (refer to (d) below).

(b) ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Company are reasonably certain to exercise a purchase option, the ROU assets are depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

(c) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- The exercise price of a purchase and extension options if the Group and the Company are reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising that option.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.12 Leases in which the Group and the Company is a lessee (continued)

The Group and the Company as a lessee (continued)

Contracts may contain both lease and non-lease components. The Group and the Company allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group and the Company are a lessee, it has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability. (continued)

(c) Lease liabilities (continued)

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and in the Company, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the statements of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in the statements of comprehensive income in the period in which the condition that triggers those payments occurs.

The Group and the Company present the lease liabilities as a separate line item in the statements of financial position. Interest expense on the lease liability is presented within the finance cost in the statements of comprehensive income.

(d) Reassessment of lease liabilities

The Group and the Company are also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

(e) Short-term leases and leases of low-value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in the statements of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.13 Leases in which the Group and the Company is a lessor

The Group and the Company as a lessor

As a lessor, the Group and the Company determine at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group and the Company make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group and the Company consider certain indicators such as whether the lease is for the major part of the economic life of the asset.

(a) Finance leases

The Group and the Company classify a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group and the Company derecognise the underlying asset and recognise a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from lessee and the unguaranteed residual value of the underlying asset. Initial direct costs are also included in the initial measurement of the net investment. The net investments is subject to MFRS 9 impairment (refer to Note 2.7 on impairment of financial assets). In addition, the Group and the Company review regularly the estimated unguaranteed residual value.

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return. The Group and the Company revise the lease income allocation if there is a reduction in the estimated unguaranteed residual value.

(b) Operating leases

The Group and the Company classify a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group and the Company recognise lease payments received under operating lease as lease income on a straight-line basis over the lease term.

When assets are leased out under an operating lease, the asset is included in the statements of financial position based on the nature of the asset. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of underlying asset and recognised as an expense over the lease term on the same basis as lease income.

(c) Sublease classification

When the Group and the Company are an intermediate lessor, they assess the lease classification of a sublease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is short-term lease to which the Group and the Company apply the exemption described above, then it classifies the sublease as an operating lease.

(d) Separating lease and non-lease components

If an arrangement contains lease and non-lease components, the Group and the Company allocate the consideration in the contract to the lease and non-lease components based on the stand-alone selling prices in accordance with the principles in MFRS 15.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.14 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the Group and the Company.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, where they are recognised at fair value plus transaction costs. Other receivables are recognised initially at fair value plus transaction costs. Transaction costs include transfer taxes and duties.

After recognition, trade and other receivables are subsequently measured at amortised cost using the effective interest rate method, less loss allowance. See accounting policy Note 2.7 on impairment of financial assets.

2.15 Cash and cash equivalents

For the purpose of the statements of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.16 Share capital

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the substance of the contractual arrangement of the particular instrument. Incremental costs directly attributable to the issue of new shares or options are deducted against equity.

2.17 Trade and claims payables

Trade and claims payables represent liabilities for goods or services provided to the Group and the Company prior to the end of financial year which are unpaid.

Trade and claims payables are recognised initially at fair value net of transaction costs incurred, which include transfer taxes and duties.

Trade and claims payables are subsequently measured at amortised cost using the effective interest rate method.

2.18 Current and deferred income tax

Tax expense for the period comprises current and deferred income tax. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in the statements of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group and its subsidiary and associate operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

NOTES TO THE FINANCIAL STATEMENTS
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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.18 Current and deferred income tax (continued)

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable comprehensive income. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred tax liability is recognised for all taxable temporary differences associated with property, plant and equipment and intangible assets.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiary and associate only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the deductible temporary difference can be utilised.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.19 Employee benefits

Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees’ services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as other payables in the statements of financial position.

The Group and the Company recognise a provision where contractually obliged or where there is a past practise that has created a constructive obligation.

Defined contribution plans

The Group and the Company contribute to the Employees' Provident Fund ("EPF"), a defined contribution plan. The Group's and the Company's contributions to the defined contribution plan are charged to the statements of comprehensive income in the financial year to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.20 Government grants

The benefit of a Government loan at a below-market rate of interest is treated as a Government grant. The Government loan is recognised as a financial liability, and measured in accordance with MFRS 9 'Financial Instruments' ("MFRS 9"). The Government grant is measured as the difference between the initial carrying value of the Government loan determined in accordance with MFRS 9 and the proceeds received. The Government grant is presented as deferred income in the statements of financial position.

Government grants are recognised when there is a reasonable assurance that the grants will be received, and the Group and the Company will comply with the conditions attached to the grants. Government grants are recognised in the statements of comprehensive income on a systematic basis over the periods in which the Group and the Company recognise as expenses the related costs for which the grants are intended to compensate.

The Group and the Company have applied the transitional provisions in MFRS 120 'Accounting for Government Grants and Disclosure of Government Assistance' ("MFRS 120") and Amendment to MFRS 1 'First-time Adoption of Malaysian Financial Reporting Standard' on Government Loans whereby the accounting provisions of MFRS 120 shall be applied prospectively to grants receivable or repayable after the effective date of the standard. The MFRS 120 treatment is applied to funds received from the Government and BNM in relation to:

(i) All Economic Sectors ("AES") for Tabung Projek Usahawan Bumiputera-i ("TPUB-i"), BizMula-i and BizWanita-i;
(ii) Tabung Usahawan Kecil ("TUK");
(iii) Hawkers & Petty Traders ("HPT"); and
(iv) New Investment Fund ("NIF").

2.21 Provisions

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Where the Group and the Company expect a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

2.22 Contingencies

The Group and the Company do not recognise contingent assets and liabilities, but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.22 Contingencies (continued)

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company. The Group and the Company do not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

2.23 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's and the Company's activities. Revenue is shown net of goods and services tax, returns, rebates and discounts and amounts collected on behalf of third parties and after eliminating sales within the Group and the Company.

The Group and the Company base their estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Guarantee fees are recognised on an accrual basis proportionately over the period of the respective guarantees.

(ii) For all financial instruments measured at amortised cost, interest/profit bearing financial assets classified as FVOCI and financial instruments designated at FVTPL, interest/finance income is recognised using the effective interest/profit method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset. The calculation takes into account all contractual terms of the financial instruments (for example, repayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest/profit rate, but not future credit losses. For impaired financial assets where the value of the financial asset have been written down as a result of an impairment loss, interest/finance income continues to be recognised using the rate of interest/profit used to discount the future cash flows for the purpose of measuring the impairment loss.

(iii) Other interest income, including amortisation of premiums or accretion of discounts, is recognised on a time proportion basis that takes into account the effective yield of the asset.

(iv) Rental income is recognised on a time proportion basis except where default in payment of rent has already occurred and the rent due remains outstanding, in which case recognition of rental income is suspended. Subsequent to suspension, rental income is recognised on the receipt basis until all arrears have been paid.

(v) Sales of services relates to the provision of credit reference services, credit scoring, distributing and engaging in digital and advisory services, and such other services related to a credit bureau. These services are provided as a fixed-price contract, with contract terms generally ranging from less than one year to three years.

(vi) Other revenue is recognised when a customer obtains control of the services rendered i.e. when the customer has the ability to direct the use of and obtain the benefits from the goods or services.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.24 Deferred income (excluding Government grants)

Deferred income comprises subscription fees paid in advance and fees from prepaid package. Deferred income is recognised as revenue in the statements of comprehensive income based on amortisation over period for subscription fees and based on utilisation of the prepaid package or the expiry of the agreement for prepaid package, whichever comes first.

2.25 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The financial statements are presented in Ringgit Malaysia, which is the Group's and the Company’s functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. However, exchange differences are deferred in other comprehensive income when they arose from qualifying cash flow or net investment hedges or are attributable to items that form part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statements of comprehensive income within other comprehensive income.

Changes in the fair value of monetary securities denominated in foreign currency classified as debt instruments classified as at fair value through other comprehensive income are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in the statements of comprehensive income, and other changes in carrying amount are recognised in other comprehensive income.

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3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period, or in the period of revision and future periods if the revision affects both current and future periods. The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives and investment in preference shares) are determined by using valuation techniques. The Group and the Company use its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Refer to Note 38(d) for key assumptions used to determine the fair values of financial instruments.

(b) Measurement of ECL allowance

The measurement of ECL allowance for financial assets measured at amortised cost and at FVOCI, and guarantee schemes is an area that requires the use of significant assumptions about future economic conditions and credit behaviour of customers and counterparties. Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is detailed in Note 38(a). Areas of significant judgements involved in the measurement of ECL are detailed as follows:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Management Overlay

As the current MFRS 9 models are not expected to generate levels of expected credit loss with sufficient reliability in view of the unprecedented economic conditions, climate changes and overlays, post-model adjustments have been applied to determine a sufficient overall level of ECLs for the year ended and as at 31 December 2024.

These overlays and post-model adjustments were taken to reflect the latest macroeconomic outlook not captured in the modelled outcome and the potential impact to delinquencies and defaults in 2025 onwards.

The overlays and post-model adjustments involved significant level of judgement and reflect the management's views of possible severities of the unaccounted risks and paths of recovery in the forward-looking assessment for ECL estimation purposes.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below. (continued)

(c) Impairment assessment of investment in a subsidiary

The Company firstly evaluated qualitative factors to identify any indication that may provide objective evidence that the investment in CGC Digital is impaired including, but not limited to, comparing the actual number of imSME visitors against the forecasted figures. If such indication is present, the Company shall estimate the recoverable value of investment in CGC Digital. The recoverable value of investment in CGC Digital is determined based on the higher of CGC Digital's value-in-use ("VIU") and fair value less cost to sell ("FVLCTS"). FVLCTS is estimated based on its forecasted revenue for the upcoming financial year, multiplied by a prescribed revenue multiplier provided by an independent third-party source.

(d) Impairment assessment of investment in an associate

The Company firstly evaluated qualitative factors to identify any indication that may provide objective evidence that the investment in associate is impaired. If such indication is present, the Company shall estimate the recoverable value of investment in Credit Bureau Malaysia Sdn. Bhd. ("CBM"). The recoverable value of investment in CBM is determined based on the Company's share of the net assets of the associate at the reporting date. This recoverable value is then compared with the Company's investment cost to assess any impairment loss, which is recognised in the statement of comprehensive income if applicable.

(e) Lease

The accounting for leases under MFRS 16 involves making various judgements and estimates which may need to be disclosed. The level of detail provided depends on the individual circumstances of the entity and the materiality of the amounts involved. For example, an entity may explain how it applies the judgement in the following areas:

(i) How the entity has determined whether a contract is, or contains, a lease.

(ii) How the entity has determined the incremental borrowing rate, for example where third party financing cannot be obtained (or can only be obtained at a significant premium), or by adjusting rates to reflect the term, security, value or economic environment.

(iii) What the entity considers to be an index or rate in determining lease payments.

(iv) How the entity accounts for costs incurred in connection with a lease that are not part of the cost of the ROU asset.

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4. PROPERTY, PLANT AND EQUIPMENT

Group/Company	Building RM'000	Long term leasehold land RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture, fittings & fixtures RM'000	Renovation RM'000	Computer equipment RM'000	Capital work in progress RM'000	Total RM'000
Cost									
As at 1 January 2024	**39,081**	**5,010**	**144**	**4,005**	**2,400**	**27,283**	**7,125**	**511**	**85,559**
Additions	**-**	**-**	**-**	**175**	**147**	**1,917**	**321**	**88**	**2,648**
Write-off	**-**	**-**	**-**	**(64)**	**(419)**	**(276)**	**(5)**	**-**	**(764)**
Reclassification	**-**	**-**	**-**	**24**	**321**	**162**	**4**	**(511)**	**-**
As at 31 December 2024	**39,081**	**5,010**	**144**	**4,140**	**2,449**	**29,086**	**7,445**	**88**	**87,443**
Less: Accumulated depreciation									
As at 1 January 2024	**39,080**	**3,036**	**143**	**3,362**	**1,938**	**21,562**	**5,821**	**-**	**74,942**
Charge during the financial year	**-**	**28**	**-**	**269**	**148**	**2,285**	**501**	**-**	**3,231**
Write-off	**-**	**-**	**-**	**(41)**	**(278)**	**(276)**	**(1)**	**-**	**(596)**
As at 31 December 2024	**39,080**	**3,064**	**143**	**3,590**	**1,808**	**23,571**	**6,321**	**-**	**77,577**
Net book value									
As at 31 December 2024	**1**	**1,946**	**1**	**550**	**641**	**5,515**	**1,124**	**88**	**9,866**
Cost									
As at 1 January 2023	39,081	5,010	144	3,911	2,235	26,352	6,829	52	83,614
Additions	-	-	-	114	234	1,828	726	507	3,409
Write-off	-	-	-	(20)	(69)	(945)	(430)	-	(1,464)
Reclassification	-	-	-	-	-	48	-	(48)	-
As at 31 December 2023	39,081	5,010	144	4,005	2,400	27,283	7,125	511	85,559
Less: Accumulated depreciation									
As at 1 January 2023	39,080	3,007	143	3,002	1,825	19,655	5,541	-	72,253
Charge during the financial year	-	29	-	380	182	2,852	710	-	4,153
Write-off	-	-	-	(20)	(69)	(945)	(430)	-	(1,464)
As at 31 December 2023	39,080	3,036	143	3,362	1,938	21,562	5,821	-	74,942
Net book value									
As at 31 December 2023	1	1,974	1	643	462	5,721	1,304	511	10,617

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5. INTANGIBLE ASSETS

	Group			Company		
	Software RM'000	Work in progress RM'000	Total RM'000	Software RM'000	Work in progress RM'000	Total RM'000
Cost						
As at 1 January 2024	**79,887**	**878**	**80,765**	**78,558**	**878**	**79,436**
Additions	**6,302**	**4,060**	**10,362**	**1,263**	**4,060**	**5,323**
Write-off	**(2,087)**	**-**	**(2,087)**	**(2,087)**	**-**	**(2,087)**
Reclassification	**733**	**(733)**	**-**	**733**	**(733)**	**-**
As at 31 December 2024	**84,835**	**4,205**	**89,040**	**78,467**	**4,205**	**82,672**
Less: Accumulated amortisation						
As at 1 January 2024	**68,553**	**-**	**68,553**	**68,538**	**-**	**68,538**
Charge during the financial year	**5,404**	**-**	**5,404**	**4,868**	**-**	**4,868**
Write-off	**(1,840)**	**-**	**(1,840)**	**(1,840)**	**-**	**(1,840)**
As at 31 December 2024	**72,117**	**-**	**72,117**	**71,566**	**-**	**71,566**
Net book value						
As at 31 December 2024	**12,718**	**4,205**	**16,923**	**6,901**	**4,205**	**11,106**
Cost						
As at 1 January 2023	77,118	1,376	78,494	77,118	1,376	78,494
Additions	2,257	573	2,830	928	573	1,501
Write-off	(559)	–	(559)	(559)	–	(559)
Reclassification	1,071	(1,071)	–	1,071	(1,071)	–
As at 31 December 2023	79,887	878	80,765	78,558	878	79,436
Less: Accumulated amortisation						
At 1 January 2023	63,161	–	63,161	63,161	–	63,161
Charge during the financial year	5,868	–	5,868	5,853	–	5,853
Write-off	(476)	–	(476)	(476)	–	(476)
As at 31 December 2023	68,553	–	68,553	68,538	–	68,538
Net book value						
As at 31 December 2023	11,334	878	12,212	10,020	878	10,898

NOTES TO THE FINANCIAL STATEMENTS
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6. RIGHT-OF-USE ("ROU") ASSETS AND LEASE LIABILITIES

The statements of financial position show the following amounts relating to leases:

	Group/Company	
	2024	2023
	RM'000	RM'000
ROU assets:		
Properties	**3,006**	3,768
Machineries	**660**	25
	3,666	3,793
Lease liabilities:		
Properties	**(3,130)**	(3,895)
Machineries	**(751)**	(31)
	(3,881)	(3,926)

Additions to the ROU assets and depreciation charges during the financial year for the Group and the Company are as follows:

	Group/Company	
	2024	2023
	RM'000	RM'000
Additons during the year:		
Properties	**469**	3,010
Machineries	**720**	-
	1,189	3,010
Depreciation charge on ROU assets:		
Properties	**1,232**	1,485
Machineries	**84**	149
	1,316	1,634
Accumulated depreciation:		
Properties	**2,407**	2,225
Machineries	**60**	720
	2,467	2,945

NOTES TO THE FINANCIAL STATEMENTS
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6. RIGHT-OF-USE ("ROU") ASSETS AND LEASE LIABILITIES (CONTINUED)

Future minimum lease payments at 31 December are as follows:

Group/Company	Within 1 year RM'000	1 - 3 years RM'000	More than 3 years RM'000	Total RM'000
2024				
Lease payment	**1,497**	**1,781**	**1,033**	**4,311**
Finance cost	**(172)**	**(187)**	**(71)**	**(430)**
Net present value	**1,325**	**1,594**	**962**	**3,881**
2023				
Lease payment	1,377	2,211	751	4,339
Finance cost	(150)	(195)	(68)	(413)
Net present value	1,227	2,016	683	3,926

Included in property, plant and equipment, there is RM1,946,000 (2023: RM1,974,000) of ROU assets in relation to leasehold land.

7. INVESTMENT IN SUBSIDIARY

	Company	
	2024 RM'000	2023 RM'000
At 1 January	**20,000**	–
Additional investment	**20,000**	20,000
At 31 December	**40,000**	20,000

Details of the subsidiary which is incorporated in Malaysia are as follows:

	Percentage of equity held	
Name of subsidiary	**2024**	2023
CGC Digital Sdn. Bhd. ("CGC Digital")	**100%**	100%

The principal activity of CGC Digital is provision of credit supplementation digitally on behalf of Credit Guarantee Corporation Malaysia Berhad as well as providing a digital ecosystem to facilitate Micro, Small & Medium Enterprises ("MSME") to obtain financing and/or scaling up of their businesses.

