DKLS INDUSTRIES BERHAD

Registration No: 199501040269 (369472-P)

ANNUAL REPORT

2024

FUTURE FOCUSED

CORPORATE CHARACTER

Peace, Goodwill and Cooperation

VISION

To be a great company delivering responsible business solution and economic value to shareholders

MISSION

DKLS strives to be the best and remain the best in sustainable environment of peace, goodwill and cooperation

ENVIRONMENT, HEALTH & SAFETY STATEMENT

DKLS recognises and values the importance of environmental, safety and health issues and is thereby committed in undertaking projects in a safe and environmentally sustainable manner

BUSINESS PHILOSOPHY

DKLS is a customer-focused, business solution oriented and responsive to change, balanced by the belief that value and excellence guide our decision-making process. Our corporate philosophy is shaped and constantly being re-energised by the dynamics of our core values:

- Integrity
- Excellence
- Professionalism
- Cultural
- Loyalty
- Innovation
- Team Spirit
- Win-Win Philosophy

TABLE OF CONTENTS

CORPORATE INFORMATION

Board of Directors

Dato' Ding Pei Chai DPTJ, PMP
Chairman, Non-Independent
Non-Executive Director

Dato' Ding Poi Bor
Managing Director

Ir Sam Tuck Wah
Executive Director

Ms Ding Zhe Xin
Executive Director

Mr Ding Ju Shuen
Executive Director

Mr Chin Kok Tong
Senior Independent
Non-Executive Director

Ms Ang Chan Moy
Independent
Non-Executive Director

Ms Liew Li Ping
Independent
Non-Executive Director

AUDIT COMMITTEE

Mr Chin Kok Tong
Chairman

Ms Ang Chan Moy

Ms Liew Li Ping

NOMINATION & REMUNERATION COMMITTEE

Ms Ang Chan Moy
Chairman

Mr Chin Kok Tong

Ms Liew Li Ping

INVESTMENT COMMITTEE

Dato' Ding Poi Bor
Chairman

Ir Sam Tuck Wah

Mr Chin Kok Tong

COMPANY SECRETARIES

Mr Cheai Weng Hoong

Ms Ooi Wooi Kean

PRINCIPAL PLACE OF BUSINESS

16th Floor & Penthouse,
Ipoh Tower,
Jalan Dato' Seri Ahmad Said,
30450 Ipoh, Perak Darul Ridzuan
Tel : 05-2532 688
Fax : 05-2532 701

REGISTERED OFFICE

No. 1, Jalan Lasam, 30350 Ipoh,
Perak Darul Ridzuan
Tel : 05-2380 612
Fax : 05-2461 689

REGISTRAR

Shared Services & Resources Sdn Bhd
No. 1, Jalan Lasam, 30350 Ipoh,
Perak Darul Ridzuan
Tel : 05-2380 612
Fax : 05-2461 689

PRINCIPAL BANKERS

AmBank (M) Berhad
CIMB Bank Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
Public Bank Berhad
United Overseas Bank (Malaysia) Bhd
OCBC Bank (Malaysia) Berhad

AUDITORS

Ernst & Young PLT
202006000003 (LLP0022760-LCA) &
AF 0039

STOCK EXCHANGE LISTING

Main Market - Bursa Malaysia
Securities Berhad
Stock Code: 7528
Stock Name: DKLS

COMPANY WEBSITE

https://dkls.com.my

CORPORATE STRUCTURE

DKLS INDUSTRIES BERHAD

- 100% DKLS CONSTRUCTION SDN BHD
- 100% DKLS QUARRY & PREMIX SDN BHD
- 100% DKLS QUARRY & PREMIX (NORTH) SDN BHD
- 100% DKLS DEVELOPMENT SDN BHD
- 100% DKLS SIGNATUREHOMES SDN BHD
- 100% DKLS PREMIERHOME SDN BHD
- 100% DKLS EQUITY SDN BHD
- 100% DKLS MARKETING SDN BHD
- 100% DKLS CLEARWATER SDN BHD
  - 70% SAVAN-DKLS WATER SUPPLY CO LTD

PROFILE OF DIRECTORS

DATO' DING PEI CHAI

DPTJ, PMP

Non-Independent Non-Executive Chairman

Nationality	Malaysian
Gender	Male
Age	69

Dato' Ding Pei Chai is a founding member of DKLS Industries Berhad and was appointed to the Board as an Executive Director of the Company on 12 August 1996. He was the Managing Director of the Company since his appointment to the Board and was redesignated as Non-Executive Chairman of the Company on 18 April 2007.

Dato' Ding is a Civil Engineer who graduated from Monash University (Australia) and has more than 40 years of working experience. His engineering experience is fairly wide-ranging, having established excellent track record in a wide range of civil and structural engineering projects, buildings, marine structures, road works, land and marine piling works, and land reclamation works. He is currently the Executive Chairman of Isyoda Corporation Berhad, a public limited company. He also sits on the Board of several other private limited companies.

Dato' Ding Pei Chai and Dato' Ding Poi Bor are siblings whilst Ir Sam Tuck Wah is his brother-in-law. He is the uncle of Ms Ding Zhe Xin and Mr Ding Ju Shuen. He does not have any conflict of interest with the Company except for those transactions disclosed on pages 190 and 191 of the Annual Report. Within the past 5 years, he has no conviction for any offences (save for traffic offences) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

DATO' DING POI BOR

Group Managing Director

Nationality	Malaysian
Gender	Male
Age	70

Dato' Ding Poi Bor is a founding member of DKLS Industries Berhad and was appointed to the Board as an Executive Director of the Company on 12 November 1996. He was appointed as Deputy Managing Director of the Company on 1 March 2003 and redesignated as Managing Director on 18 April 2007. Dato' Ding serves as the Chairman of the Investment Committee of the Company. He also holds directorships in the subsidiary companies within the DKLS Group and several other private limited companies.

With over four decades of diversified exposure and experience in quarry and construction, Dato' Ding's experiences include civil and structural engineering projects, road works and buildings. He is also well versed in land and marine piling works and marine structures. Specialised works related to runway construction is also his forte. Overseas project negotiation also falls within his realm of responsibility.

Dato' Ding Poi Bor and Dato' Ding Pei Chai DPTJ, PMP, are siblings whilst Ir Sam Tuck Wah is his brother-in-law. He is the father of Ms Ding Zhe Xin and Mr Ding Ju Shuen. He does not have any conflict of interest with the Company except for those transactions disclosed on pages 190 and 191 of the Annual Report. Within the past 5 years, he has no conviction for any offences (save for traffic offences) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF DIRECTORS (CONT'D)

IR SAM TUCK WAH

Executive Director

Nationality	Malaysian
Gender	Male
Age	65

Ir Sam Tuck Wah is a founding member of DKLS Industries Berhad and was appointed to the Board as an Executive Director of the Company on 12 August 1996. Ir Sam serves as a member of the Investment Committee of the Company. He also holds directorships in the subsidiary companies within the DKLS Group and several other private limited companies.

Ir Sam graduated from the University of Southwestern Louisiana (USA) with a Bachelor of Science in Civil Engineering. With over three decades of experience, he has since established excellent track record in civil and structural engineering projects, buildings, as well as land and marine piling works and marine structures. Road works and land reclamation works are also his forte. He is a Professional Engineer registered with Board of Engineers Malaysia and a member of The Institution of Engineers Malaysia.

Ir Sam is the brother-in-law of Dato' Ding Pei Chai DPTJ, PMP and Dato' Ding Poi Bor. He is uncle-in-law of Ms Ding Zhe Xin and Mr Ding Ju Shuen. He does not have any conflict of interest with the Company except for those transactions disclosed on pages 190 and 191 of the Annual Report. Within the past 5 years, he has no conviction for any offences (save for traffic offences) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

MS DING ZHE XIN

Executive Director

Nationality	Malaysian
Gender	Female
Age	36

Ms Ding Zhe Xin was appointed to the Board as Executive Director of DKLS Industries Berhad on 3 August 2020. She also holds directorships in the subsidiary companies within the DKLS Group and several other private limited companies.

Ms Ding graduated with a Bachelor of Laws degree LL.B (Hons) from the University of Leeds and was a member of the Honourable Society of Lincoln's Inn, London. Ms Ding was called to the English Bar in 2010 and was subsequently called to the Malaysian Bar on 12 September 2011.

Ms Ding continued on with her career as an advocate and solicitor at legal firms where she practiced mainly in construction, commercial and real estate related dispute resolution and advisory work. Ms Ding has more than 10 years of combined experience in the legal industry with practice areas encompassing conveyancing, banking and finance, leases and tenancies, fintech, commercial, real estate and construction related dispute resolution and contractual matters.

Ms Ding is the daughter of Dato' Ding Poi Bor, sister of Mr Ding Ju Shuen and the niece of Dato' Ding Pei Chai DPTJ, PMP and Ir Sam Tuck Wah. She does not have any conflict of interest with the Company except for those transactions disclosed on pages 190 and 191 of the Annual Report. Within the past 5 years, she has no conviction for any offences (save for traffic offences) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF DIRECTORS (CONT'D)

MR DING JU SHUEN

Executive Director

Nationality	Malaysian
Gender	Male
Age	33

Mr Ding Ju Shuen was appointed to the Board as Executive Director of DKLS Industries Berhad on 1 January 2024. He also holds directorships in the subsidiary companies within the DKLS Group and several other private limited companies.

Mr Ding obtained a Bachelor of Engineering degree in mechanical engineering from the University of Warwick, United Kingdom in 2013 and also completed his Master of Engineering degree in sustainable energy in 2015 at Royal Melbourne Institution of Technology, Australia.

Prior to joining the group, he had worked as a credit analyst and client coverage manager at a multinational bank in Malaysia where his job scope covered mainly Malaysian mainboard-listed companies in various sectors including real estate, construction, consumer goods and oil & gas. He was also assigned to prepare independent business credit review papers for new and existing clients based on client's financial conditions.

Mr Ding joined the group on 2 January 2018 where over the years he has gained experience in various fields including property development, construction and quarry masters. He holds directorship in several subsidiaries of the group and oversees the financial and non-financial performances, as well as business strategies and priorities of such subsidiary companies so as to ensure that they in line with the group's objectives, policies and practices.

Mr Ding is the son of Dato' Ding Poi Bor, brother of Ms Ding Zhe Xin and the nephew of Dato' Ding Pei Chai DPTJ, PMP and Ir Sam Tuck Wah. He does not have any conflict of interest with the Company except for those transactions disclosed on pages 190 and 191 of the Annual Report. Within the past 5 years, he has no conviction for any offences (save for traffic offences) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

MR CHIN KOK TONG

Senior Independent Non-Executive Director

Nationality	Malaysian
Gender	Male
Age	54

Mr Chin Kok Tong was appointed to the Board as an Independent Non-Executive Director of DKLS Industries Berhad on 9 December 2013. He had served as an independent member of the Audit Committee of the Company from 9 December 2013 to 28 May 2014 until he was promoted as Chairman of the Audit Committee on 29 May 2014. He was redesignated from Chairman to member of the Nomination and Remuneration Committee on 24 August 2018. He also serves as a member of the Investment Committee of the Company.

Mr Chin is a member of the Malaysian Institute of Certified Public Accountants ("MICPA") and Malaysian Institute of Accountants ("MIA"). He has over 20 years of experiences in audit and was a Senior Manager of Ernst & Young, Malaysia. He is currently a financial controller of a group of private limited companies.

Mr Chin has no family relationship and is not related to any other director and/or substantial shareholder of the Company. He does not have any conflict of interest with the Company. Within the past 5 years, he has no conviction for any offences (save for traffic offences) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF DIRECTORS (CONT'D)

MS ANG CHAN MOY

Independent Non-Executive Director

Nationality	Malaysian
Gender	Female
Age	62

Ms Ang Chan Moy was appointed to the Board as an Independent Non-Executive Director of DKLS Industries Berhad on 15 November 2021. She had served as an independent member of the Nomination and Remuneration Committee of the Company since 15 November 2021 and subsequently was redesignated as the Chairman on 1 June 2024. She also serves as a member of the Audit Committee of the Company.

Ms Ang is a graduate and Chartered Member of the Chartered Institute of Management Accountants ("CIMA"), United Kingdom, and a member of the Malaysian Institute of Accountants ("MIA"). She is also a member of the Chartered Tax Institute of Malaysia ("CTIM"). She is the founder and currently the Managing Director of a property development company in Ipoh.

Ms Ang has four decades of cost and management experiences spanning a wide range of industries from construction of roads and water treatment plants, tin and gold mining, quarrying and manufacturing to property development.

Ms Ang has no family relationship and is not related to any other director and/or substantial shareholder of the Company. She does not have any conflict of interest with the Company. Within the past 5 years, she has no conviction for any offences (save for traffic offences) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

MS LIEW LI PING

Independent Non-Executive Director

Nationality	Malaysian
Gender	Female
Age	55

Ms Liew Li Ping was appointed to the Board as an Independent Non-Executive Director of DKLS Industries Berhad on 1 June 2024. Ms Liew currently serves as a member of Audit Committee and also as a member of Nomination and Remuneration Committee.

Ms Liew is a Fellow Member of the Association of Chartered Certified Accountants ("ACCA") and a member of the Malaysian Institute of Accountants ("MIA").

Ms Liew has more than 23 years of extensive experience in KPMG. She was the Branch Director of KPMG Ipoh, where she was responsible for the operations of the branch. Simultaneously, she was also an Audit Executive Director for audit and special engagements of listed and private companies involved in diverse industries. She held these positions until June 2022.

Ms Liew currently also serves on the board of TMK Chemical Bhd, a public company listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") and Kawan Renergy Berhad, a public company listed on the ACE Market of Bursa Securities.

Ms Liew has no family relationship and is not related to any other director and/or substantial shareholder of the Company. She does not have any conflict of interest with the Company. Within the past 5 years, she has no conviction for any offences (save for traffic offences) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

KEY SENIOR MANAGEMENT TEAM

DATO' DING POI BOR
Group Managing Director

Please refer to the Board of Directors' section for the profile of Dato' Ding Poi Bor

IR SAM TUCK WAH
Executive Director

Please refer to the Board of Directors' section for the profile of Ir Sam Tuck Wah

MS DING ZHE XIN
Executive Director

Please refer to the Board of Directors' section for the profile of Ms Ding Zhe Xin

MR DING JU SHUEN
Executive Director

Please refer to the Board of Directors' section for the profile of Mr Ding Ju Shuen

IR CALVIN SAM TUCK HENG

Group General Manager

Nationality	Malaysian
Gender	Male
Age	53

Ir Calvin joined DKLS Group on 1 January 1995 upon graduating in 1994. He holds a Bachelor of Science in Civil Engineering from Mississippi State University (USA). He is a registered Professional Engineer with the Board of Engineers Malaysia and a member of The Institution of Engineers Malaysia. He has over 30 years of accumulated experience in the field of civil and structural engineering and its related industries.

He was appointed as the Group General Manager on 1 November 2005 and is responsible for overseeing the operations of the construction and quarry division. He covers all aspects of project management within the construction division, including financial, technical, contractual and personnel management. He also played an important role in overseeing the expansion of the quarry division including the setting up of the quarry and premix plant in Bukit Perak, Kedah.

He is the brother of Ir Sam Tuck Wah who is the Executive Director of the Company.

MS WONG YOKE CHENG

Group Financial Controller

Nationality	Malaysian
Gender	Female
Age	52

Ms Wong joined DKLS Group in May 2005 and was appointed as Group Accountant in December 2015.

She was promoted to her current position in October 2021. She is a member of The Malaysian Institute of Certified Public Accountants ("MICPA") and also a member of the Malaysian Institute of Accountants ("MIA"). She was previously an Audit Manager at KPMG and has over 20 years of accumulated experience in auditing, accounting, financial reporting and taxation in various industries.

She has no family relationship and is not related to any other director and/or substantial shareholder of the Company.

KEY SENIOR MANAGEMENT TEAM (CONT'D)

MR KOK TZY KEAT

General Manager, Quarry (North) Division

Nationality	Malaysian
Gender	Male
Age	48

Mr Kok joined DKLS Group in 2002 and was appointed as Senior Quarry Manager (North) on January 2019. He is promoted to his current position in November 2021 and is responsible for overseeing the overall strategic planning and management of the Group's quarry operations in the Northern region. Since joining the Quarry Division of the Group in 2002, he progressed through various roles and responsibilities under different capacities, acquiring vast knowledge and experiences in ready-mix, premix and quarry operation lines.

His job scope includes business planning and expansion, implementing and monitoring sales, targets and business strategies, as well as managing operations for the Group's quarry division in the Northern region. Mr Kok also played an instrumental role in the setting up of the Group's premix plant in Pokok Sena and the quarry and premix plant in Bukit Perak, Kedah. He holds a Bachelor of Development Science from National University of Malaysia (UKM).

He has no family relationship and is not related to any other director and/or substantial shareholder of the Company.

MR THYE SHIAW DLING

Senior Project Manager

Nationality	Malaysian
Gender	Male
Age	54

Mr Thye joined DKLS Group in March 2012 as Senior Project Manager, and is primarily responsible in overseeing all phases of development projects from planning stage through to completion and delivery.

His job scope includes project planning and budgeting, authorities submissions and regulatory prerequisites, monitor and manage consultants and project schedule and progress, as well as implementation and delivery of development projects. He also carries out feasibility studies for projects and land acquisition proposals.

He has more than 28 years of accumulated experience in construction and property development, both in Singapore and in Malaysia. He obtained a Bachelor of Engineering (Civil) degree from the National University of Singapore in 1994. Prior to joining DKLS Group, he has served under various capacities as project manager and property development manager in construction firms and property development companies.

He has no family relationship and is not related to any other director and/or substantial shareholder of the Company.

KEY SENIOR MANAGEMENT TEAM (CONT'D)

AR CHENG MAO YANG

Executive Director,
DKLS Premierhome Sdn Bhd

Nationality	Malaysian
Gender	Male
Age	36

Ar Cheng joined DKLS Group on 1 August 2021 as Architectural Design & Planning Manager. He obtained an architectural Degree from the University of Strathclyde, Glasgow in 2011 and also completed his Masters in Architecture in 2012. He is a qualified architect registered with the Malaysian Institute of Architects and Board of Architects Malaysia (PAM/LAM). He was appointed as director of DKLS Premierhome Sdn Bhd on 19 August 2022.

Ar Cheng has a combined working experience of more than 10 years in architectural design and planning, technical and regulatory compliances and project management. He currently spearheads DKLS Premierhome Sdn Bhd and its development schemes. His job scope includes overseeing the company's financial and non-financial performances, as well as planning and managing the company in line with its business strategies and priorities. He also prepares and reviews feasibility studies and proposals for potential projects.

He is the son-in-law of Dato' Ding Poi Bor, who is the Group Managing Director and spouse of Ms Ding Zhe Xin, and brother-in-law of Mr Ding Ju Shuen who are the Executive Directors of the Company.

MS JERLYNN NG HUI CHING

Executive Director,
DKLS Construction Sdn Bhd

Nationality	Singaporean
Gender	Female
Age	32

Ms Jerlynn graduated with a BSc (Hons) Degree in Statistics, Economics and Finance from University College London (UCL), United Kingdom in 2013, and further obtained a MSc Degree in Real Estate Investment (Merit) from Bayes Business School (formerly known as Cass Business School), United Kingdom in 2015.

Ms Jerlynn has over 7 years of working experience in the banking & finance sector. Prior to joining DKLS Group, Ms Jerlynn was a real estate industry banker for years and worked in one of the largest Japanese banks where she focused and supported origination in New Economy real estate financing transactions in Asia. Ms Jerlynn began her career in a leading multinational bank's Management Associate Programme. She later moved on to be a Credit Analyst in the Commercial & Institutional Banking Department, where she primarily handled Singapore's Mainboard-listed companies, as well as subsidiaries of foreign-listed companies in various sectors, including Real Estate, Construction, Healthcare and TMT. Thereafter, she became an industry banker within the Bank, covering regional real estate transactions mainly in Global Data Centres, Thailand, Vietnam and REITs spaces.

Ms Jerlynn has experience in different phases of a transaction lifecycle: from conception to completion, preparation of financial models, and deal recommendations for both the Bank's management and credit approvers, while providing real estate expertise to various stakeholders of the deals.

She is the daughter-in-law of Dato' Ding Poi Bor who is the Group Managing Director, spouse of Mr Ding Ju Shuen and sister-in-law of Ms Ding Zhe Xin who are the Executive Directors of the Company.

KEY SENIOR MANAGEMENT TEAM (CONT'D)

MR WAI KWONG SENG

Contract Manager

Nationality	Malaysian
Gender	Male
Age	38

Mr Wai joined DKLS Group in November 2012 as Assistant Quantity Surveyor and was appointed as Assistant Contract Manager at the end of December 2019. He was promoted to his current position as Contract Manager in November 2021. He obtained a Bachelor of Science (Hons) in Quantity Surveying from University Tunku Abdul Rahman in 2011 and has more than 10 years of working experience in the construction industry.

He currently oversees the Contract Department and his role includes procurement and tendering process for construction projects, contract administration from pre to post completion of works, project management including monitoring construction progress and managing construction schedules, contractors and suppliers, costings and budgets as well as attend to all contractual matters in relation to such projects.

He has no family relationship and is not related to any other director and/or substantial shareholder of the Company.

MS KAM YEE LIN

Group Accountant

Nationality	Malaysian
Gender	Female
Age	35

Ms Kam joined DKLS Group on 1 September 2021. She graduated from Tunku Abdul Rahman College with Advanced Diploma in Business Studies (Accounting) in 2011. She is a fellow member of Association of Chartered Certified Accountants ("ACCA") and also a member of the Malaysian Institute of Accountants ("MIA").

Prior to joining the Group, she was previously an Audit Manager at Ernst & Young PLT and has over 10 years of experience in auditing in various industries.

She has no family relationship and is not related to any other director and/or substantial shareholder of the Company.

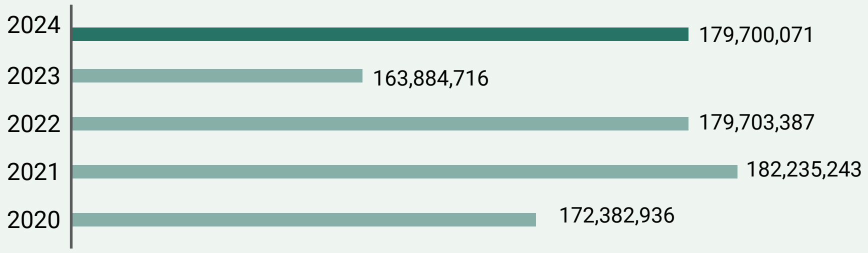
Additional Information :

- Save for Dato' Ding Poi Bor, Ir Sam Tuck Wah, Ms Ding Zhe Xin, Mr Ding Ju Shuen, Ir Calvin Sam Tuck Heng, Ar Cheng Mao Yang and Ms Jerlynn Ng Hui Ching, none of the above Key Senior Management has any conflict of interest with DKLS Group.
- None of the above Key Senior Management of DKLS Group has been convicted of any offence within the past 5 years other than traffic offences, if any and there was no public sanction and penalty imposed by the relevant regulator bodies during the financial year.

GROUP FINANCIAL HIGHLIGHTS

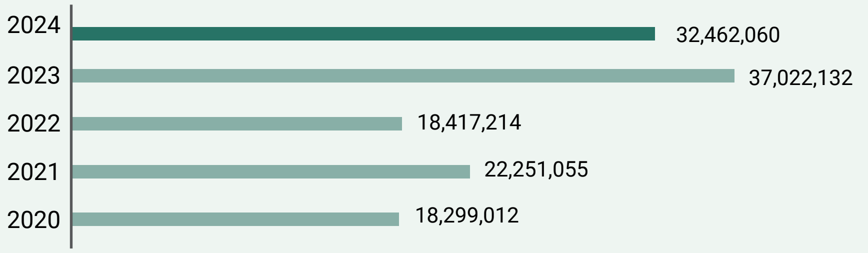
REVENUE
RM179.70 MIL

REVENUE (RM)



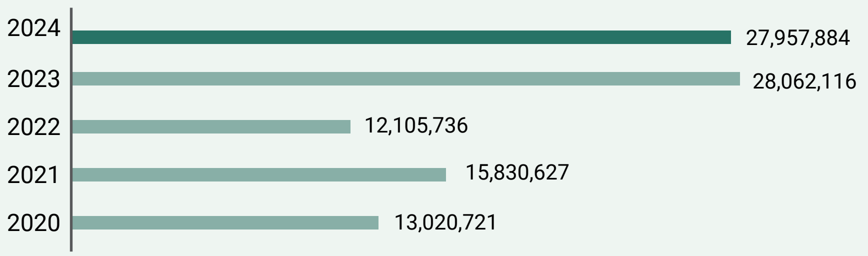
PROFIT BEFORE TAX
RM32.46 MIL

PROFIT BEFORE TAX (RM)



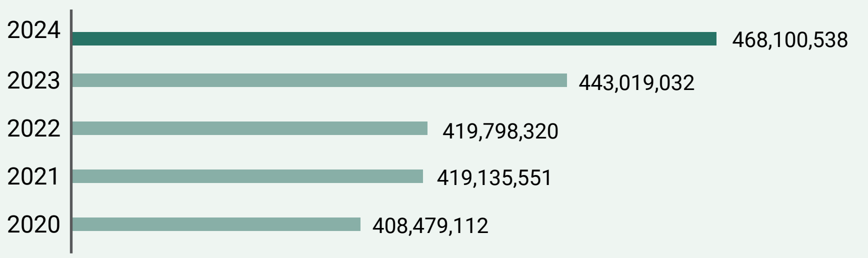
PROFIT AFTER TAX & NON-CONTROLLING INTERESTS
RM27.96 MIL

PROFIT AFTER TAX AND NON-CONTROLLING INTERESTS (RM)



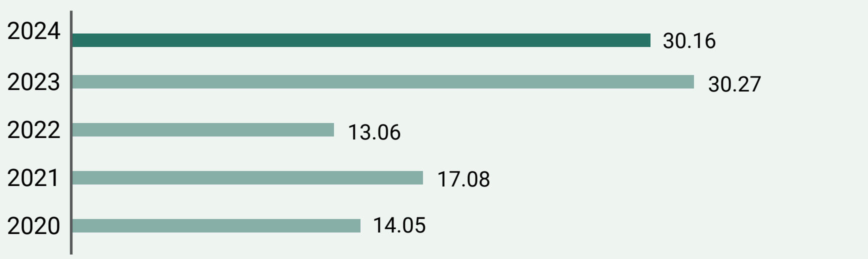
SHAREHOLDERS' FUND
RM468.10 MIL

SHAREHOLDERS' FUND (RM)



EARNINGS PER SHARE
30.16 SEN

EARNINGS PER SHARE (SEN)



CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors, it gives me great pleasure to present the Annual Report of DKLS Industries Berhad ("DKLS" or "the Group") for the financial year ended 31 December 2024 ("FY 2024").

The financial year under review presented a complex global economic environment. Despite the global economy achieving a degree of stability, the continued presence of inflation above pre-pandemic levels, despite a declining trajectory, impeded effective monetary policy normalisation throughout the year. This economic challenge was exacerbated by concerns over global economic volatility and heightened geopolitical tensions.

On the local front, Malaysia's economy grew by 5.1% for the year as a whole, due to continued expansion in domestic demand and a rebound in exports. As for domestic economy, growth was mainly driven by stronger household spending reflecting favourable labour market conditions and continued policy support.

Aside from economic growth, Malaysia has also taken significant steps to combat climate change by integrating sustainability into national policies, fostering green investments, and setting ambitious goals for renewable energy and emissions reductions. However, challenges remain in balancing economic growth with environmental protection. Continued commitment, both at the government level and through active participation of the private sector and public, will be crucial for achieving the country's climate goals and contributing to global efforts against climate change.

Recognising the growing importance of ESG factors, the Group has proactively enhanced efforts to provide more transparent and accountable ESG (Environmental, Social, and Governance) disclosure to our stakeholders. We believe this adaptation is vital as not only are investors increasingly using ESG criteria to assess investment risks and opportunities, but strong ESG values would directly contribute to a company's success by retaining talent and stimulate innovation in its processes.

While maintaining focus on strengthening our core businesses, DKLS demonstrated vigilance in cost containment and prioritising efficient operational practices to enhance productivity. Our dedication transcends mere operational efficiency. It encompasses judicious cost management while safeguarding the quality of our products and value delivery to our shareholders. These collectively paved the way for the Group to continue to deliver a profitable performance for the financial year ended 2024.

CHAIRMAN'S STATEMENT (CONT'D)

Review of Financial Results and Dividends

Amidst the challenges, the Group recorded revenue of RM179.70 million and profit before tax of RM32.46 million in FY 2024, representing an increase in revenue of 9.65% and decrease in profit before tax of 12.32% compared to revenue of RM163.88 million and profit before tax of RM37.02 million in FY 2023. All business divisions recorded higher revenue, save for the property development and others division in the current financial year. However, a lower profit before tax was recorded primarily due to inventories written down to net realisable value, lower reversal of impairment loss on property, plant and equipment, a lower fair value gain on investment properties and higher depreciation charges caused by hyperinflationary adjustment.

The in-depth financial performance and affairs are disclosed in the Management Discussion and Analysis section within this Annual Report.

Upon deliberation, the Board is pleased to recommend a first and final dividend of 3.00 sen per share for FY 2024, to be approved at the forthcoming Annual General Meeting by the shareholders. The total dividend payment to the shareholders for FY 2024 will involve RM2,780,988.

Adherence to Corporate Governance and Sustainability

The Group remains unwavering in its commitment to the highest standards of corporate governance, stringent compliance, and ethical integrity. These guiding principles form the cornerstone of our operational excellence, driving both our long-term sustainability and value creation for all stakeholders. To uphold these standards, the Group maintains a robust framework of internal controls and risk management practices. We believe that strong governance is vital not only to our performance but also to foster trust and transparency across the board. Our Corporate Governance Overview Statement can be found on page 73 to 89 of this Annual Report.

Beyond fulfilling the ESG disclosure requirements required by Bursa Malaysia Securities Berhad, which we are committed to upholding with more transparency and accountability, the Group has also taken tangible steps to enhance sustainability efforts such as part-taking in tree planting exercises and proactively expanding our employee development programme and trainings. DKLS recognises its employees as its most valuable asset and cultivating future leaders is essential to foster a high-performance culture in the workplace.

CHAIRMAN'S STATEMENT (CONT'D)

The Group is further committed to progressively review and expand its reporting scope in order to provide greater visibility into our ESG performance. Through these actions, we aim to build trust, drive meaningful change, and contribute to a sustainable future for all stakeholders.

Our Sustainability Statement can be found on page 30 to 72 of this Annual Report.

Market Outlook and Prospects

For 2025, the global economy is anticipated to be sustained. Disinflation in most advanced economies is expected to continue, facilitated by moderating commodity prices and dissipating effects of past monetary policy tightening. However, the outlook for global growth, inflation and trade is subject to considerable uncertainties surrounding tariff and other policies from major economies and geopolitical developments. Such uncertainties could also lead to greater volatility in the global financial markets.

Domestically, the Government continues to pursue its mid term economic plan for 2025 including the Madani Economy Framework, National Energy Transition Roadmap and the New Industrial Master Plan 2030.

The Budget 2025 focuses on affordable housing, infrastructure development, and supportive policies, prioritising essential infrastructure over mega projects. The strength in economic activity is expected to be sustained in 2025, anchored by domestic demand. Employment and wage growth, as well as policy measures, including the upward revision of the minimum wage and civil servant salaries, is expected to support household spending and invigorate the property market. However, fiscal reforms like subsidy reductions and tax adjustments could influence consumer purchasing power, necessitating careful market monitoring.