In 2022, as part of CGC's digital initiative, CGC Digital has been formed as an independent entity to spearhead CGC's digital process with a share capital investment by CGC amounting to RM1. Further capital injection totalling RM40.0 million was made through the subscription of 20 million ordinary shares at RM1 per share in 2023 and subscription of RM20.0 million Non-cumulative Redeemable Convertible Preference Share ("RCPS") in 2024.

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8. INVESTMENTS IN ASSOCIATES

The principal place of business and country of incorporation of the associate is in Malaysia. The associate is measured using the equity method. There are no available quoted market prices of the associate.

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Unquoted shares, at cost	**7,141**	7,141	**7,141**	7,141
Group's share of post-acquisition reserves	**(57)**	2,309	**–**	–
	7,084	9,450	**7,141**	7,141

	Group	
	2024 RM'000	2023 RM'000
At 1 January	**9,450**	10,020
Share of results for the financial year	**(2,366)**	(570)
At 31 December	**7,084**	9,450

Details of the associates are as follows:

		Percentage of equity held	
Name of associates	**Principal activities**	**2024**	2023
Credit Bureau Malaysia Sdn. Bhd. ("CBM")	Credit reference services, credit rating and such other services related to a credit bureau	**49%**	49%

NOTES TO THE FINANCIAL STATEMENTS
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8. INVESTMENTS IN ASSOCIATES (CONTINUED)

(a) Summarised financial information of the associate which are accounted for using the equity method is as follows:

(i) Summarised statement of financial position

	2024 RM'000	2023 RM'000
Assets		
Current assets	**6,890**	11,010
Non-current assets	**15,327**	15,441
Total assets	**22,217**	26,451
Liabilities		
Current liabilities	**(7,550)**	(6,801)
Non-current liabilities	**(210)**	(364)
Total liabilities	**(7,760)**	(7,165)
Net assets	**14,457**	19,286

(ii) Summarised statements of comprehensive income

	2024 RM'000	2023 RM'000
Revenue	**15,800**	16,458
Net loss for the financial year	**(4,829)**	(1,164)
Total comprehensive loss for the financial year	**(4,829)**	(1,164)

(b) Reconciliation of the summarised financial information to the carrying amount of the interest in the associate:

	2024 RM'000	2023 RM'000
Net assets as at 1 January	**19,286**	20,450
Net loss for the financial year	**(4,829)**	(1,164)
Net assets as at 31 December	**14,457**	19,286
Opening carrying value	**9,450**	10,020
Net loss for the financial year	**(2,366)**	(570)
Closing carrying value	**7,084**	9,450

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9. INVESTMENT SECURITIES: FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	Group/Company	
	2024 RM'000	2023 RM'000
At fair value		
Money market instruments:		
Unquoted in Malaysia		
Malaysian Government Securities ("MGS")	**-**	33,298
Government Investment Issue ("GII")	**31,286**	31,851
	31,286	65,149
Unquoted securities:		
In Malaysia		
Private debt securities	**592,915**	691,464
Outside Malaysia		
Private debt securities	**356,533**	265,446
	949,448	956,910
Quoted securities:		
In Malaysia		
Real Estate Investment Trusts ("REITs")	**35,330**	29,078
Outside Malaysia		
REITs	**129,859**	113,763
	165,189	142,841
	1,145,923	1,164,900

10. INVESTMENT SECURITIES: FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
At fair value				
Money market instruments:				
Unquoted in Malaysia				
Cagamas bonds	**122,434**	122,871	**122,434**	122,871
MGS	**145,913**	125,080	**145,913**	125,080
GII	**258,791**	172,982	**258,791**	172,982
Other bonds	**311,840**	306,681	**311,840**	306,681
	838,978	727,614	**838,978**	727,614
Unquoted securities:				
In Malaysia				
Private debt securities	**2,087,563**	2,039,460	**2,087,563**	2,039,460
Others:				
Outside Malaysia				
Preference shares and convertible notes*	**4,476**	4,694	**-**	-
	2,931,017	2,771,768	**2,926,541**	2,767,074

* The Group has elected to designate this investment as FVOCI irrevocably.

NOTES TO THE FINANCIAL STATEMENTS
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10. INVESTMENT SECURITIES: FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI") (CONTINUED)

Movements in allowance for impairment of FVOCI

		Group		Company	
		2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
(i)	**Expected credit losses – Stage 3**				
	Balance as at 1 January/31 December	**140,025**	140,025	**140,025**	140,025
(ii)	**Expected credit losses – Stage 1**				
	Balance as at 1 January	**1,738**	1,162	**1,738**	1,162
	Allowance (written-back)/made during the financial year	**(619)**	576	**(619)**	576
	Balance as at 31 December	**1,119**	1,738	**1,119**	1,738

11. INVESTMENT SECURITIES: AMORTISED COST

	Group/Company	
	2024 RM'000	2023 RM'000
At amortised cost		
Unquoted securities:		
In Malaysia		
Private debt securities	**131,531**	182,764
Less: Expected credit losses		
– Stage 2	**(236)**	(237)
– Stage 1	**(409)**	(995)
	130,886	181,532

Movements in allowance for impairment of amortised cost

		Group/Company	
		2024 RM'000	2023 RM'000
(i)	**Expected credit losses – Stage 2**		
	Balance as at 1 January	**237**	238
	Allowance written-back during the financial year	**(1)**	(1)
	Balance as at 31 December	**236**	237

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11. INVESTMENT SECURITIES: AMORTISED COST (CONTINUED)

Movements in allowance for impairment of amortised cost (continued)

	Group/Company	
	2024 RM'000	2023 RM'000
(ii) **Expected credit losses – Stage 1**		
Balance as at 1 January	**995**	1,145
Allowance written-back during the financial year	**(586)**	(150)
Balance as at 31 December	**409**	995

12. DERIVATIVE FINANCIAL ASSETS

	Group/Company			
	2024		2023	
	Contract/ notional amount RM'000	**Assets RM'000**	Contract/ notional amount RM'000	Assets RM'000
Derivative assets				
– Currency forward contracts	**135,566**	**1,071**	231,517	235

13. FINANCING, LOANS AND ADVANCES

(i) By schemes

	Group/Company	
	2024 RM'000	2023 RM'000
Redemption of Direct Access Guarantee Scheme ("DAGS") loans	**7,011**	8,486
Tabung Pemulihan dan Pembangunan Usahawan ("TPPU")	**2,052**	2,052
Tabung Pemulihan Peniaga Kecil ("TPPK")	**144**	144
Tabung Projek Usahawan Bumiputra-i ("TPUB-i")	**13,940**	20,383
BizMula-i	**104,650**	152,566
BizWanita-i	**21,806**	30,720
BizBina-i	**25,254**	34,012
BizMikro-i	**534**	547
Staff loans	**750**	917
Gross financing, loans and advances	**176,141**	249,827
Less: Expected credit losses		
– Stage 3	**(77,295)**	(77,850)
– Stage 2	**(7,427)**	(14,783)
– Stage 1	**(3,825)**	(4,612)
Total net financing, loans and advances	**87,594**	152,582

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13. FINANCING, LOANS AND ADVANCES (CONTINUED)

(ii) By maturity structure

	Group/Company	
	2024 RM'000	2023 RM'000
Maturity within one year	**12,093**	26,356
One year to three years	**64,900**	100,594
Three years to five years	**88,710**	116,394
Over five years	**10,438**	6,483
	176,141	249,827

(iii) By interest rate/profit rate sensitivity

	Group/Company	
	2024 RM'000	2023 RM'000
Fixed rate	**176,141**	249,827

(iv) By economic sectors

	Group/Company	
	2024 RM'000	2023 RM'000
Construction	**12,362**	16,203
Education, health & others	**10,385**	15,051
Electricity, gas & water supply	**530**	873
Financing, insurance, real estate & business services	**28,289**	41,720
Manufacturing	**13,874**	20,936
Mining & quarrying	**-**	43
Primary agriculture	**1,950**	2,843
Transport, storage & communication	**6,420**	8,902
Wholesale, retail trade, restaurants & hotels	**99,385**	140,143
Others	**2,946**	3,113
	176,141	249,827

(v) By economic purpose

	Group/Company	
	2024 RM'000	2023 RM'000
Working capital	**175,391**	248,910
Others	**750**	917
	176,141	249,827

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13. FINANCING, LOANS AND ADVANCES (CONTINUED)

(vi) By geographical distribution

	Group/Company	
	2024 RM'000	2023 RM'000
Johor	**22,308**	34,472
Kedah	**8,676**	12,397
Kelantan	**7,748**	11,826
Melaka	**7,044**	11,119
Negeri Sembilan	**6,001**	7,706
Pahang	**9,768**	14,008
Perak	**11,975**	16,955
Pulau Pinang	**9,234**	13,958
Sabah	**12,289**	16,043
Sarawak	**20,343**	26,594
Selangor	**30,356**	41,876
Terengganu	**10,779**	14,894
Wilayah Persekutuan – Kuala Lumpur	**19,620**	27,979
	176,141	249,827

(vii) Movements in impaired gross financing, loans and advances

	Group/Company	
	2024 RM'000	2023 RM'000
Balance as at 1 January	**77,850**	63,146
Add: Classified as impaired	**17,346**	35,054
Less: Reclassified as non-impaired	**(2,307)**	(1,749)
Less: Amount written-back	**(2,282)**	(1,999)
Less: Amount written-off/waived	**(13,312)**	(16,602)
Balance as at 31 December	**77,295**	77,850

(viii) Impaired financing, loans and advances by economic purposes

	Group/Company	
	2024 RM'000	2023 RM'000
Working capital	**77,140**	77,695
Others	**155**	155
	77,295	77,850

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

13. FINANCING, LOANS AND ADVANCES (CONTINUED)

(ix) Impaired financing, loans and advances by geographical distribution

	Group/Company	
	2024 RM'000	2023 RM'000
Johor	**9,162**	9,614
Kedah	**4,386**	4,017
Kelantan	**4,412**	4,386
Melaka	**2,390**	2,595
Negeri Sembilan	**2,197**	1,814
Pahang	**3,717**	3,963
Perak	**4,579**	4,552
Pulau Pinang	**4,151**	4,517
Sabah	**7,568**	7,282
Sarawak	**5,127**	5,041
Selangor	**15,947**	16,259
Terengganu	**4,665**	4,322
Wilayah Persekutuan - Kuala Lumpur	**8,994**	9,488
	77,295	77,850

(x) Movements in expected credit losses for impairment of financing, loans and advances

	Group/Company	
	2024 RM'000	2023 RM'000
Expected credit losses – Stage 3		
Balance as at 1 January	**77,850**	63,146
Allowance made during the financial year	**17,346**	35,054
Amount written-back during the financial year	**(4,589)**	(3,748)
Amount written-off/waived during the financial year	**(13,312)**	(16,602)
Balance as at 31 December	**77,295**	77,850
Expected credit losses – Stage 2		
Balance as at 1 January	**14,783**	14,285
Allowance made during the financial year	**3,637**	9,338
Amount written-back during the financial year	**(10,993)**	(8,840)
Balance as at 31 December	**7,427**	14,783
Expected credit losses – Stage 1		
Balance as at 1 January	**4,612**	5,184
Allowance made during the financial year	**1,401**	745
Amount written-back during the financial year	**(2,188)**	(1,317)
Balance as at 31 December	**3,825**	4,612
Total provision for expected credit losses as at 31 December	**88,547**	97,245

NOTES TO THE FINANCIAL STATEMENTS
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14. OTHER RECEIVABLES

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Receivables due from financial institutions	**22,588**	13,776	**22,588**	13,776
Deposits	**909**	997	**909**	997
Prepayments	**8,147**	9,234	**7,962**	9,228
Other receivables	**745**	920	**743**	920
Invoice accrual for guarantee fees	**1,242**	2,101	**1,242**	2,101
	33,631	27,028	**33,444**	27,022

There are no financial liabilities being set off or subject to an enforceable master netting arrangement or similar agreement and financial instruments received as collateral.

15. TERM DEPOSITS

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
At amortised cost				
Licensed banks	**213,304**	50,804	**213,304**	50,804
Licensed Islamic banks	**26,464**	265,654	**20,340**	262,650
Other Islamic financial institutions	**217,179**	108,537	**217,179**	108,537
	456,947	424,995	**450,823**	421,991

16. SHARE CAPITAL

	Group/Company			
	Number of ordinary shares		Amount	
	2024 '000	2023 '000	**2024 RM'000**	2023 RM'000
Issued and fully paid ordinary shares:				
As at 1 January/31 December at no par value	**1,585,600**	1,585,600	**1,785,600**	1,785,600

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

17. RESERVES

	Group/Company	
	2024 RM'000	2023 RM'000
Special reserve (a)	**68,884**	281,014
Special Purpose reserve (b)	**507,063**	486,308
	575,947	767,322

(a) Special reserve

	Group/Company	
	2024 RM'000	2023 RM'000
As at 1 January	**281,014**	458,245
Transfer to retained earnings during the financial year	**(212,130)**	(177,231)
As at 31 December	**68,884**	281,014

The Special reserve was created to meet claim contingencies arising from loans guaranteed by the Company under all the other schemes and is not distributable as cash dividend as designated by the Directors of the Company. The Special reserve may be utilised to meet excess claim contingencies in respect of all other schemes should the need arise.

(b) Special Purpose reserve

	Group/Company	
	2024 RM'000	2023 RM'000
As at 1 January	**486,308**	466,865
Transfer from retained earnings during the financial year	**20,755**	19,443
As at 31 December	**507,063**	486,308

The Special Purpose reserve was created from the gain on the disposal of Danajamin. The reserve may be utilised to meet potential claim in respect of all other reason due to the disposal transaction should the need arise. The reserve can be utilised if there are potential claims arising from Special Schemes/Initiatives, or any other initiatives or agendas to address market failure/imbalance. The utilisation of the reserve is subject to approval from BNM.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

18. FVOCI RESERVE

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
As at 1 January	**69,324**	(9,785)	**69,324**	(9,785)
Fair value gain during the financial year	**5,590**	78,533	**5,808**	78,533
Expected credit losses allowance (written-back)/ made during the financial year	**(619)**	576	**(619)**	576
As at 31 December	**74,295**	69,324	**74,513**	69,324

19. AMOUNT DUE TO BANK NEGARA MALAYSIA ("BNM")

	Group/Company	
	2024 RM'000	2023 RM'000
Amount due to BNM	**56,466**	37,957

The amount due to BNM is related to Special Relief Facility ("SRF"), Disaster Recovery Fund ("DRF"), Targeted Relief and Recovery Facility ("TRRF") and SME Assistance Guarantee Scheme ("SMEAGS") consists of:

(a) Recoveries from claims received from third parties payable to BNM; and

(b) Income generated from the schemes.

The (a) recoveries from claims and (b) income can be net-off against claims paid for the schemes.

The amount due to BNM is unsecured, interest-free and has a 14 days to 21 days repayment terms.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

20. FUNDS FROM BNM

	Group/Company	
	2024 **RM'000**	2023 RM'000
TPUB-i (a)	**40,705**	16,695
BizWanita-i (b)	**10,300**	21,307
BizMula-i (b)	**63,013**	118,065
	114,018	156,067
The funds comprise of:		
Fundings from BNM	**80,045**	101,582
Government grant	**33,973**	54,485
	114,018	156,067
Repayable within 12 months	**75,883**	59,782
Repayable after 12 months	**38,135**	96,285
	114,018	156,067

Details of the movement and balance outstanding as at 31 December 2024 are as follows:

(a) Fund for TPUB-i

Starting from 2023, the Small and Medium Enterprise ("SME") financing for TPUB-i is funded by BNM. The funding cost is 0.5% per annum and payable to BNM twice a year based on the outstanding amount of financing as at 30 June and 31 December each year. The principal amount is repayable to BNM within 10 working days upon receiving repayments of principal from SMEs.

(b) Funds for BizMula-i and BizWanita-i

The Company act as the financier for this schemes. Starting from 2018, the SME financing for BizMula-i and BizWanita-i is funded by BNM. The funding cost is 0.5% per annum and payable to BNM twice a year based on the outstanding amount of financing as at 30 June and 31 December each year. The principal amount is repayable to BNM within 10 working days upon receiving repayments of principal from SMEs.

Refer to Note 2.20 for the details of accounting policies on government grant.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

21. TABUNG USAHAWAN KECIL ("TUK")

	Group/Company	
	2024 RM'000	2023 RM'000
Loan from Ministry of Finance ("MOF")	**14,484**	28,395
Government grant	**516**	1,605
	15,000	30,000
Repayable within 12 months	**15,000**	15,000
Repayable after 12 months	**-**	15,000
	15,000	30,000

The scheme aims to assist small entrepreneurs to obtain financing of between RM2,000 to RM20,000 for the purposes of working capital and/or asset acquisition with financing for working capital not exceeding RM10,000.

On 10 December 1998, the Company entered into an agreement as the financier with the Government who contributed RM50.0 million to a fund known as TUK. This loanable fund is to be repaid in one lump sum either at the end of 10 years or when the scheme is wound down, whichever is earlier.

The Company ceased to disburse new loans under the TUK Fund as decided by the Ministry of Entrepreneur and Co-operative Development ("MECD") effective from 1 January 2000. However, the Company continues to manage the loans disbursed under this scheme prior to the said date.

The earnings from the unutilised portion of the Fund has been transferred to the Special Reserve and will be used to absorb possible losses on loans granted under this scheme.