Bank Negara Malaysia ("BNM") is anticipated to keep the OPR steady throughout 2025, in line with BNM's forecast of economic growth between 4.5% and 5.5% for 2025. However, upside risk to inflation would be dependent on the extent of spillover effects of domestic policy measures, as well as external developments surrounding global commodity prices, financial markets and trade policies.

DKLS is prepared to navigate a competitive and challenging economic environment by maintaining focused on strengthening our core capabilities, adapting to market changes while pursuing growth opportunities.

Appreciation and Concluding Remarks

On behalf of the Board, I wish to express our utmost appreciation to our valued shareholders, business partners, customers and suppliers for your steadfast support over the years. We are grateful to have you as part of our growing DKLS community.

I would like to place on record our appreciation towards Mr Chin Kok Tong on his past services to the Company, who will retire from the Board at the conclusion of the 29th Annual General Meeting. I wish to further take this opportunity to welcome Ms Liew Li Ping as our new Independent Non-Executive Director, effective 1 June 2024. She brings with her over 23 years of extensive experience in audit and special engagements in Malaysia across diverse industries. We look forward to receiving her valuable contributions to the Board.

I would also like to extend my immense gratitude to my fellow Board members, Management team and all employees as our achievements to date are the result of your resilience, excellent teamwork, unwavering dedication, passion and tenacity. I look forward to many good years ahead as we continue to focus on delivering sustained value for the benefit of all our stakeholders and the generations to come.

Thank you.

Dato' Ding Pei Chai DPTJ, PMP
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Dear Valued Shareholders,

The year presents a complex industry landscape. On a macro level, global economic growth forecasts were revised upwards due to moderating inflation and easing monetary policies. On the other hand, persistent geopolitical and trade tensions continue to create uncertainties for global and regional economies.

Despite navigating through unprecedented industry challenges and geopolitical tensions in FY 2024, our collective effort across our business Divisions have enabled us to stay on course, demonstrating adaptability while ensuring sustainable momentum in our operations. During the year, we had focused on optimising resources, enhancing efficiencies, and maintaining financial prudence which has allowed us to weather the storm.

DKLS's vision, and set of core values continue to be the foundation of our business philosophy. We recognise that the business landscape is rapidly evolving, demanding a forward-thinking approach. Our vision and mission are the cornerstones of our commitment to leading this transformation. We are committed to fostering a culture of continuous learning and innovation, sustainable practices, and pursuit of solutions that enables us to anticipate and respond to emerging trends. In this report, we outline how we embrace a future focused mindset through initiatives that are designed to create a lasting positive impact and maintain our industry position.

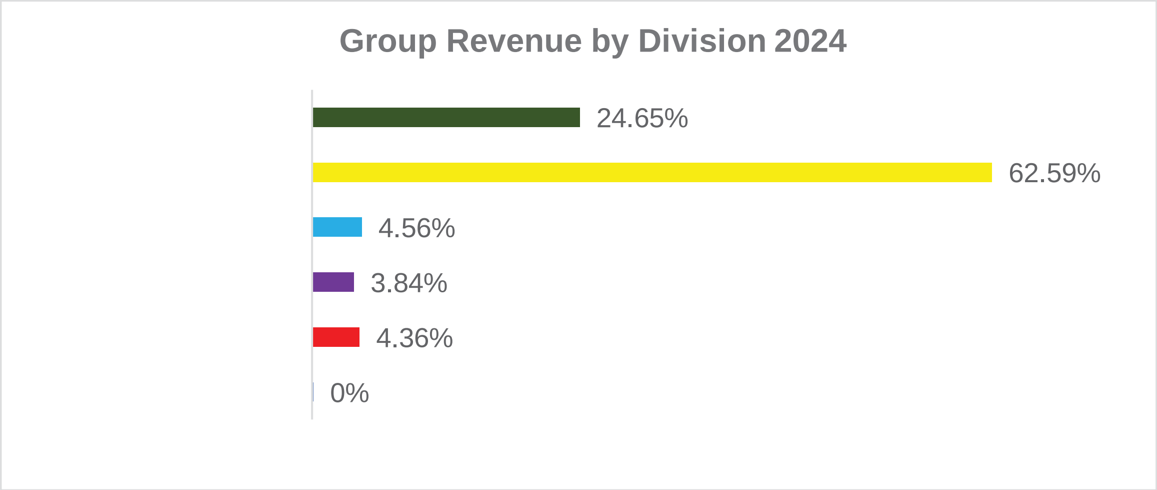
As we move forward, we will continue to capitalise on our core strengths to drive the Group's long-term objectives, ultimately delivering value to all stakeholders.

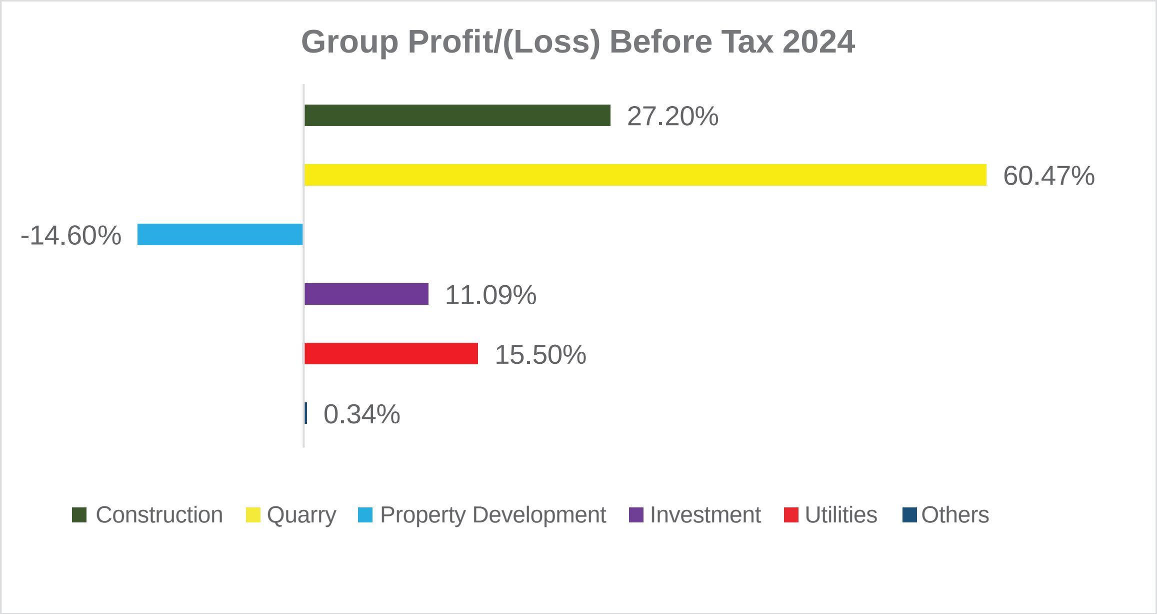
GROUP FINANCIAL PERFORMANCE

The Group recorded revenue of RM179.70 million and profit before tax of RM32.46 million in FY 2024 compared to revenue of RM163.88 million and profit before tax of RM37.02 million in FY 2023. The Group achieved a notable revenue growth of 9.65% in FY 2024, driven by higher contribution from construction, quarry, investment and utilities Division. Despite the revenue increase, the Group's profit before tax decreased by 12.32%. This decline in profitability can be attributed to several key factors such as inventories written down to net realisable value, lower reversal of impairment loss on property, plant and equipment, lower fair value gain on investment properties, along with higher depreciation charges (primarily caused by hyperinflationary adjustment).

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

The revenue and profit before tax of the Group can be analysed by Division as below.





	Division Revenue		Division Profit/(Loss) Before Tax	
	2024 RM million	2023 RM million	2024 RM million	2023 RM million
Construction	44.30	22.94	8.83	2.34
Quarry	112.48	104.63	19.63	17.26
Property Development	8.19	22.51	(4.74)	3.14
Investment	6.89	6.37	3.60	6.39
Utilities	7.84	7.35	5.03	7.69
Others	-	0.08	0.11	0.20
Total	179.70	163.88	32.46	37.02

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

CONSTRUCTION

REVENUE
RM44.30 MILLION

PROFIT BEFORE TAX
RM8.83 MILLION

The Construction Division of the Group comprises the activities undertaken by its wholly owned subsidiary, DKLS Construction Sdn Bhd ("DKLS Construction"), which is principally involved in the construction of large-scale infrastructure projects spanning from highways, roads and bridges, airport runways, water treatment facilities and hydropower plant, jetties, special purpose buildings as well as commercial and residential development for both public and private sectors. DKLS Construction is a Class A and G7 contractor with Pusat Khidmat Kontraktor and the Construction Industry Development Board. We take pride in the high-quality construction and building services that we provide and are accredited with the MS ISO 9001:2015 Quality Management System by SIRIM.

Operating Environment

The construction sector in Malaysia faced a complex operating environment in 2024, shaped by both local and global factors. While there were opportunities for growth owing to the Government policies and Budget 2024, these were also presented with significant challenges which the Division had to navigate. Apart from external risks such as supply chain disruptions and rising material and labour costs, the Division had to further contend with emerging requirements for sustainable practices and increasingly stringent industry guidelines, which are impacting both construction methodology and project costings.

The highly competitive landscape exacerbated by intense bidding to secure limited tender projects by a concentrated pool of contractors, especially for larger-scale government infrastructure project, directly contributes to the significant pricing pressure that can reduce profit margins. The Division is consistently working on the need to balance aggressive pricing strategies with the need to ensure adequate profitability.

Nevertheless, owing to effective strategies led by experienced key management personnel, the Division was able to maintain stability and profitability in FY 2024.

Financial Performances

The Construction Division recorded a total revenue of RM44.30 million (FY 2023: RM22.94 million) and profit before tax of RM8.83 million (FY 2023: RM2.34 million). The higher revenue in construction segment was due to the higher work volume completed on on-going projects and sale of industrial lands in Laos. Besides higher revenue recorded, the Division's higher profit before tax was also driven by the reversal of impairment losses on receivables, higher gain on disposal of property, plant and equipment, higher fair value gain and dividend income from short term investment and a decrease in interest expense for FY 2024.

Key Initiatives and Business Updates.

In FY 2024, the Division continues to capitalise on its core strengths, extensive expertise and longstanding reputation for delivering high-quality products across all projects. This combination of technical proficiency and a track record of successful project delivery ensures that the Division remains competitive in a market where both cost-effectiveness and quality are paramount.

By blending strategic cost management, sustainable practices, and commitment on quality, the Construction Division is not merely navigating the challenges of an evolving industry but aims to position itself as a trusted and reliable partner by delivering innovative, cost-efficient projects without compromising on quality.

During the FY 2024, the Division had successfully completed and handed over several residential projects which include the Goshen @ Ipoh Premier City Phase 2 at Ipoh City, Pantai Point 2 at Pantai Remis and Manjung Residence Phase 4 at Manjung District.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Completed Manjung Residence Phase 4

Completed Pantai Point 2

Completed double storey terrace at Goshen @ Ipoh Premier City Phase 2

The Division looks forward to the continued construction works of the following projects in FY 2025:

1. Victoria Country Phase 1 (Manjung District)
2. Industrial Factory at Kanthan, Chemor (Kinta District)
3. PPAM Phase 3 (Kota Setar, Kedah)
4. Earthwork for Residential Project at Taiping (Larut and Matang District)

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Earthwork for Residential Project at Taiping (Larut and Matang District)

Outlook for 2025

Malaysia's Budget 2025 prioritises social infrastructure and public facilities. This is expected to set the stage for a highly competitive construction environment. With a concentrated number of contractors potentially bidding for limited pool of smaller-scale projects, the industry is expected to witness increased pressure on pricing and tender procurement.

The Budget 2025 also introduces new factors affecting the industry, including the planned implementation of carbon taxes for iron and steel starting in FY 2026. This shift is expected to influence the cost structure of construction materials, with potential price adjustments in the near term, especially in FY 2025. The Division remains mindful of these cost dynamics and the broader market implications, ensuring proactive strategies for cost management and long-term project planning.

The global economy's susceptibility to supply chain disruptions, tariff fluctuations, and inflationary pressures poses further potential risks, however, the construction sector in Malaysia is anticipated to experience moderate growth fuelled by sustained domestic demand across both public and private sectors led by private consumption and continued public sector projects.

While the landscape presents both opportunities and challenges, the Division will continue to monitor developments closely and maintain a strategic balance between prudence and opportunity. We are committed to navigating this dynamic environment through vigilant monitoring, strategic balance, and adaptable project selection, coupled with proactive cost-efficiency initiatives and leveraging on our core expertise to enhance our competitive position.

Moving forward, the Construction Division will continue to focus on ensuring quality execution and timely delivery of its existing projects, at the same time keeping an eye out for any new tender opportunities to increase its order book.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

QUARRY

DKLS Group's Quarry activities are undertaken through its wholly owned subsidiaries, DKLS Quarry & Premix Sdn Bhd and DKLS Quarry & Premix (North) Sdn Bhd ("DKLS Quarry") – which is in the business of manufacturing, supply and sale of quarry products, ready-mix concrete and asphaltic concrete (premix). DKLS Quarry owns and operates three quarry plants, two ready-mix concrete batching plants and five premix plants across Peninsular Malaysia.

REVENUE
RM112.48 MILLION

PROFIT BEFORE TAX
RM19.63 MILLION

Operating Environment

In FY 2024, the Quarry Division's significant performance was fuelled by robust demand for construction materials stemming from both private sector activity and public infrastructure development in the Northern Region. The Division strategically positioned itself to meet this heightened demand by ensuring timely delivery of quality materials and leveraging on its operational efficiencies.

In the face of persistent industry challenges in recent years such as supply chain disruptions, fluctuation of raw material prices and rising operational costs, the Division was able to ensure steady revenue streams by proactively implementing an expansion strategy that boosted production, while concurrently employing a robust marketing and sales approach. Additionally, the Division focused on optimising its supply chains, enhancing its ability to manage costs and maintain inventory levels that could meet increasing demand without significant disruptions. This optimisation not only helped control operational costs but also facilitated rapid response to market demands swiftly, which resulted in higher sales volume being achieved during the year.

The Division's resilient performance, driven by the adept leadership of its key management team, yielded notable revenue growth and increase profitability during the year. The Quarry Division's ability to leverage its core strengths in a competitive environment has further solidified its position and created a solid foundation for sustained growth.

Bukit Enggang Quarry at Sik, Kedah

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Financial Performance

In the current financial year, the Quarry Division saw a notable improvement in performance, achieving a higher profit before tax of RM19.63 million (FY 2023 : RM17.26 million) on a higher revenue of RM112.48 million (FY 2023 : RM104.63 million).

The higher revenue in Quarry Division was contributed by higher sales volume, particularly in premix products, coupled with an increase in the average selling price. The Division also recorded an improvement in profit margin which was attributed to the higher revenue against fixed production costs.

Key Initiatives and Business Updates

By maximising the potential of its strategically located plants, the Division strengthened its market position against competitors. As demand for construction materials grew, especially in the wake of significant infrastructure projects, being positioned near critical construction hubs allowed DKLS Quarry to tap into expanding opportunities while minimising delivery times and transportation cost.

Premix Plant at Pokok Sena, Kedah

Additionally, the advantageous locations provided easier access to raw materials, contributing to smoother operations and reducing supply chain disruptions, which is vital particularly in an industry often affected by logistical challenges.

The Division's decision to invest in digitalisation of the ERP system further demonstrated its positive impact, providing it with real-time data access that allowed it to monitor performance, tighten credit control procedures and implement timely adjustments, ultimately leading to improved efficiency and strategic advantage.

In line with the mandate from the Inland Revenue Board of Malaysia (LHDN), the Division successfully implemented E-invoicing starting from 1 August 2024. By adopting E-invoicing, the Division is better positioned to ensure compliance with the new tax regulations, while also contributing to the Division's commitment to digital transformation and sustainability goals.

Acknowledging the growing stakeholder focus on sustainable practices within the industry, the Quarry Division had integrated several initiatives such as rainwater harvesting, monitoring emission limits, erosion and sediment controls, regulated scheduled waste disposal as well as implementing comprehensive health and safety protocols into its business practices to ensure responsible operations.

With respect to its products, the Quarry Division has been accredited with the MS ISO 9001:2015 Quality Management System certification by SIRIM as well as received product certification from CIBD Malaysia. These recognition underscores the Division's commitment in maintaining high standards of quality management across its operations, ensuring consistent delivery of superior products and services.

Looking forward, the Quarry Division remains committed to maintaining its competitive edge in the region by continuing to focus on customer-centric service and delivering high-quality products. Through the combination of strategic cost management, enhancing product quality, and proactive marketing, the Division is well-positioned to navigate the competitive landscape and sustain its growth trajectory in the years to come.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Quarry Division Operation Network

Plant/Location	Pundut, Perak	Teluk Intan, Perak	Bukit Perak, Kedah	Sik, Kedah	Pokok Sena, Kedah
Quarry Plant	•		•	•	
Ready-Mix Plant	•	•			
Premix Plant	•	•	•	•	•

Outlook for 2025

The outlook for the Quarry Division for the upcoming year looks positive, driven by continued urban development and infrastructure projects in the region. The demand and prices for aggregates and other construction materials are expected to maintain if not increase as the country focuses on infrastructure developments, including roads.

With increasing demand, the Division will also focus on expanding their production capacity by optimising output from its existing plants, while seeking opportunities to venture into other strategic plant locations.

Nevertheless, as environmental concerns continue to rise, the Division will have to navigate evolving regulatory landscapes, manage costs and cultivate strong stakeholder relationships to maintain its reputation.

In whole, the quarry industry in Malaysia for FY 2025 is poised for growth. By prioritising efficiency, cost management, and strategic expansion, while also maintaining a commitment to sustainability, the Quarry Division is prepared to capitalise on these opportunities to drive positive growth.

Premix Plant at Pokok Sena, Kedah

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

PROPERTY DEVELOPMENT

REVENUE
RM8.19 MILLION

LOSS BEFORE TAX
RM4.74 MILLION

The Property Development Division of the Group comprises activities undertaken by its wholly owned subsidiaries, DKLS Development Sdn Bhd, DKLS Premierhome Sdn Bhd and DKLS Signaturehomes Sdn Bhd ("DKLS Property").

Operating Environment

Malaysia's property sector remained resilient throughout 2024. Several initiatives were outlined in the Budget 2024 to stimulate property market development nationwide, including the increased funding in the Housing Credit Guarantee Scheme to assist individuals without a fixed income to achieve home ownership, the Home Ownership Campaign 2.0 which offers stamp duty exemptions on transfer and financing agreements for first-time buyers of units valued up to RM500,000, as well as flat rate stamp duty of 4% on memorandum of transfer for non-citizens and foreign-owned companies.

Owing to the targeted government incentives and sustained economic stability, the residential property market has seen some improvements in 2024. However, developers still faced several headwinds including rising construction costs driven by higher prices for materials and labour, as well as cautious buyer sentiment.

While the industrial sector remains in demand, the pace of recovery for commercial properties, particularly office spaces and retail properties, remains slower compared to the residential and industrial market.

The Division navigated a mixed landscape with moderate growth, balancing cost pressures and cautious demand in the residential sector during the year while commercial properties face longer-term challenges.

Financial Performance

Following the completion of three major housing projects in the first quarter of FY 2024, no new projects were launched during the year. As a result, the revenue contribution from the Property Development Division declined to RM8.19 million (FY 2023 : RM22.51 million). The Division recorded a loss before tax of RM4.74 million (FY 2023 : profit before tax of RM3.14 million) primarily due to lower revenue and inventories written down to net realisable value.

Key Initiatives and Business Updates

In recent years, the growing emphasis on environmental sustainability has prompted us to re-evaluate our development practices. Consumers are becoming more environmentally conscious, seeking homes that contribute to reducing their carbon footprint and offer long-term value.

The Division as part of its commitment to sustainability, is constantly seeking ways to incorporate green living elements into its projects. The completed Goshen @ Ipoh Premier City Phase 2 project for instance, allocated approximately 19% for green and open spaces, including amenities. Building on this, the Property Division will continue to explore more green building initiatives into its future development strategies. We are committed to exploring and implementing responsible and innovative solutions to ensuring our projects incorporate elements that foster sustainable lifestyles. This aims to enhance the Division's competitive edge in the market, responding to the growing preference for eco-friendly properties.

The Property Division has also prioritised the shift to digital marketing to stay competitive. Through a multi-channel digital strategy encompassing websites, video contents, social media and email marketing, it aims to create more personalised and engaging experience for potential buyers. By leveraging on technology, the Division was able to tap on broader audience, track statistics, nurture leads more effectively and conclude sales in a shorter timeframe.

The Division spent the year managing the lingering effects of pandemic lockdowns and subsequent project delays, which prevented major launches. Despite these challenges, we are progressing with plans for upcoming launches.

In FY 2024, the Division has completed and handed over its properties for Goshen @ Ipoh Premier City Phase 2, Pantai Point 2, as well as Manjung Residence Phase 4. The Division looks forward to the completion of Kairos Commercial Square in FY 2025.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Two storey shophouse at Kairos Commercial Square

Outlook for 2025

The Malaysian property market in 2025 is expected to show steady growth, driven by favourable economic conditions, government initiatives and improving infrastructure and connectivity.

While affordability and supply pressures remain challenging in some areas, increased tourism, cross-border activities and strategic developments such as special economic zones and infrastructure upgrades are set to support demand across various property segments. Increases in civil servant wages and minimum wages, positive labour market and targeted affordable housing schemes are expected to further bolster affordability for the upcoming year.

Budget 2025 outlined several initiatives for first time residential homeowners including personal tiered income tax reliefs up to RM7,000 on mortgage interest payments and continued Housing Credit Guarantee Scheme offered to gig workers or those without fixed income. The extension of Home Ownership Campaign 2.0 providing stamp duty exemptions on transfer and loan agreements for homes valued up to RM500,000 for first time homeowners was also subsequently announced.

Although such tax reliefs and affordable housing schemes are expected to stimulate the property market, their potential impact may be mitigated by several countervailing factors. Specifically, tax rationalisation measures, coupled with the burden of high debt per household and inflated property prices driven by escalating construction costs, could dampen investor confidence and erode affordability, thus neutralising the intended positive effects.

The Property Division's strategic approach is centered on understanding market dynamics, controlling construction costs, and focusing on sustainability and lifestyle-driven developments which will be key in ensuring long-term growth and profitability. Consequently, it will maintain a focused approach on its upcoming projects to achieve these objectives.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

INVESTMENT

The Investment Division mainly involves the management and operation of its commercial property in Tower 8 Bangsar South, which is undertaken by its wholly owned subsidiary, DKLS Equity Sdn Bhd. Tower 8 Bangsar South was awarded with MSC Malaysia Cybercentre status with high speed broadband access and was built according to GBI (Green Building Index) specifications, making it ideal as headquarters for ICT and multimedia companies.

REVENUE
RM6.89 MILLION

PROFIT BEFORE TAX
RM3.60 MILLION

Operating Environment

In FY 2024, the Investment Division made significant strides to achieve maximum occupancy, which was a testament to its effective strategies and operational efficiency. Despite these positive developments, the Division faced persistent competition within the market, with rival companies constantly adjusting their strategies and rental rates to secure tenants.

To maintain its competitive edge and drive further success, the Division has strategically positioned itself by capitalising on several key strengths. Its prime location in a high-demand area, coupled with its prestigious MSC (Multimedia Super Corridor) status, provides a strong value proposition to potential tenants. This unique combination of location and status continues to attract businesses looking for quality spaces that cater to both their operational needs and corporate image.

In addition, the Division's unwavering commitment to providing prompt and efficient service to its tenants and regular maintenance plays a critical role in fostering long-term, sustainable relationships. By prioritising tenant satisfaction, the Division has been able to not only achieve strong record of tenant retention upon expiry of tenancies but also attract new ones, even amidst tough market conditions. The focus on building trust and providing value-added services has helped create a supportive environment for the Division to thrive.

Financial Performance

The Investment Division achieved a higher revenue of RM6.89 million as compared to RM6.37 million in FY 2023. This improvement was mainly due to a higher occupancy rate, reaching 100% as of 31 December 2024, along with an increase in the average monthly rental rate per square foot.

Despite revenue growth, the Investment Division recorded a lower profit before tax of RM3.60 million (FY 2023: RM6.39 million) primarily due to a lower fair value gain on investment properties and higher bank charges from new banking facilities.

Key initiatives and Business Updates

During FY 2024, the Division achieved a remarkable milestone by reaching maximum occupancy of 100%, compared to 97% in FY 2023. This growth in occupancy not only reflects the strong demand for the properties offered but also underscores the effectiveness of the Division's strategies in maintaining a stable and attractive portfolio for tenants. The higher occupancy rate has had a direct and positive impact on the Division's overall revenue.

As operational conditions stabilised and the market continued to recover post pandemic, the Division was able to adjust its pricing structure to reflect market demand and the value it provides to tenants, which played a part in contributing to higher revenue generated by the Division, thereby enhancing its financial stability and growth prospects.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Outlook for 2025

In FY 2025, the Investment Division is expected to continue to build on the positive momentum achieved during this review period, driven mainly by its strategic location, MSC status, and service excellence. With demand for prime office spaces continuing to rise, the Division is well-positioned to maintain its competitive edge in the market.

The Division will remain focused on optimising its portfolio by upholding high service standards, effective marketing strategy as well as prioritising high quality tenants to continue to build on its strong momentum in the coming years.

UTILITIES

The Utilities Division of DKLS Group comprises the activities undertaken through its 70% owned subsidiary, Savan-DKLS Water Supply Co Ltd, which is in the business of operation, management and distribution of treated water to the Kaysone Phomvihane District of Savannakhet Province, Lao People's Democratic Republic. Its Nake Water Treatment Plant is accredited with MS ISO 9001:2015 Quality Management System by SIRIM for management and support services as operation and maintenance.

REVENUE
RM7.84 MILLION

PROFIT BEFORE TAX
RM5.03 MILLION

Savan-DKLS office and water treatment plant.

Operating Environment

Kaysone Phomvihane District of Savannakhet Province is about 830km^2 and bulk of the Division's customers are currently concentrated within the 40km^2 area of Savannakhet town. The Division continuously monitor water demand and undertake the necessary studies to assess if any expansion or improvement is necessary to meet market demands.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Financial Performance

In FY 2024, the Utilities Division achieved higher revenue of 38.0 billion Lao Kip as compared to 30.3 billion Lao Kip in FY 2023. In terms of RM, the Division recorded RM7.84 million compared to RM7.35 million in FY 2023. The higher revenue was mainly due to the higher quantity supplied and increase in water tariff rate.

Despite the increase in revenue, the Utilities Division recorded a lower profit before tax of RM5.03 million as compared to RM7.69 million in FY 2023 mainly attributed to the lower reversal of impairment loss on property, plant and equipment and higher depreciation charges (caused by hyperinflationary adjustment).

Key initiatives and Business Updates

The Utilities Division's improved revenue was significantly supported by the 15% water tariff rate increase in FY 2024. Looking ahead, the Division is expected to continue to ride on the upward trend with the approved 10% increase in water tariffs for FY 2025 and FY 2026.

A key focus for the Division has been in its efforts in addressing non-revenue water (NRW). Through a combination of rigorous procedural compliance and targeted mitigation strategies, the Division was able to maintain NRW levels, aligning with its commitment towards sustainable water management practices.

However, despite these positive developments, the Division is continuously facing challenges related to non-performing and uncollectible debts. This situation puts pressure on the debt profile and increases the cost of financing receivables. Effective management of these debts is crucial to prevent further deterioration of the Division's financial standing.

Outlook for 2025

The Utilities Division's water treatment plant in the Lao People's Democratic Republic (Lao PDR) remains a key asset, providing recurring income stream for the Group. With the approved 10% increase in tariff rates, the Division is expected to contribute positively to the Group's results in FY 2025.

However, as this income stream is denominated in foreign currency, its expected positive contribution may be dampened by the volatility of foreign exchange rates. Additionally, persistent inflationary pressure in Lao PDR could further impact the Division's performance.

Entrance of Savan-DKLS Nake Water Treatment Plant at Savannakhet, Laos

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OTHERS

The activities under this Division are undertaken through the Group's wholly owned subsidiary, DKLS Marketing Sdn Bhd. This Division functions as the logistics and supply chain platform in sourcing, purchasing and distributing a wide range of building and construction materials in supporting the Group's other business Divisions.

REVENUE
RMNIL MILLION

PROFIT BEFORE TAX
RM0.11 MILLION

Operating Environment

The Division posted a decline in its profit margin due to fewer construction activities in the private and public sectors.

Financial Performance

In FY 2024, the Division recorded revenue of RMNil million (FY 2023 : RM0.08 million) and profit before tax of RM0.11 million (FY 2023 : RM0.20 million).

Key initiatives and Business Updates

In FY 2024, the Division continued to play a vital role in supporting the Group's operations through efficient procurement management. Despite having minimal standalone transactions, the Division remained focused on optimising procurement processes, enhancing cost efficiency, and ensuring a reliable supply chain to meet the Group's business needs.

Outlook for 2025

Looking ahead, the Division will continue to enhance its procurement strategies to efficiently support the Group's other businesses. The focus remains on ensuring cost-effective sourcing, maintaining quality standards, and mitigating the impact of raw material price fluctuations to strengthen the Group's overall operations.

CLOSING

In conclusion, FY 2024 has been a year of resilience, strategic foresight, and adaptive change for DKLS. While the Group faced significant external challenges, it was able to overcome these headwinds by staying true to its core values and focusing on long-term objectives. Through prudent resource management, operational efficiencies, strategic decision-making, we have reinforced our commitment to financial resilience and sustainable profitability.

As we move ahead into 2025, we remain confident in our ability to navigate industry challenges, seize emerging opportunities, and deliver value to our stakeholders. The Group will continue to build on its strong foundation, delivering on its commitments and positioning itself for sustainable growth in the years to come.

While acknowledging potential challenges, the Group remains cautiously optimistic about its prospects for 2025, provided no unforeseen circumstances arise.

Dato' Ding Poi Bor
Managing Director

SUSTAINABILITY STATEMENT

ABOUT THIS SUSTAINABILITY STATEMENT

DKLS Industries Berhad ("DKLS" or "the Company") and its subsidiaries ("Group") are cognisant of embedding best sustainable practices on our path in driving profitability. This Sustainability Report serves as a channel to communicate our initiatives to focus on sustainability opportunities to ensure our services take into account the economic, social, governance and environmental impacts.

The Group remains cautiously optimistic that strategic sustainability initiatives can enhance operational efficiency, leading to cost reductions and strengthening supply chain resilience. With our extensive experience and by leveraging on our technical expertise, we aim to optimise resource use and comply with evolving regulations while encouraging innovation. Nevertheless, the Group is determined to advance our sustainability journey, building trust and cultivating stronger relationships with investors, customers, communities and authorities to reinforce our role as a responsible and progressive corporate entity.

Reporting Period

1 January 2024 – 31 December 2024

Reporting Scope

Our reporting scope for the financial year 2024 ("FY 2024") covers sustainability related performances, achievements and initiatives across our key business operations of the Group in Malaysia namely:

Division(s)

• Construction	:	DKLS Construction Sdn Bhd
• Quarry	:	DKLS Quarry & Premix Sdn Bhd and DKLS Quarry & Premix (North) Sdn Bhd
• Property	:	DKLS Premierhome Sdn Bhd and DKLS Development Sdn Bhd
• Investment	:	DKLS Equity Sdn Bhd

The reporting scope excludes any business operations and corporate activities conducted outside Malaysia.