On 15 June 2011, MOF agreed to reschedule the repayment of RM50.0 million with interest free to 2025. The funds will be repaid in accordance with a repayment arrangement with fund providers.

Refer to Note 2.20 for the details of accounting treatment on government grant.

22. GOVERNMENT FUNDS

	Group/Company	
	2024 RM'000	2023 RM'000
As at 1 January	**9,602**	14,605
Derecognition of liability	**-**	(5,003)
Loan repayment	**(9,602)**	-
As at 31 December	**-**	9,602
The funds comprise of:		
Funding from Government	**-**	9,167
Government grant	**-**	435
	-	9,602
Repayable within 12 months	**-**	9,602
Repayable after 12 months	**-**	-
	-	9,602

This comprises various placements from MOF via BNM amounting to RM150.0 million, intended for loanable funds, of which:

(i) RM50.0 million for Hawkers and Petty Traders ("HPT") and is subject to interest at 1% per annum.

The HPT Loan Scheme was introduced in 1986 with the Company as the financier. The scheme was aimed at helping to boost economic activity post the mid-1980's recession other than to serve financial inclusion agenda to draw the underserved segments of the community into the financial system. Financial assistance (RM10,000 and below) was provided to encourage and assist the unemployed in generating income through hawking and petty trading. Traders included tailors, barbers and those in motor repair and tourism related industries.

(ii) RM100.0 million for the New Investment Fund ("NIF") and is subject to interest at 1% per annum.

The NIF Loan Scheme was introduced in 2010 with the Company as the financier. The scheme was aimed at serving financial inclusion agenda to draw the underserved segments of the community into the financial system.

On 22 February 2024, the Company had fully settled the Government funds amounting to RM9.6 million. Refer to Note 2.20 for the details of accounting treatment on government grant.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

23. DERIVATIVE FINANCIAL LIABILITIES

	Group/Company			
	2024		2023	
	Contract/ notional amount RM'000	**Liabilities RM'000**	Contract/ notional amount RM'000	Liabilities RM'000
Derivative financial liabilities – currency forward contracts	**246,673**	**10,976**	151,619	2,480

24. EXPECTED CREDIT LOSSES FOR GUARANTEE SCHEMES

		Group/Company	
		2024 RM'000	2023 RM'000
(i)	**Expected credit losses – Stage 3**		
	Balance as at 1 January	**159,159**	109,653
	Allowance made during the financial year	**257,372**	262,515
	Transfer to claims payable during the financial year	**(227,732)**	(213,009)
	Balance as at 31 December	**188,799**	159,159
(ii)	**Expected credit losses – Stage 2**		
	Balance as at 1 January	**109,087**	97,667
	Allowance made during the financial year	**1,178**	11,420
	Balance as at 31 December	**110,265**	109,087
(iii)	**Expected credit losses – Stage 1**		
	Balance as at 1 January	**95,204**	75,365
	Allowance made during the financial year	**22,897**	19,839
	Balance as at 31 December	**118,101**	95,204
	Total allowance made during the financial year	**281,447**	293,774
	Total provision for expected credit losses as at 31 December	**417,165**	363,450

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

25. OTHER PAYABLES

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Deferred income – financial guarantee contracts	**97,197**	92,298	**97,197**	92,298
Refundable proceed – Tabung Projek Usahawan Bumiputra ("TPUB") and TPUB-i	**57**	456	**57**	456
Sinking fund – TPUB-i	**-**	346	**-**	346
Amount due to MOF – Green Technology Financing Scheme ("GTFS")	**10,877**	8,524	**10,877**	8,524
Accruals	**33,699**	28,474	**31,701**	26,478
Other payables	**6,051**	20,770	**5,276**	20,739
	147,881	150,868	**145,108**	148,841

26. FRANCHISE FINANCING SCHEME FUND ("FFS")

On 27 October 1997, a Memorandum of Understanding ("MOU") was executed between the Company and the Government of Malaysia via Ministry of Entrepreneur and Co-operative Development ("MECD") aiming at promoting growth in franchise business under a fund known as FFS.

In this MOU, the Company was appointed by the Government to execute the scheme. The fund is to provide guarantee cover and subsidy of interest to borrowers, enabling entrepreneurs operating viable franchise businesses to have access to credit facilities up to a maximum of RM7.5 million each. Participating banks may charge interest up to a maximum of BLR + 1.5% per annum, the Company through FFS scheme will subsidise the interest payment and reduce the cost of borrowing.

Refer to Note 33 for the total outstanding financial guarantee balance under the scheme.

27. REVENUE

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Guarantee fees – portfolio guarantee scheme	**207,603**	193,242	**207,603**	193,242
Guarantee fees – wholesale guarantee scheme	**2,451**	2,401	**2,451**	2,401
Guarantee fees – other schemes	**22,403**	23,909	**22,397**	23,909
Interest income – redemption schemes	**561**	563	**561**	563
Profit income – TPUB-i	**581**	875	**581**	875
Profit income – BizMula-i	**5,668**	9,173	**5,668**	9,173
Profit income – BizWanita-i	**1,011**	1,753	**1,011**	1,753
Profit income – BizBina-i	**831**	1,095	**831**	1,095
Profit income – BizMikro-i	**-**	12	**-**	12
	241,109	233,023	**241,103**	233,023

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

28. INVESTMENT INCOME

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Interest income				
– Investment securities: amortised cost	**12,130**	12,666	**12,130**	12,666
– Investment securities: FVOCI	**130,399**	119,719	**130,399**	119,719
– Investment securities: FVTPL	**57,011**	55,573	**57,011**	55,573
– Term deposits	**24,478**	27,322	**24,104**	27,322
	224,018	215,280	**223,644**	215,280
Realised gain/(loss) on disposal				
– Derivatives	**15,349**	(22,963)	**15,349**	(22,963)
– Investment securities: FVOCI	**1,724**	510	**1,724**	510
– Investment securities: FVTPL	**8,675**	(5,228)	**8,675**	(5,228)
	25,748	(27,681)	**25,748**	(27,681)
Unrealised fair value (loss)/gain				
– Derivatives	**(6,643)**	(954)	**(6,643)**	(954)
– Investment securities: FVTPL	**(25,586)**	57,230	**(25,586)**	57,230
	(32,229)	56,276	**(32,229)**	56,276
(Amortisation of premium)/Accretion of discount				
– Investment securities: FVOCI	**(1,673)**	(1,367)	**(1,673)**	(1,367)
– Investment securities: FVTPL	**1,960**	970	**1,960**	970
	287	(397)	**287**	(397)
	217,824	243,478	**217,450**	243,478

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

29. OTHER OPERATING INCOME

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Rental income	**135**	5	**135**	181
Management fees	**2,047**	1,739	**2,047**	2,270
Administrative fee – TPUB-i	**229**	40	**229**	40
Recovery income	**49,208**	43,834	**49,208**	43,834
Amortisation of deferred income				
– Government grant	**4,871**	6,767	**4,871**	6,767
Other income	**1,769**	8,607	**2,265**	8,602
	58,259	60,992	**58,755**	61,694

30. STAFF COSTS

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Salaries	**65,343**	59,182	**60,698**	55,477
Bonus	**20,623**	15,139	**19,681**	14,465
Employees' Provident Fund	**11,254**	11,507	**10,274**	10,895
Others	**16,927**	13,289	**15,645**	12,569
	114,147	99,117	**106,298**	93,406

31. EXPECTED CREDIT LOSSES WRITTEN-BACK/(CHARGED) FOR INVESTMENT SECURITIES AND OTHERS

	Group/Company	
	2024 RM'000	2023 RM'000
Investment Securities: FVOCI		
– Stage 1 – 12-month ECL	**619**	(576)
Allowance written-back/(made) during the financial year	**619**	(576)
Investment Securities: Amortised Cost		
– Stage 1 – 12-month ECL	**584**	150
– Stage 2 – Lifetime ECL not credit impaired	**1**	1
Allowance written-back during the financial year	**585**	151
Allowance written-back/(made) during the financial year	**1,204**	(425)

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

32. PROFIT FROM CONTINUING OPERATIONS

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Profit before taxation is arrived at after charging:				
Computer maintenance	**11,029**	9,315	**11,029**	9,315
Recovery expenses	**1,080**	1,418	**1,080**	1,418
Accretion of Government loans	**4,871**	6,767	**4,871**	6,767
Fund managers expenses	**2,090**	1,476	**2,090**	1,476
Rental	**207**	244	**207**	244
Directors remuneration excluding benefit-in-kind	**767**	736	**697**	672
Directors meeting allowance	**530**	526	**448**	457
Promotional expenses	**1,390**	2,015	**1,390**	2,015
Auditors remuneration:				
– statutory audit	**420**	420	**415**	415
– non-audit fees	**-**	46	**-**	46
Write-off of intangible assets (Note 5)	**247**	83	**247**	83
Depreciation on property, plant and equipment (Note 4)	**3,231**	4,153	**3,231**	4,153
Amortisation of intangible assets (Note 5)	**5,404**	5,868	**4,868**	5,853

33. COMMITMENTS, CONTINGENCIES AND GOVERNMENT-RELATED SCHEMES

The guarantees provided in respect of credit facilities extended by member financial institutions to borrowers under the various schemes guaranteed by the Group, the Company and the Government, as well as other commitments are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Commitments and Contingencies				
Financial guarantees – CGC	**6,141,345**	6,731,310	**6,140,728**	6,731,310
Irrevocable commitments to extend credit:				
– maturity not exceeding one year	**53,247**	23,185	**53,247**	23,185
Foreign exchange related contracts:				
– maturity not exceeding one year	**382,239**	383,136	**382,239**	383,136
	6,576,831	7,137,631	**6,576,214**	7,137,631
Government-Related Schemes				
Financial guarantees – Government	**3,859,107**	4,296,299	**3,859,107**	4,296,299
	10,435,938	11,433,930	**10,435,321**	11,433,930

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33. COMMITMENTS, CONTINGENCIES AND GOVERNMENT-RELATED SCHEMES (CONTINUED)

The guarantees provided in respect of credit facilities extended by member financial institutions to borrowers under the various schemes guaranteed by the Group, the Company and the Government, as well as other commitments are as follows: (continued)

Commitments and Contingencies (Financial guarantees – CGC)

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Full Risk				
(a) Conventional				
– DAGS	**7,923**	16,976	**7,923**	16,976
– BizSME	**2,858**	5,191	**2,858**	5,191
(b) Islamic				
– DAGS	**51**	63	**51**	63
Shared Risk				
(a) Conventional				
– BizJamin	**357,963**	421,668	**357,963**	421,668
– Flexi Guarantee Scheme	**48,482**	43,030	**48,482**	43,030
– Franchise Financing Scheme	**1,217**	1,963	**1,217**	1,963
– Portfolio Guarantee	**2,815,873**	3,088,626	**2,815,873**	3,088,626
– Wholesale Guarantee	**5,334**	45,196	**5,334**	45,196
– Credit Supplementation Allocation for Innovation ("CSAI")	**830**	–	**830**	–
(b) Islamic				
– BizJamin	**195,292**	191,183	**195,292**	191,183
– Flexi Guarantee Scheme	**61,871**	79,978	**61,871**	79,978
– Portfolio Guarantee	**3,041,600**	3,183,935	**3,041,600**	3,183,935
– Wholesale Guarantee	**15,779**	16,951	**15,779**	16,951
– CSAI	**2,820**	–	**2,820**	–
– Digital Guarantee	**617**	–	**-**	–
Gross Financial guarantees – CGC	**6,558,510**	7,094,760	**6,557,893**	7,094,760
Less: Expected credit losses				
– Stage 3	**(188,799)**	(159,159)	**(188,799)**	(159,159)
– Stage 2	**(110,265)**	(109,087)	**(110,265)**	(109,087)
– Stage 1	**(118,101)**	(95,204)	**(118,101)**	(95,204)
Financial guarantees - CGC	**6,141,345**	6,731,310	**6,140,728**	6,731,310

NOTES TO THE FINANCIAL STATEMENTS
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33. COMMITMENTS, CONTINGENCIES AND GOVERNMENT-RELATED SCHEMES (CONTINUED)

The guarantees provided in respect of credit facilities extended by member financial institutions to borrowers under the various schemes guaranteed by the Group, the Company and the Government, as well as other commitments are as follows: (continued)

Government-Related Schemes (Financial guarantees – Government)

(i) Government-Initiated Schemes

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Other Shared Risk				
(a) Conventional	**1,387,717**	1,619,671	**1,387,717**	1,619,671
(b) Islamic	**1,764,741**	1,883,745	**1,764,741**	1,883,745
Others Shared Risk	**3,152,458**	3,503,416	**3,152,458**	3,503,416

(ii) Government-Backed Schemes

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Other Shared Risk				
(a) Conventional				
– Green Technology Financing Scheme	**329,299**	351,281	**329,299**	351,281
– Disaster Relief Facility	**120**	8,052	**120**	8,052
	329,419	359,333	**329,419**	359,333
(b) Islamic				
– Green Technology Financing Scheme	**376,990**	430,841	**376,990**	430,841
– Disaster Relief Facility	**240**	2,709	**240**	2,709
	377,230	433,550	**377,230**	433,550
Others Shared Risk	**706,649**	792,883	**706,649**	792,883
Financial guarantees – Government	**3,859,107**	4,296,299	**3,859,107**	4,296,299

Financial guarantees – Government are guarantees managed by the Company on behalf of the Government and the credit risk is borne by the Government, hence no ECL is provided for by the Company.

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34. CAPITAL COMMITMENTS

	Group/Company	
	2024 RM'000	2023 RM'000
Capital expenditure not provided for in the financial statements:		
Authorised and contracted for	**8,239**	5,621
Authorised and not contracted for	**-**	154
	8,239	5,775

35. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Other significant related parties are as follows:

Name of Company	Relationship
Bank Negara Malaysia ("BNM")	Substantial shareholder of the Company
CGC Digital Sdn. Bhd.	Wholly-owned subsidiary
Credit Bureau Malaysia Sdn. Bhd.	Associate

(b) The key management personnel compensation is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Non-Executive Directors' fees	**1,699**	1,571	**1,547**	1,438
Other key management personnel (including President & Chief Executive Officer):				
– Short-term employee benefits	**8,162**	7,478	**6,630**	5,752
– Contribution to Employees' Provident Fund	**1,410**	1,292	**1,150**	1,004
Total compensation	**11,271**	10,341	**9,327**	8,194

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35. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(b) The key management personnel compensation is as follows: (continued)

Key management personnel comprises persons having authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly and consist of the Board of Directors, President & Chief Executive Officer and senior management personnels.

Directors' fees and remuneration

Total remuneration (including benefit-in-kind) of the Directors of the Group are as follows:

Group 2024	Salary and bonus RM'000	Fees RM'000	Meeting Allowance RM'000	Benefit-in-Kind RM'000	Total RM'000
Non-Executive Directors:					
Dato' Mohammed bin Haji Che Hussein	-	193	65	147	405
Encik Choong Tuck Oon	-	115	96	55	266
Encik Faisal bin Ismail	-	85	97	87	269
Puan Saleha binti M. Ramly	-	85	63	32	180
Encik Lim Choon Eng	-	105	95	38	238
Encik Suhaimi bin Ali	-	99	29	8	136
Encik Kellee Kam Chee Khiong	-	85	85	35	205
Total Directors' remuneration	-	767	530	402	1,699

Company 2024	Salary and bonus RM'000	Fees RM'000	Meeting Allowance RM'000	Benefit-in-Kind RM'000	Total RM'000
Non-Executive Directors:					
Dato' Mohammed bin Haji Che Hussein	-	193	65	147	405
Encik Choong Tuck Oon	-	85	56	55	196
Encik Faisal bin Ismail	-	85	97	87	269
Puan Saleha binti M. Ramly	-	85	63	32	180
Encik Lim Choon Eng	-	85	74	38	197
Encik Suhaimi bin Ali	-	79	8	8	95
Encik Kellee Kam Chee Khiong	-	85	85	35	205
Total Directors' remuneration	-	697	448	402	1,547

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

35. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(b) The key management personnel compensation is as follows: (continued)

Directors' fees and remuneration (continued)

Total remuneration (including benefit-in-kind) of the Directors of the Group are as follows: (continued)

Group 2023	Salary and bonus RM'000	Fees RM'000	Meeting Allowance RM'000	Benefit-in- Kind RM'000	Total RM'000
Non-Executive Directors:					
Dato' Mohammed bin Haji Che Hussein	–	180	60	125	365
Dato' Syed Moheeb bin Syed Kamarulzaman	–	3	–	–	3
Encik Teoh Kok Lin	–	35	24	9	68
Encik Suresh Kumar a/l T.A.S. Menon	–	34	21	6	61
Dato' Ong Eng Bin*	–	36	35	3	74
Dato' Ong Eng Bin	–	21	25	7	53
Encik Choong Tuck Oon	–	100	72	43	215
Encik Faisal bin Ismail	–	72	86	31	189
Puan Saleha binti M. Ramly	–	72	63	38	173
Encik Lim Choon Eng	–	90	100	37	227
Encik Suhaimi bin Ali	–	78	24	7	109
Encik Kellee Kam Chee Khiong	–	15	16	3	34
Total Directors' remuneration	–	736	526	309	1,571

Company 2023	Salary and bonus RM'000	Fees RM'000	Meeting Allowance RM'000	Benefit-in- Kind RM'000	Total RM'000
Non-Executive Directors:					
Dato' Mohammed bin Haji Che Hussein	–	180	60	125	365
Dato' Syed Moheeb bin Syed Kamarulzaman	–	3	–	–	3
Encik Teoh Kok Lin	–	35	24	9	68
Encik Suresh Kumar a/l T.A.S. Menon	–	34	21	6	61
Dato' Ong Eng Bin*	–	36	35	3	74
Dato' Ong Eng Bin	–	21	25	7	53
Encik Choong Tuck Oon	–	72	42	43	157
Encik Faisal bin Ismail	–	72	86	31	189
Puan Saleha binti M. Ramly	–	72	63	38	173
Encik Lim Choon Eng	–	72	75	37	184
Encik Suhaimi bin Ali	–	60	10	7	77
Encik Kellee Kam Chee Khiong	–	15	16	3	34
Total Directors' remuneration	–	672	457	309	1,438

* Director's fees payable to OCBC Bank (M) Berhad

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

35. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(b) The key management personnel compensation is as follows: (continued)

Directors' fees and remuneration (continued)

During the financial year, Directors and Officers are covered under the Directors' & Officers' Liability Insurance in respect of liabilities arising from acts committed in their respective capacities as Directors and Officers subject to the terms of the policy. The total coverage amount of Directors' & Officers' Liability Insurance effected for the Directors & Officers was RM15.0 million. The total amount of contribution paid for the Directors' & Officers' Liability Insurance by the Company was RM0.1 million (2023: RM0.1 million).

(c) The significant related party balances included in the statements of financial position are as follows:

(i) Amount due to/funds from BNM:

	Group/Company	
	2024 RM'000	2023 RM'000
Special Relief Guarantee Facility ("SRGF"), SRGF-2, SRF, TRRF, DRF and SMEAGS (Note 19)	**56,466**	37,957
TPUB-i (Note 20)	**40,705**	16,695
BizMula-i (Note 20)	**63,013**	118,065
BizWanita-i (Note 20)	**10,300**	21,307

(ii) Amount due from CGC Digital Sdn. Bhd.:

	Company	
	2024 RM'000	2023 RM'000
Payment on behalf	**188**	1,644

(d) Details of significant transactions between the Company and its related parties are as follows:

	Company	
	2024 RM'000	2023 RM'000
Report fees charged by an associate	**188**	435
Office rental charged to a subsidiary	**199**	176
Staff cost paid on behalf of a subsidiary	**1,100**	5,061
Management fee charge to subsidiary	**176**	531
Utilities fee charged to a subsidiary	**33**	22
Interest expense on loan charged by BNM	**743**	1,156

36. CAPITAL MANAGEMENT

The primary objective of the Group is to ensure that it maintains an adequate Guarantee Reserve Ratio ("GRR") in order to meet its mandate in promoting the growth and development of SMEs.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new shares or return capital to the shareholders. No changes were made in the objectives and policies during the financial years ended 31 December 2023 and 2024.

The Group monitors its capital and ability to guarantee by reference to its GRR, which stands at 1.6 times as at 31 December 2024 (2023: 1.7 times). The Company's policy is to maintain a GRR of less than 6.0 times.

37. TAXATION AND DEFERRED TAX ASSETS/(LIABILITIES)

The Company has been exempted from income tax by the Ministry of Finance based on the ruling under Section 127(3A), Income Tax Act, 1967 from the year of assessment (YA) upon its establishment, 1972 to YA2024.

The Ministry of Finance on 28 November 2024 approved the extension of the Company's tax exemption from YA2025 to YA2029, except for passive income as defined under Para 4(c), Income Tax Act, 1967.

38. FINANCIAL RISK MANAGEMENT

In the normal course of business, the Group and the Company are subjected to four main areas of risk, namely credit risk, market risk, liquidity risk and operational risk.

(a) Credit Risk

Credit risk is the risk of loss of principal or income that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from other receivables, Sukuk, bond investments, financial guarantees as well as financing, loans and advances.

The Group and the Company trade only with recognised and creditworthy third parties. It is the Group's and the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

As for financing and loans redeemed and guaranteed, the Group and the Company manage the credit risk by evaluating borrowers based on an in-house credit-scoring model. The Group and the Company use this model to measure the viability of financing and loans vis-à-vis established thresholds.

For other financial assets (including investment securities and placements with fund managers), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

For financial assets recognised in the statements of financial position, the exposure to credit risk equals their carrying amount. For financial guarantees granted, the maximum exposure to credit risk is the maximum amount that the Group and the Company would have to pay if the guarantees were to be called upon. For credit related commitments and contingencies, the maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers.

All financial assets of the Group and the Company are subject to credit risk except for cash in hand, prepayments as well as non-financial assets.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Expected Credit Loss ("ECL")

The Group and the Company use three categories for financial instruments in recognising ECL which reflect their credit risk and how the loss allowance is determined for each of those categories. A summary of the assumptions underpinning the Group's and the Company's ECL model is as follows.

Category	Definition of category	Basis for recognising ECL
Stage 1 (Performing)	Debt Securities Debt securities with strong credit and financial support with minimum risk of debt service payment. Loans/Financing and Financial Guarantees Newly purchased or issued loans/financing/guarantee.	12-month ECL
Stage 2 (Underperforming)	Debt Securities Significant Increase in Credit Risks is determined by the following: – External rating watch or downgrade; – External market indicators i.e. significant widening of credit spread; – Credit watch list, breach of covenants, unusual behaviour of borrowers i.e deteriorating financial position; or – Forward looking factors e.g macro indicators, credit trend, etc. Loans/Financing and Financial Guarantees – All restructured and rescheduled accounts; – All Arrears Account (1 Month in Arrears ("MIA") and 2MIA); or – Watchlist accounts (internal or external).	Lifetime ECL
Stage 3 (Impaired)	Debt Securities Determination of non-performing or credit-impaired assets: – Non-payment of coupon due by more than 14 days; – Non-payment of principal due by more than 7 days; or – Rating is downgraded to "D".	Lifetime ECL

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Expected Credit Loss ("ECL") (continued)

The Group and the Company use three categories for financial instruments in recognising ECL which reflect their credit risk and how the loss allowance is determined for each of those categories. A summary of the assumptions underpinning the Group's and the Company's ECL model is as follows (continued):

Category	Definition of category	Basis for recognising ECL
Stage 3 (Impaired)	Loans/Financing and Financial Guarantees (i) Obligatory triggers: – 90 days past due; – Leakage, cessation of contracts or cessation in business for TPUB-i product. – Rating downgrade as follows: 1. Default in paying principal or interest/profit according to the repayment schedule; 2. Cease operation/filing of bankruptcy; 3. Winding up order (upon notice, includes borrowers and parties who provide source of repayment)/ Receiver & Manager appointed; 4. Company classified under PN17 (or the equivalent classification for foreign capital markets); or 5. Material fraud with publicised news or upon appointment of financial advisor. (ii) Judgemental triggers: – Significant deterioration of financial performance of the company: (Negative tangible net worth; Net loss for continuous 2 financial years; Negative operating cash flows for continuous 2 financial years); – Evidence of any other indebtedness of the issuer/ borrower becomes due and payable prior to its stated maturity/substantial litigation by other parties against the issuer/borrower; – Request for rescheduling/restructuring (Request for 2 times or more and will be reclassified to Active Performing ("AP") if customer had met the 6-month consecutive prompt payment condition); – Qualified auditors' report; or – Failure to remedy any list of events constituting default in reference to the trust deed, loans/financing agreement or any relevant security documents.	Lifetime ECL

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Expected Credit Loss ("ECL") (continued)

The Group and the Company use three categories for financial instruments in recognising ECL which reflect their credit risk and how the loss allowance is determined for each of those categories. A summary of the assumptions underpinning the Group's and the Company's ECL model is as follows (continued):

Based on the above, loss allowance is measured on either 12-month ECL or lifetime ECL using the following methodology:

$$\boxed{Lifetime\ ECL = \sum_{t=1}^{Lifetime} [PD_t \times LGD_t \times EAD_t \times (1 + EIR)^{-t}]}$$

Legend:

1. Probability of Default ("PD"): the likelilhood that a borrower will be unable to meet its debt obligation or default over a particular time horizon, usually in the course of 1 year.

2. Loss Given at Default ("LGD"): the percentage of exposure the Group and the Company might lose in case the borrower defaults.

3. Exposure at Default ("EAD"): an estimate of the Group's and the Company's exposure to its counterparty at the time of default.

   For financial guarantee contracts, EAD is the lower of guarantee cover or outstanding amount x guarantee rate.

4. Effective Interest Rate ("EIR"): discount rate computed based on Original Effective Profit Rate ("OEPR")/EIR or approximation thereof at time t.

In deriving the PD and LGD, the Group and the Company consider historical data by each debtor by category and adjusts for forward-looking macroeconomic data. The Group and the Company have used macroeconomic informations such as unemployment rate, gross domestic product and others, and accordingly adjusts the historical loss rates based on expected changes in this factor. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. No significant changes to estimation techniques or assumptions were made during the reporting period.

The ECL computation is expected to include forward looking adjustment for the expected future macroeconomic variables ("MEV").

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– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Maximum exposure to credit risk

The maximum credit risk exposure of the Group and the Company equal their carrying amount in the statements of financial position as at reporting date, except for the following:

	Group		Company	
	2024 Maximum credit exposure RM'000	2023 Maximum credit exposure RM'000	**2024 Maximum credit exposure RM'000**	2023 Maximum credit exposure RM'000
Credit risk exposures of on-balance sheet assets:				
Investment securities: FVTPL*	**980,734**	1,022,059	**980,734**	1,022,059
Other receivables#	**25,484**	17,794	**25,482**	17,794
Cash and cash equivalents^	**339,525**	337,503	**333,535**	331,329
Credit risk exposure of off-balance sheet items:				
Financial guarantees	**6,141,345**	6,731,310	**6,140,728**	6,731,310
Credit related commitments and contingencies	**53,247**	23,185	**53,247**	23,185
Total maximum credit risk exposure	**7,540,335**	8,131,851	**7,533,726**	8,125,677

The following have been excluded for the purpose of maximum credit risk exposure calculation:

* Investment in REITs
\# Prepayments
^ Cash in hand

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit risk concentration

The Group and the Company determine concentrations of credit risk by monitoring the industry sector profile. The following tables analyse the Group's and the Company's financial assets and commitments and contingencies by industry concentration as at the reporting date:

Group 2024	Primary agriculture RM'000	Education, health and others RM'000	Construction RM'000	Financing, insurance, real estate & business services RM'000	Manufacturing RM'000	Mining and quarrying RM'000	Transport, storage & communication RM'000	Wholesale, retail trade, restaurants & hotels RM'000	Government RM'000	Electricity, gas & water supply RM'000	Other RM'000	Total RM'000
Investment securities:												
FVTPL*	-	53,496	10,333	413,498	92,248	-	65,796	-	101,058	234,908	9,397	980,734
Investment securities: FVOCI**	-	5,192	-	757,331	75,919	-	391,329	-	930,697	692,658	73,415	2,926,541
Investment securities:												
Amortised cost	-	-	-	80,601	-	-	-	-	-	-	50,285	130,886
Derivative financial assets	-	-	-	1,071	-	-	-	-	-	-	-	1,071
Term deposits	-	-	-	456,947	-	-	-	-	-	-	-	456,947
Financing, loans and advances	1,086	5,384	7,756	13,884	6,175	-	2,953	49,453	-	308	595	87,594
Other receivables#	-	-	-	23,871	-	-	-	-	-	-	1,613	25,484
Cash and cash equivalents^	-	-	-	339,525	-	-	-	-	-	-	-	339,525
	1,086	64,072	18,089	2,086,728	174,342	-	460,078	49,453	1,031,755	927,874	135,305	4,948,782
Financial guarantees	54,488	496,173	412,194	630,998	753,984	10,983	477,064	3,247,281	-	57,563	617	6,141,345
Credit related commitments and contingencies	-	2,000	30,387	17,149	3,202	-	-	509	-	-	-	53,247
Total off balance sheet	54,488	498,173	442,581	648,147	757,186	10,983	477,064	3,247,790	-	57,563	617	6,194,592

* Excludes investment in REITs of RM165,189,000 (2023: RM142,841,000)
** Excludes investment in preference shares and convertible notes of RM4,476,000 (2023: RM4,694,000)
\# Excludes prepayments of RM8,148,000 (2023: RM9,234,000)
^ Excludes cash in hand of RM19,568 (2023: RM19,568)

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit risk concentration (continued)

The Group and the Company determine concentrations of credit risk by monitoring the industry sector profile. The following tables analyse the Group's and the Company's financial assets and commitments and contingencies by industry concentration as at the reporting date: (continued)

Group 2023	Primary agriculture RM'000	Education, health and others RM'000	Construction RM'000	Financing, insurance, real estate & business services RM'000	Manufacturing RM'000	Mining and quarrying RM'000	Transport, storage & communication RM'000	Wholesale, retail trade, restaurants & hotels RM'000	Government RM'000	Electricity, gas & water supply RM'000	Other RM'000	Total RM'000
Investment securities: FVTPL*	-	68,212	16,332	388,326	163,519	-	70,923	-	114,254	189,831	10,662	1,022,059
Investment securities: FVOCI**	-	5,198	-	722,729	75,038	-	448,898	-	819,305	623,790	72,116	2,767,074
Investment securities:												
Amortised cost	-	-	-	131,233	-	-	-	-	-	-	50,299	181,532
Derivative financial assets	-	-	-	235	-	-	-	-	-	-	-	235
Term deposits	-	-	-	424,995	-	-	-	-	-	-	-	424,995
Financing, loans and advances	1,824	10,008	9,653	25,384	12,500	-	5,202	86,709	-	539	763	152,582
Other receivables#	-	-	46	15,900	-	-	-	-	163	-	1,685	17,794
Cash and cash equivalents^	-	-	-	337,503	-	-	-	-	-	-	-	337,503
	1,824	83,418	26,031	2,046,305	251,057	-	525,023	86,709	933,722	814,160	135,525	4,903,774
Financial guarantees	71,644	486,037	444,604	721,125	881,234	11,672	491,102	3,557,724	-	66,168	-	6,731,310
Credit related commitments and contingencies	-	-	10,295	6,529	6,361	-	-	-	-	-	-	23,185
Total off balance sheet	71,644	486,037	454,899	727,654	887,595	11,672	491,102	3,557,724	-	66,168	-	6,754,495

* Excludes investment in REITs of RM165,189,000 (2023: RM142,841,000)

** Excludes investment in preference shares and convertible notes of RM4,476,000 (2023: RM4,694,000)

\# Excludes prepayments of RM8,148,000 (2023: RM9,234,000)

^ Excludes cash in hand of RM19,568 (2023: RM19,568)

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38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit risk concentration (continued)

The Group and the Company determine concentrations of credit risk by monitoring the industry sector profile. The following tables analyse the Group's and the Company's financial assets and commitments and contingencies by industry concentration as at the reporting date: (continued)

Company 2024	Primary agriculture RM'000	Education, health and others RM'000	Construction RM'000	Financing, insurance, real estate & business services RM'000	Manufacturing RM'000	Mining and quarrying RM'000	Transport, storage & communication RM'000	Wholesale, retail trade, restaurants & hotels RM'000	Government RM'000	Electricity, gas & water supply RM'000	Other RM'000	Total RM'000
Investment securities: FVTPL*	-	53,496	10,333	413,498	92,248	-	65,796	-	101,058	234,908	9,397	980,734
Investment securities: FVOCI	-	5,192	-	757,331	75,919	-	391,329	-	930,697	692,658	73,415	2,926,541
Investment securities:												
Amortised cost	-	-	-	80,601	-	-	-	-	-	-	50,285	130,886
Derivative financial assets	-	-	-	1,071	-	-	-	-	-	-	-	1,071
Term deposits	-	-	-	450,823	-	-	-	-	-	-	-	450,823
Financing, loans and advances	1,086	5,384	7,756	13,884	6,175	-	2,953	49,453	-	308	595	87,594
Amount due from a subsidiary	-	-	-	-	-	-	-	-	-	-	188	188
Other receivables#	-	-	-	23,871	-	-	-	-	-	-	1,611	25,482
Cash and cash equivalents^	-	-	-	333,535	-	-	-	-	-	-	-	333,535
	1,086	64,072	18,089	2,074,614	174,342	-	460,078	49,453	1,031,755	927,874	135,491	4,936,854
Financial guarantees	54,488	496,173	412,194	630,998	753,984	10,983	477,064	3,247,281	-	57,563	-	6,140,728
Credit related commitments and contingencies	-	2,000	30,387	17,149	3,202	-	-	509	-	-	-	53,247
Total off balance sheet	54,488	498,173	442,581	648,147	757,186	10,983	477,064	3,247,790	-	57,563	-	6,193,975

* Excludes investment in REITs of RM165,189,000 (2023: RM142,841,000)

\# Excludes prepayments of RM7,962,000 (2023: RM9,228,000)

^ Excludes cash in hand of RM19,568 (2023: RM19,568)

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit risk concentration (continued)

The Group and the Company determine concentrations of credit risk by monitoring the industry sector profile. The following tables analyse the Group's and the Company's financial assets and commitments and contingencies by industry concentration as at the reporting date: (continued)

Company 2023	Primary agriculture RM'000	Education, health and others RM'000	Construction RM'000	Financing, insurance, real estate & business services RM'000	Manufacturing RM'000	Mining and quarrying RM'000	Transport, storage & communication RM'000	Wholesale, retail trade, restaurants & hotels RM'000	Government RM'000	Electricity, gas & water supply RM'000	Other RM'000	Total RM'000
Investment securities: FVTPL*	-	68,212	16,332	388,326	163,519	-	70,923	-	114,254	189,831	10,662	1,022,059
Investment securities: FVOCI	-	5,198	-	722,729	75,038	-	448,898	-	819,305	623,790	72,116	2,767,074
Investment securities:												
Amortised cost	-	-	-	131,233	-	-	-	-	-	-	50,299	181,532
Derivative financial assets	-	-	-	235	-	-	-	-	-	-	-	235
Term deposits	-	-	-	421,991	-	-	-	-	-	-	-	421,991
Financing, loans and advances	1,824	10,008	9,653	25,384	12,500	-	5,202	86,709	-	539	763	152,582
Amount due from a subsidiary	-	-	-	-	-	-	-	-	-	-	1,644	1,644
Other receivables#	-	-	46	15,900	-	-	-	-	163	-	1,685	17,794
Cash and cash equivalents^	-	-	-	331,329	-	-	-	-	-	-	-	331,329
	1,824	83,418	26,031	2,037,127	251,057	-	525,023	86,709	933,722	814,160	137,169	4,896,240
Financial guarantees	71,644	486,037	444,604	721,125	881,234	11,627	491,102	3,557,724	-	66,168	-	6,731,310
Credit related commitments and contingencies	-	-	10,295	6,529	6,361	-	-	-	-	-	-	23,185
Total off balance sheet	71,644	486,037	454,899	727,654	887,595	11,627	491,102	3,557,724	-	66,168	-	6,754,495

* Excludes investment in REITs of RM165,189,000 (2023: RM142,841,000)
\# Excludes prepayments of RM7,962,000 (2023: RM9,228,000)
^ Excludes cash in hand of RM19,568 (2023: RM19,568)

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38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality

(i) Financing, loans and advances

All financing, loans and advances are unrated and categorised into 'neither past due nor impaired', 'past due but not impaired' and 'impaired'. Past due loans refer to loans that are overdue by one day or more. Impaired loans are loans with months-in-arrears more than 3 months (i.e. 90 days) or with impairment allowance.