Principal Guidelines

Practice Note 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**")	Bursa Malaysia's Main Market Listing Requirements ("**Listing Requirements**")	Bursa Malaysia's Sustainability Reporting Guide 3rd Edition	Malaysian Code on Corporate Governance ("**MCCG**")

Assurance

This statement has not been subjected to any internal or external assurance. However, we are continuously working to enhance our data collection and reporting method for a more effective sustainability management.

SUSTAINABILITY STATEMENT (CONT'D)

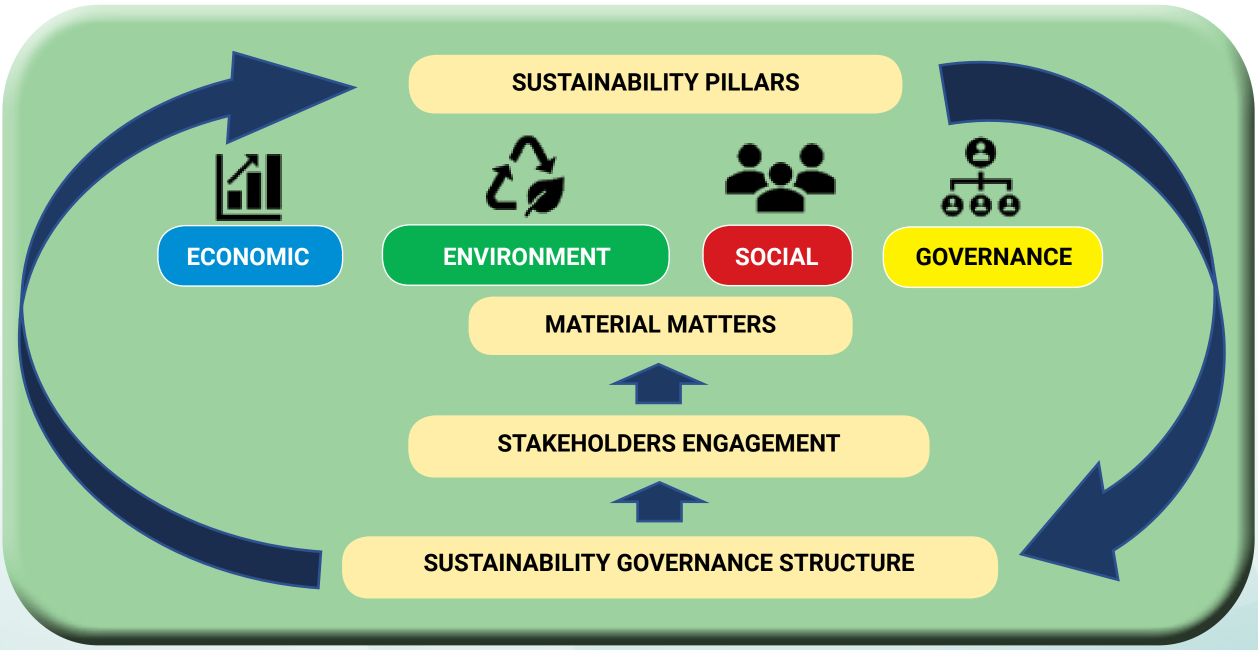
Sustainability Aim and Objective

- To explore and implement sustainable practices across our businesses whilst attempting to achieve the right balance between economic success, the requirements of our stakeholders and larger society.
- To integrate the principles of sustainability into the Group's strategies, business plans, processes and procedures.
- To cultivate a culture of sustainability within the Group and wider community, with an emphasis on incorporating economic, environment, social and governance considerations into decision-making processes and in the delivery of outcomes.
- To focus further towards specific sustainability targets of high priority and their respective metrics to enable efficient monitoring and tracking by the Group.

Sustainability Framework

We have enhanced our sustainability framework to harmonise with our business strategy, guided by the Group's vision and mission. Our framework aims to address stakeholders' needs, minimise environmental footprint, and foster positive contributions to the communities in which we operate. We hold onto our framework as a tool to lead us to an effective long-term sustainability journey.

Our sustainability framework emphasises four key focus areas: Economic Sustainability, Social Sustainability, Environmental Sustainability and Governance Sustainability. We endeavour to achieve specific objectives within each focus area by addressing concerns related to our material matters.



SUSTAINABILITY STATEMENT (CONT'D)

Economic Sustainability

- Quality Product and Services
- Financial and Business Performance
- Procurement and Supply Chain Management
- Digitalisation & Data Privacy

Environmental Sustainability

- Climate Risk and Biodiversity
- Environmental Compliance

Our Focus Areas

Social Sustainability

- Workplace and Talent Management
- Community Engagement
- Occupational Health and Safety

Governance Sustainability

- Corporate Governance
- Compliance and Transparency

Sustainability Pillars

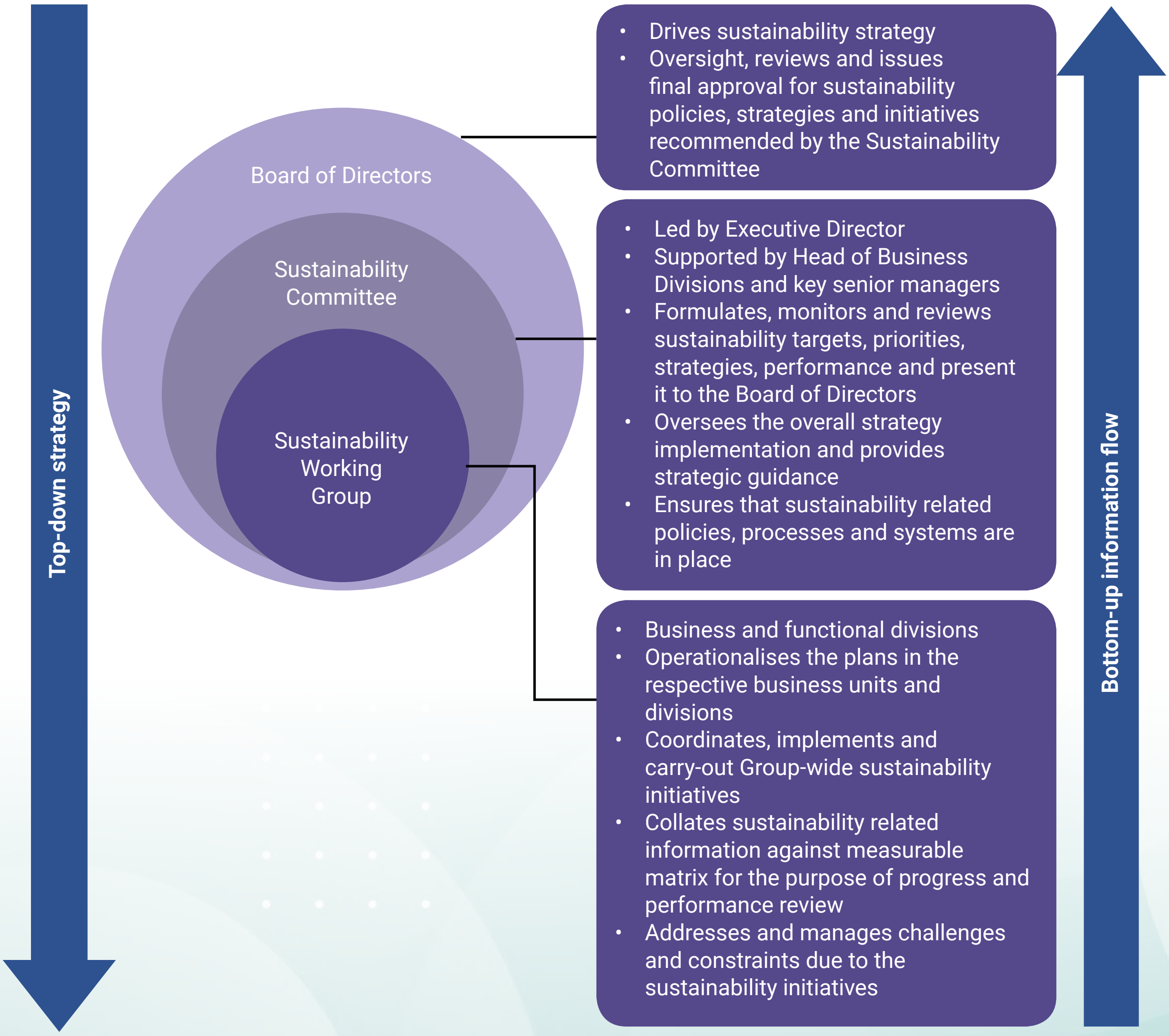
DKLS GROUP SUSTAINABILITY PILLARS				
ECONOMIC	ENVIRONMENTAL	SOCIAL		GOVERNANCE
		WORKPLACE	COMMUNITY	
Delivery of products and services and maintain good corporate governance	Manage the environmental impacts in the areas that we operate	Develop talents and recognise employees' contributions, providing a safe and conducive workplace environment	Giving back to the community	Maintain the highest level of business ethics and integrity in our business operations

SUSTAINABILITY STATEMENT (CONT'D)

Governance Structure

The Group holds the belief that integrity and ethics are fundamental to good governance. They serve as the cornerstone for integrating sustainability goals into our decision-making processes, fostering transparency, managing risks effectively, and driving long-term success.

Sustainability is embedded in our organisational approach and is led from the top. The Board of Directors ("Board") of DKLS plays a crucial role in guiding and overseeing sustainability matters across the Group. This effort is bolstered by the Sustainability Committee chaired by the Group's Executive Director and supported by Head of Business Divisions and Key Senior Managers. The Sustainability Committee assists the Board in developing strategies, policies, practices, and targets related to sustainability, while also monitoring the Group's sustainability initiatives and performance. Following the established strategies and targets, the Sustainability Working Group are responsible for implementing and managing sustainability initiatives at operations level.



SUSTAINABILITY STATEMENT (CONT'D)

Stakeholders Engagement

At DKLS, we prioritise engaging with all stakeholder groups through diverse activities and communication channels all year-round. This ongoing engagement allows us to gain a better understanding of our stakeholder's materiality issues and matters while at the same time, enable us to identify key aspects and impacts of our sustainability journey.

SUSTAINABILITY STATEMENT (CONT'D)

The table below provides a list of key stakeholders, engagement platforms, frequency of engagement and their areas of interest:

Stakeholder Groups	Method of Engagement	Frequency	Areas of Concern	Our Response
Financiers/ Shareholders	• Annual general meetings	• Annually	• Business behaviour • Market presence • Group performance • Return on investment • Risk management • Corporate governance and compliance	• Our quarterly financial reporting and announcements to Bursa Malaysia provide timely updates on strategy and performance • Prudent risk management and governance • Annual report on business progress and performance • Transparency through reporting and timely communication
	• Annual report	• Annually		
	• Financial reports	• Quarterly		
	• Corporate website	• As and when required		
	• Bursa announcements	• As and when required		
Employees	• Internal memo	• As and when required	• Company's direction and updates • Diversity and equal opportunity • Remunerations and benefits • Career development • Training opportunities • Health and safety at work • Work-life balance	• Committed to providing a safe, engaging, inclusive, and stimulating work environment that fosters high levels of employee satisfaction and loyalty
	• Annual performance appraisal	• Annually		
	• Internal communication and whistleblowing platform	• As and when required		
	• Employee's Handbook, Code of Ethics, and company policies	• Ongoing		
	• Training and development programmes	• As and when required		
	• Staff engagement initiatives	• As and when required		

SUSTAINABILITY STATEMENT (CONT'D)

Stakeholder Groups	Method of Engagement	Frequency	Areas of Concern	Our Response
Customers	• Online and offline communication • Corporate website • Social media • Marketing materials • Tenant memos and notices • Customer reward initiatives and events	• As and when required • Ongoing • Ongoing • Ongoing • As and when required • As and when required	• Product and service quality and safety • Customer satisfaction • Sustainability/ environmental compliance • Customer privacy • Organisational compliance	• Ensure all employees are well trained and received ongoing training in product knowledge and customer service skills • Ongoing operational improvements are being implemented across all business units to ensure product quality and to optimise sales and marketing channels • Digitalisation of customer engagement platforms • Prompt action towards customers' and tenants' feedbacks
Local Community	• Meetings and dialogues • Social media • Corporate website • Strategic partnerships • Build sustainable Corporate Social Responsibility ("CSR") programmes	• Ongoing / As and when required	• Environmental impact • Local community development • Philanthropy • Job and business opportunities	• Compliance of orders and regulations of local authorities • Infrastructure improvements around development vicinity • Collaboration with NGOs, community organisations and social enterprises to establish community enrichment

SUSTAINABILITY STATEMENT (CONT'D)

Stakeholder Groups	Method of Engagement	Frequency	Areas of Concern	Our Response
External providers	• Review and coordination meetings	• Ongoing	• Fair contract terms • Timely payment • Occupational Health and Safety • Fair procurement practice • Cost saving practices • Supporting local suppliers • Product quality and company reputation	• Favourable or competitive contract terms • Improve operational and management efficiency by communicating and working with trusted partners • Adherence to Standard Operating Procedure for timely payments • Prioritising business partners with good performance
	• Negotiation meetings	• As and when required		
	• Annual performance evaluation	• Annually		
	• Registration screening (pre-qualification of suppliers, vendors and subcontractors)	• One-off / Every new recruit		
Government/ Local Authorities/ Regulators	• Annual Reports	• Annually / As and when required	• Regulatory compliance • Listing Requirements • Transparency of disclosure • Tax payment	• Senior management in the Governance structure of each subsidiary to ensure strict regulatory compliance • Monitor announcements and updates on Bursa website closely • All financial information are disclosed in the Annual Report • Annual audit exercise
	• Announcement on Bursa's website			
	• Certifications			
	• Audit and site inspections			
	• Dialogues with authorities			

SUSTAINABILITY STATEMENT (CONT'D)

Materiality Assessment

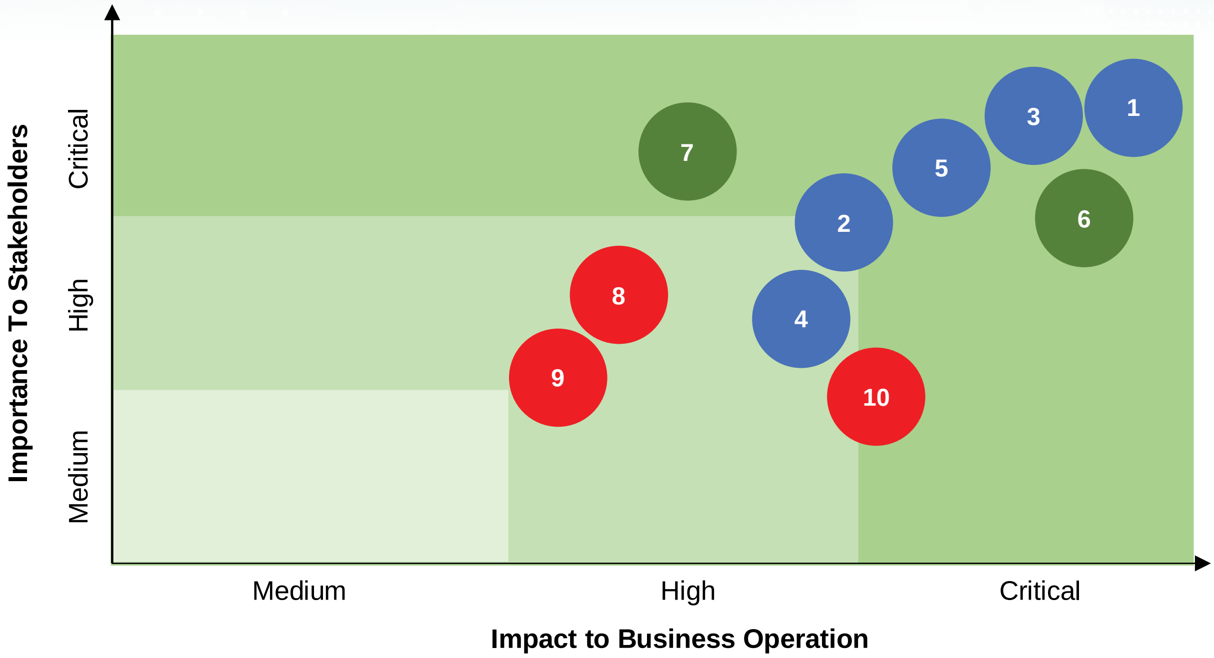
The Sustainability Committee, on an annual basis, follows and monitors the process below to identify material sustainability matters that are of key interest to our stakeholders and have a significant impact on its business activities. This assessment incorporates the views and concerns of the Group's stakeholders, including shareholders, potential investors, customers, suppliers, employees, the community, and regulators.

Material Matters

Based on the materiality assessment performed above, the key stakeholder concerns and business risks of the Group deemed most material have been distilled into the following ten (10) key material matters in the FY 2024:

1. Corporate Governance Compliance and Transparency
2. Quality Product and Services
3. Financial and Business Performance
4. Procurement and Supply Chain Management
5. Digitalisation & Data privacy
6. Environmental Compliance
7. Climate Risk and Biodiversity
8. Occupational Health and Safety
9. Community Engagement
10. Workplace and Talent Management

SUSTAINABILITY STATEMENT (CONT'D)



Economic and Governance Indicator	1.	Corporate Governance Compliance and Transparency
	2.	Quality Product and Services
	3.	Financial and Business Performance
	4.	Procurement and Supply Chain Management
	5.	Digitalisation & Data Privacy
Environmental Indicator	6.	Environmental Compliance
	7.	Climate Risk and Biodiversity
Social Indicator	8.	Occupational Health and Safety
	9.	Community Engagement
	10.	Workplace and Talent Management

SUSTAINABILITY STATEMENT (CONT'D)

Measuring Sustainability Performance

In our effort to achieve high standard of sustainability, we have established the following key performance indicators ("KPI(s)") and strategic priorities ("Target(s)") since FY 2021. This initiative will ensure consistent progress and timeliness being complied with and the Group commits to undertake continuous efforts to achieve such KPIs and Targets set. The Group's KPI performance for the FY 2024 is compared against its previous years' performance as set out below:-

ECONOMIC	
KPI	Corporate Governance Compliance and Transparency
Strategic Priorities	• Effective business ethics, integrity and compliance • Fostering good corporate governance
Target	Ensure policies and procedures such as Code of Ethics, Anti-Corruption and Whistleblowing are embedded and emphasised throughout the Group through communication including briefings, declarations and information made readily available on corporate website to enhance awareness and understanding
FY 2022	Zero reported and proven corruption and incident of fraud
FY 2023	Zero confirmed incidents of corruption and action taken
FY 2024	Zero confirmed incidents of corruption and action taken

ECONOMIC	
KPI	Digitalisation & Data Privacy
Strategic Priorities	• Accelerating and elevate digital excellence across the Group to enhance efficiency and productivity • Upskilling digital literacy and data skills of our workforce as a key enabler for sustainable growth
Target	Investment and implementation in digital innovation in our operations across the Group
FY 2022	• ERP system (phase 1) fully integrated into business operations for Quarry Division • Continued subscription of a leading front-end software for Property Development Division • No significant cybersecurity breach was reported throughout the year
FY 2023	• Continued subscription of a leading front-end software for Property Development Division and ERP system for Quarry Division • No substantiated complaints concerning breaches of customer privacy and losses of customer data
FY 2024	• Upgraded Ipoh Office Biztrak System and ERP system for Quarry Division to comply with e-invoicing requirement • No substantiated complaints concerning breaches of customer privacy and losses of customer data

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENT	
KPI	Provision of open spaces, natural environment and amenities
Strategic Priorities	• Continue to develop projects that are considered green and efficient • To include more eco-friendly features in our properties
Target	Provide at least 15% of the total development area for green and open spaces, inclusive of amenities for gated and guarded developments
FY 2022	Goshen @ Ipoh Premier City Phase 2 achieved about 19.2% of green and open spaces, including amenities
FY 2023	Goshen @ Ipoh Premier City Phase 2 achieved about 19.2% of green and open spaces, including amenities. There are no new gated and guarded development projects launched in the FY 2023
FY 2024	Goshen @ Ipoh Premier City Phase 2 achieved about 19.2% of green and open spaces, including amenities. There are no new gated and guarded development projects launched in the FY 2024

ENVIRONMENT	
KPI	Compliance with Environmental Legislations
Strategic Priorities	Close monitoring of compliance and training by Occupational Safety and Health Committees across relevant business divisions
Target	Zero major incident of non-compliance with environmental legislation
FY 2022	No significant cases of fines for environmental non-compliance
FY 2023	No significant cases of fines for environmental non-compliance
FY 2024	No significant cases of fines for environmental non-compliance

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENT	
KPI	Accessibility for Electric Vehicles ("EV")
Strategic Priorities	Property Development Division to include provision for charging station during the planning stage for new developments with clubhouses. This move will incentivise the adoption of EV, which will reduce carbon emissions and air pollution
Target	Install at least one (1) EV charging station at every clubhouse
FY 2022	In progress. There are no new developments projects with clubhouse facilities launched in the FY 2022
FY 2023	In progress.To incorporate charging station at every clubhouse for future development from FY 2023
FY 2024	In progress. To incorporate charging station at every clubhouse for future development

SOCIAL	
KPI	Number of initiatives taken to contribute to local community
Strategic Priorities	• To continuously broaden and deepen the impact of our CSR contributions by giving back to the community • Prioritise long term value and quality of CSR initiatives, rather than pursuing high number of initiatives
Target	Minimum two initiatives per year
FY 2022	Successfully achieved two CSR initiatives
FY 2023	Successfully achieved five CSR initiatives. RM66,147.25 was invested in the community with an estimated total of 2,400 beneficiaries in the community.
FY 2024	Successfully achieved three CSR initiatives. A total of RM67,188.99 was invested in the community benefitting a total of 3,700 beneficiaries.

SUSTAINABILITY STATEMENT - ECONOMIC

Financial and Business Performance

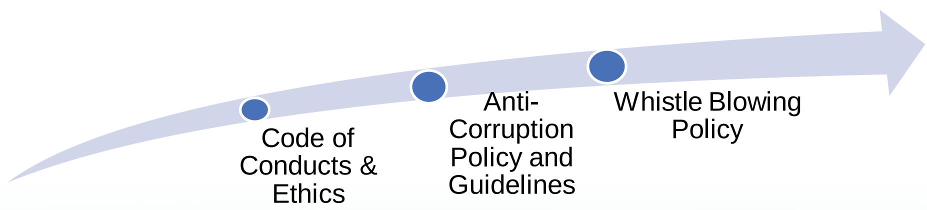
At DKLS, our business success hinges on creating long-term value for our stakeholders. The Group believes that the key driver in delivering requisite economic performance lies in ensuring customer satisfaction and delivering quality service and products to our customers. We aim to achieve this by amongst others, building strong customer relationships, leveraging on technology to increase efficiency, developing innovative products and services to meet evolving market demands, as well as developing financial strategies which align with our growth objectives.

The Group's FY 2024 economic performance is disclosed under the Management Discussion and Analysis in this Annual Report. The Group registered a profit before tax of RM32.46 million on the back of a total revenue of RM179.70 million.

KEY FINANCIAL INDICATORS	FY 2023	FY 2024
Revenue (RM)	163,884,716	179,700,071
Profit Before Tax (RM)	37,022,132	32,462,060
Profit After Tax and Non-Controlling Interests (RM)	28,062,116	27,957,884
Earnings Per Share (sen)	30.27	30.16
Dividend Per Share (sen)	3.00	3.00

Corporate Compliance and Transparency

The Group is dedicated to achieving its strategic and operational objectives in compliance with applicable laws and principles of good governance, while upholding high standards of integrity. This commitment includes the implementation and adoption of the following policies which are periodically reviewed:



The Group is also committed to adhering to the principles of the Malaysian Code on Corporate Governance ("**MCCG**"), ensuring that it maintains sound and highly transparent management practices in the best interests of both the Group and all its stakeholders. Details of our Corporate Governance practices are outlined in the Corporate Governance Overview Statement in our Annual Report.

SUSTAINABILITY STATEMENT - ECONOMIC (CONT'D)

Ethics and Integrity

We recognise that maintaining strong business ethics within a framework of accountability and transparency is vital for achieving sustainable success. Our dedication to these values helps us build trust with our employees, uphold our reputation with external stakeholders and drive operational efficiency.

In line with good corporate governance practices, the Directors and employees of the Group have made a commitment to create a corporate culture within the Group to operate the businesses and affairs in an ethical and professional manner and to uphold the highest standards of integrity and exemplary corporate conduct. The Code of Conduct ("**Code**") sets out the principles and standards of business conduct of the Group.

We continue to cascade our Code to all our employees and subsidiaries. The Code has clear guidelines relating to the standards and ethics that all employees are expected to adhere to. It is designed to maintain a harmonious standard in the workplace among employees of all levels. We have also established a Whistleblowing Policy and Procedures that serves as an avenue for employees and members of public to raise concerns of any suspected or known impropriety in conduct that they may have observed in the Group. The Code, together with the Whistleblowing Policy and Procedures, can be found on the Group's corporate website.

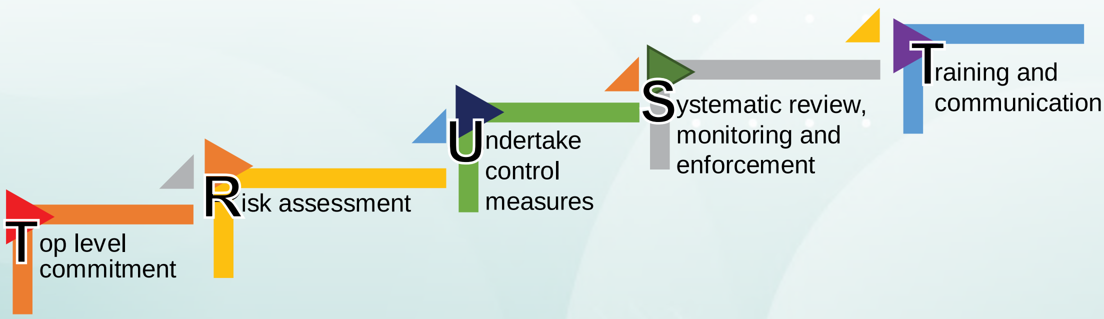
Regulatory Compliance

Our Board and the Management continuously engage with and consider the views of both internal and external stakeholders to better understand and manage the Group's sustainability risks and opportunities. We recognise sustainability as a growing and material concern in investors' decisions and therefore actively integrate such ESG factors in the Group's investment processes as part of our fiduciary responsibility. We remain committed to holding the Board and senior management accountable for effective sustainability management and oversight, which aligns with their broader responsibility for regulatory compliance.

Our commitment towards meeting all legal and regulatory obligations is well established within the Group with various internal controls and processes in place to identify, assess and respond to compliance requirements. Alongside training programmes attended by employees and key personnel, we also remain in close consultation with relevant authorities and consultants to keep abreast of regulatory updates or changes as they evolve within our dynamic business environment. The Group's standard operating procedures and internal control measures are reviewed by our internal auditor periodically to ensure their effectiveness.

Anti-Corruption and Guidelines

We remain committed to operate professionally and with integrity in our business dealings with our customers, shareholders, business associates, third parties as well as towards one another. The Group practices a zero-tolerance approach against all forms of bribery and corruption and upholds all applicable laws in relation to anti-bribery and corruption. To reinforce this commitment, the Group had formalised and implemented the Anti-Corruption Policy and Guidelines since May 2020, emphasising compliance with the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018 which aligns with the Ministerial Guidelines outlining the T.R.U.S.T Principles.



SUSTAINABILITY STATEMENT - ECONOMIC (CONT'D)

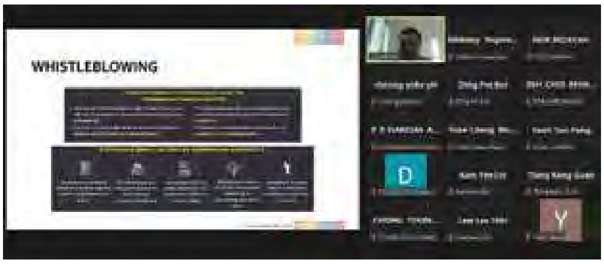
The Group's Anti-Corruption Policy and Guidelines aims to prevent any acts of bribery and corruption in the workplace. This policy, along with other related guidelines, is communicated to directors, employees and business partners through multiple channels, including workshops, training sessions, relevant contracts and handbook and is also available on our website at https://dkls.com.my/.

While on the whole our employees have received initial in-house anti-corruption briefings or trainings, to ensure continuous vigilance and awareness, the Group conducts refresher courses or briefings (internally and/or externally) on an annual basis for a portion of our employees each year.

In the FY 2024, a total of 61 employees had received trainings on anti-corruption related topics.

Below is the breakdown of percentage by employee category:-

Employee Category	Completion Rate FY 2024
Director	75%
Senior Management	58%
Management	54%
Operation	24%



Virtual Anti-Corruption Training conducted

We are dedicated to continuously empower our employees with the knowledge and tools to navigate ethical dilemmas in the workplace and will continuously provide anti-corruption education and awareness programs to our employees.

In the FY 2024, 100% of our operations which are key operations of the Group were assessed for corruption-related risks. We have control measures for compliance in place and to mitigate corruption risks which are assessed, monitored, and regularly audited.

The Group has recorded zero confirmed incidents of corruption and action taken in the FY 2024.

INDICATORS	FY 2023	FY 2024
Percentage of operations assessed for corruption related risk	50%	100%
Confirmed incidents of corruption and action taken	0	0

* *All in-scope divisions covered in these sustainability statement has been assessed in FY 2024*

Risk Management

We acknowledge that robust risk management is essential for long-term business sustainability. Our approach is focused on protecting stakeholders' value by systematically evaluating the risks and opportunities associated with our operations. Our Enterprise Risk Management ("ERM") framework aims to identify and classify risks, establish key controls and recommend effective risk mitigation strategies. Key operations are assessed for risk by management and reviewed by the Audit Committee ("AC"). The AC is tasked with ensuring the effectiveness of our integrated risk management system. The AC has formalised the organisation's risk management policies and framework in which new risks are identified, mitigation plans are formulated and changes in risk profile (if any) are taken into consideration. The risk assessment, at gross and residual level, is guided by the likelihood and impact ratings, which was established pursuant to our Group's Risk Assessment Framework.

SUSTAINABILITY STATEMENT - ECONOMIC (CONT'D)

The risk management framework adopted by DKLS allows the Group to identify, evaluate, and address crucial risks, thereby safeguarding the interests of our shareholders and other stakeholders. The Group significantly emphasises on Economic, Environment, Social and Governance ("EESG") risks, acknowledging their importance in achieving sustainable operations and long-term value creation. Given the ever-evolving global landscape and the increasing importance of EESG issues, the Group's priority is on identifying imminent and current EESG risks and managing and mitigating them effectively with adequate systems and actions. This includes risks associated with climate change, biodiversity, environmental pollution, human resource planning, industrial health and safety and cybersecurity.

Further information on our risk management is detailed in the Statement on Risk Management and Internal Control section in this Annual Report.

Procurement and Supply Chain Management

Supply chain management continues to be a vital and essential aspect of the industry. We prioritise trust and integrity in all our relationship with our suppliers. The Group recognises our obligation to support our extensive supply chain, which includes small and medium-sized enterprises, especially in recovering local economy.

Our commitment to ethical business practices extends throughout our supply chain, where our suppliers or subcontractors are expected to actively uphold our values and principles in their operations. We are dedicated to ensuring fairness and transparency in our procurement practices to select the most credible suppliers or subcontractors and collaborate with those who prioritise social and environmental considerations. To facilitate this, our suppliers or subcontractors are selected based on stringent criteria not limited to the following:-

Product Quality

Price

Reputation and Delivery Performance

Assessment of financial and cash position	Experience of technical and operational teams	Proven track record of successful project implementation

Recognising our operational requirements, we prioritise sourcing products and services from local suppliers or subcontractors whenever feasible. We believe that this approach not only minimises the transportation of goods and reduces emissions, contributing to environmental preservation, but also provides local suppliers or subcontractors with opportunities for employment and business growth, thereby strengthening the local economy.