Distribution of financing, loans and advances by credit quality

Group/Company 2024	**12-Month ECL Performing Stage 1 RM'000**	**Lifetime ECL Under-performing Stage 2 RM'000**	**Lifetime ECL Impaired Stage 3 RM'000**	**Total RM'000**
Carrying amount of financing, loans and advances by credit quality:				
Neither past due nor impaired (A)	**75,228**	**2,066**	**-**	**77,294**
Past due but not impaired (B)	**-**	**21,552**	**-**	**21,552**
Impaired (C)	**-**	**-**	**77,295**	**77,295**
Gross financing, loans and advances	**75,228**	**23,618**	**77,295**	**176,141**
Less: Allowance for impairment losses				
– Expected credit losses	**(3,825)**	**(7,427)**	**(77,295)**	**(88,547)**
Net financing, loans and advances	**71,403**	**16,191**	**-**	**87,594**

Group/Company 2023	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Carrying amount of financing, loans and advances by credit quality:				
Neither past due nor impaired (A)	127,474	4,414	–	131,888
Past due but not impaired (B)	–	40,089	–	40,089
Impaired (C)	–	–	77,850	77,850
Gross financing, loans and advances	127,474	44,503	77,850	249,827
Less: Allowance for impairment losses				
– Expected credit losses	(4,612)	(14,783)	(77,850)	(97,245)
Net financing, loans and advances	122,862	29,720	–	152,582

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(i) Financing, loans and advances (continued)

Neither past due nor impaired (A)

Analysis of loans and advances that are neither past due nor impaired analysed based on the Group's and the Company's internal grading system is as follows:

Group/Company 2024	**12-Month ECL Performing Stage 1 RM'000**	**Lifetime ECL Under-performing Stage 2 RM'000**	**Lifetime ECL Impaired Stage 3 RM'000**	**Total RM'000**
Quality classification				
Satisfactory	**75,228**	**2,066**	**-**	**77,294**

Group/Company 2023	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Quality classification				
Satisfactory	127,474	4,414	–	131,888

Quality classification definitions:

Satisfactory: Exposures demonstrate a strong capacity to meet financial commitments, with negligible or low probability of default and/or levels of expected loss.

Collateral and other credit enhancement obtained

During the financial year, there is no repossessed collateral as the Group and the Company do not have possession of collateral held as security or other credit enhancement.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(i) Financing, loans and advances (continued)

Past due but not impaired (B)

Group/Company 2024	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Past due up to 30 days	-	12,928	-	12,928
Past due 30-60 days	-	8,624	-	8,624
Total	-	21,552	-	21,552

Group/Company 2023	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Past due up to 30 days	–	27,154	–	27,154
Past due 30-60 days	–	12,935	–	12,935
Total	–	40,089	–	40,089

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(i) Financing, loans and advances (continued)

Impaired (C)

Group/Company 2024	**12-Month ECL Performing Stage 1 RM'000**	**Lifetime ECL Under-performing Stage 2 RM'000**	**Lifetime ECL Impaired Stage 3 RM'000**	**Total RM'000**
Gross impaired loans				
Individually impaired loans	**–**	**–**	**77,295**	**77,295**

Group/Company 2023	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Gross impaired loans				
Individually impaired loans	–	–	77,850	77,850

(ii) Investment securities, derivatives, term deposits and cash and cash equivalents

Investment securities: FVTPL and investment securities: FVOCI are measured on a fair value basis. The fair value will reflect the credit risk of the issuer.

Most listed and some unlisted investment securities are rated by external rating agencies. The Group and the Company mainly use external ratings provided by Rating Agency Malaysia Berhad ("RAM"), Malaysian Rating Corporation Berhad ("MARC"), Moody's or Standard & Poor's ("S&P").

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(ii) Investment securities, derivatives, term deposits and cash and cash equivalents (continued)

Analysis of financial assets by rating agency designation (where applicable) as at 31 December:

Investment securities: FVTPL

Group/Company 2024	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Sovereign (no rating)	**31,286**	**-**	**-**	**31,286**
Investment grade (AAA to BBB-)	**854,209**	**-**	**-**	**854,209**
Non-investment grade (BB+ and below)	**14,621**	**-**	**-**	**14,621**
Unrated	**80,618**	**-**	**-**	**80,618**
Total	**980,734**	**-**	**-**	**980,734**

Group/Company 2023	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Sovereign (no rating)	65,150	–	–	65,150
Investment grade (AAA to BBB-)	831,596	–	–	831,596
Non-investment grade (BB+ and below)	23,883	–	–	23,883
Unrated	101,430	–	–	101,430
Total	1,022,059	–	–	1,022,059

The following have been excluded for the purpose of maximum credit risk exposure calculations:

^ Investment in REITs amounting to RM165,189,000 (2023: RM142,841,000)

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(ii) Investment securities, derivatives, term deposits and cash and cash equivalents (continued)

Analysis of financial assets by rating agency designation (where applicable) as at 31 December: (continued)

Investment securities: FVOCI

Group/Company 2024	**12-Month ECL Performing Stage 1 RM'000**	**Lifetime ECL Under-performing Stage 2 RM'000**	**Lifetime ECL Impaired Stage 3 RM'000**	**Total RM'000**
Sovereign (no rating)	**716,544**	**-**	**-**	**716,544**
Investment grade (AAA to BBB-)	**2,209,997**	**-**	**-**	**2,209,997**
Unrated	**-**	**-**	**-**	**-**
Total	**2,926,541**	**-**	**-**	**2,926,541**

Group/Company 2023	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Sovereign (no rating)	604,743	–	–	604,743
Investment grade (AAA to BBB-)	2,162,331	–	–	2,162,331
Unrated	–	–	–	–
Total	2,767,074	–	–	2,767,074

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(ii) Investment securities, derivatives, term deposits and cash and cash equivalents (continued)

Analysis of financial assets by rating agency designation (where applicable) as at 31 December: (continued)

Investment securities: Amortised cost

Group/Company 2024	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Unrated	81,009	50,522	-	131,531
Expected credit losses	(409)	(236)	-	(645)
Total	80,600	50,286	-	130,886

Group/Company 2023	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Unrated	132,228	50,536	–	182,764
Expected credit losses	(995)	(237)	–	(1,232)
Total	131,233	50,299	–	181,532

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(ii) Investment securities, derivatives, term deposits and cash and cash equivalents (continued)

Analysis of financial assets by rating agency designation (where applicable) as at 31 December: (continued)

Derivative financial assets

Group/Company 2024	**12-Month ECL Performing Stage 1 RM'000**	**Lifetime ECL Under-performing Stage 2 RM'000**	**Lifetime ECL Impaired Stage 3 RM'000**	**Total RM'000**
Investment grade (AAA to BBB-)	**1,071**	**-**	**-**	**1,071**
Total	**1,071**	**-**	**-**	**1,071**

Group/Company 2023	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Investment grade (AAA to BBB-)	235	–	–	235
Total	235	–	–	235

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(ii) Investment securities, derivatives, term deposits and cash and cash equivalents (continued)

Analysis of financial assets by rating agency designation (where applicable) as at 31 December: (continued)

Term deposits

Group 2024	**12-Month ECL Performing Stage 1 RM'000**	**Lifetime ECL Under-performing Stage 2 RM'000**	**Lifetime ECL Impaired Stage 3 RM'000**	**Total RM'000**
Investment grade (AAA to BBB-)	**456,947**	-	-	**456,947**
Total	**456,947**	-	-	**456,947**

Group 2023	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Investment grade (AAA to BBB-)	424,995	-	-	424,995
Total	424,995	-	-	424,995

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(ii) Investment securities, derivatives, term deposits and cash and cash equivalents (continued)

Analysis of financial assets by rating agency designation (where applicable) as at 31 December: (continued)

Term deposits (continued)

Company 2024	**12-Month ECL Performing Stage 1 RM'000**	**Lifetime ECL Under-performing Stage 2 RM'000**	**Lifetime ECL Impaired Stage 3 RM'000**	**Total RM'000**
Investment grade (AAA to BBB-)	**450,823**	**-**	**-**	**450,823**
Total	**450,823**	**-**	**-**	**450,823**

Company 2023	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Investment grade (AAA to BBB-)	421,991	–	–	421,991
Total	421,991	–	–	421,991

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(ii) Investment securities, derivatives, term deposits and cash and cash equivalents (continued)

Analysis of financial assets by rating agency designation (where applicable) as at 31 December: (continued)

Cash and cash equivalents

Group 2024	**12-Month ECL Performing Stage 1 RM'000**	**Lifetime ECL Under-performing Stage 2 RM'000**	**Lifetime ECL Impaired Stage 3 RM'000**	**Total RM'000**
Investment grade (AAA to BBB-)^	**339,525**	**-**	**-**	**339,525**
Total	**339,525**	**-**	**-**	**339,525**

Group 2023	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Investment grade (AAA to BBB-)^	337,503	–	–	337,503
Total	337,503	–	–	337,503

The following have been excluded for the purpose of maximum credit risk exposure calculations:

^ Cash in hand of RM19,568 (2023: RM19,568)

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(ii) Investment securities, derivatives, term deposits and cash and cash equivalents (continued)

Analysis of financial assets by rating agency designation (where applicable) as at 31 December: (continued)

Cash and cash equivalents (continued)

Company 2024	**12-Month ECL Performing Stage 1 RM'000**	**Lifetime ECL Under-performing Stage 2 RM'000**	**Lifetime ECL Impaired Stage 3 RM'000**	**Total RM'000**
Investment grade (AAA to BBB-)^	**333,535**	**-**	**-**	**333,535**
Total	**333,535**	**-**	**-**	**333,535**

Company 2023	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Investment grade (AAA to BBB-)^	331,329	–	–	331,329
Total	331,329	–	–	331,329

The following have been excluded for the purpose of maximum credit risk exposure calculations:

^ Cash in hand of RM19,568 (2022: RM19,600)

There are no investment securities, term deposits and cash and cash equivalents which are past due but not impaired or impaired.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(iii) Other financial assets

The carrying amount of other financial assets of the Group and the Company are summarised as below:

Group 2024	**12-Month ECL Performing Stage 1 RM'000**	**Lifetime ECL Under-performing Stage 2 RM'000**	**Lifetime ECL Impaired Stage 3 RM'000**	**Total RM'000**
Neither past but nor impaired				
Other receivables#	**19,353**	**–**	**–**	**19,353**
Total	**19,353**	**–**	**–**	**19,353**

Group 2023	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Neither past but nor impaired				
Other receivables#	13,254	–	–	13,254
Total	13,254	–	–	13,254

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(iii) Other financial assets (continued)

The carrying amount of other financial assets of the Group and the Company are summarised as below: (continued)

Group 2024	**12-Month ECL Performing Stage 1 RM'000**	**Lifetime ECL Under-performing Stage 2 RM'000**	**Lifetime ECL Impaired Stage 3 RM'000**	**Total RM'000**
Past due but not impaired				
Other receivables#	**6,131**	**–**	**–**	**6,131**
Total	**6,131**	**–**	**–**	**6,131**

Group 2023	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Past due but not impaired				
Other receivables#	4,540	–	–	4,540
Total	4,540	–	–	4,540

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(iii) Other financial assets (continued)

The carrying amount of other financial assets of the Group and the Company are summarised as below: (continued)

Company 2024	**12-Month ECL Performing Stage 1 RM'000**	**Lifetime ECL Under-performing Stage 2 RM'000**	**Lifetime ECL Impaired Stage 3 RM'000**	**Total RM'000**
Neither past due nor impaired				
Other receivables#	**19,351**	**–**	**–**	**19,351**
Total	**19,351**	**–**	**–**	**19,351**

Company 2023	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Neither past due nor impaired				
Other receivables#	13,254	–	–	13,254
Total	13,254	–	–	13,254

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(iii) Other financial assets (continued)

The carrying amount of other financial assets of the Group and the Company are summarised as below: (continued)

Company 2024	**12-Month ECL Performing Stage 1 RM'000**	**Lifetime ECL Under-performing Stage 2 RM'000**	**Lifetime ECL Impaired Stage 3 RM'000**	**Total RM'000**
Past due but not impaired				
Other receivables#	**6,131**	**–**	**–**	**6,131**
Total	**6,131**	**–**	**–**	**6,131**

Company 2023	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Past due but not impaired				
Other receivables#	4,540	–	–	4,540
Total	4,540	–	–	4,540

The following have been excluded for the purpose of maximum credit risk exposure calculations:

Prepayments for the Group and the Company amounting RM8,148,000 (2023: RM9,234,000) and RM7,962,000 (2023: RM9,228,000) respectively.

All other financial assets are categorised into 'neither past due nor impaired', 'past due but not impaired' and 'past due and impaired'. For financial assets categorised as 'neither past due nor impaired', there is a high likelihood of these assets being recovered in full and therefore, of no cause for concern to the Group and the Company. Financial assets categorised as 'past due but not impaired are receivables due from financial institutions with overdue more than 30 working days for the Company and 45 days for the subsidiary. Financial assets categorised as 'past due and impaired' are receivables deemed irrecoverable after assessment by the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(iv) Movement in expected credit losses

The expected credit losses recognised in the period is impacted by a variety of factors:

(a) Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period.

(b) Impact on the measurement of ECL due to changes in PD, EAD and LGD in the period, arising from regular refreshing of inputs to models.

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period:

Financing, loans and advances

Group/Company 2024	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Loss allowance as at 1 January 2024	4,612	14,783	77,850	97,245
Transfers				
Change due to change in credit risk:				
Transfer from Stage 1 to Stage 2	(500)	3,025	-	2,525
Transfer from Stage 1 to Stage 3	(220)	-	5,025	4,805
Transfer from Stage 2 to Stage 3	-	(5,607)	12,322	6,715
Transfer from Stage 3 to Stage 2	-	611	(1,769)	(1,158)
Transfer from Stage 3 to Stage 1	17	-	(539)	(522)
Transfer from Stage 2 to Stage 1	247	(2,885)	-	(2,638)
New financial assets originated or purchased	1,137	-	-	1,137
Financial assets derecognised during the financial year other than write-offs	(1,468)	(2,500)	(2,282)	(6,250)
Written-off/waived during the financial year	-	-	(13,312)	(13,312)
Loss allowance as at 31 December 2024	3,825	7,427	77,295	88,547

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(iv) Movement in expected credit losses (continued)

The expected credit losses recognised in the period is impacted by a variety of factors: (continued)

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period: (continued)

Financing, loans and advances (continued)

Group/Company 2023	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Loss allowance as at 1 January 2023	5,184	14,285	63,146	82,615
Transfers				
Change due to change in credit risk:				
Transfer from Stage 1 to Stage 2	(313)	8,984	–	8,671
Transfer from Stage 1 to Stage 3	(307)	–	12,535	12,228
Transfer from Stage 2 to Stage 3	–	(6,003)	22,021	16,018
Transfer from Stage 3 to Stage 2	–	332	(1,329)	(997)
Transfer from Stage 3 to Stage 1	10	–	(421)	(411)
Transfer from Stage 2 to Stage 1	273	(2,237)	–	(1,964)
New financial assets originated or purchased	461	22	–	483
Financial assets derecognised during the financial year other than write-offs	(668)	(128)	(1,999)	(2,795)
Written-off/waived during the financial year	(28)	(472)	(16,102)	(16,602)
Loss allowance as at 31 December 2023	4,612	14,783	77,850	97,245

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(iv) Movement in expected credit losses (continued)

The expected credit losses recognised in the period is impacted by a variety of factors: (continued)

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period: (continued)

Investment securities: FVOCI

Group/Company 2024	**Stage 1 RM'000**	**Stage 2 RM'000**	**Stage 3 RM'000**	**Total RM'000**
Loss allowance as at 1 January 2024	**1,738**	**-**	**140,025**	**141,763**
Change due to change in credit risk	**(954)**	**-**	**-**	**(954)**
New financial assets originated or purchased	**335**	**-**	**-**	**335**
Loss allowance as at 31 December 2024	**1,119**	**-**	**140,025**	**141,144**