In the FY 2024, we remain dedicated to sourcing all materials from local suppliers and exclusively partnering with local companies as our subcontractors.

Year	FY 2023	FY 2024
Proportion spending on local supplier	100%	100%

SUSTAINABILITY STATEMENT - ECONOMIC (CONT'D)

Quality Products and Services

The Group places strong emphasis on achieving high standards of quality and meeting the desired outcome of our clients and customers. In order to ensure that our products are of consistent standard and quality, our Construction Division and services for building are accredited by ISO 9001:2015 Quality Management System. As for our Quarry Division, DKLS Quarry & Premix Sdn Bhd is also accredited with ISO 9001:2015 certification from SIRIM QAS International Sdn Bhd for both its Quality Management System (QMS) and Product Certification. As for our Property Development Division, DKLS Development Sdn Bhd is also ISO 9001:2015 certified where our policies, procedures and best practices are audited and verified by SIRIM.

Selected buildings under the Construction Division are assessed against the Quality Assessment System in Construction ("QLASSIC") which focused on the workmanship quality of a building construction work based on the Construction Industry Standards CIS 7:2006. The Construction Division has also adopted its own benchmark for strict adherence to quality standards based on QLASSIC to meet the expectation entrusted on the Group as a brand that delivers quality workmanship.

Our Quarry Division adheres to stringent production requirements and delivers the best quality products certified by Construction Industry Development Board (CIDB) to meet customer demands and standards. The Property Development Division is recognised by its hallmark of thoughtful design and its effort in creating enduring value with good customer service that builds brand presence and loyalty amongst homeowners and community at large.

Cybersecurity and Data Privacy

The Group recognises that robust information technology systems and data security management are crucial in this era of digital economy. In the FY 2024, the Group has undertaken an upgrade to its Biztrak System and Enterprise Resource Planning (ERP) system to stay relevant and updated with the latest e-invoicing requirement by Inland Revenue Board of Malaysia (LHDN). This is in line with the Government's aim to boost the digital economy and improve tax administration with e-invoicing in Malaysia.

0 In FY 2024, no cybersecurity breach was reported throughout the year

While embracing digitalisation, our Group IT team is tasked in ensuring that there are relevant preventive, detective and recovery measures in place across all our business operations to mitigate any cybersecurity related risk. To further strengthen its cybersecurity measures, the Group's IT system undergoes third party audits to identify potential enhancements to its existing defence system. Employees receive reminders to improve awareness regarding malicious cyber-attacks such as phishing, through internally circulated e-mails and frequent trainings carried out throughout the year.

Year	FY 2023	FY 2024
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0

Privacy and confidentiality of employees' and customers' information are kept and managed in accordance with the requirements of the Personal Data Protection Act 2010 pertaining to the processing of personal data, encompassing purpose of use, disclosure to parties, transfer of personal data, access, correction and acknowledgement for consensual use.

SUSTAINABILITY STATEMENT - ENVIRONMENT

CLIMATE ACTION

The Group acknowledges the role of our energy consumption and greenhouse gas (“GHG”) emissions in contributing to climate change impacts. As a responsible corporate citizen, we understand our duty to minimise our carbon footprint and seize opportunities that arise during the transition to a low-carbon economy.

In accordance with the initiative by the Ministry of Natural Resources, Environment and Climate Change (formerly known as Ministry of Energy and Natural Resources) where the National 100 Million Tree Planting Campaign under The Greening Malaysia Programme, a five-year campaign starting in 2021 until 2025 was introduced. Its aim was to increase the awareness on the importance of forest areas and to ensure commitment to conserve forest areas in Malaysia.

On 18 December 2024, the Group spearheaded an initiative to contribute to the national tree planting campaign by joining hands with The Perak National Forestry Department (Jabatan Perhutanan Negeri Perak) which successfully took place at one of our project sites. The event was graced by distinguished guests of honours namely Puan Norhaidah Binti Riboet (Ketua Penolong Pegawai Daerah (Tanah) Manjung), En Sirajuddin Bin Haris (Pengawas Hutan Manjung) and En Mohd Helmi Bin Arifin (Setiausaha Majlis Perbandaran Manjung). During the event, a total of 160 Tacoma trees were planted all around the project area. This initiative not only significantly drives an impactful effort in nature conservation and biodiversity stewardship but simultaneously underscores our commitment in creating sustainable value for all our customers and stakeholders.

DKLS employees with the guidance and assistance of staff from The Perak National Forestry Department planted 160 Tacoma trees at our project site

Distinguished guest officiating the tree planting event. (from left to right Dato’ Ding Poi Bor (DKLS Group Managing Director), En Sirajuddin Bin Haris (Pengawas Hutan Manjung), En Mohd Helmi Bin Arifin (Setiausaha Majlis Perbandaran Manjung), Puan Norhaidah Binti Riboet (Ketua Penolong Pegawai Daerah (Tanah) Manjung), IR Sam Tuck Wah (DKLS Group, Executive Director) and Mr Albert Chua (West Malaysia Holdings Sdn Bhd)).

Looking forward, the Group will continue to take active steps to mitigate the impact caused by the Group’s activities in line with our commitment towards environmental, social, and governance (ESG) goals.

SUSTAINABILITY STATEMENT - ENVIRONMENT (CONT'D)

Reducing Pollution

We at DKLS, gives paramount importance to protect our ecosystem at our project lands. Construction works carried out at our project sites are closely monitored to reduce pollution from construction activities by controlling soil erosion, waterway sedimentation and airborne dust generation. Some key efforts from our construction sites are listed as follow:-

Lorries transporting construction materials are covered with canvas to reduce particles flying into the air.

Lorries transporting construction materials are covered with canvas to reduce particles flying into the air.

Drainage to guide water runoff away from access road. Prevents muddy roads, lesser pollution.

Visible speed limit signages (20km/h) are placed on sites. Low speed minimises dust flyoff.

Provision of roro bins to ensure separation of waste collection.

Road cleanliness are monitored and maintained on a daily basis.

SUSTAINABILITY STATEMENT - ENVIRONMENT (CONT'D)

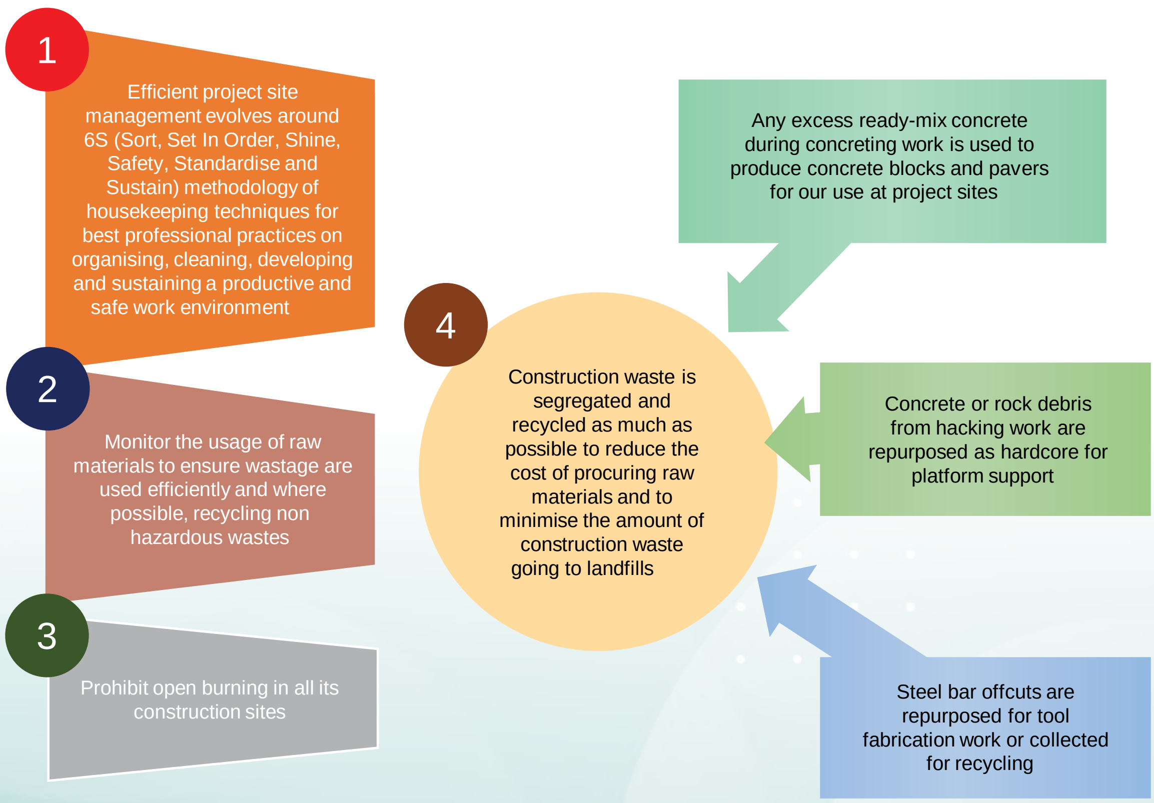
Waste Management

Our waste management efforts are divided into waste management at Regional Offices, Construction or Development sites, and Quarry sites. At our Regional Offices level, to foster a resource-efficient and productive work culture, we have implemented various initiatives to instil conscientious use of natural and manufactured resources, as well as ethical waste treatment by our business units. A brief outline of waste management initiatives at our offices are as follows :-

- Reusing furniture and fittings in operational offices across our subsidiaries.
- Reusing stationeries, festive decorations, event props and presentation materials, whenever possible.
- Using e-backdrops instead of physical backdrops for office events.
- Encourage using digital copies for data archive, meetings and presentation purposes.
- Printing or photocopying double-sided or on draft papers only, when necessary.
- Promoting online and digital channels as alternative modes of communication between employees or with various stakeholders.
- Discourage printing of emails or documents.
- Reusing envelopes, papers or box cartons.

Construction Sites

Construction-related activities are the principal source of solid waste generated by our business operations, which must be disposed of in accordance with the environmental department's requirements and standards regarding waste management. We strive to minimise the generation of construction debris whenever possible. We understand that waste produced by our activities could cause harm to the environment and therefore have undertaken efforts to reduce the impact as follows:-



SUSTAINABILITY STATEMENT - ENVIRONMENT (CONT'D)

Quarry Sites

Our Quarry Division, one of the main revenue contributors to the Group, also plays a significant role in generating wastes that may trigger environmental issues. Our goal is to reduce carbon emission and introduce strategic interventions to build greater resilience in the face of climate change challenges, from extreme weather to diminishing resources and evolving regulations, through some of the initiatives below:

Quarry Carbon Reducing Effort

Engage environmental consultants to monitor water and effluents at final discharge points within the limit provided by the Interim National Water Quality Standard (**INWQS**)	Ensure all sites comply with the emission limits set by the Department of Environment (**DOE**) through our air quality monitoring programmes that monitor the Total Suspended Solid Particulates (**TSP**) in the air	Group minimises dust pollution by scheduled road spraying using harvested rainwater at our sedimentation pond	Mitigate pollution at all our sites and comply with the necessary legal requirements for chemical classification, labelling, handling and storage	Install various erosion and sediment controls (**ESCs**) such as silt fences, silt traps sedimentation ponds and slope protections	Usage of natural gas in replacement of diesel

Scheduled waste storage at Pokok Sena, Kedah

Pundut premix plant uses natural gas for its production

Air and water sampling test conducted by authorities from Department of Environment (DOE)

SUSTAINABILITY STATEMENT - ENVIRONMENT (CONT'D)

In the FY 2024, the Construction Division generated 16.000 metric tonnes of non-hazardous wastes which was directed to disposal. These wastes consist of domestic waste and building materials such as paper, glass, metals, cement, and bricks. Whereas our Quarry Division has generated a total of 2.921 metric tonnes of hazardous wastes which was diverted from disposal. These wastes consist of mixed oils, lubricating oils and used filters. The wastes are collected at our scheduled waste storage and handed over every month to the licensed collectors from Department of Environment (DOE). The table below showcases the total of hazardous and non-hazardous wastes which were diverted from disposal and directed to disposal recorded for the Construction and Quarry Division for the FY 2024.

FY 2024			
Waste Directed to Disposal		**Waste Diverted from Disposal**	
Non – hazardous Waste		**Hazardous Waste**	
Waste Type	**(mTonne)**	**SW Code**	**(mTonne)**
Domestic Waste and Building Material	16.000	SW 305	2.558
		SW 410	0.363

Our commitment to environmental responsibility necessitates a phased approach to waste data management. The Group is currently developing a framework for the systematic collection and analysis of more complete waste data across other remaining sites and offices.

Emission Management

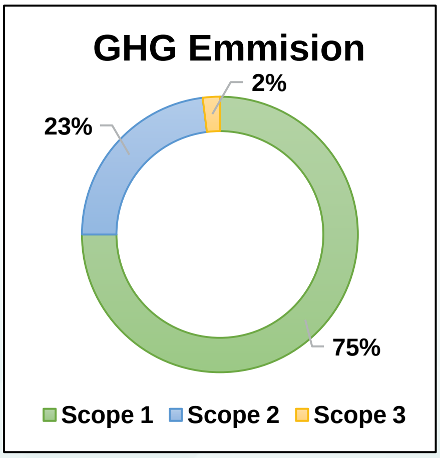
In line with the Malaysian government's commitment to significantly reduce the country's carbon emissions, we at DKLS are committed to play our part in addressing climate change. Reducing GHG emissions and prioritising energy efficiency is not merely an environmental goal, it is a strategic imperative that positively impacts the bottom line, enhances corporate reputation and contributes to a sustainable future for all. As the world navigates the complex challenges posed by climate change, embracing these principles becomes a defining factor for success and resilience.

For the FY 2024, we have monitored and recorded Scope 1, 2 and 3 emission data as per the table below:-

GHG Emissions	**tCO2e**	**(%)**
Scope 1 emissions*	11,107.09	75%
Scope 2 emissions**	3,336.08	23%
Scope 3 emissions (Business Travel and Employee Commuting)*	381.88	2%
Total	**14,825.05**	**100%**

* Scope 1 and 3 calculation is derived using the UNFCC GHG emission calculator

** Scope 2 is derived using *myenergystats* grid emission factor in Malaysia

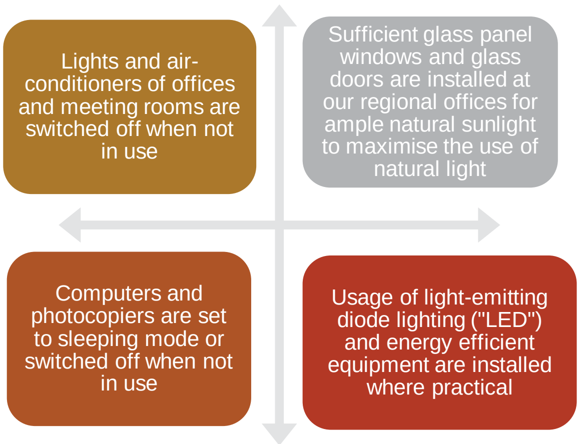


Although the Group has only started recording our emissions in the FY 2024, nevertheless the effort to reduce our carbon emission has already been established across the Group through our existing practices. We understand that it is critical that our carbon emission performance management is effective and transparent through regular assessment of our business operations while benchmarking our performance against industry peers, and identifying gaps and potential solutions to address them. While we remain committed to proactively mitigate our greenhouse gas emission, we pledge to continuously improve on our efforts towards emission reduction and reporting on our progress.

SUSTAINABILITY STATEMENT - ENVIRONMENT (CONT'D)

Energy Conservation

The Group regularly monitors our electricity consumption and any unusual deviations are investigated and immediately addressed. Various energy saving initiatives have been implemented to encourage employees to adopt various energy conservation practices at the workplace and sustainable use of energy in business operations to reduce our carbon footprint:-



In the FY 2024, electric usage has shown an increase in usage in all our entities. The increase in usage for Tower 8 (Bangsar South) under DKLS Equity Sdn Bhd was due to the full occupancy of the common area facilities. More days of humid weather also contributes to the increase usage of electricity to regulate the temperature in the offices. We continue to strive to emphasize the importance of conserving electricity to our employees.

In order to enhance the transparency of our environmental performance in the FY 2024, we have expanded our scope of disclosure for energy usage to include all our Construction, Property Development and Quarry sites and others.

Below is the total data usage for FY 2024:-

Entity	Electricity (kWh)		
Financial Year	**2022**	**2023**	**2024**
DKLS Industries Berhad	129,203	114,656	118,655
DKLS Equity Sdn Bhd	549,313	653,578	687,968
DKLS Quarry & Premix Sdn Bhd	139,048*	130,114*	703,189**
DKLS Quarry & Premix (North) Sdn Bhd	-	-	2,430,529
DKLS Construction Sdn Bhd	-	-	75,601
DKLS Premierhome Sdn Bhd	-	-	17,538
DKLS Development Sdn Bhd	-	-	8,578
TOTAL	**817,564**	**898,348**	**4,042,058**

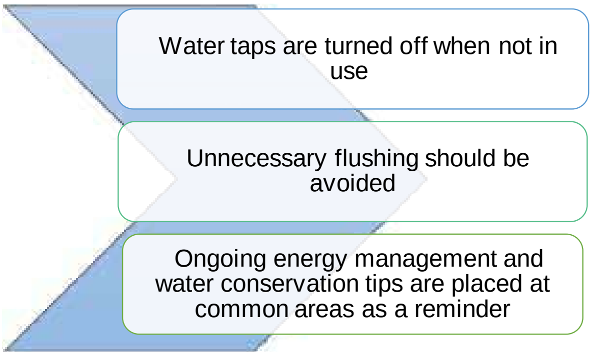
* Consumption for Bizhub DKLS (Sitiawan) office only
** Includes consumption for sites and others

The significant increase in electricity consumption for FY 2024 recorded is due to the expansion of disclosure scope for the Construction, Property Development and Quarry divisions.

SUSTAINABILITY STATEMENT - ENVIRONMENT (CONT'D)

Water Conservation

We are committed to reduce potable water usage by having efficient water fittings installed in our housing developments and regional offices. Water consumption is also monitored on a monthly basis and any significant increase is investigated immediately. Another environmental feature is the provision of rainwater harvesting at selected property development projects whereby rainwater collected can be used for general cleaning, irrigation and flushing.



In order to enhance the transparency of our environmental performance in FY 2024, we have expanded our scope of disclosure for water consumption to all our Construction, Property Development, Offices and Quarry Sites and others. Below is the total data usage for FY 2024:-

Properties	Water (m^3)		
Financial Year	**2022**	**2023**	**2024**
DKLS Industries Berhad	342	301	304
DKLS Equity Sdn Bhd	3,041	4,600	3,893
DKLS Quarry & Premix Sdn Bhd**	2,095*	1,034*	15,905
DKLS Quarry & Premix (North) Sdn Bhd**	-	-	4,848
DKLS Construction Sdn Bhd	-	-	5,115
DKLS Premierhome Sdn Bhd	-	-	NIL
DKLS Development Sdn Bhd	-	-	4,945
TOTAL	**5,478**	**5,935**	**35,010**

* Consumption for Bizhub DKLS (Sitiawan) only

** Quarry site also uses groundwater, rainwater and/or hillwater for its operation i.e- road spraying, truck wheel washing and other activities where the usage is insignificant hence the data is excluded for FY 2024

The significant increase in water consumption recorded for FY 2024 is due to the expansion of disclosure scope as mentioned above. However, excluding such additional scopes, water usage for our regional offices under DKLS Industries Bhd and Tower 8, Bangsar South under DKLS Equity Sdn Bhd showed a decrease of usage owing to the sustainability efforts initiated by the Company and practices implemented.

SUSTAINABILITY STATEMENT - SOCIAL

Workplace and Talent Management

At DKLS, we believe that the sustained success of our Company hinges on our ability to attract, nurture and retain top talent. Our employees are invaluable assets who contribute significantly through their specialised skills, expertise and innovative thinking. We are committed to fostering an inclusive and equitable workplace where all employees are provided with equal opportunities, regardless of their race, gender, religion, sexual orientation, age, nationality or disability. By appreciating and leveraging the distinctive talents of each employee, we aim to cultivate a thriving workplace culture that fosters innovation, enhances performance, and promotes a safe and inclusive environment for all. All personnels are to treat their colleagues and peers fairly and courteously, and without regard to race, creed, religion, gender, nationality, age, sexual orientation or disability. No form of discrimination or prejudice shall be tolerated in the workplace.

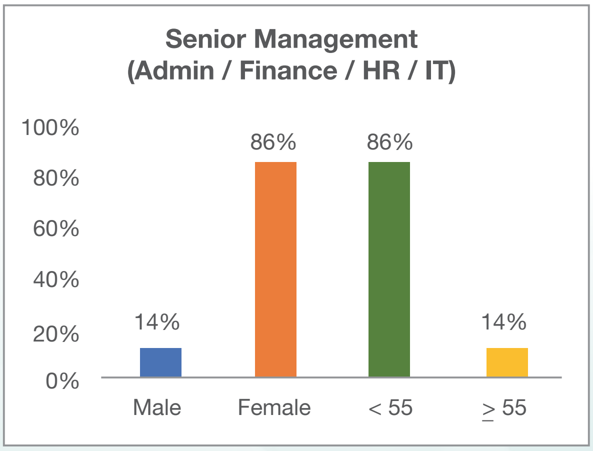
Diversity and Equality

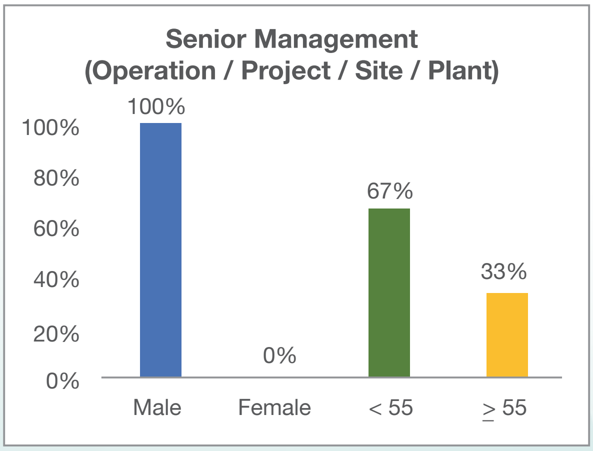
At DKLS, we believe that a diverse workforce is imperative to achieving our goals. Diversity allows us to better respond in the most strategic and effective manner to increasing demands and expectations of our various stakeholders. We endeavour to establish a workplace that is devoid of discrimination, marginalisation, and harassment by ensuring a level playing field for all. At DKLS, employees receive competitive wages that are free from any form of race or gender discrimination. All decisions regarding career advancement, recognition, and rewards are approached in a fair and unbiased manner, strictly based on employees' performance and merit. The Group provides internship and employment opportunities which are open to young industry talents from local universities as well as those from underprivileged backgrounds.

We find strength from the diversity and inclusivity that characterise our workplace. As at 31 December 2024, the total number of employees stood at 213 with 31% being female and the remaining 69% being male. The predominance of male employees is largely attributed to the nature of our industry, where operation level roles are traditionally filled by males. However, we aim to mitigate this through the admin level data where females make up of at least or more than 60% in all employee categories, reflecting our commitment to gender diversity across various roles within the organisation.

The data below shows the Group's human resource allocation for the FY 2024:

Percentage of Gender and Age Group by Each Employee Category

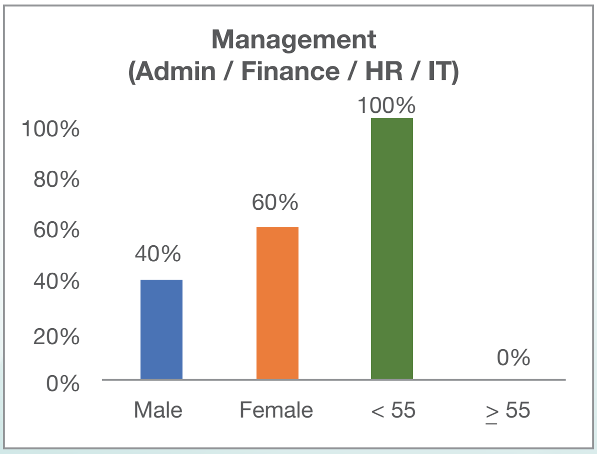


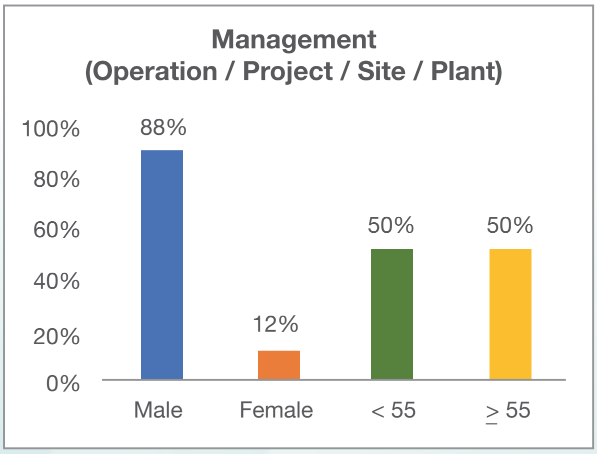


SUSTAINABILITY STATEMENT - SOCIAL (CONT'D)

Employee Category		FY 2022	FY 2023	FY 2024
Senior Management (Admin/Finance/ HR/IT)	Male	17%	33%	14%
	Female	83%	67%	86%
	<55 Years Old	83%	83%	86%
	≥55 Years Old	17%	17%	14%

Employee Category		FY 2022	FY 2023	FY 2024
Senior Management (Operation/Project/ Site/Plant)	Male	100%	100%	100%
	Female	0%	0%	0%
	<55 Years Old	67%	83%	67%
	≥55 Years Old	33%	17%	33%

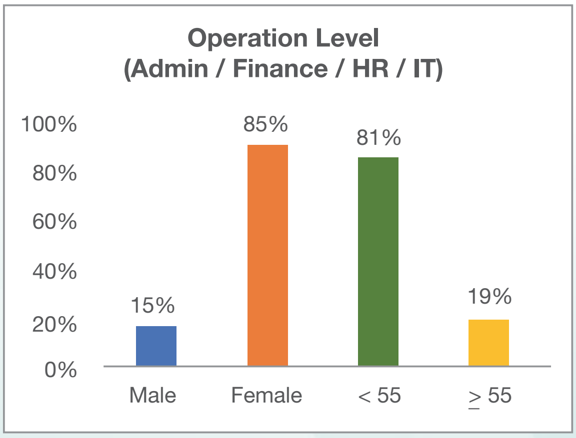


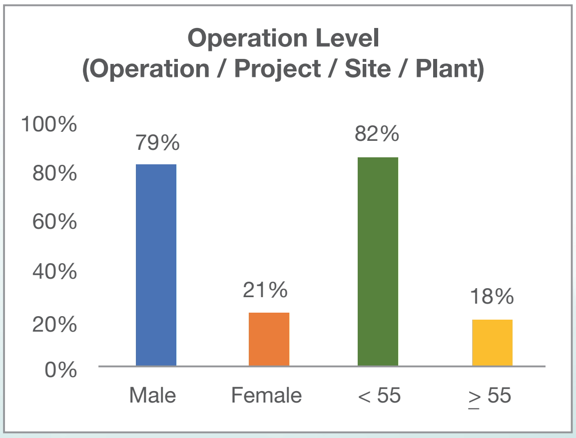


SUSTAINABILITY STATEMENT - SOCIAL (CONT'D)

Employee Category		FY 2022	FY 2023	FY 2024
Management (Admin/Finance/ HR/IT)	Male	40%	33%	40%
	Female	60%	67%	60%
	<55 Years Old	100%	100%	100%
	≥55 Years Old	0%	0%	0%

Employee Category		FY 2022	FY 2023	FY 2024
Management (Operation/Project/ Site/Plant)	Male	86%	100%	88%
	Female	14%	0%	12%
	<55 Years Old	29%	29%	50%
	≥55 Years Old	71%	71%	50%



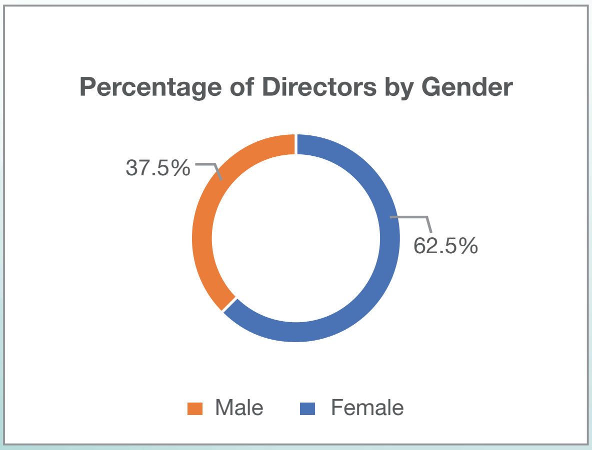


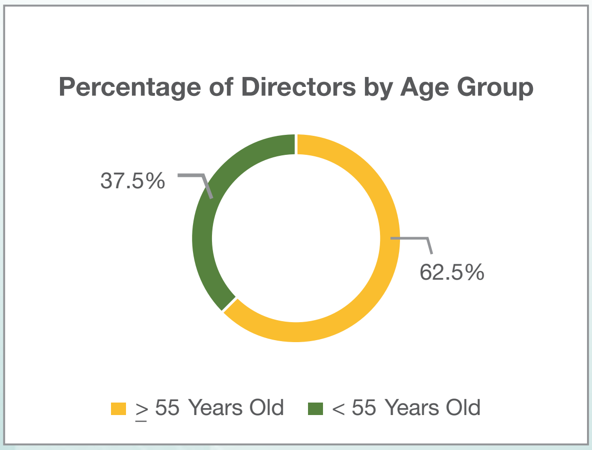
SUSTAINABILITY STATEMENT - SOCIAL (CONT'D)

Employee Category		FY 2022	FY 2023	FY 2024
Operation Level (Admin/Finance/ HR/IT)	Male	18%	6%	15%
	Female	82%	94%	85%
	<55 Years Old	88%	75%	81%
	≥55 Years Old	12%	25%	19%

Employee Category		FY 2022	FY 2023	FY 2024
Operation Level (Operation/Project/ Site/Plant)	Male	81%	93%	79%
	Female	19%	7%	21%
	<55 Years Old	87%	60%	82%
	≥55 Years Old	13%	40%	18%

The Nomination and Remuneration Committee, guided by the Group's Gender Diversity Policy and Directors' Fit and Proper Policy, endeavours to create a diverse pipeline with a good mix of people with varied experiences and backgrounds to enrich the organisation including board composition. During the year under review, DKLS has 37.5% women directors on its Board. Given the male-dominated nature of the business in which the Group is involved, the Board has always encouraged more women participation in the boardroom. Regardless, there is a continued commitment to maintaining a gender balance in the boardroom, senior management and in the overall workplace.





SUSTAINABILITY STATEMENT - SOCIAL (CONT'D)

Employee Category		FY 2022	FY 2023	FY 2024
Director	Male	71.4%	71.4%	62.5%
	Female	28.6%	28.6%	37.5%
	≥55 Years Old	71.4%	71.4%	62.5%
	<55 Years Old	28.6%	28.6%	37.5%

Labour Practice and Human Rights

At DKLS, we are steadfast in upholding human rights and ensuring fair labour practices. Creating a work environment that respects the fundamental rights and wellbeing of every employee is foundation to our values. Within our organisation, we rigorously adhere to all relevant Malaysian statutory requirements.