Group/Company 2023	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Loss allowance as at 1 January 2023	1,162	–	140,025	141,187
Change due to change in credit risk	486	–	–	486
New financial assets originated or purchased	90	–	–	90
Loss allowance as at 31 December 2023	1,738	–	140,025	141,763

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(iv) Movement in expected credit losses (continued)

The expected credit losses recognised in the period is impacted by a variety of factors: (continued)

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period: (continued)

Investment securities: Amortised cost

Group/Company 2024	**Stage 1 RM'000**	**Stage 2 RM'000**	**Stage 3 RM'000**	**Total RM'000**
Loss allowance as at 1 January 2024	**995**	**237**	**-**	**1,232**
Change due to change in credit risk	**(586)**	**(1)**	**-**	**(587)**
Loss allowance as at 31 December 2024	**409**	**236**	**-**	**645**

Group/Company 2023	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Loss allowance as at 1 January 2023	1,145	238	–	1,383
Change due to change in credit risk	(150)	(1)	–	(151)
Loss allowance as at 31 December 2023	995	237	–	1,232

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(v) **Movement in gross carrying amount that contributed to changes in the expected credit losses:**

Financing, loans and advances

Group/Company 2024	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount as at 1 January 2024	127,474	44,503	77,850	249,827
Transfers				
Change due to change in credit risk:				
Transfer from Stage 1 to Stage 2	(4,216)	4,216	-	-
Transfer from Stage 1 to Stage 3	(1,156)	-	1,156	-
Transfer from Stage 2 to Stage 3	-	(2,115)	2,115	-
Transfer from Stage 3 to Stage 2	-	329	(329)	-
Transfer from Stage 3 to Stage 1	114	-	(114)	-
Transfer from Stage 2 to Stage 1	3,015	(3,015)	-	-
Remeasurement	(11,455)	(11,672)	12,184	(10,943)
New financial assets originated or purchased	8,002	-	-	8,002
Financial assets derecognised during the financial year other than write-offs	(46,550)	(8,628)	(2,255)	(57,433)
Written-off/waived during the financial year	-	-	(13,312)	(13,312)
Gross carrying amount as at 31 December 2024	75,228	23,618	77,295	176,141

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(v) Movement in gross carrying amount that contributed to changes in the expected credit losses: (continued)

Financing, loans and advances (continued)

Group/Company 2023	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount as at 1 January 2023	213,413	60,114	63,146	336,673
Transfers				
Change due to change in credit risk:				
Transfer from Stage 1 to Stage 2	(34,415)	34,415	–	–
Transfer from Stage 1 to Stage 3	(14,267)	–	14,267	–
Transfer from Stage 2 to Stage 3	–	(25,134)	25,134	–
Transfer from Stage 3 to Stage 2	–	1,329	(1,329)	–
Transfer from Stage 3 to Stage 1	421	–	(421)	–
Transfer from Stage 2 to Stage 1	10,697	(10,697)	–	–
Remeasurement	(2,809)	(8,009)	(4,847)	(15,665)
New financial assets originated or purchased	8,048	244	–	8,292
Financial assets derecognised during the financial year other than write-offs	(53,586)	(7,287)	(1,998)	(62,871)
Written-off/waived during the financial year	(28)	(472)	(16,102)	(16,602)
Gross carrying amount as at 31 December 2023	127,474	44,503	77,850	249,827

NOTES TO THE FINANCIAL STATEMENTS
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38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(v) Movement in gross carrying amount that contributed to changes in the expected credit losses: (continued)

Financing, loans and advances (continued)

An analysis of financial assets individually assessed as impaired (Stage 3) and the movements on the impairment allowance during the year are as follows:

Group/Company 2024	**Allowances as at 1 January RM'000**	**Allowances made during the year RM'000**	**Recoveries/ written back RM'000**	**Write-off RM'000**	**Allowances as at 31 December RM'000**
Financing, loans and advances	**77,850**	**17,346**	**(4,589)**	**(13,312)**	**77,295**
	77,850	**17,346**	**(4,589)**	**(13,312)**	**77,295**

Group/Company 2023	Allowances as at 1 January RM'000	Allowances made during the year RM'000	Recoveries/ written back RM'000	Write-off RM'000	Allowances as at 31 December RM'000
Financing, loans and advances	63,146	35,054	(3,748)	(16,602)	77,850
	63,146	35,054	(3,748)	(16,602)	77,850

NOTES TO THE FINANCIAL STATEMENTS
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38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(v) Movement in gross carrying amount that contributed to changes in the expected credit losses: (continued)

Investment securities: FVOCI

Group 2024	**Stage 1 RM'000**	**Stage 2 RM'000**	**Stage 3 RM'000**	**Total RM'000**
Gross carrying amount as at 1 January 2024	**2,767,074**	**-**	**-**	**2,767,074**
Change due to change in credit risk	**58,720**	**-**	**-**	**58,720**
New financial assets originated or purchased	**449,958**	**-**	**-**	**449,958**
Maturity/Disposal during the year	**(349,211)**	**-**	**-**	**(349,211)**
Gross carrying amount as at 31 December 2024	**2,926,541**	**-**	**-**	**2,926,541**

Group 2023	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount as at 1 January 2023	2,563,981	–	–	2,563,981
Change due to change in credit risk	79,519	–	–	79,519
New financial assets originated or purchased	359,143	–	–	359,143
Maturity/Disposal during the year	(235,569)	–	–	(235,569)
Gross carrying amount as at 31 December 2023	2,767,074	–	–	2,767,074

Excludes investment in preference shares and convertible notes of RM4,476,000 (2023: RM4,694,000).

NOTES TO THE FINANCIAL STATEMENTS
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38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(v) Movement in gross carrying amount that contributed to changes in the expected credit losses: (continued)

Investment securities: FVOCI (continued)

Company 2024	**Stage 1 RM'000**	**Stage 2 RM'000**	**Stage 3 RM'000**	**Total RM'000**
Gross carrying amount as at 1 January 2024	**2,767,074**	**-**	**-**	**2,767,074**
Change due to change in credit risk	**58,720**	**-**	**-**	**58,720**
New financial assets originated or purchased	**449,958**	**-**	**-**	**449,958**
Maturity/disposal during the year	**(349,211)**	**-**	**-**	**(349,211)**
Gross carrying amount as at 31 December 2024	**2,926,541**	**-**	**-**	**2,926,541**

Company 2023	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount as at 1 January 2023	2,563,981	–	–	2,563,981
Change due to change in credit risk	79,519	–	–	79,519
New financial assets originated or purchased	359,143	–	–	359,143
Maturity/disposal during the year	(235,569)	–	–	(235,569)
Gross carrying amount as at 31 December 2023	2,767,074	–	–	2,767,074

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– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(v) Movement in gross carrying amount that contributed to changes in the expected credit losses: (continued)

Investment securities: Amortised cost

Group/Company 2024	**Stage 1 RM'000**	**Stage 2 RM'000**	**Stage 3 RM'000**	**Total RM'000**
Gross carrying amount as at 1 January 2024	**132,228**	**50,536**	**-**	**182,764**
Change due to change in credit risk	**(1,219)**	**(14)**	**-**	**(1,233)**
Maturity/disposal during the year	**(50,000)**	**-**	**-**	**(50,000)**
Gross carrying amount as at 31 December 2024	**81,009**	**50,522**	**-**	**131,531**

Group/Company 2023	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount as at 1 January 2023	132,228	50,421	–	182,649
Change due to change in credit risk	–	115	–	115
Gross carrying amount as at 31 December 2023	132,228	50,536	–	182,764

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market risk

Market risk is defined as the risk of losses to the Group's and the Company's portfolio positions arising from movements in market factors such as interest rates, foreign exchange rates and changes in volatility. The Group and the Company are exposed to market risks from its trading and investment activities.

The Group's and the Company's exposure to market risk stems primarily from interest rate risk. Interest rate risk arises mainly from differences in timing between the maturities or repricing of assets, liabilities and derivatives.

Net interest income sensitivity analysis

The table below shows the profit after tax net interest income sensitivity for the financial assets and financial liabilities held at reporting date.

	Group			
	2024		2023	
	Impact on profit after tax RM'000	**Impact on equity RM'000**	Impact on profit after tax RM'000	Impact on equity RM'000
+ 100 basis points ("bps")	**51,371**	**52,162**	49,137	49,928
– 100 bps	**(51,371)**	**(52,162)**	(49,137)	(49,928)

	Company			
	2024		2023	
	Impact on profit after tax RM'000	**Impact on equity RM'000**	Impact on profit after tax RM'000	Impact on equity RM'000
+ 100 bps	**51,311**	**52,102**	49,077	49,868
– 100 bps	**(51,311)**	**(52,102)**	(49,077)	(49,868)

NOTES TO THE FINANCIAL STATEMENTS
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38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

Interest/Profit rate risk

The table below summarises the Group's and the Company's exposure to interest/profit rate risks. Included in the table are the Group's and the Company's financial assets and liabilities at their carrying amounts, categorised by the earlier of contractual repricing or maturity dates. The net interest sensitivity gap for items not recognised in the statements of financial position represents the net notional amounts of all interest/profit rate sensitivity derivative financial instruments. As interest rate yield curves change over time, the Group and Company may be exposed to loss in earnings due to the effects of interest rates on the structure of the statements of financial position. Sensitivity to interest/profit rates arises from mismatches in the repricing dates, cashflows and other characteristics of the financial assets and their corresponding financial liabilities funding.

Group 2024	Within 12 months RM'000	1 to 5 years RM'000	Over 5 years RM'000	Non-interest/ profit sensitive RM'000	Total RM'000
Financial assets					
Investment securities: FVTPL	34,403	249,493	850,354	11,673	1,145,923
Investment securities: FVOCI	197,998	1,073,266	1,659,753	-	2,931,017
Investment securities:					
Amortised cost	130,886	-	-	-	130,886
Derivative financial assets	1,071	-	-	-	1,071
Term deposits	453,848	-	-	3,099	456,947
Financing, loans and advances					
- not impaired *	11,419	83,283	4,144	(11,252)	87,594
Other receivables ^	-	-	-	25,484	25,484
Cash and cash equivalents	221,360	-	-	118,185	339,545
Total	1,050,985	1,406,042	2,514,251	147,189	5,118,467
Financial liabilities					
Funds from BNM	75,883	38,135	-	-	114,018
Tabung Usahawan Kecil	15,000	-	-	-	15,000
Government funds	-	-	-	-	-
Derivative financial liabilities	10,976	-	-	-	10,976
Other liabilities@	-	-	-	626,266	626,266
Total	101,859	38,135	-	626,266	766,260
Net interest sensitivity gap	949,126	1,367,907	2,514,251		

* The negative balance represents collective allowance for financing, loans and advances
^ Excludes prepayment amounting to RM8,148,000 (2023: RM9,234,000)
@ Other liabilities includes amount due to BNM, expected credit losses for guarantee schemes, claims payable, other payables, amount due to a subsidiary and lease liabilities

NOTES TO THE FINANCIAL STATEMENTS
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38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

Interest/Profit rate risk (continued)

The table below summarises the Group's and the Company's exposure to interest/profit rate risks. Included in the table are the Group's and the Company's financial assets and liabilities at their carrying amounts, categorised by the earlier of contractual repricing or maturity dates. The net interest sensitivity gap for items not recognised in the statements of financial position represents the net notional amounts of all interest/profit rate sensitivity derivative financial instruments. As interest rate yield curves change over time, the Group and Company may be exposed to loss in earnings due to the effects of interest rates on the structure of the statements of financial position. Sensitivity to interest/profit rates arises from mismatches in the repricing dates, cashflows and other characteristics of the financial assets and their corresponding financial liabilities funding. (continued):

Group 2023	Within 12 months RM'000	1 to 5 years RM'000	Over 5 years RM'000	Non-interest/ profit sensitive RM'000	Total RM'000
Financial assets					
Investment securities: FVTPL	38,064	300,136	815,032	11,668	1,164,900
Investment securities: FVOCI	268,040	1,069,036	1,434,692	–	2,771,768
Investment securities:					
Amortised cost	101,199	80,333	–	–	181,532
Derivative financial assets	235	–	–	–	235
Term deposits	420,565	–	–	4,430	424,995
Financing, loans and advances					
- not impaired *	10,667	156,928	4,382	(19,395)	152,582
Other receivables ^	–	–	–	17,794	17,794
Cash and cash equivalents	225,264	–	–	112,259	337,523
Total	1,064,034	1,606,433	2,254,106	126,756	5,051,329
Financial liabilities					
Funds from BNM	59,782	96,285	–	–	156,067
Tabung Usahawan Kecil	15,000	15,000	–	–	30,000
Government funds	9,602	–	–	–	9,602
Derivative financial liabilities	2,480	–	–	–	2,480
Other liabilities@	–	–	–	557,789	557,789
Total	86,864	111,285	–	557,789	755,938
Net interest sensitivity gap	977,170	1,495,148	2,254,106		

* The negative balance represents collective allowance for financing, loans and advances
^ Excludes prepayment amounting to RM8,148,000 (2023: RM9,234,000)
@ Other liabilities includes amount due to BNM, expected credit losses for guarantee schemes, claims payable, other payables, amount due to a subsidiary and lease liabilities

NOTES TO THE FINANCIAL STATEMENTS
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38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

Interest/Profit rate risk (continued)

The table below summarises the Group's and the Company's exposure to interest/profit rate risks. Included in the table are the Group's and the Company's financial assets and liabilities at their carrying amounts, categorised by the earlier of contractual repricing or maturity dates. The net interest sensitivity gap for items not recognised in the statements of financial position represents the net notional amounts of all interest/profit rate sensitivity derivative financial instruments. As interest rate yield curves change over time, the Group and Company may be exposed to loss in earnings due to the effects of interest rates on the structure of the statements of financial position. Sensitivity to interest/profit rates arises from mismatches in the repricing dates, cashflows and other characteristics of the financial assets and their corresponding financial liabilities funding. (continued):

Company 2024	**Within 12 months RM'000**	**1 to 5 years RM'000**	**Over 5 years RM'000**	**Non-interest/ profit sensitive RM'000**	**Total RM'000**
Financial assets					
Investment securities: FVTPL	**34,403**	**249,493**	**850,354**	**11,673**	**1,145,923**
Investment securities: FVOCI	**197,998**	**1,073,266**	**1,655,277**	**-**	**2,926,541**
Investment securities:					
Amortised cost	**130,886**	**-**	**-**	**-**	**130,886**
Derivative financial assets	**1,071**	**-**	**-**	**-**	**1,071**
Term deposits	**447,749**	**-**	**-**	**3,074**	**450,823**
Financing, loans and advances					
- not impaired *	**11,419**	**83,283**	**4,144**	**(11,252)**	**87,594**
Amount due from a subsidiary	**-**	**-**	**-**	**188**	**188**
Other receivables ^	**-**	**-**	**-**	**25,482**	**25,482**
Cash and cash equivalents	**216,296**	**-**	**-**	**117,259**	**333,555**
Total	**1,039,822**	**1,406,042**	**2,509,775**	**146,424**	**5,102,063**
Financial liabilities					
Funds from BNM	**75,883**	**38,135**	**-**	**-**	**114,018**
Tabung Usahawan Kecil	**15,000**	**-**	**-**	**-**	**15,000**
Government funds	**-**	**-**	**-**	**-**	**-**
Derivative financial liabilities	**10,976**	**-**	**-**	**-**	**10,976**
Other liabilities@	**-**	**-**	**-**	**623,968**	**623,968**
Total	**101,859**	**38,135**	**-**	**623,968**	**763,962**
Net interest sensitivity gap	**937,963**	**1,367,907**	**2,509,775**		

* The negative balance represents collective allowance for financing, loans and advances

^ Excludes prepayment amounting to RM7,962,000 (2023: RM9,228,000)

@ Other liabilities includes amount due to BNM, expected credit losses for guarantee schemes, claims payable, other payables, amount due to a subsidiary and lease liabilities

NOTES TO THE FINANCIAL STATEMENTS
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38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

Interest/Profit rate risk (continued)

The table below summarises the Group's and the Company's exposure to interest/profit rate risks. Included in the table are the Group's and the Company's financial assets and liabilities at their carrying amounts, categorised by the earlier of contractual repricing or maturity dates. The net interest sensitivity gap for items not recognised in the statements of financial position represents the net notional amounts of all interest/profit rate sensitivity derivative financial instruments. As interest rate yield curves change over time, the Group and Company may be exposed to loss in earnings due to the effects of interest rates on the structure of the statements of financial position. Sensitivity to interest/profit rates arises from mismatches in the repricing dates, cashflows and other characteristics of the financial assets and their corresponding financial liabilities funding. (continued):

Company 2023	Within 12 months RM'000	1 to 5 years RM'000	Over 5 years RM'000	Non-interest/ profit sensitive RM'000	Total RM'000
Financial assets					
Investment securities: FVTPL	38,064	300,136	815,032	11,668	1,164,900
Investment securities: FVOCI	268,040	1,069,036	1,429,998	–	2,767,074
Investment securities: Amortised cost	101,199	80,333	–	–	181,532
Derivative financial assets	235	–	–	–	235
Term deposits	417,561	–	–	4,430	421,991
Financing, loans and advances - not impaired *	10,667	156,928	4,382	(19,395)	152,582
Amount due from an associate	–	–	–	–	–
Other receivables ^	–	–	–	17,794	17,794
Cash and cash equivalents	225,264	–	–	106,085	331,349
Total	1,061,030	1,606,433	2,249,412	120,582	5,037,457
Financial liabilities					
Funds from BNM	59,782	96,285	–	–	156,067
Tabung Usahawan Kecil	15,000	15,000	–	–	30,000
Government funds	9,602	–	–	–	9,602
Derivative financial liabilities	2,480	–	–	–	2,480
Other liabilities@	–	–	–	555,762	555,762
Total	86,864	111,285	–	555,762	753,911
Net interest sensitivity gap	974,166	1,495,148	2,249,412		

* The negative balance represents collective allowance for financing, loans and advances

^ Excludes prepayment amounting to RM7,962,000 (2023: RM9,228,000)

@ Other liabilities includes amount due to BNM, expected credit losses for guarantee schemes, claims payable, other payables, amount due to a subsidiary and lease liabilities

NOTES TO THE FINANCIAL STATEMENTS
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38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

Foreign exchange risk

The Group and the Company are exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. Limits are set on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily. The table summarises the Group's and the Company's exposure to foreign currency exchange rate risk at reporting date. Included in the table are the Group's and the Company's financial instruments at carrying amounts, categorised by currency.