We strive to treat all employees and members of staff with dignity and respect. The Group shall not engage in or tolerate the use of corporal punishment, mental torture or physical coercion, discrimination at workplace, harassment, intimidation or verbal abuse of personnel.

The Group does not condone any form of child labour or forced labour, and we fully adhere to all applicable anti-child labour laws. Additionally, we maintain strict compliance with the laws set by the Employment (Amendment) Act 2022. This is in line with the rights covered under the International Covenant on Economic Social and Cultural Rights (ICESCR), and the International Covenant on Civil and Political Rights (ICCPR).

In our commitment to apply the UN Guiding Principles on Business and Human Rights (UNGPs) under 3 pillars – "Protect, Respect and Remedy" in our business operations, we have established a Code of Ethics and the Group Labour Practices and Human Rights Principle which are published on our website to ensure all employees and personnel adhere to ethical conduct and practices in and outside of the workplace.

All superiors are responsible to walk the talk by modelling appropriate standards of behaviour to further educate and promote awareness of the Group's stance on human rights to the employees. Any inappropriate behaviour reported will be taken into account and resolved or remedied in a timely manner to safeguard our employees' human rights. In the FY 2024, we have recorded zero substantiated complaints regarding human rights violation.

Financial Year	2023	2024
Number of substantiated complaints concerning human rights violations	0	0

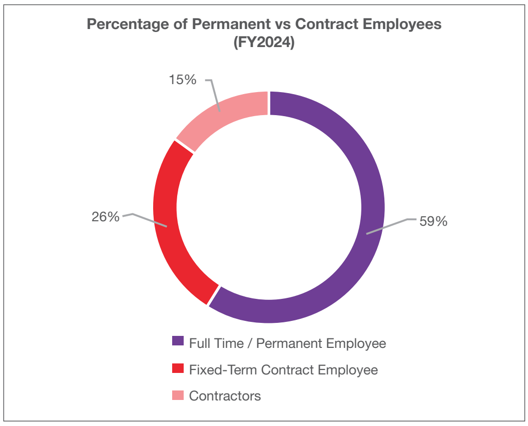
At DKLS, we adopt a zero tolerance approach towards any form of harassment and bullying whether verbal, written, physical or non-verbal form. We are committed to take all necessary steps to ensure that employees work in a conducive workplace free from harassment and discrimination. We have established a confidential reporting channel where all harassment complaints are received and dealt with. Upon receipt of the complaint, we have established a procedure on how the complaint will be dealt while protecting the identity of the complainant. Notices and posters on sexual harassment has been put up and displayed at all offices and sites across our business divisions, and can be found on our Group's website.

SUSTAINABILITY STATEMENT - SOCIAL (CONT'D)

Our commitment to deliver a safe and fair workplace together with our talent management programmes have proved to be effective as the Group across its 6 entities has demonstrated a low turnover rate of 17% for the FY 2024, as detailed below:

Employee Category	FY 2023	FY 2024
Directors	0	0
Senior Management	1	2
Management	1	1
Operation	13	34
Total	15	37

The chart below shows the total percentage of employees that are contractors or temporary staff:-



Financial Year	2023	2024
Full time/Permanent employee	74%	59%
Contractors or Temporary Staff **	26%*	41%

* Contractors or Temporary Staff data for FY 2023 did not include total number of Contractors working on site
** Contractors or Temporary Staff include Fixed-Term Contract Employees

SUSTAINABILITY STATEMENT - SOCIAL (CONT'D)

Training and Developments

At DKLS, we understand that the success of the Group hinges on the quality of our employees. As the backbone and front-liners of our organization, we prioritise upskilling and enhancing the knowledge base of our workforce. Emphasizing the importance of training and development, we continually introduce learning programs for all our employees. Moreover, we conduct annual performance appraisals to monitor the career growth of our employees and identify any gaps. We firmly believe that investing in the training and development of our employees not only benefits our organisation but also empowers our staff to grow and advance in their careers. In FY 2024, including in-house trainings, we had spent a total of 1,119 training hours on our employees. The breakdown of total hours of trainings spent by each employee category are set out as follows:-

In house training by sustainability committee on sustainability and its importance.

Employee Category	Total Hours of Training	
Financial Year	**2023**	**2024**
Directors	108	177
Senior Management	84	266
Management	58	188
Operation	377	488
Total	**627**	**1,119**

Total 1,119 Training Hours

All employee category have shown significant improvement in total hours of training

Health and Safety

The Group believes that the safety and well-being of our employees are the foundation of our success. Hence, we strive to provide a safe and healthy environment for our employees and to ensure safe practices in all aspects of our business operations. Our commitment to a safe working environment includes :

- Compliance with laws and regulations in relation to occupational safety and health;
- Heavy machineries used on site are certified fit for use by relevant authorities and restricted only to authorised personnel with the right licence qualifications and experience; and
- Promote a culture where all employees share the commitment to prevent harm to the safety and health of our employees, contractors and the public.

0 In FY 2024, we recorded zero work related fatalities.

0 No lost time incident rate recorded during FY 2024

SUSTAINABILITY STATEMENT - SOCIAL (CONT'D)

Financial Year	2023	2024
Number of work related fatalities	0	0
Lost time incident rate	0	0

At DKLS, independent Occupational Safety and Health Committee(s) ("OSHC") have been established to safeguard and prioritise the health and safety of our employees and visitors at applicable sites or workplaces, in compliance with the Malaysia's Occupational Safety and Health Act 1994. The committees are led by the respective division leaders supported by an implementation team, comprising employees from various department who are tasked to continuously identify areas for improvements. The primary roles and responsibilities of the OSHC include:

- Conducting Environmental, Safety & Health ("ESH") inspections and documenting the findings to identify potential risks and implement preventive measures to mitigate them;
- Investigating any accidents, near-misses, occupational health hazards, and related issues thoroughly, and taking appropriate measures to address them effectively;
- Report any unsafe or unhealthy work conditions or practices at the workplace to the management together with recommendations for corrective actions;
- Establishing, reviewing, and updating the project's Safety & Health Plan to ensure its alignment with regulatory requirements and best practices; and
- Serving as a communication channel between the employer and workers, facilitating the exchange of information, concerns, and feedback related to ESH matters.

To enhance the skills and safety awareness of our employees, we have implemented various initiatives. These include regular safety moments, safety meetings, safety inductions for all employees and subcontractors, and specialised training sessions covering emergencies, worksite safety and on-the-job trainings. In the FY 2024, a total of 37 employees had received trainings on health and safety standards.

Financial Year	2023	2024
Number of employees trained on health and safety standards	3	37

We are committed to continuously improve our safety standards to reduce the risk of accidents at our workplace and project sites.

SUSTAINABILITY STATEMENT - SOCIAL (CONT'D)

Employee Engagement

At DKLS, we believe that effective employee engagement through people-driven culture strengthens individual ownership and a sense of belonging to the Group. Our initiatives taken thus far have proved to be positive as most employees are long serving employees of the Group. During the FY 2024, the Group has organised multiple events to increase interaction and foster a sense of ownership and belonging among employees.

Hawaiian-themed Company Luncheon

Chinese New Year Celebration

Retirement celebration for Key Personnel from DKLS Quarry Pundut

SUSTAINABILITY STATEMENT - SOCIAL (CONT'D)

Hari Raya Celebration

After-work Pickleball sessions with employees and family members

Christmas Celebration

SUSTAINABILITY STATEMENT - SOCIAL (CONT'D)

Welfare and Benefits

The Group adheres to all relevant national laws and regulations including but not limited to the Employment Act 1955, as well as statutory minimum wages with regards to wages and benefits of our employees or workers. All work-related activities are carried out on the basis of a recognised employment relationship established according to applicable laws and regulations on an equal pay and equal opportunity basis. Employees' remunerations, benefits and promotions are carried out in a fair manner without discrimination based on amongst others, merits, skills and performance.

Community Engagement

The Group continues its annual tradition of reaching out to senior citizens at Sitiawan Care Villa Old Folks Home in conjunction with the ushering Year of the Dragon. When DKLS began to engage with Care Villa, the Care Villa team highlighted to us that they were in dire need of a good quality dryer machine for the residents, whereby we promptly responded by fulfilling the urgent request. DKLS had additionally sponsored and arranged for festive luncheon and Chinese New Year Prosperity Bags to be delivered to the residents. Through this event, we aim to achieve the objective of instilling positive values such as respecting and caring for the elders amongst the younger generations in the community Old Folks Home.

Presentation of CSR contributions from DKLS to residents of Sitiawan Care Villa Old Folks Home

On 18 December 2024, the Group has pledged to build a security fencing between Kairos Commercial Square (a commercial project developed by the Group) and Care Villa Old Folks Home worth RM20,000. This is due to the commercial project undertaken by the Group being in close proximity to the old folks home. In order to safeguard the safety of the residents in the old folks home from any potential illegal encroachment or threat once the project is completed, the security fencing aims to serve as an added safety measure for the residents at Care Villa Old Folks Home.

SUSTAINABILITY STATEMENT - SOCIAL (CONT'D)

The Group has further contributed RM2,000 to the Manjung Palliative Care Society (MPCS) Building Fund. MPCS is a non-governmental organisation where volunteers dedicate their time and effort to provide palliative care mainly for cancer patients. The main objective of MPCS is to reduce and treat the patients' symptoms resulting from cancer. In addition to advisory services, medical equipment rental to cancer patients are also provided for registered members. MPCS, which has been operating for eight years since 2016, provides palliative care services free of charge and has so far provided treatment services to approximately 600 patients. Currently, there are about 50 cancer patients from and around Manjung and nearby areas receiving palliative care from MPCS.

DKLS Foundation's Annual Education Excellence Awards

At DKLS, we wholly support the United Nations Children's Rights. As an international treaty, it recognises the rights of the child up to the age of 18 years. This means children and young people have extensive rights with regards to their education, health, living conditions and identity, and significantly have the right to express their views in matters that affect them. Although these rights are fundamental, it is undeniable that they are often disregarded. The global shift on business organisations to actively be involved in upholding the United's Nation Children's Right and Business Principles has always been a major concern of the Group since the Year 2000 via our DKLS Foundation, which was started on the belief that education is the basis on which every society progresses.

Similarly in the FY 2024, an award presentation ceremony to acknowledge the achievements of the brilliant SPM students from Manjung District Secondary Schools for their excellent performance in both academics and co-curricular activities for academic year 2023. The ceremony was graced by Orang Besar Jajahan Manjung, YDH Toh Seri Bijaya Lt. Kol (B) Dato' Shaharudin bin Haji Nazari, accompanied by Orang Besar Perak 32, YDH Toh Kelana Perkasa Encik Ismail bin Haji Balua. Also present at the ceremony were representatives from Pejabat Pendidikan Daerah Manjung, Encik A. Zamri bin Hussin (Timbalan PPD Pembelajaran), as well as DKLS Foundation Board and Exco Members. The awards presentation ceremony was held on 11 July 2024 at Bizhub DKLS, Sitiawan.

There were two awards presented during the ceremony:-

1) SPM Best Academia and SPM Best All- Rounder; and
2) Co-Curricular Activities High Achiever Awards.

For the SPM Best Academia and Best All-Rounder Awards, a total of 29 nominations were received from schools within Manjung District this year. There were two categories of awards namely Individual Award and School Award (Presented to the best performing school). For the Co-Curricular Activities High Achiever Awards, a total of 80 students were present to receive the awards for their achievements in various co-curricular activities.

SPM Best Academia – Gold Medallist
Poh Qing Kang
SMK Methodist (ACS) Sitiawan
Achievement: 9A+ 2A

SPM Best Academia And Best All-Rounder Awards

SUSTAINABILITY STATEMENT - SOCIAL (CONT'D)

Co- Curricular Activities High Achiever Awards State and National Level SMJK Nan Hwa, Sitiawan

Co- Curricular Activities High Achiever Awards State and National Level SMK Seri Manjung

Co- Curricular Activities High Achiever Awards State and National Level SMK Seri Samudera, Seri Manjung

Co- Curricular Activities High Achiever Awards State and National Level SMK Dato' Idris, Pantai Remis

Co- Curricular Activities High Achiever Awards State and National Level SMK Methodist (ACS) Sitiawan

Co- Curricular Activities High Achiever Awards State and National Level SMK Batu Sepuluh, Lekir

On 20 September 2024, DKLS Foundation also organised its annual excellence awards celebrating students with outstanding STPM results for year 2023 at Bizhub DKLS, Sitiawan. Alongside with the presence of the Foundation members, award recipients, school representatives and parents graced the ceremony.

STPM : Best Academia & All-Rounder Winner List for Academic Year 2023

SUSTAINABILITY STATEMENT - SOCIAL (CONT'D)

The Group does not only believe in celebrating excellence in education but in fact actively go above and beyond by supporting children's access to quality education. In line with this, the Group has made a contribution of RM10,000 to SMK Methodist (ACS) Sitiawan for upgrading of the school's facilities and infrastructure. A contribution of RM10,000 was also made to SMJK Nan Hwa, Sitiawan towards the school building fund.

By integrating respect and support for children's rights into our core strategies and operations, we are able to contribute to a stable and sustainable business environment by working for the good of children and helping to build strong, well-educated communities, robust businesses and healthy economies. This aligns with our business objectives where we create an ecosystem of long-term success by investing in the next generation of leaders and citizens.

Enhancing Societal Wellbeing of Orang Asli Community

Like many Indigenous people around the world, the original inhabitants of Peninsular Malaysia, the Orang Asli, live predominantly in marginal, remote areas, and have below-average levels of education, health and living standards. Their customary reliance on natural forest resources and assets to support their livelihood is threatened by modernisation and conversion of land for commercial crops. The Group is determined to improve the healthcare and welfare of the Orang Asli community, especially their young children who are facing the problem of malnutrition and not having access to proper education, amongst others. Our joint collaboration with Komuniti Bantuan dan Pendidikan Berhad, a Non-Government Organization which primarily aims to help the Orang Asli Community by providing basic medical, food and welfare assistance for the Orang Asli community in Peninsular Malaysia. The Group has donated RM20,000 towards this cause and it is estimated that about 200 Orang Asli families are expected to benefit from this contribution.

Presentation of milk powder and basic medical supplies to the Orang Asli community

SUSTAINABILITY STATEMENT - SOCIAL (CONT'D)

In conjunction with Christmas, to cheer and lift the festive spirits among the Orang Asli children, on 7 December 2024, DKLS brought the Christmas celebrations forward and embraced the spirit of giving through its corporate social initiative "Christmas in a Shoebox" to Rumah Hope Kanak-Kanak Orang Asli Manjung ("Rumah Hope KKOA Manjung"). Rumah Hope KKOA Manjung serves as a home for Orang Asli children of West Malaysia. Their mission is to provide and assist these Orang Asli children, aged between 7-15, with educational opportunities. The goal is to help them succeed in their studies and positively contribute to their families, communities, as well as the country and society.

During the celebration, our team from DKLS affectionately referred to as "elf squad" played a pivotal role in selecting and preparing personally curated gifts for each child. Seeing the looks of pure joy and delight on their faces as they received their presents had filled our hearts with an overwhelming sense of happiness. Rumah Hope KKOA Manjung also received a 55-inch Smart TV with mobile stand and a mobile Magnetic Whiteboard (4 x 6) from the Group. These contributions will support the team at Rumah Hope KKOA Manjung in their effort of providing better academic learning opportunities for the 46 Orang Asli children.

Performance by DKLS together with children from Rumah Hope KKOA Manjung

SUSTAINABILITY STATEMENT - SOCIAL (CONT'D)

Distribution of festive treats and meals for the children

Financial Year	2023	2024
Total amount invested in the community where the target beneficiaries are external to the listed issuers	RM 66,147.25	RM 67,188.99
Total number of beneficiaries of the investment in communities	2,400	3,700

Moving Forward

As the Group's sustainability performance directly affects our stakeholder relationships, we are committed to meeting their expectations by continuously expanding the scope and scale of our reporting via this platform to improve our EESG performance and disclosure. Accordingly, we will constantly assess the effectiveness of our current approach with ongoing evaluation in enabling us to proactively address stakeholder concerns and ensure our practices align with stakeholder interests.

ESG PERFORMANCE DATA

Indicator	Measurement Unit	2023	2024
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Management	Percentage	0.87	54.00
Senior Management	Percentage	3.93	58.00
Operation	Percentage	7.86	24.00
Directors	Percentage	No Data Provided	75.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	50.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00	100.00
Bursa (Emissions management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	-	11,107.09
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	-	3,336.08
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	381.88
Bursa (Waste management)			
Bursa C10(a) Total waste generated	Metric tonnes	-	18.92 *
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	2.92
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	16.00
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	898,348.00	4,042,058.00
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	5.944950	35.010000 *
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	3	37
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Senior Management (Admin) 55 Years Old and above	Percentage	17.00 *	14.00
Senior Management (Admin) Below 55 Years Old	Percentage	83.00 *	86.00
Senior Management (Operation) 55 Years Old and above	Percentage	17.00 *	33.00
Senior Management (Operation) Below 55 Years Old	Percentage	83.00 *	67.00
Management (Admin) 55 Years Old and above	Percentage	0.00	0.00
Management (Admin) Below 55 Years Old	Percentage	100.00 *	100.00
Management (Operation) 55 Years Old and above	Percentage	71.00 *	50.00
Management (Operation) Below 55 Years Old	Percentage	29.00 *	50.00
Operation (Admin) 55 Years Old and above	Percentage	25.00 *	19.00
Operation (Admin) Below 55 Years Old	Percentage	75.00 *	81.00
Operation (Operation) 55 Years Old and above	Percentage	40.00 *	18.00
Operation (Operation) Below 55 Years Old	Percentage	60.00 *	82.00
Gender Group by Employee Category			
Senior Management (Admin) Male	Percentage	33.00	14.00
Senior Management (Admin) Female	Percentage	67.00	86.00
Senior Management (Operation) Male	Percentage	100.00	100.00
Senior Management (Operation) Female	Percentage	0.00	0.00
Management (Admin) Male	Percentage	33.00	40.00
Management (Admin) Female	Percentage	67.00	60.00
Management (Operation) Male	Percentage	100.00	88.00
Management (Operation) Female	Percentage	0.00	12.00
Operation (Admin) Male	Percentage	6.00	15.00
Operation (Admin) Female	Percentage	94.00	85.00
Operation (Operation) Male	Percentage	93.00	79.00
Operation (Operation) Female	Percentage	7.00	21.00

Internal assurance | External assurance | No assurance | (*)Restated

ESG PERFORMANCE DATA (CONT'D)

Indicator	Measurement Unit	2023	2024
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	71.40	62.50
Female	Percentage	28.60	37.50
55 years and above	Percentage	71.40	62.50
below 55	Percentage	28.60	37.50
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Management	Hours	58	188
Director	Hours	108	177
Senior Management	Hours	84	266
Operation	Hours	377	488
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	26.00	41.00
Bursa C6(c) Total number of employee turnover by employee category			
Management	Number	1	1
Senior Management	Number	1	2
Operation	Number	13	34
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	66,147.25	67,188.99
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	2,400	3,700

Internal assurance | External assurance | No assurance | (*)Restated

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors strongly believes that good corporate governance forms an integral part of the Company's and its subsidiaries' ("**Group**") corporate culture and business decision making process in managing the business affairs of the Group so as to stimulate the financial performance of the Group as well as enhance sustainable shareholders' value and protect shareholders' interests.

The Company is well-placed to harmonise the corporate governance fundamentals with the principles and recommendations expressed in the Malaysian Code on Corporate Governance issued by the Securities Commission in April 2021 ("**MCCG**"), except where stated otherwise, during the financial year ended 31 December 2024. This Corporate Governance Overview Statement provides an overview of the Company's principal corporate governance approach and summary of corporate governance practices during the financial year 2024. This Corporate Governance Overview Statement is made in compliance with Bursa Malaysia Securities Berhad's ("**Bursa Securities**") Main Market Listing Requirements ("**Listing Requirements**").

The statement is augmented with a Corporate Governance Report ("**CG Report**") which provides a detailed articulation on the Company's application of corporate governance practices set out in the MCCG. The CG Report is available on the Company's website at https://dkls.com.my as well as via an announcement on the website of Bursa Securities.

This statement makes reference to the following three (3) principles of the MCCG:

(a) Board Leadership and Effectiveness;
(b) Effective Audit and Risk Management; and
(c) Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1 Board Leadership

1.1 Board's Roles and Responsibilities

The Board's roles and responsibilities are in accordance with the Listing Requirements and within the context of the Companies Act 2016 and other applicable laws, rules and codes of governance. The Board is responsible for the oversight and overall management of the Company. The Board takes full responsibility in leading, governing, guiding and monitoring the entire performance of the Group and enforces standards of accountability including the process for financial reporting, risk management, sustainability and compliance.

The Board has established a Board Charter ("**Charter**") to reflect the current best practices and the applicable rules and regulations. The Board is guided by the Charter which provides reference for the directors in relation to their role, powers, duties and functions. The Charter outlines the processes and procedures for the Board and Board Committees to be effective and efficient when exercising their duties.

The Board has delegated specific responsibilities to the following Board Committees:
a) Audit Committee;
b) Nomination and Remuneration Committee; and
c) Investment Committee.

The Board also oversees matters delegated to the senior management team whereby updates are reported on a quarterly basis to the Board Committees or the Board.

The Board periodically reviews the Charter to ensure it remains relevant and appropriate. The Charter can be viewed on the Company's website at https://dkls.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

1 Board Leadership (cont'd)

1.2 The Role of Chairman and Managing Director

The MCCG recommends for the role of the Chairman of the Board and the Managing Director to be held by two different individuals. The Board is chaired by Dato' Ding Pei Chai DPTJ, PMP, a founding member and a non-independent non-executive director. Meanwhile, the Managing Director, Dato' Ding Poi Bor, is responsible for the day-to-day business operations of the Company, its subsidiaries and their respective operations supported by the senior management team to achieve the corporate objectives outlined by the Board.

To ensure a proper balance of power and authority, there is clear division of responsibilities between the non-independent non-executive Chairman and the Managing Director. The Chairman's responsibility is to ensure the Board's effectiveness and conduct by focusing on strategy, governance and compliance, managing the interface between the Board and the senior management team, and ensuring a smooth, open and constructive dialogue between the Board and shareholders.

The Managing Director has overall responsibilities over the operating units, organisational effectiveness and implementation of the Board's policies and decisions. The Managing Director is accountable to the Board.

The presence of three (3) independent non-executive directors fulfils a pivotal role in corporate accountability in support of the Chairman. Although all the directors are jointly responsible for the Group's strategic business direction, the role of these independent non-executive directors is particularly important as they provide unbiased and independent views, advice and judgment taking into account the long term interests of our shareholders and other stakeholders.

In line with the MCCG, the Chairman of the Board is not a member of the Audit Committee or the Nomination and Remuneration Committee.

The Board has evaluated the position of the non-independent non-executive Chairman and concluded that the existing independent directors are able to discharge their duties and responsibilities effectively to ensure that there is a balance of power and authority on the Board.

1.3 The Role of Company Secretary

The Board is supported by a Company Secretary who has the requisite credentials and is qualified to act as Company Secretary under Sections 235(2) and 241 of the Companies Act 2016. The Company Secretary, who is qualified, experienced and competent, is a central source of information and advice to the Board and the Board Committees on issues relating to compliance with laws, rules, corporate governance best practices, procedures and regulations affecting the Company.

The Company Secretary attends all Board's and the Board Committees' meetings and ensure that meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained accordingly. The draft minutes of meetings are circulated to the Board and Board Committee members for their review and comments, before tabling them for approval at the next meeting.

The Board is satisfied with the performance and support rendered by the Company Secretary to the Board.

1.4 Access to Information and Advice

All directors are furnished with an agenda together with a full set of Board and meeting papers to the Board and the Board Committees meetings at least one week in advance before each meeting. This would allow sufficient time to the directors to study them, obtain further clarification if necessary, and be properly prepared for discussion and decision-making. The Board and meeting papers contain a comprehensive summary of the topics to be tabled for discussion at the Board and the Board Committee meeting, including the background, rationale, risk factors and relevant reports to support the management's recommendation.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

1 Board Leadership (cont'd)

1.4 Access to Information and Advice (cont'd)

All directors have full and unrestricted access to the advice and services of the senior management team, Company Secretary, internal auditors and external auditors. The directors may interact directly with, or request further explanation, information or updates on any aspect of the Group's operations or business concerns from the management. The directors may also obtain independent professional advice at the Company's expenses in discharging its various duties.

In recognising the importance of sound and timely information flow to the Board effectively, all announcements flowed to Bursa Securities will be circulated to all directors on the day the annoucements are released. Copies of director's notices on changes of director's interests and other directorship will also be given to other directors of the Company within the timeframe prescribed by the regulations.

1.5 Meetings of the Board and Board Committees

The Board Committees meetings are conducted separately from the Board meetings to facilitate objective and independent discussions during the meetings. The Audit Committee and Nomination and Remuneration Committee meetings are conducted without the presence of executive directors, in view that both committees comprise wholly of independent directors.

At the Board meeting, the respective Board Committee's chairman gives an update of the discussions and decisions made by the Board Committees in order to apprise all Board members on the same. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

1.6 Ethical Leadership by the Board

1.6.1 Code of Conduct and Ethics

The Board is committed to creating a corporate culture within the Group to operate the businesses and affairs in an ethical and professional manner and to uphold the highest standards of integrity and exemplary corporate conduct.

The Board has formalised and adopted a Code of Conduct ("Code") to assist the directors and all personnel of the Group in defining the ethical standards and conduct at work and beyond normal working hours which they should possess in discharging their duties and responsibilities at the highest standards of personal integrity and professionalism.

The Board reviews the Code when deemed necessary to ensure it remains relevant and appropriate and the details of the Code can be viewed on the Company's website at https://dkls.com.my.

1.6.2 Anti-Corruption Policy and Guidelines

The Group practices adaptive approaches against corruption and bribery and is committed to ensure that its activities and transactions are open, transparent and are conducted in accordance with policies and laws applicable to its business operations.

In line with the introduction of Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 on corporate liability for corruption which came into force on 1 June 2020, the Board has formalised and adopted an Anti-Corruption Policy and Guidelines to ensure the practice of ethical business dealings and to strengthen measures in minimising the risk of corruption and bribery in the Group's activities. The Anti-Corruption Policy and Guidelines which is guided by the Guidelines on Adequate Procedures issued pursuant to Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018, applies to all directors, officers, trustees, partners, employees and persons associated with the Group.

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

1 Board Leadership (cont'd)

1.6 Ethical Leadership by the Board (cont'd)

1.6.2 Anti-Corruption Policy and Guidelines (cont'd)

The Board continuously assesses and reviews the Anti-Corruption Policy and Guidelines as and when necessary, in any event, at least once every three (3) years. The Anti-Corruption Policy and Guidelines can be viewed on the Company's website at https://dkls.com.my.

1.6.3 Whistleblowing Policy and Procedures

In line with the commitment to maintain the highest possible standards of ethical and legal conduct within the Group, and in order to enhance good governance and transparency, the Board has established and maintained a Whistleblowing Policy and Procedures to provide an avenue for the reporting, investigation and actions against any misconduct.

The Whistleblowing Policy and Procedures is applicable to all persons including workers, employees, stakeholders, customers, suppliers, partners, contractors, consultants, and any other person dealing with the Group who are able to raise legitimate concerns relating to any suspected and/or known misconduct, wrongdoing, corruption, fraud, and/or abuse through a safe and appropriate platform without fear of retaliation.

The Board continuously assesses and reviews the Whistleblowing Policy and Procedures as and when necessary, in any event, at least once every three (3) years. The Whistleblowing Policy and Procedures can be viewed on the Company's website at https://dkls.com.my.

1.6.4 Directors' Fit and Proper Policy

The Board is committed to ensure that each of its directors has the character, integrity, experience, competence and time to effectively discharge his or her role as a director. The Board has in place a Directors' Fit and Proper Policy which sets out the fitness and propriety for the appointment and re-election of directors of the Company and its subsidiaries in tandem with good corporate governance practices.

The Board reviews the Directors' Fit and Proper Policy as and when necessary to ensure it remains relevant and appropriate and the details of the policy can be viewed on the Company's website at https://dkls.com.my.

1.7 Sustainability Governance and Strategies

The Board together with the senior management team is responsible for incorporating sustainability considerations into its planning and decision making process to ensure that the Group is able to deliver sustainable value and maintain confidence of its stakeholders. In doing so, the Board reviews the Group's performance against the key sustainability targets identified in terms of economic, environmental, social and governance ("ESG") and address the associated ESG risks and opportunities. The Group has further identified a set of key performance indicators against the key sustainability targets set for better monitoring and tracking of its sustainability progress.

The Group has also included its performance in all common sustainability matters as required under the recent amendment to Practice Note 9 of the Listing Requirements.

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

1 Board Leadership (cont'd)

1.7 Sustainability Governance and Strategies (cont'd)

The Board has included in the performance evaluation for the Group a review of the performance of the Board in addressing the Group's material sustainability targets, strategy, risks and opportunities. This is also to promote accountability among the Board on sustainability issues concerning the Group, which is crucial for the long-term growth of the Group. Relevant provisions were also included in the senior management team's annual evaluation forms.

Currently, the Group's Sustainability Committee, established at management level, is led by an Executive Director, and is placed under the direct purview of the Board. The sustainability targets and performance of the Group are presented in more detail in the Sustainability Statement on pages 30 to 72 of the Annual Report.

2 Board Dynamic

2.1 Size and Composition of the Board

The members of the Board during the financial year 2024 are as follows:

Chairman :
Dato' Ding Pei Chai, DPTJ, PMP (Chairman/Non-Independent Non-Executive Director)

Members:
Executive Directors
Dato' Ding Poi Bor (Managing Director)
Ir Sam Tuck Wah
Ms Ding Zhe Xin
Mr Ding Ju Shuen *(appointed on 1 January 2024)*

Independent Non-Executive Directors
Mr Chin Kok Tong
Ms Ang Chan Moy
Ms Liew Li Ping *(appointed on 1 June 2024)*
Mr Liew Chai Kar *(retired on 29 May 2024)*

The Board includes three (3) independent non-executive directors, representing more than one-third (1/3) of the Board, and is compliant with paragraph 15.02 of the Listing Requirements which requires at least two (2) or one-third (1/3) of the Board, whichever is higher, to be independent directors. However, this is a departure from the recommendation under Practice 5.2 of the MCCG, which requires companies to have at least half of the Board to comprise independent directors. The Board will continue to work towards achieving this.

The Board through the Nomination and Remuneration Committee has carefully assessed and reviewed the performance carried out by the existing independent directors of the Company and concluded that they are able to discharge their duties and responsibilities effectively to ensure that there is a balance of power and authority on the Board.

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

2 Board Dynamic (cont'd)

2.2 Independence of Directors

The Board recognises the importance of independence and objectivity in its decision-making process. The independent directors who are professionals of high calibre and integrity and possess in-depth knowledge of the Group's business, are able to bring their independent and objective insights to the table during Board deliberations. The members of the Nomination and Remuneration Committee, who are also independent non-executive directors, conduct self-assessment on their independence on an annual basis. Each independent director is required to declare his or her independence annually. Apart from that, their independence is also assessed based on whether they can act independently of management. The Board and its Nomination and Remuneration Committee have upon their annual assessment, concluded that each of the three (3) independent directors continue to demonstrate conduct and behaviour that are essential indicators of independence, and that each of them continues to fulfil the definition and criteria of independence as set out in the Listing Requirements.

The Board noted that Practice 5.3 of the MCCG recommends that the tenure of an independent director should not exceed a cumulative term of nine (9) years. The Company does not have term limit for independent directors as the Board holds the view that a director's independence cannot be determined solely by his/her tenure of service but believes that familiarity of the Company's business operations would drive more efficient and effective business decisions and operations.

During the year under review, the Nomination and Remuneration Committee and the Board carefully assessed and reviewed the performance of Mr Chin Kok Tong who has served the Board for more than nine (9) years and has determined his independence as a director. The Board has concluded that Mr Chin Kok Tong is able to continue to discharge his duties and responsibilities effectively to ensure balance of power and authority on the Board. The Board has recommended to retain Mr Chin Kok Tong as Independent Director of the Company for shareholders' approval at the 28th AGM held on 29 May 2024, and the shareholders has approved through a two-tier voting process to retain Mr Chin Kok Tong, as an Independent Director of the Company.

2.3 Board and Senior Management Diversity

The Board recognises the importance of diversity in designing the composition and total manpower of the Board and senior management team. The Board has adopted a Gender Diversity Policy for the Board and senior management, which is available on the Company's website at https://dkls.com.my. The Board is committed to improve boardroom and senior management diversity in terms of different skills and industry experience, race, religion, gender, cultural and geographical background, ethnicity and age, so that board decisions are made taking into account diverse perspective and insights.

During the year under review, the percentage of women participation on the Board has increased to 37.5% as compared to 28.6% from the previous year. Given the male-dominated nature of the industry the Group is involved in, the Board has and is dedicated to welcome more capable women in the boardroom. The Board will continue to work towards having more female members on the Board and at senior management level where any vacancy is available.

Overall, the Board is satisfied with the existing number and composition of the members and is of the view that the Board and senior management team comprise a good mix of members with diverse experiences and background to provide for a collective range of skills, expertise and experience which are relevant to support the growth and cope with the complexities of the Group's businesses. Above all, the Group's priority will be to provide equal opportunity to candidates based on their merits regardless of gender, ethnicity, religion and age.

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

2 Board Dynamic (cont'd)

2.4 Appointment and Re-election of Directors

Appointments and re-elections to the Board are made based on the recommendation of the Nomination and Remuneration Committee and the Board. In accordance with the Company's Constitution, all directors shall retire from the office at least once in three (3) years but shall be eligible for re-election. The directors who are appointed by the Board are subjected to re-election by the shareholders at the next Annual General Meeting ("**AGM**") held following their appointment.

The directors seeking re-election at the forthcoming AGM are shown on the Notice of AGM on page 217 of the Annual Report.

2.5 Overall Effectiveness of the Board and Individual Directors

2.5.1 Assessment of Board, Board Committees and Individual Directors

The Board, through the Nomination and Remuneration Committee, conducts annual assessment on the effectiveness of the Board, the Board Committees as well as the performance of each individual directors of the Company. The assessment is administered via customised questionnaires, using a self and peer-rating model for continuous improvement. The Nomination and Remuneration Committee also conducts self-assessment on the independent directors annually. The assessment is carried out internally wherein at the end of the financial year, each director is handed a Board and Board Committee Evaluation Form to conduct the self and peer assessment. Upon completion, the Board and Board Committee Evaluation Form is returned to the Company Secretary for compilation of the assessment results to be tabled at the next Nomination and Remuneration Committee meeting.

The areas covered by the annual assessment are:

(a) For the Board,
- Attributes of each individual director i.e., industry knowledge, specific competencies, characteristics, diverse perspectives and skills, independence and more
- Board and Board Committee structure, Mix and Composition - whether the Board or Board Committees composed of directors with appropriate mix of skill and experience to meet the Company's requirements
- Quality of information and decision making - whether sufficient support, information and resources are made available to the Board for effective decisions to be made
- Boardroom Activities including its roles and responsibilities such as strategy planning, performance management, risk management and succession planning as well as commitment to serve
- Sustainability Governance - sustainability considerations, targets and performance are set and measured and communicated in the course of its duties
- Board's relationship with the management on whether sufficient support is given and whether there was an open communication

(b) For individual directors,
- The assessment is conducted in accordance with the criteria stipulated in the Directors' Fit and Proper Policy

Based on the annual assessment for the year under review, the Nomination and Remuneration Committee was satisfied that the Board is composed of directors with appropriate mix of skills and experience to meet the Company's requirements and the independent directors have fulfilled the criteria for independence as defined in the Listing Requirements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

2 Board Dynamic (cont'd)

2.5 Overall Effectiveness of the Board and Individual Directors (cont'd)

2.5.1 Assessment of Board, Board Committees and Individual Directors (cont'd)

As recommended by the MCCG, none of the Board members are active politicians, heads of state, heads of government and ministers as this would impair the independence of their judgment in carrying their duties as a director.

2.5.2 Time Commitment

The directors allocate sufficient time to discharge their roles and responsibilities effectively and to attend Board and Board Committee meetings with sufficient regularity to deliberate on matters under their purview. The Board meets at least four (4) times a year and additional meetings are convened as necessary. Board meetings are scheduled in advance at the end of the previous financial year prior to the commencement of the new financial year in order to facilitate the directors to plan ahead.

During the financial year 2024, four (4) meetings of the Board were held on 28 February 2024, 29 May 2024, 26 August 2024 and 25 November 2024. All directors have complied with the minimum 50% attendance requirement in respect of Board meetings as stipulated by the Listing Requirements. During the meetings, the Board has deliberated on business strategies and issues such as business plan, annual budget, financial results as well as key performance indicators.

The following are the attendance details of each director in respect of the meetings held during the financial year 2024:

Directors	Board meeting	Board Committees	
		Audit	Nomination and Remuneration
Dato' Ding Pei Chai, DPTJ, PMP	3/4	–	–
Dato' Ding Poi Bor	4/4	–	–
Ir Sam Tuck Wah	4/4	–	–
Ms Ding Zhe Xin	4/4	–	–
Mr Ding Ju Shuen *(appointed on 1 January 2024)*	4/4	–	–
Mr Chin Kok Tong	4/4	4/4	2/2
Ms Ang Chan Moy	4/4	4/4	2/2
Ms Liew Li Ping *(appointed on 1 June 2024)*	2/2	2/2	1/1
Mr Liew Chai Kar *(retired on 29 May 2024)*	2/2	2/2	1/1

The proceedings of Board meetings are conducted in accordance with a structured agenda together with board papers which were furnished to the directors in advance of each Board meeting so as to accord sufficient time for the directors to review the meeting materials before attending the meetings.

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

2 Board Dynamic (cont'd)

2.5 Overall Effectiveness of the Board and Individual Directors (cont'd)

2.5.2 Time Commitment (cont'd)

Management personnel and external consultants are invited to attend the Board meetings as and when required in order to present and advise the members with information and clarification on certain meeting agenda to facilitate informed decision-making.

All deliberations at Board meetings are duly minuted as records of proceedings. Decisions made, policies approved and follow-up requests at Board meetings will be communicated to the management accordingly.

In the intervals between Board meetings, any matters requiring the Board's decision will be approved through circular resolutions which are then noted and confirmed at the next Board meeting.

All directors are invited to deliberate and discuss on any issues as they deem fit. Where a potential of conflict arises in the Group's transactions involving any director's interest, such director is required to declare his/her interest and abstain from the decision making process. As for the financial year 2024, the transactions involving the present directors are set out on pages 190 and 191 of the Annual Report.

The Board is satisfied with the level of time commitment given by the directors towards fulfilling their roles, duties and responsibilities as directors of the Company as demonstrated by their attendance at the meetings of the Board and Board Committees.

2.5.3 Professional Development and Continuous Education for Directors

All directors have attended and completed the Mandatory Accreditation Programme prescribed by Bursa Securities. The directors are regularly updated by the Company Secretary on the new statutory as well as regulatory requirements relating to their duties and responsibilities. The directors will continue to attend other relevant training programmes to keep abreast with regulatory, business and financial developments on a continuous basis in compliance with paragraph 15.08 of the Listing Requirements.

During the financial year, the following directors have also attended external training programmes to further broaden their perspective and knowledge and to keep abreast with the relevant changes in law, regulations and the business environment:

Name of Director	Training Programmes Attended
Dato' Ding Pei Chai, DPTJ, PMP	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • AMLA and Reporting Institutions Roles and Duties
Dato' Ding Poi Bor	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • RDS Webinar: Recent Development In Case Law In Property Development: What Developer Needs To Know • Compliance Framework for Anti Bribery and Anti-Corruption
Ir Sam Tuck Wah	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • RDS Webinar: Recent Development In Case Law In Property Development: What Developer Needs To Know

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

2 Board Dynamic (cont'd)

2.5 Overall Effectiveness of the Board and Individual Directors (cont'd)

2.5.3 Professional Development and Continuous Education for Directors (cont'd)

Name of Director	Training Programmes Attended
Ms Ding Zhe Xin	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • RDS Webinar: Recent Development In Case Law In Property Development: What Developer Needs To Know • E- Invoicing Mastery : Module 3 • E- Invoicing Mastery : Module 4 • Mhub Training • Compliance Framework for Anti Bribery and Anti-Corruption • Transfer Pricing Fundamentals 101 • Budget Conference 2025 • Briefing on the Personal Data Protection Act (PDPA) Order by the Department of Personal Data Protection
Mr Ding Ju Shuen	• Mandatory Accreditation Programme • Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • MHub Training • Compliance Framework for Anti Bribery and Anti-Corruption • Training Course for Short-Fires • From Commitment to Action : ESG in Modern Industry
Mr Chin Kok Tong	• National E-Invoicing Initiative & Income Tax Requirements - Impact on Businesses • MIA Town Hall 2023/2024 (Session 1) • Overview of E-Invoicing and Implementation Assessment • MIA International Accountants Conference 2024 - Navigating New Frontiers, Embracing Sustainability
Ms Ang Chan Moy	• International Green Building Conference "Building for the Future" • Board Ethics : Growing Concerns from New Technology, Stakeholder Interests & Conflict of Interest • Senior Citizen Program : Age-Friendly Community
Ms Liew Li Ping	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • MIA Town Hall 2023/2024 (Session 1) • Board of Directors: Navigating Resilience via ESG Strategy • MIA Town Hall 2023/2024 (Session 3) • Implications of Significant Public Rulings Issued in 2022, 2023 & 2024 • Tax Compliance, Tax Knowledge, and Tax Complexity • MIA Town Hall 2024/2025 (Session 1)

The Board shall, on a continuous basis, evaluate and determine the training needs of its members to assist them in the discharge of their duties as directors.

2.6 Nomination and Remuneration Committee

The Nomination and Remuneration Committee is established with the primary objective of assisting the Board in overseeing the selection and assessment of directors. In addition, the Nomination and Remuneration Committee is responsible for developing policies on the remuneration packages of the executive and non-executive directors, as well as senior management. The level of remuneration for all directors shall be the responsibility of the Board as a whole after considering recommendations from the Nomination and Remuneration Committee. In addition, the fees of non-executive directors shall be subject to the ultimate approval of shareholders at the AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

2 Board Dynamic (cont'd)

2.6 Nomination and Remuneration Committee (cont'd)

2.6.1 Composition

The Nomination and Remuneration Committee comprise exclusively of independent non-executive directors only.

The composition of the Nomination and Remuneration Committee during the financial year 2024 are as below :

- Mr Liew Chai Kar (Chairman) *(retired on 29 May 2024)*
- Ms Ang Chan Moy *(redesignated as Chairman on 1 June 2024)*
- Mr Chin Kok Tong (Member)
- Ms Liew Li Ping (Member) *(appointed on 1 June 2024)*

The Nomination and Remuneration Committee meets as and when required. The Nomination and Remuneration Committee has met two (2) times during the financial year 2024 on 28 February 2024 and 25 November 2024.

2.6.2 Summary of Activities

The summary of the activities carried out by the Nomination and Remuneration Committee during the financial year 2024, amongst others, included the following:

- Assessed the overall performance of the Audit Committee for the financial year 2023 on the self and peer evaluation basis and concluded that the Audit Committee was competent and efficient in discharging and fulfilling its roles, duties and responsibilities in accordance with its terms of reference ("**TOR**");
- Self-assessment by the members of the Nomination and Remuneration Committee on their independency and verified that all the independent directors have satisfied the criteria of independence pursuant to the Listing Requirements for the financial year 2023;
- Assessed individual directors, overall Board and its performance and effectiveness as a whole for the financial year 2023;
- Reviewed the composition of the Board based on the required mix of skills, experience and other qualities of the Board for the financial year 2023;
- Reviewed the proposal for the appointment of new Independent Non-executive Director. The nomination of candidates was carried out by the Committee in accordance with the Fit and Proper Policy and Gender Diversity Policy of the Group;
- Reviewed and assessed the performance of directors seeking for re-election at the forthcoming AGM, and made recommendations to the Board for its support and endorsement;
- Reviewed the training that the directors received in the financial year 2023 to ensure appropriate continuous training;
- Reviewed the proposed executive directors' discretionary uncontracted bonus for the financial year 2023 and recommended the same to the Board for approval;
- Assessed and recommended the appointment of director to the subsidiary of the Company;
- Reviewed the proposed directors' remuneration and benefits including contractual bonus for executive directors of the Company for the year 2025 and recommended the same to the Board for approval; and
- Reviewed the proposed directors' fees, benefits and meeting allowance for non-executive directors of the Company from June 2025 to May 2026 and recommended the same to the Board for approval.

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

2 Board Dynamic (cont'd)

2.6 Nomination and Remuneration Committee (cont'd)

2.6.2 Summary of Activities (cont'd)

The Board is satisfied that the Nomination and Remuneration Committee has effectively and efficiently discharged its roles and responsibilities with respect of its nomination and remuneration functions as stipulated in its TOR. As such, there is no need to separate the nomination and remuneration functions into distinct nomination and remuneration committees.

The details of the TOR of the Nomination and Remuneration Committee can be viewed on the Company's website at https://dkls.com.my.

3 Remuneration

3.1 Remuneration Policy for Directors and Senior Management

The Board has established and adopted a remuneration policy on the remuneration of the directors and senior management. The remuneration policy provides a basis to ensure that the executive and non-executive directors and senior management are fairly rewarded for their individual contributions to the Company's and Group's overall performance, in addition to its objective to attract and retain talents.

The Remuneration Policy for Directors and Senior Management is available on the Company's website at https://dkls.com.my.

3.2 Directors' Remuneration

The details of the remuneration paid/payable to the directors of the Company broken down to include fees, salaries, benefits in-kind and other emoluments for the financial year 2024 are as follows:

	Remuneration paid by the Company				
Company Directors	**Fee/Salary RM**	**Allowance[1] RM**	**Benefit-in-kind RM**	**Other Emoluments[2] RM**	**Total RM**
Executive Directors					
Dato' Ding Poi Bor	93,500	–	–	17,765	111,265
Ir Sam Tuck Wah	51,000	–	–	10,132	61,132
Ms Ding Zhe Xin	93,500	–	–	12,408	105,908
Mr Ding Ju Shuen (Appointed on 1 January 2024)	77,000	–	–	10,428	87,428
Non-Executive Directors					
Dato' Ding Pei Chai DPTJ, DMJ	87,500	900	–	–	88,400
Mr Chin Kok Tong	59,500	1,200	–	–	60,700
Ms Ang Chan Moy	37,500	1,200	–	–	38,700
Ms Liew Li Ping (Appointed on 1 June 2024)	20,000	600	–	–	20,600
Mr Liew Chai Kar (Retired on 29 May 2024)	17,500	600	–	–	18,100
Total	**537,000**	**4,500**	**–**	**50,733**	**592,233**

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

3 Remuneration

3.2 Directors' Remuneration (cont'd)

Company Directors	Remuneration paid by the Group				
	Fee/Salary RM	Allowance[1] RM	Benefit-in-kind RM	Other Emoluments[2] RM	Total RM
Executive Directors					
Dato' Ding Poi Bor	520,200	–	9,900	99,380	629,480
Ir Sam Tuck Wah	445,740	–	5,300	87,105	538,145
Ms Ding Zhe Xin	255,000	–	–	33,005	288,005
Mr Ding Ju Shuen (Appointed on 1 January 2024)	210,000	–	15,500	27,605	253,105
Non-Executive Directors					
Dato' Ding Pei Chai DPTJ, DMJ	87,500	900	–	–	88,400
Mr Chin Kok Tong	59,500	1,200	–	–	60,700
Ms Ang Chan Moy	37,500	1,200	–	–	38,700
Ms Liew Li Ping (Appointed on 1 June 2024)	20,000	600	–	–	20,600
Mr Liew Chai Kar (Retired on 29 May 2024)	17,500	600	–	–	18,100
Total	**1,652,940**	**4,500**	**30,700**	**247,095**	**1,935,235**

Notes:
1 Allowance includes meeting allowance
2 Other emoluments include Employee Provident Fund, SOCSO, Employment Insurance System contributions

The Board noted that Practice 8.2 of the MCCG recommends the disclosure on a named basis, the top five senior management's remuneration components including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

The Board has carefully assessed and considered the required information of the top senior management's remuneration to be sensitive and proprietary in nature and concluded that the non-disclosure of the said remuneration on named basis will not significantly affect the understanding and the evaluation of the Group's governance and this policy is in line with the best management practice of ensuring confidentiality of the remuneration of all employees except for the directors. To provide some insight on the level of remuneration paid to the senior management team, the Company has taken steps to disclose the aggregate total remuneration paid to the top twelve (12) key senior management personnel. The aggregate remuneration for these key senior management personnel for the financial year ended 31 December 2024 is approximately RM3.3 million.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1 Establishment and Effectiveness of the Audit Committee

1.1 Establishment and Terms of Reference

The Audit Committee comprises three (3) independent non-executive directors. The Audit Committee is established with the primary objective of assisting the Board in fulfilling its responsibilities relating to accounting and reporting practices of the Company and its subsidiaries and to ensure an objective and professional relationship is maintained with the external auditors and internal auditors.

The TOR of the Audit Committee outlined the key roles and responsibilities of the Audit Committee which is periodically assessed, reviewed and updated as and when there are changes to the regulatory requirements and can be viewed on the Company's website at https://dkls.com.my.

The composition of the Audit Committee are as below:
- Mr Chin Kok Tong (Chairman)
- Ms Ang Chan Moy (Member)
- Ms Liew Li Ping (Member) *(appointed on 1 June 2024)*
- Mr Liew Chai Kar (Member) *(retired on 29 May 2024)*

A summary of the activities of the Audit Committee during the financial year 2024 is set out in the Audit Committee Report on pages 95 to 99 of the Annual Report.

1.2 Right and Resources

The Audit Committee has the rights as prescribed by paragraph 15.17 of the Listing Requirements and the authority to investigate any matter within its TOR, with full and unrestricted access to any information pertaining to the Group and the resources which are required to perform its duties or obtain independent professional or other advice, as necessary. The Audit Committee can have direct communications with the external auditors or internal auditors, or convene meetings without the presence of the management.

1.3 Performance Evaluation

The Nomination and Remuneration Committee conducts annual review of the term of office of the Audit Committee's members. As the members of the Nomination and Remuneration Committee are the same as that of the Audit Committee, the conduct of the review of the Audit Committee has primarily been on a self and peer evaluation basis.

1.4 Audit Committee Relationship and Communications

1.4.1 Relationship with Board and Management

As the Board is ultimately responsible for the oversight of the Company, the Audit Committee consistently reports to the Board of its activities and communicate to the Board immediately of any irregularities, significant findings or matters of concern under its purview.

It is the responsibility of the Audit Committee to satisfy itself that the management has maintained a sound internal control system and has prepared complete and reliable financial statements and disclosures in accordance with the applicable approved accounting standards. As such, relevant senior management personnel are invited to attend all Board meetings and Audit Committee meetings to provide explanations and comments on the agenda items tabled at the Board meetings and Audit Committee meetings or to provide clarification on issues that may be raised by the directors and Audit Committee members.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1 Establishment and Effectiveness of the Audit Committee (cont'd)

1.4 Audit Committee Relationship and Communications (cont'd)

1.4.2 Relationship with External Auditors

Messrs Ernst & Young PLT ("**EY**") is the statutory external auditors of the Group and the auditors for the financial statements in this Annual Report. The external auditors perform independent audits in accordance with the approved standards on auditing in Malaysia, and have a direct line of communication to the Audit Committee.

The Audit Committee has direct and unrestricted access to the external auditors. The Audit Committee meets with the external auditors at least once a year without the presence of the management to follow up on the identified areas of concern.

The Audit Committee conducts an annual assessment in line with the Group's External Auditors Policy on the suitability, objectivity and independence of the external auditors. Areas of assessment include quality of audit services, processes and performance, adequacy of resources, independence, professional skepticism and objectivity, audit scope and planning, as well as communication and interaction with the Audit Committee. The Audit Committee ensures that the external auditors are independent of the activities they audit, and reviews the contracts for provision of non-audit services by the external auditors. The external auditors are re-appointed by the shareholders of the Company annually, based on recommendation of the Board.

The external auditors shall not provide services that are perceived to be in conflict with their role. These include assisting in the preparation of the financial statements, sub-contracting of operational activities normally undertaken by management and engagements where the auditors may ultimately be required to express an opinion on its own work.

1.4.3 Relationship with Internal Auditors

The Company has outsourced the internal audit function to an independent professional services firm, Messrs KPMG Management & Risk Consulting Sdn Bhd, which reports directly to the Audit Committee as the internal auditors, allowing them to operate independently of management so as to ensure their analyses, judgements and reports are free from bias or undue influence. They are primarily responsible in assessing and improving the effectiveness of the risk management, internal control systems and governance processes within the Group. The internal auditors are invited to participate in the Audit Committee meetings, as required, and report the major findings and observations of the internal audit carried out during the year.

2 Risk Management and Internal Control Framework

The Board acknowledges its responsibility to maintain a sound risk management and internal control system to manage and mitigate significant risks across the Group and to safeguard stakeholders' interests and the Group's assets. The Board has established policies and framework for the oversight and management of business risks and has adopted a formal risk management policy and guidelines.

The Board fulfils its responsibilities in the risk governance and oversight functions through a Risk Management Committee, established at management level, and placed it under the purview of the Audit Committee to identify the risks and assess the findings in order to better manage the overall risk exposure of the Group.

The Audit Committee reviews and assesses the adequacy of the risk management and internal control systems mainly based on reports presented by management, external and internal auditors during its meetings.

The details of the Company's internal control system and framework are set out in the Statement on Risk Management and Internal Control at pages 90 to 94 of the Annual Report.

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

1 Board's Responsibility to Stakeholders

1.1 Identify Stakeholders

The Board recognises that developing and nurturing dialogue with key stakeholders is a driver of business sustainability. The responsibility for satisfactory stakeholder relationships vests with every employee in the Group, as the Board recognises that a good reputation is a competitive advantage.

The nature of the relationships with stakeholders can affect the Group's reputation and therefore its ability to create value. The Board and management approach stakeholders with trust and respect and look to them for the same mutual good faith. The Company has a broad range of internal and external stakeholders with a material or potential interest in, or who are affected by the Group. The Board recognises the importance of identifying issues of a shared interest, but also value the opportunity for engagement, as it provides a unique insight into the expectations of each stakeholder group.

1.2 Responsibilities Towards Shareholders and Other Stakeholders

The Board fully recognises shareholders' rights as provided under the Companies Act 2016, the Listing Requirements and other relevant legislations and regulations. The Board will incorporate the welfare of various stakeholders in its business decision-making.

1.3 Communication

The Board encourages a strong proponent of transparency, best practice disclosure, consistent communication and equal and timely dissemination of information to the shareholders and other stakeholders through various platforms including the announcements via Bursa Securities' Bursa Link, disclosures on the Company's website and online social networking.

2 Corporate Reporting

2.1 Meetings of Members

In general, the Board regards meetings of members, particularly the AGM as an important channel of communication with the shareholders and serves as the principal forum for direct two-way interaction between the shareholders, the Board and the management.

The AGM is a key meeting of members held each year and serves as the primary channel for the dialogue with the shareholders on the financial performance, operations, strategy and major developments of the Company.

2.2 Shareholders Participation at AGM

The Board acknowledges the rights of the shareholders and encourages them to exercise their rights by participating at the AGM. Notice of AGM is sent out to the shareholders in sufficient time as permitted by law and regulations before the date of the meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

2 Corporate Reporting (cont'd)

2.2 Shareholders Participation at AGM (cont'd)

The 28th AGM was successfully held physically on 29 May 2024.

Shareholders were given the opportunity to participate in the question and answer session during the AGM on the proposed resolutions and the Group's financial performance and operations. Members of the Board and relevant key senior management, as well as the external auditors of the Company, were present to answer questions raised at the meeting. The Chairman provided sufficient time to shareholders' questions on matters pertaining to the Company's performance and responded to shareholders with regards to their concern and question raised. Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf.

Minutes of the 28th AGM proceedings were posted on the Company's website within thirty (30) days from the AGM.

2.3 Poll Voting

In line with paragraph 8.29A(1) of the Listing Requirements, voting on all resolutions at all meetings of members are conducted by poll. The Board will consider using the most feasible voting method for polling to facilitate shareholders' voting process by considering its practicability, efficiency and reliability.

Compliance Statement

The Board is satisfied that the Group has substantially complied with the practices of the MCCG throughout the financial year. In pursuit of safeguarding the interest of the shareholders and other stakeholders, the Board is committed and will continue to strengthen its application of the best practices in corporate governance.

This Statement was approved by the Board on 27 February 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors is pleased to present the Statement on Risk Management and Internal Control pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirements**"). The Board is committed to fulfilling its responsibility of maintaining a sound risk management framework and internal control system in the Company and its subsidiaries ("**Group**") in accordance with the Malaysian Code on Corporate Governance.

BOARD RESPONSIBILITY

The Board acknowledges its overall responsibilities in establishing and maintaining a sound risk management framework and internal control system. The risk management framework and internal control system, however, are designed to manage the Group's risks within an acceptable level to achieve the business objectives of the Group, rather than eliminate all risks entirely. It can therefore only provide reasonable and not absolute assurance against material misstatement of management and financial information or against financial losses and fraud.

The Board has established an on-going process of identifying, assessing, evaluating and managing principal risks of the Group. The process has been in operation during the financial year 2024 and up to the date of approval of this statement for inclusion in the Annual Report.

The role of the management includes:

- Identifying, assessing and evaluating the risks faced, and the achievement of business objectives and strategies.
- Establishing risk profiles for major business activities.
- Formulating relevant policies and procedures to manage these risks.
- Designing, implementing and monitoring a sound system of internal control.
- Implementing the policies approved by the Board.
- Reporting to the Board in a timely manner any changes to the risks or emerging risks and corrective actions taken.

The nature and state of risk management framework and internal control of the Group during the financial year under review are set out below:

RISK MANAGEMENT FRAMEWORK

Risk management and internal controls are treated as an integral part of the overall management process. A formal risk management framework has been established with the aim of outlining the Group's risk context which comprises the Group's philosophies, strategies, policies and operating system so as to better manage the risks faced by the Group. The framework is also designed to provide assurance to the Board that a sound risk management and internal control system is in place and in accordance with the requirements of regulatory bodies. Risk management framework consists of the Risk Management Committee ("**RMC**") and Risk Management Units ("**RMUs**"), both established at management level, headed by an executive director. The risk management process includes identifying principal business risks in critical areas, assessing the likelihood and impact of material exposures and determining its corresponding risk mitigation and treatment measures. The Risk Management Policy and Guideline was adopted by the Audit Committee and the Board for more effective risk management processes across the Group.

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

RISK MANAGEMENT FRAMEWORK (CONT'D)

During the third quarter of each financial year, the Risk Officers will hold meetings with the departmental heads from each individual RMUs to discuss and deliberate existing risks and to identify any other potential new risks in terms of its magnitude of the financial or non-financial impact against the likelihood of the occurrence of the risk based on the risk appetite of the Group and to deliberate positive controls to mitigate such risks. These key risks and the appropriate positive controls are documented in the Risk Register and circulated to the individual departmental heads where they will be acknowledged and confirmed. The principal risks and remedial actions are reported to the Audit Committee and the Board on a yearly basis. Any changes highlighted by the Board will then be cascaded to the RMUs for remedial action plans.

Various persons/authorities responsible for various business transactions have been set, including matters that require the Board's approval. Clear line of accountability and responsibility within the Group has been established to facilitate decision making at the appropriate level in the organisation's hierarchy.

In the financial year 2024, the RMC has reviewed the effectiveness of the controls implemented for each department's risk profiles where no additional new risks were being identified and three (3) low risks have been removed. The results and findings together with additional controls to be implemented where necessary were recorded in the Risk Register and the same was tabled at the Audit Committee and Board meetings for deliberation and adoption.

The risk profiles have identified the principal risks and established the controls to mitigate these risks to safeguard shareholders' investment and the Group's assets. The principal risks and control measures are described below:

Operational Risk Management

Industry Risk

The Group's principal activities are subject to certain risks inherent in their respective sectors. These may include shortages of labour and raw materials, increases in the cost of labour and raw materials, inflation, changes in general economic and business conditions, changes in the legal and environmental framework within which the various subsidiaries operate as well as unprecedented situations such as the COVID-19 pandemic. Whilst it is not possible to prevent the occurrence of these events, the management addresses these matters by integrating sound risk management framework and standards of preventive maintenance and cost efficiency coupled with technical and operating efficiency of its assets into the day-to-day activities across all functions. Risk management measures include the establishment of planning and control systems and guidelines, information technology control systems, and operational reporting and monitoring procedures.

Law and Regulatory Compliance Risk

The Group's businesses are governed by relevant laws, regulations, standards and licenses. The Group regularly assesses the impact of new laws and regulations on its businesses to ensure that its process and infrastructure settings are able to operate in an ever-changing environment.

To mitigate the risk, the management strives to keep abreast of new trends, laws and/or requirements by participating in seminars, conferences and trainings, presented by authorities, professionals or specialists as well as maintaining regular communication with the authorities, industry, accounting, tax and legal experts to ensure compliance at all times.

Further, the Group has also conducted a corruption risk assessment exercise on the Company and six (6) of its subsidiary companies. The corruption risk assessment is essential in identifying the Company's risk rating (low, medium, significant or high), which then dictates the specific actions to be taken.

The Group is also committed to carry out its businesses with integrity and had formalised and adopted the Anti-Corruption Policy and Guidelines to outline the Group's approach in combating bribery and corruption in all business dealings and relationships. The Group's stance in combating corruption is made publicly available on the Company's website at https://dkls.com.my via the Anti-Corruption Policy and Guidelines and Whistleblowing Policy. The policies are reviewed and updated periodically and as and when necessary.

RISK MANAGEMENT FRAMEWORK (CONT'D)

Climate Change and Biodiversity Risk

Climate change and biodiversity are closely interconnected. Climate change is a major driver of biodiversity loss, and biodiversity loss can exacerbate climate change.

The Group recognises that its business activities are inherently disruptive, which can impact the surrounding environment and habitat, water and air quality as well as local community where it operates. As such, the Group shall move from awareness to taking proactive actions in order to reduce our carbon footprint such as through air quality monitoring, reduction of waste and emissions as well as compliance with all environmental regulations.

With increasing awareness on environmental and social issues, particularly concerning global warming, climate change and greater expectations by stakeholders, the Group is also mindful of the transition risks that can occur when moving towards a less polluting, greener economy. Such transitions could mean that the Group's financial standing would face big shifts in asset values or higher costs of doing business. The Group would continue to monitor and implement its best management practices to effectively transition to a greener economy while keeping a minimal impact on the Group's financial standing.