Group/Company 2024	United States Dollar RM'000	Singapore Dollar RM'000	Australian Dollar RM'000	Great Britain Pound RM'000	Chinese Yuan RM'000	Euro RM'000	Total RM'000
Assets							
Investment securities: FVTPL	**261,793**	**147,924**	**54,503**	**-**	**-**	**22,172**	**486,392**
Derivatives	**-**	**1,071**	**-**	**-**	**-**	**-**	**1,071**
Cash and cash equivalents	**3,800**	**6,141**	**2,828**	**202**	**123**	**3,501**	**16,595**
Net on-balance sheet financial position	**265,593**	**155,136**	**57,331**	**202**	**123**	**25,673**	**504,058**
Liability							
Derivatives	**12,144**	**206**	**(1,015)**	**-**	**-**	**(359)**	**10,976**
Net on-balance sheet financial position	**12,144**	**206**	**(1,015)**	**-**	**-**	**(359)**	**10,976**
Off-balance sheet commitments	**170,002**	**210,114**	**40,327**	**-**	**-**	**24,989**	**445,432**

Group/Company 2023	United States Dollar RM'000	Singapore Dollar RM'000	Australian Dollar RM'000	Great Britain Pound RM'000	Chinese Yuan RM'000	Euro RM'000	Total RM'000
Assets							
Investment securities: FVTPL	195,544	145,587	14,815	-	11,784	11,479	379,209
Derivatives	677	(110)	(245)	-	(88)	1	235
Cash and cash equivalents	5,273	5,114	89	542	5	10	11,033
Net on-balance sheet financial position	201,494	150,591	14,659	542	11,701	11,490	390,477
Liability							
Derivatives	-	2,480	-	-	-	-	2,480
Net on-balance sheet financial position	-	2,480	-	-	-	-	2,480
Off-balance sheet commitments	192,292	137,396	14,648	6,237	1,785	6,221	358,579

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– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

Foreign exchange risk (continued)

Foreign exchange risk sensitivity analysis

The following table sets out the analysis of the exposure to assess the impact of a 1% change in the exchange rates to the profit after tax:

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
+ 1%				
United States Dollar	**4,477**	3,885	**4,477**	3,885
Singapore Dollar	**3,655**	2,804	**3,655**	2,804
Australian Dollar	**966**	292	**966**	292
Renminbi	**1**	135	**1**	135
Great Britain Pound	**2**	62	**2**	62
Euro	**503**	177	**503**	177
- 1%				
United States Dollar	**(4,477)**	(3,885)	**(4,477)**	(3,885)
Singapore Dollar	**(3,655)**	(2,804)	**(3,655)**	(2,804)
Australian Dollar	**(966)**	(292)	**(966)**	(292)
Renminbi	**(1)**	(135)	**(1)**	(135)
Great Britain Pound	**(2)**	(62)	**(2)**	(62)
Euro	**(503)**	(177)	**(503)**	(177)

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– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Liquidity risk is the risk which arises when the Group and the Company have difficulty in raising funds to meet their financial obligations at a reasonable cost and in time. The liquidity risk is managed by diversifying its placements over various tenures based on maturity gaps. The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date.

Liquidity risk disclosure table which is based on contractual undiscounted cash flows

The table below provides analysis of cash flow payables for financial liabilities based on remaining contractual maturities on undiscounted basis. The balances in the table below do not agree directly to the balances reported in the statements of financial position as the table incorporates all contractual cash flows, on an undiscounted basis, relating to both principal and interest payments.

Group 2024	**Within 12 months RM'000**	**>1-5 years RM'000**	**Over 5 years RM'000**	**Total RM'000**
Liabilities				
Amount due to BNM	**56,466**	**-**	**-**	**56,466**
Funds from BNM	**75,883**	**38,135**	**-**	**114,018**
Tabung Usahawan Kecil	**15,000**	**-**	**-**	**15,000**
Expected credit losses for guarantee schemes	**41,615**	**289,554**	**85,996**	**417,165**
Claims payable	**873**	**-**	**-**	**873**
Other payables	**147,881**	**-**	**-**	**147,881**
	337,718	**327,689**	**85,996**	**751,403**

Group 2023	Within 12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Total RM'000
Liabilities				
Amount due to BNM	37,957	–	–	37,957
Funds from BNM	59,782	96,285	–	156,067
Tabung Usahawan Kecil	15,000	15,000	–	30,000
Government Funds	9,602	–	–	9,602
Expected credit losses for guarantee schemes	41,695	271,313	50,442	363,450
Claims payable	1,588	–	–	1,588
Other payables	150,868	–	–	150,868
	316,492	382,598	50,442	749,532

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– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

Liquidity risk disclosure table which is based on contractual undiscounted cash flows (continued)

The table below provides analysis of cash flow payables for financial liabilities based on remaining contractual maturities on undiscounted basis. The balances in the table below do not agree directly to the balances reported in the statements of financial position as the table incorporates all contractual cash flows, on an undiscounted basis, relating to both principal and interest payments. (continued)

Company 2024	**Within 12 months RM'000**	**>1-5 years RM'000**	**Over 5 years RM'000**	**Total RM'000**
Liabilities				
Amount due to BNM	**56,466**	**-**	**-**	**56,466**
Funds from BNM	**75,883**	**38,135**	**-**	**114,018**
Tabung Usahawan Kecil	**15,000**	**-**	**-**	**15,000**
Expected credit losses for guarantee schemes	**41,615**	**289,554**	**85,996**	**417,165**
Claims payable	**873**	**-**	**-**	**873**
Other payables	**145,108**	**-**	**-**	**145,108**
	334,945	**327,689**	**85,996**	**748,630**

Company 2023	Within 12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Total RM'000
Liabilities				
Amount due to BNM	37,957	–	–	37,957
Funds from BNM	59,782	96,285	–	156,067
Tabung Usahawan Kecil	15,000	15,000	–	30,000
Government Funds	9,602	–	–	9,602
Expected credit losses for guarantee schemes	41,695	271,313	50,442	363,450
Claims payable	1,588	–	–	1,588
Other payables	148,841	–	–	148,841
	314,465	382,598	50,442	747,505

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– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

Liquidity risk disclosure table which is based on contractual undiscounted cash flows (continued)

Derivative financial liabilities based on contractual undiscounted cash flows:

Group/Company 2024	**Within 12 months RM'000**	**>1-5 years RM'000**	**Over 5 years RM'000**	**Total RM'000**
Derivatives settled on a gross basis				
Foreign exchange derivatives:				
– outflow	**12,379**	**–**	**–**	**12,379**
– inflow	**(1,403)**	**–**	**–**	**(1,403)**
	10,976	**–**	**–**	**10,976**

Group/Company 2023	Within 12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Total RM'000
Derivatives settled on a gross basis				
Foreign exchange derivatives:				
– outflow	13,318	–	–	13,318
– inflow	(10,838)	–	–	(10,838)
	2,480	–	–	2,480

(d) Fair value of financial instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group and the Company measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 Valuations derived from valuation techniques in which one or more significant inputs are not based on observable market data.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair value of financial instruments (continued)

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (continued)

Financial instruments are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted prices is readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an on-going basis. These would include actively traded listed equities as well as fixed income securities such as government securities and corporate bonds.

Where fair value is determined using unquoted market prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the Group and the Company determine fair value based upon valuation techniques that use market parameters as inputs including but not limited to yield curves, volatilities and foreign exchange rates. The majority of valuation techniques employ only observable market data and so reliability of the fair value measurement is high. For structured investments, the fair value is obtained from the counterparty bank.

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). Such inputs are generally determined based on observable inputs of a similar nature, historical observations on the level of the input or other analytical techniques.

The Group and the Company recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. Transfers between fair value hierarchy primarily due to change in the level of trading activity, change in observable market activity related to an input, reassessment of available pricing information and change in the significance of the unobservable input. There were no transfers between Level 1, 2 and 3 of the fair value hierarchy during the financial year (2023: Nil).

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair value of financial instruments (continued)

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

Recurring fair value measurements

Group 2024	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Investment securities: FVTPL				
– Money market instruments	–	31,286	–	31,286
– Private debt securities	–	949,448	–	949,448
Investment securities: REITs				
– REITs	165,189	–	–	165,189
Investment securities: FVOCI				
– Private debt securities	–	2,087,563	–	2,087,563
– Money market instruments	–	838,978	–	838,978
– Preference shares and convertible notes	–	–	4,476	4,476
Derivative financial assets	–	1,071	–	1,071
	165,189	3,908,346	4,476	4,078,011
Liabilities				
Tabung Usahawan Kecil	–	15,000	–	15,000
Derivative financial liabilities	–	10,976	–	10,976
	–	25,976	–	25,976

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair value of financial instruments (continued)

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy: (continued)

Recurring fair value measurements (continued)

Company 2024	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Investment securities: FVTPL				
– Money market instruments	-	31,286	-	31,286
– Private debt securities	-	949,448	-	949,448
Investment securities: REITs				
– REITs	165,189	-	-	165,189
Investment securities: FVOCI				
– Private debt securities	-	2,087,563	-	2,087,563
– Money market instruments	-	838,978	-	838,978
Derivative financial assets	-	1,071	-	1,071
	165,189	3,908,346	-	4,073,535
Liabilities				
Tabung Usahawan Kecil	-	15,000	-	15,000
Derivative financial liabilities	-	10,976	-	10,976
	-	25,976	-	25,976

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair value of financial instruments (continued)

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy: (continued)

Recurring fair value measurements (continued)

Group 2023	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Investment securities: FVTPL				
– Money market instruments	–	65,149	–	65,149
– Private debt securities	–	956,910	–	956,910
Investment securities: REITs				
– REITs	142,841	–	–	142,841
Investment securities: FVOCI				
– Private debt securities	–	2,039,460	–	2,039,460
– Money market instruments	–	727,614	–	727,614
– Preference shares and convertible notes	–	–	4,694	4,694
Derivative financial assets	–	235	–	235
	142,841	3,789,368	4,694	3,936,903
Liabilities				
Tabung Usahawan Kecil	–	30,000	–	30,000
Derivative financial liabilities	–	2,480	–	2,480
	–	32,480	–	32,480

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair value of financial instruments (continued)

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy: (continued)

Recurring fair value measurements (continued)

Company 2023	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Investment securities: FVTPL				
– Money market instruments	–	65,149	–	65,149
– Private debt securities	–	956,910	–	956,910
Investment securities: REITs				
– REITs	142,841	–	–	142,841
Investment securities: FVOCI				
– Private debt securities	–	2,039,460	–	2,039,460
– Money market instruments	–	727,614	–	727,614
Derivative financial assets	–	235	–	235
	142,841	3,789,368	–	3,932,209
Liabilities				
Tabung Usahawan Kecil	–	30,000	–	30,000
Derivative financial liabilities	–	2,480	–	2,480
	–	32,480	–	32,480

The following table shows a reconciliation of the opening and closing amounts of Level 3 financial instruments which are recorded at fair value.

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Financial investments at FVOCI				
Preference shares and convertible notes				
At 1 January	**4,694**	–	**-**	–
Addition	**-**	4,694	**-**	–
Fair value movements	**(218)**	–	**-**	–
At 31 December	**4,476**	4,694	**-**	–

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair value of financial instruments (continued)

Effect of changes in significant unobservable assumptions to reasonably possible alternatives

The following tables analyse within the fair value hierarchy the Group's and the Company's assets and liabilities not measured at fair value as at reporting date but for which fair value is disclosed:

Group/Company 2024	**Carrying amount RM'000**	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
Financial assets					
Investment securities:					
amortised cost	**130,886**	**-**	**126,354**	**-**	**126,354**
Financing, loans and advances	**87,594**	**-**	**86,736**	**-**	**86,736**
Financial liabilities					
Funds from BNM	**114,018**	**-**	**122,680**	**-**	**122,680**

Group/Company 2023	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets					
Investment securities:					
amortised cost	181,532	-	171,851	-	171,851
Financing, loans and advances	152,582	-	150,458	-	150,458
Financial liabilities					
Funds from BNM	156,067	-	101,642	-	101,642
Government funds	9,602	-	9,771	-	9,771

Other than as disclosed above, the fair value of each financial asset and liability presented on the statements of financial position as at the reporting date approximates the carrying amount.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair value of financial instruments (continued)

Effect of changes in significant unobservable assumptions to reasonably possible alternatives (continued)

The fair value estimates were determined by application of the methodologies and assumptions described below.

Investment securities at FVTPL, investment securities at FVOCI and investment securities at amortised cost

The fair values are reasonable estimates based on quoted market prices. In the absence of such quoted prices, the fair values are based on the expected cash flows of the instruments discounted by indicative market yields for similar instruments as at reporting date or the audited net tangible asset of the invested company.

Term deposits

For short-term term deposits with banks and other financial institutions with maturity of less than twelve months, the carrying amount is a reasonable estimate of fair value.

For amounts with maturities of more than twelve months, fair values have been estimated by referencing to current rates at which similar deposits and placements would be made to banks with similar credit ratings and maturities.

The fair values of performing fixed rate loans are arrived at using the discounted cash flows based on the prevailing market rates of loans and advances with similar credit ratings and maturities.

The fair values of impaired loans and advances, whether fixed or floating are represented by their carrying values, net of expected credit losses, being the reasonable estimate of recoverable amount.

Funds from BNM, Government funds, TUK and loan due to non-controlling interest

The estimated fair values of funds and borrowings with maturities of less than twelve months approximate the carrying values. For other funds and borrowings with maturities of more than twelve months, the fair values are estimated based on discounted cash flows using prevailing market rates for such instruments with similar risk profiles.

Other assets and liabilities

The carrying values less any estimated allowances for financial assets and liabilities included in other assets and other liabilities are assumed to approximate their fair values as these items are not materially sensitive to the shift in market interest rates.

(e) Operational Risk

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems, or external events. The Group and the Company mitigate operational risk by having comprehensive internal control systems and procedures, which are reviewed regularly and subjected to periodical audits by internal auditors.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

39. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

In accordance with MFRS 132 "Financial Instruments: Presentation", the Group and the Company report financial assets and financial liabilities on a net basis on the statements of financial position only if there is a legally enforceable right to set off the recognised amounts and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. The following table shows the impact of netting arrangement on:

- All financial assets and liabilities that are reported net on statements of financial position; and
- All financial assets and liabilities that are subject to enforceable master netting arrangements or similar agreements, but do not qualify for statements of financial position netting.

The table identifies the amounts that have been offset in the statements of financial position and also those amounts that are covered by enforceable netting arrangements but do not qualify for netting under the requirements of MFRS 132 described above.

The "Net amounts" presented below are not intended to represent the Group's and the Company's actual exposure to credit risk.

Group/Company 2024	**Gross amounts of recognised financial assets RM'000**	**Gross amounts of recognised financial liabilities set off in the statement of financial position RM'000**	**Net amounts reported on statement of financial position RM'000**
Financial assets			
Amount due from BNM	**-**	**-**	**-**
Financial liabilities			
Amount due to BNM	**-**	**56,466**	**(56,466)**

Group/Company 2023	Gross amounts of recognised financial assets RM'000	Gross amounts of recognised financial liabilities set off in the statement of financial position RM'000	Net amounts reported on statement of financial position RM'000
Financial assets			
Amount due from BNM	–	–	–
Financial liabilities			
Amount due to BNM	–	37,957	(37,957)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Mohammed Hussein
Independent Non-Executive Director (Chairman)

Choong Tuck Oon
Independent Non-Executive Director

Faisal Ismail
Independent Non-Executive Director

Saleha M. Ramly
Independent Non-Executive Director

Anthony Lim Choon Eng
Independent Non-Executive Director

Suhaimi Ali
Non-Independent Non-Executive Director

Kellee Kam Chee Khiong
Independent Non-Executive Director

SOCIAL MEDIA

www.facebook.com/CGCmy
cgcmalaysia
CGC Malaysia

BOARD AUDIT COMMITTEE

Faisal Ismail
Independent Non-Executive Director (Chairman)

Saleha M. Ramly
Independent Non-Executive Director

Kellee Kam Chee Khiong
Independent Non-Executive Director

BOARD RISK MANAGEMENT COMMITTEE

Anthony Lim Choon Eng
Independent Non-Executive Director (Chairman)

Choong Tuck Oon
Independent Non-Executive Director

Faisal Ismail
Independent Non-Executive Director

BOARD NOMINATION & REMUNERATION COMMITTEE

Dato' Mohammed Hussein
Independent Non-Executive Director (Chairman)

Saleha M. Ramly
Independent Non-Executive Director

Kellee Kam Chee Khiong
Independent Non-Executive Director

BOARD INVESTMENT COMMITTEE

Kellee Kam Chee Khiong
Independent Non-Executive Director (Chairman)

Anthony Lim Choon Eng
Independent Non-Executive Director

Faisal Ismail
Independent Non-Executive Director

PRESIDENT & CHIEF EXECUTIVE OFFICER

Datuk Mohd Zamree Mohd Ishak

COMPANY SECRETARY

Daeng Hafez Arafat Zuhud
(LS0007002) (SSM Practising Certificate No.: 202008003092)
General Counsel & Company Secretary

AUDITOR

ERNST & YOUNG PLT
202006000003 (LLP0022760-LCA)
& AF 0039
Level 23A, Menara Millenium
Jalan Damanlela
Pusat Bandar Damansara
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Tel : +(6)03-7495 8000
Fax : +(6)03-2095 5332

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Fax : +(6)03-7806 3308
Website : www.cgc.com.my

CORPORATE DIRECTORY

CGC Main
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03-7804 8100
Contact Person: Azizi Ahmad aazizi@cgc.com.my

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No. 34 A-0-1,
KLSC, Jalan Wangsa Delima 6,
Pusat Bandar Wangsa Maju KLSC,
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03-4149 6476
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mdhaniza@cgc.com.my

CGC Seremban
No. 9, Jalan S2 B15,
Pusat Dagangan Seremban 2,
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norashikin.mohamed@cgc.com.my

CGC Alor Setar
5 GF, Kompleks Perniagaan Utama
Sultanah Sambungan,
Lebuhraya Sultanah Bahiyah,
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sri@cgc.com.my

CGC Prai
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04-399 2400
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jnoriharni@cgc.com.my

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30450 Ipoh, Perak
05-243 3900
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punitha@cgc.com.my

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No. 194, Jalan Merdeka,
Taman Melaka Raya, 75000 Melaka
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Contact Person:
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hardian.ahmad@cgc.com.my

CGC Batu Pahat
No. 20, Jalan Maju, Taman Maju,
Bukit Pasir, 83000 Batu Pahat, Johor
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CGC Johor Bahru
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CGC Kuantan
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CGC Kuala Terengganu
Lot PT 4018, Tingkat Bawah
& Tingkat Satu, Blok C,
Perkedaian Ladang Tok Pelam,
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GLOBAL REPORTING INITIATIVE (GRI) INDEX

CGC has reported its disclosures with reference to the GRI Standards for the period 1 January 2024 to 31 December 2024.