Technology Risk

Cybersecurity and Data Privacy Risk

In its effort towards digital transformation so as to remain competitive in the industry, the Group has introduced and integrated digitalised software platforms and systems into its business operations and management to enhance the accessibility of data and data centralisation. However, during the transitional period, it is expected that a new set of risks will arise.

The Group understands that there will be new risks associated with its digitalisation efforts and the criticality of cyber and information security in ensuring operational resilience. Given the constant creation, collection, and management of data concerning stakeholders and the business, the Group is committed to continuously enhance its controls to mitigate the risks arising from new and emerging threats by reinforcing its IT security efforts and providing in-house IT training to its staff, alongside complying with data protection and privacy laws such as the Personal Data Protection Act 2010.

By prioritising information security, the Group maintains the confidentiality, integrity, and availability of data, thus upholding its commitment to protecting the privacy and rights of its stakeholders.

Financial Risk Management

Interest Rate Risk

The Group's interest rate exposure to changes in interest rates relates primarily to interest bearing loans and borrowings. Interest rate risk is managed on an on-going basis with the primary objective of limiting the extent to which interest expense could be affected by adverse movements in interest rates. To reduce the Group's exposure, the management closely reviews the direction of interest rate and the magnitude of interest rate changes.

As at 31 December 2024, the Group's total loans and borrowings was RM19.60 million. There is no immediate refinancing risk as the tranches of the Group's term loan have tenures ranging from two (2) to four (4) years.

Credit Risk

Credit risk is the risk of financial loss that may arise should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade receivables. To mitigate the credit risk, the Group will carry out credit checks on parties before entering into business dealings with them and transacts only with third parties who are recognised, creditworthy and with good credit history. The Group has also maintained strict control over its outstanding receivables and monitors outstanding and overdue balances on an on-going basis to ensure that credit risk is minimised.

RISK MANAGEMENT FRAMEWORK (CONT'D)

Liquidity Risk

Liquidity risk management implies maintaining sufficient bank deposits and marketable securities, and the availability of funding through an adequate amount of committed credit facilities. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. To mitigate this risk, the management actively monitors the Group's cash flow position and maintains sufficient level of cash and adequate amounts of credit facilities to meet its financial obligations. Due to the dynamic nature of the underlying businesses, the Group and the Company aim at maintaining flexibility by keeping committed credit lines available.

Property Investment Risk

Investment risk is the risk of financial loss arising from inappropriate investments. The main sources of growth of the Group are the acquisitions of land banks and investment properties. The risks involved in such investment activities are managed through analysis on yield accretion, rental sustainability and growth potential before investing in properties. Subsequent to acquisition, the management manages the risks through continuous monitoring of the state of the property market and determining actions (such as to dispose or hold, continue or postpone development of these properties based on the current and expected future trend of property market) that needs to be taken to manage and mitigate risks as early as possible.

The Investment Committee oversees the business risks investments. Additional items such as new investment exceeding RM5 million would also be tabled for the Investment Committee's consideration before recommending to the Board for approval.

INTERNAL AUDIT FUNCTION

The Group has outsourced the internal audit function to an independent professional services firm. The Board has appointed the professional services firm to carry out internal audits on various operating units within the Group based on risk-based audit plan approved by the Audit Committee.

The Audit Committee, through the internal auditors, continues to independently and regularly review the effectiveness, adequacy and the integrity of the Group's risk management framework and internal control system. The Audit Committee reviews the internal audit report and assesses the performance, scope of work and resources of the internal audit function. The Board, through the Audit Committee, regularly reviews the system of internal control of the Group as well as seek the observations of the external auditors of the Group.

All of the internal control weaknesses identified during the financial year under review have been or are being addressed. None of these weaknesses will result in material losses, contingencies or uncertainties that would require disclosure in the Annual Report.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

The other key elements of the internal control system are presented below.

- Existence of various Board Committees to assist in discharging the Board's stewardship more efficiently and effectively. The Board Committees include Audit Committee, Nomination and Remuneration Committee and Investment Committee.

- Regular Audit Committee and Board meetings are held to ensure the Board maintains full control and supervision over major issues.

- Existence of a clearly defined organisation structure and job description of the staff.

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

OTHER KEY ELEMENTS OF INTERNAL CONTROL (CONT'D)

- Policies and procedures for most operations/activities of the Group have been awarded the ISO 9001 Quality Management System.
- Existence of the Group's internal financial control procedures to deal with all financial and related matters.
- Project budgets, in respect of the construction and property development works, are prepared by the assigned personnel. Variances against the budgets are monitored, and revisions shall be made by the management where necessary.
- Annual budgets are prepared and approved by the Board. The variances between actual versus budget are monitored closely and explanations are sought for significant variances.
- Corporate values, which emphasise good workplace behaviour, quality products and services, are set out in the Group's Employee Handbook and Code of Conduct.
- The executive directors meet quarterly on an informal basis with divisional and departmental heads to consider and to discuss the Group's financial performance, business development, management and corporate issues.
- Independent review by the internal auditors on the internal control system.

Based on the above-mentioned key elements of internal control, the Board opined, with the concurrence of the Audit Committee, that there are adequate internal controls in place within the Group addressing financial, operational and compliance risks.

ASSURANCE FROM THE MANAGEMENT

The Board has also received reasonable assurance from the Managing Director and the Group Financial Controller that the Group's risk management and internal control system are operating adequately and effectively, in all material respects, based on the risk management model and internal control system adopted by the Group.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement on Risk Management and Internal Control pursuant to paragraph 15.23 of the Listing Requirements and have reported to the Board that nothing has come to their attention that causes them to believe that the statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor it is factually inaccurate.

SUMMARY

The Board has reviewed the adequacy and effectiveness of the Group's risk management and internal control system for the financial year under review and is of the view that the risk management and internal control system in place are reasonable, adequate and effective in safeguarding the assets of the Group, interests of shareholders and other stakeholders as well as in addressing key risks impacting the business operations of the Group.

For the financial year under review, no significant control weaknesses that result in material losses and requiring disclosure were identified.

AUDIT COMMITTEE REPORT

The Board of Directors is pleased to present the Report of the Audit Committee for the financial year ended 31 December 2024.

The Audit Committee is responsible, among others, to review and monitor the integrity of the Group's financial reporting process, system of internal control, audit process as well as compliance with legal, regulatory and taxation matters for the Group which also include the responsibilities required under the Anti-Corruption Policy and Guidelines.

The terms of reference ("**TOR**") of the Audit Committee can be viewed on the Company's website at https://dkls.com.my.

COMPOSITION OF THE AUDIT COMMITTEE AND ATTENDANCE

The Audit Committee comprises three (3) members, all of whom are independent non-executive directors as follows:

Chairman : Mr Chin Kok Tong

Members : Ms Ang Chan Moy,
Ms Liew Li Ping (appointed on 1 June 2024), and
Mr Liew Chai Kar (retired on 29 May 2024)

The Chairman of the Audit Committee, Mr Chin Kok Tong is a senior independent non-executive director who is a member of the Malaysian Institute of Certified Public Accountants ("**MICPA**") and Malaysian Institute of Accountants ("**MIA**"). The other members of the Audit Committee are financially literate, competent and are able to understand matters under the purview of the Audit Committee, including the financial reporting process.

In compliance with Practices 1.4 and 9.1 of the Malaysian Code on Corporate Governance, the Chairman of the Audit Committee is not the Chairman of the Board. This is to ensure transparency and objectivity in the discussions and decisions of the Audit Committee.

During the financial year 2024, a total of four (4) meetings of the Audit Committee were held on 28 February 2024, 29 May 2024, 26 August 2024 and 25 November 2024. The attendance of members in the financial year 2024 is as follows:

Member	Number of meetings attended
Mr Chin Kok Tong	4/4
Ms Ang Chan Moy	4/4
Ms Liew Li Ping *(appointed on 1 June 2024)*	2/2
Mr Liew Chai Kar *(retired on 29 May 2024)*	2/2

By invitation, representatives of the internal auditors and the external auditors attended the meetings held during the financial year to present their reports for the Audit Committee's deliberation and approval. Relevant senior management personnel were also invited to attend these meetings, where necessary, to brief the Audit Committee on the Group's performance and specific issues. The Chairman of the Audit Committee reports all key issues discussed in these meetings to the Board.

Time was also allocated for the external auditors and the internal auditors to have private discussions with the Audit Committee in the absence of the management.

The Company Secretary attended all the meetings of the Audit Committee held during the financial year 2024.

AUDIT COMMITTEE REPORT (CONT'D)

REVIEW OF THE AUDIT COMMITTEE

The Nomination and Remuneration Committee has conducted annual review, on a self and peer review basis, of the term of office and performance of the Audit Committee and its members and, based on the review, the Board is satisfied that the Audit Committee as a whole and its members have discharged their duties and responsibilities competently and efficiently in accordance with the TOR.

SUMMARY OF ACTIVITIES

In line with the TOR, the works and key activities carried out by the Audit Committee in the discharge of its functions and duties for the financial year 2024 are as follows:-

1. **Financial Procedures, Financial Reporting and Financial Results**

    (a) The Audit Committee reviewed the Group's unaudited quarterly consolidated financial results and audited annual financial statements of the Company before recommending the same to the Board for approval and for announcement to Bursa Malaysia Securities Berhad ("**Bursa Securities**").

    The review of the unaudited quarterly consolidated financial results is to ensure the interim financial statements thereon are prepared in accordance with the requirements of MFRS Accounting Standards ("**MFRS**") 134 Interim Financial Reporting and applicable disclosure provisions of the Main Market Listing Requirements of Bursa Securities by the Company, the adoption and consistent application of policies as well as the integrity of the quarterly financial results.

    The review of the annual audited financial statements of the Company for the financial year ended 31 December 2023 is to ensure that they presented a true and fair view of the financial position of the Group and the financial performance for the year then ended and that appropriate accounting policies have been adopted and applied consistently and that they complied with all disclosures and regulatory requirements.

    (b) The Audit Committee reviewed and approved the financial budget of the Group and recommended the same to the Board for final approval and adoption. The financial budget is also reviewed on a quarterly basis where the Audit Committee considered whether the budget should be revised, if needed, in the financial year.

    (c) The Audit Committee received briefings by the management on a quarterly basis the comparison between the actual financial results against the corresponding quarter results and the budgeted financial results.

2. **External Audit**

    (a) The Audit Committee met with representatives of Messrs Ernst & Young PLT ("**EY**"), the external auditors, twice during the year on 28 February 2024 and 25 November 2024, which included private sessions with the external auditors without the presence of the executive directors and management.

    i. The Audit Committee reviewed with EY, the "2023 Audit Results" which summarised the significant accounting and auditing issues identified during the course of audit of the financial statements of the Group for the financial year ended 31 December 2023 and also set out their comments and conclusions thereon.

    ii. The Audit Committee noted that there were no major issues and reservations observed during the course of the audit which the external auditors considered necessary to be brought to the attention of the Audit Committee and that they have not identified any matters in relation to fraud during the course of the audit.

AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF ACTIVITIES (CONT'D)

2. External Audit (cont'd)

iii. The external auditors expressed that, in respect of the audit of the financial statements, they were and had been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements, including the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Code of Ethics for Professional Accountants (including International Independence Standards).

iv. The Audit Committee reviewed and approved the external auditors' 2024 Audit Plan outlining their scope of work, new digital global audit methodology, timing and proposed fees for the statutory audit (together with the non-audit fees) for the financial year ended 31 December 2024 before recommending the same for the Board's final approval.

(b) The Audit Committee conducted an evaluation of EY in respect of the financial year 2023 in accordance with the requirements set out in the External Auditors' Policy, encompassing the firm's calibre, quality of audit services, processes and performance, adequacy of resources, the partners/director involvement, independence and objectivity, audit scope and planning, audit and non-audit fees and audit communications to the Audit Committee. The Audit Committee, being satisfied with EY's performance, technical competency and audit independence, recommended the re-appointment of EY as external auditors of the Company for the financial year ended 31 December 2024 to the Board for approval.

(c) The Audit Committee reviewed the fees on the audit together with the non-audit services provided by the external auditors in the year and confirmed that the provision of services is compatible with the general standard of services and independence for auditors.

During the financial year 2024, the amount of audit fees and non-audit fees payable to the external auditors and its affiliates are as follows:

	Audit fees (RM)	Non-Audit fees (RM)
Company	85,000	5,500
Group	322,253	16,500

3. Internal Audit

(a) The Audit Committee met with representatives of Messrs KPMG MRC Management & Risk Consulting Sdn Bhd ("**KPMG MRC**"), the internal auditors on 25 November 2024, which included a private session with the internal auditors without the presence of the executive directors and management.

i. The Audit Committee reviewed the Internal Audit Report (including follow-up review reports) of the Group for the financial year 2024, with the presence of the external auditors, on the audit findings and recommendations and management responses before recommending the same to the Board for consideration and approval, and also appraised the adequacy of actions and remedial measures taken by the management in resolving the audit issues reported and recommended by the internal auditors for improvement measures.

ii The Audit Committee also reviewed the Internal Audit Plan of the Group for the financial year 2025 and 2026 before recommending the same to the Board for consideration and approval.

AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF ACTIVITIES (CONT'D)

3. Internal Audit (cont'd)

(b) The Audit Committee conducted an evaluation of KPMG MRC in respect of the financial year 2023 through the Internal Audit Function Evaluation Form which assessment includes factors such as the firm's performance, effectiveness of their function, adequacy of resources, independence and objectivity and professionalism and was satisfied with their overall performance.

4. Risk Management

The Audit Committee reviewed the 2024 Risk Profile in respect of the Company and seven (7) major subsidiaries where three (3) existing risks were removed and no new risk was identified in the Risk Registers before recommending the same to the Board for adoption.

5. Related Party Transactions

The Audit Committee reviewed the related party transactions and any conflict of interest situations that may arise or persist within the Company and its subsidiaries on a quarterly basis to ensure that they were conducted on the Group's normal commercial terms and for monitoring compliance with the Main Market Listing Requirements of Bursa Securities and to ascertain that the transactions entered into were not prejudicial to the interest of the non-controlling shareholders.

6. Others

During the financial year 2024, the Audit Committee reviewed the following statements before recommending the same to the Board for approval and for inclusion in the Company's Annual Report 2023:-

- Corporate Governance Overview Statement and Corporate Governance Report;
- Statement on Risk Management and Internal Control; and
- Audit Committee Report.

On 27 February 2025, the Audit Committee reviewed this Audit Committee Report for inclusion in the Annual Report 2024 of the Company.

Internal Audit Function

The Board recognises the appointment of the internal auditors is one of the many ways of reviewing and assessing the effectiveness of the risk management framework and internal control system of the Group.

Since 2005, the Company has outsourced the internal audit function to independent professional services firms, currently provided by KPMG MRC, to carry out independent internal audit services on various operating units within the Group based on risk-based audit plan as approved by the Audit Committee.

The internal audit engagement by KPMG MRC is led by an Executive Director, namely Encik Mohd Khaidzir Shahari, who is a professional member of the ACMA, MIA, CGMA, CIA. He currently leads the Risk Consulting Practice in KPMG in Malaysia. He has accumulated more than 25 years of experience with extensive audit, accounting, quality assessment review, risk management engagements and consulting experience. He provides overall direction of the internal audit engagement and is responsible for all stages of the audit work and maintains contact with the management to ensure open communication is practised and all internal audit work is carried out effectively and on a timely manner. An Executive Director with Internal Audit, Risk and Compliance Services ("IARCS") practice of KPMG MRC, namely Mr Darren Lee Siet Loon, who is a Chartered Accountant of MIA, a member of Association of Chartered Certified Accountants and a Certified Internal Auditor, led the engagement and is supported by other professional staff. All the personnel deployed by KPMG are free from any relationships or conflicts of interest that could impair their objectivity and independence during the course of their work.

AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF ACTIVITIES (CONT'D)

Internal Audit Function (cont'd)

The internal audit engagement team had adopted KPMG MRC Internal Audit Methodology ('**KIAM**'), risk-based internal audit methodology, which is aligned with the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors.

The internal auditors report directly to the Audit Committee on audit matters and to the Managing Director on administrative matters. They provide independent and objective reports on the Group's management, operational, accounting policies and controls to the Audit Committee and also ensure that recommendations to improve controls are followed through by the management at the same time. Both the Board and the management will rectify the weaknesses detected by the internal auditors through either adopting the recommendations made by the internal auditors or developing its own alternatives to eliminate such weaknesses.

During the financial year under review, the internal auditors have conducted their works in accordance with the Internal Audit Plan of the Group for the financial year 2024. There was a total of seven (7) observations noted from the internal audit conducted, with two (2) of which were classified as "High" priority whereby it is pertinent that action plans are developed and actions commenced to address the weaknesses and five (5) were classified as "Medium" priority where the finding has a moderate potential risk and impact, but if not addressed in a timely manner, may escalate into a significant issue. The internal auditors also conducted a follow up on the previous cycles of the internal audit to ensure that recommendations to improve internal controls are implemented by the management. These initiatives provide reasonable assurance that control procedures are in place.

The Audit Committee reviewed and approved the internal audit engagement and the related fees to ensure the independence and objectivity of the internal auditors. The overall cost incurred for the internal audit engagement for the financial year ended 31 December 2024 amounted to RM37,800.

ADDITIONAL COMPLIANCE INFORMATION

i) Utilisation of Proceeds

No proceeds were raised by the Company from any corporate exercise during the financial year ended 31 December 2024.

ii) Material Contracts

The material contracts entered into by the Company and its subsidiaries involving directors and major shareholders either subsisting at the end of the financial year or entered into since the end of the previous financial year are disclosed in Note 36 to the financial statements under "**Related Party Transactions**" on pages 190 and 191 of the Annual Report.

iii) Recurrent Related Party Transactions

During the financial year 2024, the Company did not seek mandate from shareholders for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as there are no recurrent related party transactions which exceeded the materiality threshold stated in paragraph 10.09(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

STATEMENT OF DIRECTORS' RESPONSIBILITY
IN RELATION TO THE FINANCIAL STATEMENTS

The Directors of the Company are required under the Companies Act 2016 in Malaysia ("**Act**") to ensure that the financial statements prepared for each financial year give a true and fair view of the financial position as at the end of each financial year and the financial performance of the Group and of the Company for the year then ended. Pursuant to paragraph 15.26 of the Main Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad, the Board of Directors is required to issue a statement explaining its responsibility for preparing the annual audited financial statements.

The Directors have given their opinion that the financial statements have been drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Act and the Listing Requirements.

The Directors ensured that in preparing the financial statements, the Group and the Company have: -

- used appropriate accounting policies and are consistently applied;
- made reasonable and prudent judgments and estimates; and
- ensured all applicable approved accounting standards in Malaysia have been followed.

The Directors are responsible for ensuring that the Group and the Company maintain accounting records that disclose with reasonable accuracy the financial position of the Group in accordance with the provisions of the Act.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

This Statement is approved by the Board of Directors on 27 February 2025.

DIRECTORS' REPORT

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.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services.

The principal activities of the subsidiaries are described in Note 18 to the financial statements.

RESULTS

	Group RM	Company RM
Profit for the year	29,222,665	1,872,662
Attributable to:		
Owners of the Company	27,957,884	1,872,662
Non-controlling interests	1,264,781	–
	29,222,665	1,872,662

There were no material transfers to or from reserves or provisions during the financial year.

In the opinion of the directors, 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 other than the reversal of impairment loss on property, plant and equipment of RM3,697,677 as disclosed in Note 14 to the financial statements and the effects of the application of *MFRS 129 Financial Reporting in Hyperinflationary Economies* to the Group subsidiary.

DIVIDEND

The amount of dividend paid by the Company since 31 December 2023 was as follows:

	RM
In respect of the financial year ended 31 December 2023 as reported in the Directors' report of that year:	
First and final single tier dividend of 3 sen per share on 92,699,600 ordinary shares, approved on 29 May 2024 and paid on 16 August 2024	2,780,988

At the forthcoming Annual General Meeting, a first and final single tier dividend in respect of the financial year ended 31 December 2024 of 3 sen per share on 92,699,600 ordinary shares, amounting to a total dividend payable of RM2,780,988 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2025.

DIRECTORS' REPORT (CONT'D)

DIRECTORS

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Dato' Ding Pei Chai DPTJ, PMP
Dato' Ding Poi Bor
Ir Sam Tuck Wah
Ding Zhe Xin
Chin Kok Tong
Ang Chan Moy
Ding Ju Shuen
Liew Li Ping (appointed on 1 June 2024)
Liew Chai Kar (retired on 29 May 2024)

The names of the directors of the Company's subsidiaries since the beginning of the financial year to the date of this report (not including those directors listed above) are:

Name of Director	Name of Subsidiary
Ding Soo King	DKLS Quarry & Premix Sdn. Bhd. DKLS Signaturehomes Sdn. Bhd. DKLS Development Sdn. Bhd. DKLS Marketing Sdn. Bhd. DKLS Quarry & Premix (North) Sdn. Bhd.
Cheng Mao Yang	DKLS Premierhome Sdn Bhd
Jerlynn Ng Hui Ching	DKLS Construction Sdn. Bhd.
Tee Chee Seng	Savan-DKLS Water Supply Co Ltd
Bouasavanh Luibouathong	Savan-DKLS Water Supply Co Ltd
Khamsone Savannaleuth	Savan-DKLS Water Supply Co Ltd
Ng Kok Jin	Savan-DKLS Water Supply Co Ltd
Khamsy Boulom (resigned on 22 February 2024)	Savan-DKLS Water Supply Co Ltd

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 36 to the financial statements.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' BENEFITS (CONT'D)

The directors' benefits are as follows:

	Group RM	Company RM
Fees	222,000	222,000
Salaries and other emoluments	1,435,440	319,500
Contributions to defined contribution plan	239,060	47,915
Social security contributions	7,543	2,575
Employment insurance system contributions	492	243
Estimated monetary value of benefits-in-kind	30,700	–
	1,935,235	592,233
Insurance effected to indemnify directors*	14,500	14,500
	1,949,735	606,733

* The Company maintains a liability insurance for the directors of the Group. The total amount of sum insured for the directors of the Group for the financial year amounted to RM1,500,000.

DIRECTORS' INTERESTS

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

	Number of ordinary shares			
The Company	**1 January 2024**	**Bought**	**Sold**	**31 December 2024**
Direct interest				
Dato' Ding Pei Chai DPTJ, PMP	3,315,163	–	–	3,315,163
Dato' Ding Poi Bor*	30,114,362	–	–	30,114,362
Ir Sam Tuck Wah	12,551,225	1,592,900	–	14,144,125
Chin Kok Tong	2,000	–	–	2,000
Indirect interest				
Dato' Ding Pei Chai DPTJ, PMP**	470,000	–	–	470,000
Dato' Ding Pei Chai DPTJ, PMP***	1,297,841	–	–	1,297,841
Ir Sam Tuck Wah***	2,486,663	–	–	2,486,663

* *Dato' Ding Poi Bor by virtue of his interest in shares in the Company is also deemed interested in shares in all of the Company's subsidiaries to the extent the Company has an interest.*

** *Deemed interested through shareholdings in a corporation by virtue of Section 8 of the Companies Act 2016.*

*** *Deemed interested through spouse.*

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in the shares of the Company or its related corporations during the financial year.

DIRECTORS' REPORT (CONT'D)

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

OTHER STATUTORY INFORMATION

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, 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 allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

(i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

(ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances 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.

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

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

(i) any charge on the assets of the Group or 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 respect of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

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

DIRECTORS' REPORT (CONT'D)

SIGNIFICANT AND/OR RECURRING EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

The significant and/or recurring events during and subsequent to the financial year are as disclosed in Note 41 to the financial statements.

AUDITORS AND AUDITORS' REMUNERATION

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration are as follows:

	Group RM	Company RM
Ernst & Young PLT	286,500	85,000
Other member firms of Ernst & Young Global Network	46,753	–
	333,253	85,000

To the extent permitted by law, the Group and the Company have agreed to indemnify their auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT during or since the financial year.

Signed on behalf of the Board in accordance with a resolution of the directors dated 22 April 2025.

Dato' Ding Poi Bor

Ir Sam Tuck Wah

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

We, Dato' Ding Poi Bor and Ir Sam Tuck Wah, being two of the directors of DKLS Industries Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 113 to 208 are drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 22 April 2025.

Dato' Ding Poi Bor

Ir Sam Tuck Wah

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

I, Wong Yoke Cheng (NRIC No.: 730305-08-5864), being the officer primarily responsible for the financial management of DKLS Industries Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 113 to 208 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
the abovenamed Wong Yoke Cheng
at Ipoh in the State of Perak Darul Ridzuan
on 22 April 2025.

Wong Yoke Cheng
MIA 16915

Before me,

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF DKLS INDUSTRIES BERHAD (INCORPORATED IN MALAYSIA)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of DKLS Industries Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and 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 a summary of material accounting policy information, as set out on pages 113 to 208.

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 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.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there is no key audit matter to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Revenue and cost of construction recognition

(Refer to Notes 2.8, 3.2(v) and 4 to the financial statements)

A significant proportion of the Group's revenues and profits are derived from construction activities which span more than one accounting period. For the financial year ended 31 December 2024, construction contract revenue of RM36.5 million and contract cost of RM31.2 million accounted for approximately 20% and 35% of the Group's total revenue and cost of sales respectively. The Group uses the percentage-of-completion method in accounting for the construction contract revenue.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Key audit matters **(cont'd)**

Revenue and cost of construction recognition (cont'd)

We identified revenue and cost of construction as areas of audit focus as these areas involved significant management's judgement and estimates. In particular, we focused on the following areas:

(a) Judgement and estimates made in the determination of whether variations in contract works should be included in the contract revenue; and

(b) Estimates made in respect of the total estimated contract costs (which represents a key input for the computation of percentage-of-completion for these contracts).

As part of our audit procedures, we performed, amongst others, the following procedures:

(a) Obtained an understanding of the relevant internal controls over the accuracy and timing of revenue recognised in the financial statements, including controls performed by Management in estimating contract costs, profit margin and percentage-of-completion of the projects;

(b) Read the signed construction contracts, on a sample basis, to obtain an understanding of the specific terms and conditions;

(c) Agreed the variations in construction contract works to approved variation orders;

(d) Assessed Management's assumptions in estimating contract costs by agreeing the budgeted costs to the awarded contracts and other documentary evidence such as approved purchase orders and progress claims from sub-contractors. We have also considered the historical accuracy of management forecasts for similar projects in evaluating the estimated total costs in deriving gross profit margin;

(e) Tested Management's workings on the computation of the percentage-of-completion; and

(f) Tested Management's workings on the computation of revenue by agreeing the contract revenue to the signed contracts, letter of awards and approved variation orders.

Revenue recognition from quarry activities

(Refer to Notes 2.14(c) and 4 to the financial statements)

For the financial year ended 31 December 2024, sale of goods from quarry activities of RM112.5 million accounted for approximately 63% of the Group's total revenue. The Group recognises the revenue at the point in time when control of the goods is transferred to the buyers.

We identified revenue recognition in respect of sale of goods from quarry activities to be an area of audit focus as we consider the high volume of transactions to be a possible cause of higher risk of material misstatements in respect of the timing and amount of revenue recognised.

As part of our audit procedures, we performed, amongst others, the following procedures:

(a) Obtained an understanding of the relevant internal controls over the accuracy and timing of revenue recognised in the financial statements, including controls performed on the revenue and accounts receivable cycle;

(b) Inspected documents which evidence the delivery of goods to customers. We have also tested the recording of sales transactions close to the year end, including credit notes issued after year end, to establish whether the transactions were recorded in the correct accounting period; and

(c) Used data analytics to perform correlation analysis between revenue, trade receivables and bank balances.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Key audit matters **(cont'd)**

Valuation of investment properties

(Refer to Notes 2.6, 3.2(iii) and 17 to the financial statements)

The Group adopts fair value model for its investment properties and the Group uses independent valuers to support its determination of the individual fair value of the investment properties annually. As at 31 December 2024, the Group's investment properties comprise various categories of properties, of which the most significant being the leasehold office building amounting to RM90.7 million, representing 17% of the Group's total assets. The fair value of such leasehold office building is determined based on income capitalisation method where the key judgements and estimates involved are rental rate, discount rate and reversionary rate.

Given the complexity of the valuation which is based on assumptions that are highly judgemental, we identified the above as matters requiring audit focus.

As part of our audit procedures, we performed, amongst others, the following procedures:

(a) Considered the objectivity, independence and expertise of the independent valuer;

(b) Obtained an understanding of the valuation methodology used by the independent valuer in determining the fair value of the Property and assessed whether such methodology is consistent with those used in the prior years and commonly used for the type of asset being valued;

(c) Together with our valuation specialists, we evaluated the key assumptions used which comprise rental rate, discount rate and reversionary rate by comparing to past actual outcomes; and

(d) Assessed the adequacy of the disclosures in the financial statements in accordance with the requirements of MFRS 140.

Information other than the financial statements and auditors' report thereon

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

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

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

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

INDEPENDENT AUDITORS' REPORT (CONT'D)

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:

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

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

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

(d) Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and 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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Auditors' responsibilities for the audit of the financial statements (cont'd)

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

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

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

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

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

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, are disclosed in Note 18 to the financial statements.