GRI Disclosure	Disclosure Description	Page Number(s) or Direct Answer
GRI 2: General Disclosures 2021		
2-1	Organisational details	Who We Are, pages 6-7
2-2	Entities included in the organisation's sustainability reporting	About this Report, page 2
2-3	Reporting period, frequency, and contact point	About this Report, page 2
2-4	Restatements of information	No restatements of information were made for the CGC Annual Report 2024
2-5	External assurance	No external assurance was undertaken for the CGC Annual Report 2024. External assurance will be considered for future reports.
Activities and Workers		
2-6	Activities, value chain, and other business relationships	Overview of CGC, pages 6-11 and pages 16-17
2-7	Employees	Employees, New Hires and Turnover, 199-202
Governance		
2-9	Governance structure and composition	Sustainability Governance, page 128
2-10	Nomination and selection of the highest governance body	Corporate Governance Overview Statement, pages 240-241
2-1	Chair of the highest governance body	Chairman's Statement on Corporate Governance, page 230 Corporate Governance Overview Statement, page 232
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance, page 128
2-13	Delegation of responsibility for managing impacts	Sustainability Governance, page 128
2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance, page 128
2-15	Conflicts of interest	Corporate Governance Overview Statement, page 245
2-16	Communication of critical concerns	Corporate Governance Overview Statement, pages 247-249
2-17	Collective knowledge of the highest governance body	Corporate Governance Overview Statement, pages 242-243
2-18	Evaluation of the performance of the highest governance body	Corporate Governance Overview Statement, page 242

GRI Disclosure	Disclosure Description	Page Number(s) or Direct Answer
2-19	Remuneration policies	Corporate Governance Overview Statement, pages 241-242
2-20	Process to determine the remuneration	Corporate Governance Overview Statement, pages 241-242, Board Nomination & Remuneration Committee, page 244
2-21	Annual total compensation ratio	Not disclosed in 2024
Strategy, Policies, and Practices		
2-22	Statement on Sustainable Development Strategy	Sustainability at CGC, pages 122-124
2-23	Policy commitments	Sustainability policies are currently under development. Key Sustainability Milestones, pages 126-127
2-24	Embedding policy commitments	Our Approach to Sustainability, page 129
2-25	Processes to remediate negative impacts	Creating Value Through Sustainability, page 122 Corporate Governance Overview Statement, pages 247-249
2-26	Mechanisms for seeking advice and raising concerns	Corporate Governance Overview Statement, pages 247-249
Stakeholder Engagement		
2-27	Compliance with laws and regulations	Upholding Responsible Business Practices, page 65
2-28	Membership associations	Association of Development Financing Institutions in Asia and the Pacific (ADFIAP), Association of Development Financial Institution of Malaysia (ADFIM), Federation of Malaysian Manufacturers (FMM), Global Sustainable Finance Network (GSFN) and Asian Credit Supplementation Institution Confederation (ACSIC)
2-29	Approach to Stakeholder Engagement	Stakeholder Engagement & Value Creation, pages 48-55
2-30	Collective bargaining agreements	CGC's workforce is not unionised
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Creating Value Through Sustainability, page 122 Sustainability at CGC, pages 123-124

GLOBAL REPORTING INITIATIVE (GRI) INDEX

GRI Disclosure	Disclosure Description	Page Number(s) or Direct Answer
3-2	List of material topics	Creating Value Through Sustainability, page 122 Our Approach to Sustainability, page 129
3-3	Management of Material Topics	Disclosed across four Sustainability Pillars from pages 130-208
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	Economic Practices, pages 132 - 152
203-2	Significant indirect economic impacts	Our Community Outreach Efforts, pages 157 - 164
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	Stakeholder Engagement & Value Creation (Suppliers), pages 53-54
GRI 2025: Anti-Corruption 2016		
205-1	Operations assessed for risks related to corruption	Oversight of corruption risks is undertaken on an ongoing basis. The Corruption Risk Assessment is scheduled for 2025.
205-2	Communication and training about anti-corruption policies and procedures	Compliance & Integrity, page 117
205-3	Confirmed incidents of corruption and action taken	No incidents were recorded in 2024
GRI 302: Energy 2016		
302-1	Energy consumption within the organisation	Pillar 2 - Towards a Low-Carbon Economy, page 154
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Pillar 2 - Towards a Low-Carbon Economy, page 154
305-2	Energy indirect (Scope 2) GHG emissions	Pillar 2 - Towards a Low-Carbon Economy, page 154
305-3	Other indirect (Scope 3) GHG emissions	Pillar 2 - Towards a Low-Carbon Economy, page 154
305-4	GHG emissions intensity	CGC does not currently disclose GHG emissions intensity
305-5	Reduction of GHG emissions	Pillar 2 - Towards a Low-Carbon Economy, page 154

GRI Disclosure	Disclosure Description	Page Number(s) or Direct Answer
GRI 303: Water and Effluents 2018		
303-5	Water Consumption	Pillar 2 – Towards a Low-Carbon Economy, page 155
GRI 306: Waste 2020		
306-3	Waste generated	Not disclosed in 2024. CGC is working towards analysis and disclosure of waste data.
306-4	Waste diverted from disposal	Not disclosed in 2024. CGC is working towards analysis and disclosure of waste data. Our community initiative to divert food waste can be found on page 30.
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	Employees, New Hires and Turnover, pages 199-202
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Not disclosed in 2024
GRI 403: Occupational Health and Safety 2018		
403-5	Worker training on occupational health and safety	Protecting Our People, pages 207-208
403-9	Work-related injuries	Protecting Our People, pages 207
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Training Programmes 2024, page 185 CGC currently discloses the number of training programmes and sessions only, and will consider the disclosure of training hours in future reports.
404-2	Programmes for upgrading employee skills and transition assistance programmes	Training Programmes 2024, pages 185-198
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Board Composition, pages 239-240
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments and development programmes	Pillar 1 – Sustainable Solutions, pages 131-152 Our Community Outreach Efforts, pages 157-164

NOTICE OF 52ND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 52nd Annual General Meeting ("AGM") of Credit Guarantee Corporation Malaysia Berhad ("CGC") will be held fully virtual at the broadcast venue at Bangunan CGC, Kelana Business Centre, 97, Jalan SS 7/2, 47301 Petaling Jaya, Selangor Darul Ehsan ("Broadcast Venue") on Thursday, 19 June 2025, at 12.00 p.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESSES:

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

2. To re-elect the following Directors who retire by rotation in accordance with Articles 76A and 76B of CGC's Constitution and who being eligible offer themselves for re-election:

   a) Encik Choong Tuck Oon; **Resolution 1**

   b) Encik Faisal bin Ismail; and **Resolution 2**

   c) Puan Saleha binti M. Ramly. **Resolution 3**

3. To approve the payment of the following fees to Non-Executive Directors for the period from the 52nd AGM to the 53rd AGM of CGC, payable in a manner as the Board of Directors may determine: **Resolution 4**

   (i) Non-Executive Chairman's fee of RM204,000.00 per annum;

   (ii) Non-Executive Directors' fee of RM96,000.00 per annum for each Non-Executive Director;

   (iii) Board Committee Chairman's fee of RM20,000.00 per annum for Chairman of each Board Committee; and

   (iv) Board Committee Member's fee of RM10,000.00 per annum for member of each Board Committee.

4. To approve Directors' benefits up to an amount of RM1,193,760.00 payable to the Non-Executive Chairman and Non-Executive Directors from the 52nd AGM to the 53rd AGM of CGC, payable in a manner as the Board of Directors may determine. **Resolution 5**

5. To re-appoint Messrs. Ernst & Young PLT as Auditors of CGC for the financial year ending 31 December 2025 and to authorise the Board of Directors to fix their remuneration. **Resolution 6**

6. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 2016 and CGC's Constitution.

BY ORDER OF THE BOARD

DAENG HAFEZ ARAFAT BIN ZUHUD
(LS0007002) (SSM PC No.: 202008003092)
Company Secretary

Petaling Jaya
21 May 2025

NOTES:

Proxy

1. A member entitled to attend, participate, speak and vote is entitled to appoint a proxy to attend, participate, speak and vote on his behalf. A proxy may but need not be a member of CGC and there shall be no restriction as to the qualification of a proxy.

2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a company under the hand of an officer or attorney of the company.

3. A company member having share capital may appoint more than one proxy in relation to a meeting, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy.

4. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarial certified copy of that power of authority shall be deposited at the Registered Office of CGC – Level 14, Bangunan CGC, Kelana Business Centre, 97, Jalan SS7/2, 47301 Petaling Jaya, Selangor Darul Ehsan or email to CompanySecretarial@cgc.com.my, not less than 48 hours before the time for holding the meeting or any adjournment thereof.

Audited Financial Statements for Financial Year ended 31 December 2024

5. The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act, 2016 ("CA 2016") for discussion only under Agenda 1 which do not require shareholders' approval and hence, will not be put for voting.

Ordinary Resolutions 1, 2 and 3 – Re-election of Directors who retire in accordance with Articles 76A and 76B of CGC Constitution

6. The Board had on 18 April 2025 endorsed the Board Nomination and Remuneration Committee ("BNRC")'s recommendation for re-election of the following directors who have been the longest in office since their last election to retire and shall be eligible for re-election in accordance with Articles 76A and 76B of CGC's Constitution:

   (i) Encik Choong Tuck Oon;
   (ii) Encik Faisal bin Ismail; and
   (iii) Puan Saleha binti M. Ramly.

   A brief profile of the abovementioned Non-Executive Directors is set out in pages 212, 213 and 214 respectively of CGC Annual Report 2024.

   All the above Directors had abstained from deliberations and decision on their eligibility to stand for re-election at the Board Meeting.

Ordinary Resolution 4 – Directors' Fees

7. Section 230(1)(a) of CA 2016 provides that "the fees" of the Directors and "any benefits" payable to the Directors of a public company shall be approved at a general meeting. In this regard, the Board had agreed to seek shareholders' approval at the 52nd AGM.

   The proposed fees to be paid to Non-Executive Chairman and Non-Executive Directors from this AGM to the next AGM is the same as the fee structure which had been approved by the shareholders as follows:

	Chairman	Member	Date of Shareholders' Approval
Board Fee	RM204,000 per annum	RM96,000 per annum	Approved at the 51st AGM held on 20 June 2024
Board Committee Fee	RM20,000 per annum	RM10,000 per annum	

NOTICE OF 52ND ANNUAL GENERAL MEETING

Ordinary Resolution 5 – Directors' Benefits

8. The proposed Directors' Benefits payable to Non-Executive Chairman and Non-Executive Directors comprise allowances, benefits-in-kind and other emoluments payable to them. Details of the proposed benefits are as follows:

Type	Detail/Amount	Chairman	Members
Meeting Allowance	RM5,000 per meeting	√	
	RM3,500 per meeting		√
Mobile Phone Allowance	RM500 per month	√	√
Car Allowance	RM6,000 per month	√	
Entertainment Allowance	RM2,000 per month	√	
Company Driver	RM7,200 per annum (based on taxable rate)	√	
Other benefits	Medical coverage, travel & communication, working tool and other claimable benefits	√	√

The proposed Directors' Benefit amounting to RM1,193,760.00 will be paid to Non-Executive Chairman and Non-Executive Directors from the 52nd AGM until the 53rd AGM. Payment of Directors' Benefit will be made by CGC on monthly basis and/or as and when incurred.

The estimated amount of the Directors' Benefit is calculated based on an estimated number of scheduled Board and Board Committees Meetings, training organised for the Board, and also number of Non-Executive Directors involved in these meetings/trainings.

Ordinary Resolution 6 – Re-appointment of Auditors

9. The Board Audit Committee ("BAC") had at its meeting on 10 April 2025 assessed the suitability and independence of the external auditors, Messrs. Ernst & Young PLT ("EY") in accordance with CGC's External Auditor Policy.

The BAC was satisfied with EY's performance in 2024 based on the quality of audit, efficiency, independence and sufficiency of resources provided to complete their assignment. Subsequently, the BAC had recommended to the Board on the re-appointment of EY as CGC's external auditors for the financial year ending 31 December 2025.

The Board at its meeting held on 18 April 2025 endorsed the BAC's recommendation for the shareholders' approval to be sought at the 52nd AGM on the re-appointment of EY as CGC's external auditors for the financial year ending 31 December 2025.

FORM OF PROXY

I/We ____
(company name)

of ____
(full address)

being a member of Credit Guarantee Corporation Malaysia Berhad ("CGC"), hereby appoint ____________________

______________________________ NRIC/Passport No. ____________________
(full name)

or failing him/her ______________________________ NRIC/Passport No. ____________________
(full name)

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the 52nd Annual General Meeting ("AGM") of CGC to be held fully virtual at the broadcast venue at Bangunan CGC, Kelana Business Centre, 97, Jalan SS 7/2, 47301 Petaling Jaya, Selangor Darul Ehsan on Thursday, 19 June 2025 at 12.00 p.m. and at any adjournment thereof for the following resolutions as set out in the Notice of the 52nd AGM:-

Resolution No.	Resolution	For	Against
	Ordinary Resolutions:		
	To re-elect the following Directors who retire by rotation in accordance with Articles 76A and 76B of CGC's Constitution and who being eligible offer themselves for re-election:		
1.	Encik Choong Tuck Oon.		
2.	Encik Faisal bin Ismail.		
3.	Puan Saleha binti M. Ramly.		
4.	To approve the payment of the following fees to Non-Executive Directors for the period from the 52nd AGM to the 53rd AGM of CGC, payable in a manner as the Board of Directors may determine: (i) Non-Executive Chairman's fee of RM204,000.00 per annum; (ii) Non-Executive Directors' fee of RM96,000.00 per annum for each Non-Executive Director; (iii) Board Committee Chairman's fee of RM20,000.00 per annum for Chairman of each Board Committee; and (iv) Board Committee Member's fee of RM10,000.00 per annum for member of each Board Committee.		
5.	To approve Directors' benefits up to an amount of RM1,193,760 payable to the Non-Executive Chairman and Non-Executive Directors from the 52nd AGM to the 53rd AGM of CGC, payable in a manner as the Board of Directors may determine.		
6.	To re-appoint Messrs. Ernst & Young PLT as Auditors of CGC for the financial year ending 31 December 2025 and to authorise the Board of Directors to fix their remuneration.		

(Please indicate with a cross (x) in the spaces provided whether you wish your votes to be cast for or against the Resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit).

Signed this ____________ day of ____________ 2025.

____
Signature(s)/Common Seal of Member(s)

Notes:

1. A member entitled to attend, participate, speak and vote is entitled to appoint a proxy to attend, participate, speak and vote on his behalf. A proxy may but need not be a member of CGC and there shall be no restriction as to the qualification of a proxy.

2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if the appointer is a company under the hand of an officer or attorney of the company.

3. A company member having a share capital may appoint more than one proxy in relation to a meeting, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy.

4. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarial certified copy of that power of authority shall be deposited at the Registered Office of CGC – Level 14, Bangunan CGC, Kelana Business Centre, 97, Jalan SS7/2, 47301 Petaling Jaya, Selangor Darul Ehsan or email to CompanySecretarial@cgc.com.my, not less than 48 hours before the time for holding the meeting or any adjournment thereof.

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STAMP

COMPANY SECRETARY
CREDIT GUARANTEE CORPORATION MALAYSIA BERHAD
Registration No. 197201000831 (12441-M)

Level 14, Bangunan CGC, Kelana Business Centre
No. 97 Jalan SS 7/2, 47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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www.cgc.com.my

CREDIT GUARANTEE CORPORATION MALAYSIA BERHAD
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No. 97 Jalan SS 7/2, 47301 Petaling Jaya
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