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

Adeline Chan Su Lynn
No. 03082/07/2025 J
Chartered Accountant

Penang, Malaysia
Date: 22 April 2025

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Revenue	4	179,700,071	163,884,716	3,026,600	3,535,800
Other income	5	18,464,358	17,946,217	465,569	7,342,153
Construction contract costs recognised as contract expenses		(31,193,772)	(15,994,802)	–	–
Cost of goods sold		(7,002,992)	(896,465)	–	–
Cost of sales in respect of property development	6	(7,148,887)	(17,122,681)	–	–
Changes in work-in-progress and finished goods		(34,411)	(1,834,692)	–	–
Raw materials and consumables used		(42,006,081)	(37,383,345)	–	–
Direct expenses	7	(1,974,765)	(2,053,996)	(203,445)	(200,804)
Other expenses	8	(41,483,640)	(40,949,590)	–	–
Employee benefits expense	9	(13,969,929)	(13,969,164)	(592,233)	(534,351)
Depreciation		(6,139,919)	(4,922,343)	(17,024)	(17,239)
Administrative expenses	10	(13,837,368)	(6,541,632)	(718,255)	(359,201)
Operating profit		33,372,665	40,162,223	1,961,212	9,766,358
Interest expense	11	(1,468,803)	(3,140,091)	–	–
Net monetary gain		558,198	–	–	–
Profit before tax		32,462,060	37,022,132	1,961,212	9,766,358
Income tax expense	12	(3,239,395)	(6,843,826)	(88,550)	(530,598)
Profit for the year, net of tax		29,222,665	30,178,306	1,872,662	9,235,760

STATEMENTS OF COMPREHENSIVE INCOME (CONT'D)

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Other comprehensive income, net of tax					
Items that will be reclassified to profit or loss in the future					
Foreign currency translation:					
- subsidiary		(1,765,887)	(2,579,774)	–	–
Hyperinflationary adjustment		2,025,238	–	–	–
Other comprehensive income for the year, net of tax		259,351	(2,579,774)	–	–
Total comprehensive income for the year		29,482,016	27,598,532	1,872,662	9,235,760
Profit attributable to:					
Owners of the Company		27,957,884	28,062,116	1,872,662	9,235,760
Non-controlling interests		1,264,781	2,116,190	–	–
		29,222,665	30,178,306	1,872,662	9,235,760
Total comprehensive income attributable to:					
Owners of the Company		27,995,992	26,001,700	1,872,662	9,235,760
Non-controlling interests		1,486,024	1,596,832	–	–
		29,482,016	27,598,532	1,872,662	9,235,760
Earnings per share attributable to owners of the Company (sen):					
Basic/Diluted, for profit for the year	13	30.16	30.27		

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Assets					
Non-current assets					
Property, plant and equipment	14	63,847,790	63,116,764	524,956	541,980
Right-of-use assets	15	530,348	601,688	–	–
Inventories	16	86,650,334	106,074,854	–	–
Investment properties	17	129,050,000	128,310,000	40,960,000	40,660,000
Investments in subsidiaries	18	–	–	238,733,357	236,733,357
Long term investments	19	28,754	30,061	–	–
Trade and other receivables	20	634,369	1,858,045	–	–
Other assets	22	25,056	–	–	–
Deferred tax assets	23	8,983,407	4,879,271	–	–
		289,750,058	304,870,683	280,218,313	277,935,337
Current assets					
Inventories	16	50,105,485	31,428,347	–	–
Trade and other receivables	20	45,562,290	43,512,337	74,353	70,440
Other assets	22	4,213,404	24,062,350	1,170	1,793
Short term investments	19	83,265,469	65,920,590	1,022,548	4,521,609
Tax recoverable		2,193,974	2,353,481	50,122	–
Cash and bank balances	24	52,838,115	36,261,256	2,252,484	2,178,074
		238,178,737	203,538,361	3,400,677	6,771,916
Total assets		527,928,795	508,409,044	283,618,990	284,707,253

STATEMENTS OF FINANCIAL POSITION (CONT'D)

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Equity and liabilities					
Equity attributable to owners of the Company					
Share capital	25	101,883,643	101,883,643	101,883,643	101,883,643
Retained profits	26	381,725,148	356,865,776	179,607,702	180,516,028
Reserves	27	(15,508,253)	(15,730,387)	900,716	900,716
		468,100,538	443,019,032	282,392,061	283,300,387
Non-controlling interests		5,994,016	4,841,031	–	–
Total equity		474,094,554	447,860,063	282,392,061	283,300,387
Non-current liabilities					
Loans and borrowings	28	14,183,252	19,507,285	–	–
Other payables	31	388,967	506,174	–	–
Deferred tax liabilities	23	6,473,126	5,900,622	1,033,434	1,003,718
		21,045,345	25,914,081	1,033,434	1,003,718
Current liabilities					
Loans and borrowings	28	5,938,694	5,744,568	–	–
Trade and other payables	31	22,165,831	26,643,660	193,495	190,727
Other current liabilities	32	2,768,417	550,574	–	–
Tax payable		1,915,954	1,696,098	–	212,421
		32,788,896	34,634,900	193,495	403,148
Total liabilities		53,834,241	60,548,981	1,226,929	1,406,866
Net current assets		205,389,841	168,903,461	3,207,182	6,368,768
Net assets		474,094,554	447,860,063	282,392,061	283,300,387
Total equity and liabilities		527,928,795	508,409,044	283,618,990	284,707,253

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Attributable to owners of the Company								
	Non-distributable					Distributable			
	Share capital RM	Foreign currency translation reserve RM	Asset revaluation reserve RM	Charter capital reserve RM	Other reserve RM	Retained profits RM	Total RM	Non-controlling interests RM	Total equity RM
Group									
At 1 January 2023	101,883,643	(18,327,766)	2,058,238	3,026,004	(426,447)	331,584,648	419,798,320	3,571,581	423,369,901
Total comprehensive income	–	(2,060,416)	–	–	–	28,062,116	26,001,700	1,596,832	27,598,532
Transactions with owners:									
Dividend to non-controlling interests	–	–	–	–	–	–	–	(327,382)	(327,382)
Dividend on ordinary shares (Note 33)	–	–	–	–	–	(2,780,988)	(2,780,988)	–	(2,780,988)
	–	–	–	–	–	(2,780,988)	(2,780,988)	(327,382)	(3,108,370)
At 31 December 2023	101,883,643	(20,388,182)	2,058,238	3,026,004	(426,447)	356,865,776	443,019,032	4,841,031	447,860,063

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

	Attributable to owners of the Company								
		Non-distributable				Distributable			
	Share capital RM	Foreign currency translation reserve RM	Asset revaluation reserve RM	Charter capital reserve RM	Other reserve RM	Retained profits RM	Total RM	Non-controlling interests RM	Total equity RM
Group (cont'd)									
At 1 January 2024	101,883,643	(20,388,182)	2,058,238	3,026,004	(426,447)	356,865,776	443,019,032	4,841,031	447,860,063
Hyperinflationary restatement to 1 January 2024	–	–	–	1,174,714	–	(1,308,212)	(133,498)	(57,214)	(190,712)
As at 1 January 2024, restated	101,883,643	(20,388,182)	2,058,238	4,200,718	(426,447)	355,557,564	442,885,534	4,783,817	447,669,351
Foreign currency translation differences from foreign operations	–	(1,379,558)	–	–	–	–	(1,379,558)	(386,329)	(1,765,887)
Hyperinflationary adjustments	–	–	–	426,978	–	990,688	1,417,666	607,572	2,025,238
Profit for the year	–	–	–	–	–	27,957,884	27,957,884	1,264,781	29,222,665
Total comprehensive income	–	(1,379,558)	–	426,978	–	28,948,572	27,995,992	1,486,024	29,482,016
Transactions with owners:									
Dividend to non-controlling interests	–	–	–	–	–	–	–	(275,825)	(275,825)
Dividend on ordinary shares (Note 33)	–	–	–	–	–	(2,780,988)	(2,780,988)	–	(2,780,988)
	–	–	–	–	–	(2,780,988)	(2,780,988)	(275,825)	(3,056,813)
At 31 December 2024	101,883,643	(21,767,740)	2,058,238	4,627,696	(426,447)	381,725,148	468,100,538	5,994,016	474,094,554

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

	Share capital RM	Asset revaluation reserve RM	Distributable Retained profits RM	Total equity RM
Company				
At 1 January 2023	101,883,643	900,716	174,061,256	276,845,615
Total comprehensive income	–	–	9,235,760	9,235,760
Dividend on ordinary shares, representing total transaction with owners (Note 33)	–	–	(2,780,988)	(2,780,988)
At 31 December 2023	101,883,643	900,716	180,516,028	283,300,387
At 1 January 2024	101,883,643	900,716	180,516,028	283,300,387
Total comprehensive income	–	–	1,872,662	1,872,662
Dividend on ordinary shares, representing total transaction with owners (Note 33)	–	–	(2,780,988)	(2,780,988)
At 31 December 2024	101,883,643	900,716	179,607,702	282,392,061

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from operating activities				
Profit before tax	32,462,060	37,022,132	1,961,212	9,766,358
Adjustments for:				
Depreciation	6,306,651	5,145,031	17,024	17,239
Dividend income from:				
- short term investments	(291,455)	(27,229)	(7,704)	(1,778)
- subsidiaries	–	–	(2,500,000)	(3,000,000)
Fair value gain on investment properties	(596,163)	(3,511,944)	(297,160)	(192,344)
Fair value gain on long/short term investments	(2,504,171)	(2,035,087)	(75,084)	(88,485)
Final distribution of capital repayment from subsidiary upon winding up	–	–	(2,800)	–
Gain on disposal of:				
- investment properties	–	(656)	–	(656)
- property, plant and equipment, net	(1,101,651)	(583,313)	–	–
Gain on lease modification adjustment	(1)	(5,764)	–	–
Interest expense	1,468,803	3,140,091	–	–
Interest income	(1,721,413)	(1,656,366)	(82,821)	(242,959)
Inventories written down to net realisable value	4,073,148	–	–	–
Inventories written off	77,913	163,000	–	–
Property, plant and equipment written off	238,966	151,146	–	2,352
Property, plant and equipment expensed off	4,565	–	–	–
Unrealised loss/(gain) on foreign exchange, net	167,016	113,280	73,101	(34,867)
(Reversal of)/Allowance for impairment losses on:				
- investments in subsidiaries, net	–	–	–	(6,443,929)
- property, plant and equipment	(3,697,677)	(5,453,390)	–	–
- trade and other receivables, net	(3,856,482)	(3,074,832)	–	11,000
Net monetary gain	(771,972)	–	–	–
Operating cash flows before changes in working capital	30,258,137	29,386,099	(914,232)	(208,069)
Changes in working capital:				
Inventories	(305,339)	5,975,309	–	–
Receivables	22,996,689	18,010,119	623	(1,733)
Revolving credit	–	(14,730,000)	–	–
Payables	(2,182,142)	(6,860,179)	2,768	(27,209)
Cash flows from/(used in) operations	50,767,345	31,781,348	(910,841)	(237,011)
Interest paid	(1,009)	(327,714)	–	–
Interest received	967,674	1,021,601	196	16,521
Taxes paid	(6,828,853)	(6,416,760)	(321,377)	(348,459)
Net cash flows from/(used in) operating activities	44,905,157	26,058,475	(1,232,022)	(568,949)

STATEMENTS OF CASH FLOWS (CONT'D)

	Group		Company	
	2024 RM	**2023 RM**	**2024 RM**	**2023 RM**
Cash flows from investing activities				
Advances to subsidiaries	–	–	–	(11,000)
Final distribution of capital repayment from subsidiary upon winding up	–	–	2,800	–
Interest received	173,550	463,802	78,712	377,371
Inventories	(2,537,493)	(1,999,705)	–	–
Net dividend received from:				
- short term investments	291,455	27,229	7,704	1,778
- subsidiaries	–	–	2,500,000	3,000,000
Placement of deposits with maturity period of more than 3 months	(1,808,622)	(870,808)	(69,634)	(375,003)
Proceeds from disposal of:				
- investment properties	–	273,000	–	273,000
- property, plant and equipment	1,932,696	1,092,823	–	–
- short term investments	46,410,000	30,760,000	3,580,000	6,250,000
Purchase of:				
- investment properties	(143,837)	(220,400)	(2,840)	–
- property, plant and equipment	(3,005,569)	(1,540,121)	–	(5,500)
- shares in subsidiaries	–	–	(2,000,000)	(5,600,000)
- short term investments	(61,249,401)	(40,361,720)	(5,855)	(9,103,351)
Withdrawal of deposits with maturity period of more than 3 months	276,115	8,096,658	–	8,096,658
Net cash flows (used in)/from investing activities	(19,661,106)	(4,279,242)	4,090,887	2,903,953
Cash flows from financing activities				
Dividend paid	(2,780,988)	(2,780,988)	(2,780,988)	(2,780,988)
Dividend paid to non–controlling interests	(275,825)	(327,382)	–	–
Interest paid	(1,207,389)	(1,411,283)	–	–
Repayment of hire purchase liabilities	(736,361)	(451,887)	–	–
Repayment of principal portion of lease liabilities	(89,869)	(37,798)	–	–
Repayment of term loans	(5,000,004)	(5,000,004)	–	–
Net cash flows used in financing activities	(10,090,436)	(10,009,342)	(2,780,988)	(2,780,988)
Net increase/(decrease) in cash and cash equivalents	15,153,615	11,769,891	77,877	(445,984)
Effect of exchange rate differences	(105,424)	(296,420)	(24,471)	(40,704)
Cash and cash equivalents at 1 January	32,345,780	20,872,309	370,392	857,080
Cash and cash equivalents at 31 December	47,393,971	32,345,780	423,798	370,392

STATEMENTS OF CASH FLOWS (CONT'D)

(a) Cash and cash equivalents comprise:

	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Cash and bank balances	26,549,110	21,546,885	144,630	77,491
Deposits with licensed banks	26,289,005	14,714,371	2,107,854	2,100,583
	52,838,115	36,261,256	2,252,484	2,178,074
Bank overdrafts	(186,483)	–	–	–
	52,651,632	36,261,256	2,252,484	2,178,074
Less: Deposits with maturity periods of more than 3 months	(5,257,661)	(3,915,476)	(1,828,686)	(1,807,682)
	47,393,971	32,345,780	423,798	370,392

(b) Changes in liabilities arising from financing activities

	Interest-bearing term loans RM	Interest-bearing hire purchase liabilities RM	Interest-bearing lease liabilities RM	Total RM
Group				
At 31 December 2024				
At 1 January 2024	23,583,293	1,057,304	611,256	25,251,853
Cash flows	(6,128,779)	(780,875)	(123,969)	(7,033,623)
Other payables	23,466	–	–	23,466
Foreign exchange movement	–	–	(2,544)	(2,544)
New leases	–	512,500	–	512,500
Interest expense	1,105,309	44,514	34,100	1,183,923
Lease modification adjustment	–	–	2	2
Hyperinflationary adjustment	–	–	(114)	(114)
At 31 December 2024	18,583,289	833,443	518,731	19,935,463
At 31 December 2023				
At 1 January 2023	28,583,297	951,191	70,983	29,605,471
Cash flows	(6,355,029)	(493,507)	(52,436)	(6,900,972)
Other payables	8,111	–	–	8,111
Foreign exchange movement	–	–	(6,496)	(6,496)
New leases	–	558,000	600,034	1,158,034
Interest expense	1,346,914	41,620	14,638	1,403,172
Lease modification adjustment	–	–	(15,467)	(15,467)
At 31 December 2023	23,583,293	1,057,304	611,256	25,251,853

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

1. CORPORATE INFORMATION

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are described in Note 18.

The Company is a public limited liability company which is incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at No.1, Jalan Lasam, 30350 Ipoh, Perak Darul Ridzuan. The principal place of business of the Company is located at 16th Floor & Penthouse, Ipoh Tower, Jalan Dato' Seri Ahmad Said, 30450 Ipoh, Perak Darul Ridzuan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 22 April 2025.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

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

At the beginning of the current financial year, the Group and the Company adopted new and amended MFRS which are mandatory for financial periods beginning on or after the dates as described fully in Note 2.2.

The financial statements have been prepared on a historical cost basis unless otherwise stated in the summary of material accounting policies and the following application of MFRS 129.

The financial statements are presented in Ringgit Malaysia ("RM").

Application of MFRS 129 : Financial Reporting in Hyperinflationary Economies

The Lao Statistics Bureau reported 3-year and 12-month cumulative rates of inflation of 105% and 22%, respectively, as of September 2024. Hence, Lao People's Democratic Republic ("Lao PDR") is considered as a hyperinflationary economy under MFRS 129 starting from October 2024. As a result, the Group has applied MFRS 129: Financial Reporting in Hyperinflationary Economies to its subsidiary in Lao PDR, whose functional currency is the Lao Kip.

Under MFRS 129, before translating the financial statements of the foreign subsidiary in hyperinflationary economies, its financial statements for the current period are first restated to reflect changes in the general purchasing power of the local currency. This restatement is based on the consumer price index as of the reporting date. Comparative figures from prior periods are not restated as the Group presents its consolidated financial statements in Ringgit Malaysia, which is not subject to hyperinflationary accounting.

The consumer price index and conversion factors used to restate the Group's financial statements are as follows:

Date	Index	Conversion factor
31 December 2024	243.52	1.00
31 December 2023	208.37	1.17

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Application of MFRS 129: Financial Reporting in Hyperinflationary Economies (cont'd)

As a result:

- Non-monetary assets and liabilities were restated to reflect the purchasing power of the functional currency as of the reporting date, using the relevant price index.
- Net monetary gain of RM558,198 was recognised in the profit or loss due to the changes in purchasing power on holding monetary assets and liabilities.
- The financial statements of the affected subsidiary were adjusted before being translated into the Group's presentation currency. All amounts (ie. assets, liabilities, equity, income and expenses) are translated to RM at exchange rates at the end of the reporting period. The cumulative adjustment was recorded in other comprehensive income.
- The application of MFRS 129 resulted in a decrease in retained profits of RM1,308,212 as at 1 January 2024.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2024, the Group and the Company adopted the following new and amended MFRSs mandatory for annual financial periods beginning on or after the dates stated below:

Description	Effective for annual financial periods beginning on or after
Lease Liability in a Sale and Leaseback (Amendments to MFRS 16: Leases)	1 January 2024
Non-current Liabilities with Covenants (Amendments to MFRS 101)	1 January 2024
Supplier Finance Arrangements (Amendments to MFRS 107 and MFRS 7)	1 January 2024

The nature and impact of the new and amended MFRSs are described below:

(a) Non-current Liabilities with Covenants (Amendments to MFRS 101)

The amendments to paragraphs 69 to 76 of MFRS 101 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's and the Company's financial statements.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.3 Standards, Annual Improvements and Amendments issued but not yet effective

The standards, annual improvements and amendments that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, annual improvements and amendments, if applicable, when they become effective.

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

Unless otherwise described below, these pronouncements are expected to have no significant impact to the financial statements of the Group and of the Company upon their initial application:

(a) MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101 Presentation of Financial Statements.

MFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, where of the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, 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' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

MFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027 and must be applied retrospectively. Earlier application is permitted and must be disclosed.

The Group and the Company are currently assessing the impacts the standards will have on the financial statements and notes to the financial statements.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.4 Subsidiaries and basis of consolidation

(i) Subsidiaries

In the Company's separate financial statements, investment in subsidiary is accounted for at cost less any accumulated impairment losses.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Subsidiaries are consolidated when the Company obtains control over the subsidiaries and ceases when the Company loses control of the subsidiaries.

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method except for two of the Group's subsidiaries as disclosed in Note 18 which were accounted for using the merger method in accordance with Malaysian Accounting Standard 2 - Accounting for Acquisitions and Mergers, which was the generally accepted accounting principle at that time. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

(iii) Transactions with non-controlling interests

Non-controlling interests are presented separately in the statement of comprehensive income of the Group and within equity in the statement of financial position of the Group, separately from parent shareholder's equity.

All total comprehensive income is proportionately allocated to non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

2.5 Property, plant and equipment and depreciation

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Freehold and leasehold quarry land are amortised over a 10 year period upon commencement of its quarrying activities. Other freehold land has an unlimited useful life and therefore is not depreciated. Other long term leasehold land are depreciated over the lease period. Capital work-in-progress is not depreciated until the asset has been completed and is ready for commercial production. Cost of capital work-in-progress includes purchase price, related borrowing cost and directly attributable cost.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.5 Property, plant and equipment and depreciation (cont'd)

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over its estimated useful life as follows:

Long term leasehold land	89 to 99 years
Buildings	10 to 50 years
Pipes, plant and machinery	3 to 40 years
Furniture, fittings and office equipment	3 to 10 years
Electrical installations and renovations	10 years
Motor vehicles	5 to 8 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year that the asset is derecognised.

Leasehold land

Following the adoption of MFRS 16 Leases, the Group had reclassified the carrying amount of long-term leasehold land as right-of-use assets. This is presented within property, plant and equipment line in statement of financial position. See Note 2.9(i) for the accounting policy.

2.6 Investment properties

Investment properties are measured at fair value which reflects market conditions at the reporting date. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

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

2.7 Inventories

(i) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.7 Inventories (cont'd)

(ii) Property development costs

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

(iii) Properties held for sale and others

Cost is determined using the first in, first out method for raw materials and consumables. The cost of raw materials and consumables comprise costs of purchase. The cost for work-in-progress and finished goods are determined using the weighted average basis. The cost of work-in-progress includes all direct expenses and attributable overheads incurred in the blasting and crushing of quarry rocks. The cost of finished goods comprises costs of raw materials, direct labour, other direct costs and appropriate production overheads. The cost of properties held for sale comprises costs of land, construction and appropriate development overheads.

2.8 Construction contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable.

Transaction price comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

The Group's construction contracts contain a penalty clause (i.e. liquidated and ascertained damages) for late delivery when it is probable that the construction contract will not be completed on time, the penalty will be deducted from the contract transaction price.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.9 Leases

As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Long term leasehold land	89 - 99 years
Leasehold land	6 - 30 years

The right-of-use assets are also subject to impairment. The accounting policy for impairment of non-financial assets is set out in Note 2.11.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term, discounted by using the incremental borrowing rate. Lease liabilities are presented within loans and borrowings in the statements of financial position.

(iii) Short-term leases and leases of low-value assets

The Group applies the lease recognition exemption to its short-term leases that have a lease term of 12 months or less and leases of low-value assets. Lease payments on these leases are recognised as expense on straight-line basis over the lease term.

As lessor

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Rental income is recognised on a straight-line basis over the term of the lease.

2.10 Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.11 Impairment of non-financial assets

The carrying amounts of non-financial assets, other than investment properties, construction contract assets, property development costs, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs to.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.11 Impairment of non-financial assets (cont'd)

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. Such reversal is recognised in profit or loss.

2.12 Taxes

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that they have become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and same taxation authority.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.12 Taxes (cont'd)

(iii) Sales and Service Tax ("SST")

When SST is incurred, SST is recognised as part of the expense or cost of acquisition of the asset as SST is not recoverable from the taxation authority.

(iv) Value added tax

Value added tax is the tax liability determined on revenues for the period computed using the applicable tax rate for the year.

2.13 Employee benefits

(i) Short term benefits

Wages, salaries, bonuses, social security contributions and employment insurance system contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Defined contribution plans are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiaries also make contributions to their respective country's statutory pension schemes.

2.14 Revenue from contracts with customers

(a) Revenue from property development

The Group recognises revenue from property development over time if it creates an asset with no alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (e.g. by reference to the property development costs incurred to date as a percentage of the estimated total costs of development of the contract) as described in Note 2.7(ii).

Revenue from sales of completed properties is recognised upon delivery of properties where the control of the completed properties has been transferred to the buyers.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of a specified construction milestones.

The Group accounts for consideration payable to customers as a reduction of the transaction price.

(b) Construction contracts

Revenue from construction contracts is recognised over time as described in Note 2.8.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.14 Revenue from contracts with customers (cont'd)

(c) Sales of goods and services

Revenue is recognised at the point in time when control of the assets is transferred to the buyers, or performance of services.

(d) Sales of land/properties

Revenue from sales of land/properties is recognised at the point in time when the control of the properties is transferred to the buyers without any significant contractual acts to complete.

(e) Income from treated water sold

Water revenue is recognised net of value added taxes and at the point in time when control of the asset is transferred to the customer, generally at the point in time at which the customer consumes the treated water.

2.15 Foreign currencies

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(b) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses of foreign operations in non-hyperinflationary economies are translated at exchange rates at the dates of the transactions. The income and expenses of foreign operations in hyperinflationary economies are translated to RM at exchange rates at the end of the reporting period. Prior to translating the financial statements of foreign operations in hyperinflationary economies, their financial statements for the current period are restated to account for changes in the general purchasing power of the local currency. The restatement is based on changes in the relevant price indices in the period from initial recognition to the end of the reporting period.

The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in profit or loss.

Fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at closing rate at the reporting date.

2.16 Financial assets

The Group's and the Company's financial assets are classified in two categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.16 Financial assets (cont'd)

Financial assets at amortised cost (debt instruments)

The Group's and the Company's financial assets at amortised cost includes cash and bank balances and trade and other receivables.

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

This Group's and the Company's financial assets at fair value through profit or loss includes quoted investments which the Group and the Company have not irrevocably elected to classify at fair value through other comprehensive income ("OCI").

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss.

For trade receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group and the Company consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.17 Financial liabilities

The Group's and the Company's financial liabilities includes loans and borrowings and payables are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is extinguished.

2.18 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 40, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.19 Contingencies

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company.

2.20 Financial guarantee contracts

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

2.21 Fair value measurement

The Group measures financial instruments, such as, derivatives and non-financial assets such as investment properties, at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 37(ii).

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets and liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level inputs that is significant to the fair value measurement is unobservable

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.21 Fair value measurement (cont'd)

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided upon annually. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Investment properties are stated at fair value, which has been determined based on valuations at the reporting date. Valuations are performed by accredited independent valuers with recent experience in the location and category of properties being valued. The valuations are based on the comparison method that makes reference to recent transaction value and income capitalisation method.

2.22 Provisions

Warranty for house buyers

The Company recognises the estimated liability to repair or replace products still under warranty at the end of the reporting period. This provision is calculated based on past history of the level of repairs and replacements.

No provision for warranty is required as at reporting date.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

There were no critical judgements made by management in the process of applying the accounting policies of the Group and of the Company on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for its non-financial assets at each reporting date.

The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As at 31 December 2024, the market capitalisation of the Group was below the book value of its equity, indicating a potential impairment of the assets of the operating segments.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

3.2 Key sources of estimation uncertainty (cont'd)

(i) Impairment of non-financial assets (cont'd)

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on prevailing market value determined by professional valuers or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a Discounted Cash Flows ("DCF") model. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed below.

<u>Quarry segment</u>

The recoverable amount of the property, plant and equipment of DKLS Quarry & Premix (North) Sdn. Bhd. ("DQPNSB") is determined based on a value in use calculation using cash flow projections approved by the Board of Directors covering a 7-year period. The pre-tax discount rate applied to the cash flow projections is 20.0% (2023 : 19.8%). As a result of this analysis, the management did not identify an impairment for this CGU.

The calculation of value in use for DQPNSB is most sensitive to gross margin and discount rate.

Gross margins – Gross margins are based on values achieved in the immediate preceding year of the budget period with adjustments to reflect the increase in operating costs. The gross margins were 29.3% for year 2025 and ranged from 28.3% to 29.3% for the subsequent years for the anticipated increases in operating costs. A decrease in demand can lead to a decline in the gross margin.

A decrease in the gross margin by 16.0% would result in an impairment of approximately RM418,571.

Discount rates – Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of quarry segment and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

A rise in the pre-tax discount rate to 80.5% (i.e., +60.5%) would result in an impairment of approximately RM106,975.

<u>Utilities segment</u>

The recoverable amount of the property, plant and equipment of Savan-DKLS Water Supply Co. Ltd ("SDWS") is determined based on a value in use calculation using cash flow projections approved by senior management covering a 18-year period. The pre-tax discount rate applied to these cash flow projections is 19.5% (2023 : 19.4%). As a result of this analysis, a reversal of impairment loss of RM3,697,677 (2023 : RM5,453,390) was made in the current financial year.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

3.2 Key sources of estimation uncertainty (cont'd)

(i) Impairment of non-financial assets (cont'd)

Utilities segment (cont'd)

The calculation of value in use for SDWS is most sensitive to non-revenue water and discount rate.

Non-revenue water – Non-revenue water ("NRW") is expected to decrease from 31% in financial year 2025 to 28% in financial year 2028 and to remain constant towards the end of the projection period as the older pipes are progressively identified and replaced by the Company and bulk meters are installed to track any leakages and illegal tapping.

An increase in the NRW by 1% would result in an additional impairment loss of approximately RM656,000.

Discount rates – Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of utilities segment and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

A rise in the pre-tax discount rate to 20.6% (i.e., +1.1%) would result in an additional impairment loss of approximately RM1,116,000.

(ii) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' useful lives. Management estimates that the plant and equipment will have useful lives ranging from 3 years to 40 years based on the level of expected usage and expected speed at which the related technology evolves. Management also estimates that the plant and machinery and motor vehicles will have no residual value. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

The carrying amount of these assets at the reporting date is disclosed in Note 14. A 5% difference in the expected useful lives of these assets from management's estimates would result in an approximately 0.81% (2023 : 1.03%) and 0.08% (2023 : 0.01%) variance in the Group's and the Company's profit for the year respectively.

(iii) Investment properties

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. The Group engaged independent valuation specialists to determine the fair value as at 31 December 2024. Fair value of the investment properties were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the properties and income capitalisation method.

The key assumptions used to determine the fair value of the investment properties, are further explained in Note 17.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

3.2 Key sources of estimation uncertainty (cont'd)

(iv) Provision of expected credit losses on trade receivables and contract assets

The Group uses a provision matrix to calculate Expected Credit Losses ("ECLs") for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the construction, quarry and utilities sectors, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of its customers' actual default in the future. The information about the ECLs on the Group's trade receivables are disclosed in Note 38(b).

(v) Construction contracts

The Group recognises contract revenue to the extent of contract costs incurred where it is probable that those costs will be recoverable or based on the stage of completion method. The stage of completion is measured by reference to surveys of work performed.

Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract costs, as well as the recoverability of the contracts. In making the judgement, the Group evaluates by relying on past experience and/or the work of specialists.

If the estimated total contract costs increase/decrease by 10% from management's estimates, the Group's profit before tax will decrease/increase by approximately RM1.6 million (2023 : RM3.0 million) and RM1.9 million (2023 : RM3.7 million) respectively.

(vi) Impairment of investments in subsidiaries

The Company assesses whether there are any indicators of impairment for its investments in subsidiaries at each reporting date.

In assessing whether there is any indication that its investments in subsidiaries may be impaired, the Company considers the external and internal sources of information. The external sources include the market value of the investments, the significant changes in the technological, market, economic or legal environment in which the subsidiaries operate, market interest rates or other market rates of return on investments. The internal sources include corporate plan and evidence of internal reporting of the subsidiaries.

The carrying amounts of the investments in subsidiaries of the Company as at 31 December 2024 was RM238,733,357 (2023 : RM236,733,357).

Based on the Company's impairment review, no impairment loss was recognised (2023 : net reversal of impairment loss of RM6,443,929) in the current financial year for investments in subsidiaries.

4. REVENUE

	For the year ended 31 December 2024					
Segment	Investment RM	Construction RM	Quarry RM	Property development RM	Utilities RM	Total RM
Group						
Type of goods or services						
Construction contracts	–	36,464,112	–	65,607	–	36,529,719
Sale of completed properties	–	–	–	904,764	–	904,764
Sale of development properties	–	–	–	5,923,961	–	5,923,961
Sale of goods and services	6,840	13,676	112,475,378	1,297,161	7,843,462	121,636,517
Sale of land	–	7,818,235	–	–	–	7,818,235
Revenue from contracts with customers	6,840	44,296,023	112,475,378	8,191,493	7,843,462	172,813,196
Rental income from investment properties	6,886,875	–	–	–	–	6,886,875
	6,893,715	44,296,023	112,475,378	8,191,493	7,843,462	179,700,071
Geographical markets						
Malaysia	6,840	36,477,788	112,475,378	8,191,493	–	157,151,499
Lao People's Democratic Republic	–	7,818,235	–	–	7,843,462	15,661,697
	6,840	44,296,023	112,475,378	8,191,493	7,843,462	172,813,196
Timing of transfer of goods or services						
At a point in time	6,840	7,831,911	112,475,378	1,976,764	7,843,462	130,134,355
Over time	–	36,464,112	–	6,214,729	–	42,678,841
	6,840	44,296,023	112,475,378	8,191,493	7,843,462	172,813,196

4. REVENUE (CONT'D)

Segment	Investment RM	Construction RM	Quarry RM	Property development RM	Utilities RM	Others RM	Total RM
	For the year ended 31 December 2023						
Group							
Type of goods or services							
Construction contracts	–	22,888,802	–	–	–	–	22,888,802
Sale of completed properties	–	–	–	1,096,111	–	–	1,096,111
Sale of development properties	–	–	–	20,800,995	–	–	20,800,995
Sale of goods and services	9,940	49,076	104,628,686	–	7,352,157	76,056	112,115,915
Sale of land	–	–	–	620,000	–	–	620,000
Revenue from contracts with customers	9,940	22,937,878	104,628,686	22,517,106	7,352,157	76,056	157,521,823
Rental income from investment properties	6,362,893	–	–	–	–	–	6,362,893
	6,372,833	22,937,878	104,628,686	22,517,106	7,352,157	76,056	163,884,716
Geographical markets							
Malaysia	9,940	22,937,878	104,628,686	22,517,106	–	76,056	150,169,666
Lao People's Democratic Republic	–	–	–	–	7,352,157	–	7,352,157
	9,940	22,937,878	104,628,686	22,517,106	7,352,157	76,056	157,521,823
Timing of transfer of goods or services							
At a point in time	9,940	49,076	104,628,686	1,716,111	7,352,157	76,056	113,832,026
Over time	–	22,888,802	–	20,800,995	–	–	43,689,797
	9,940	22,937,878	104,628,686	22,517,106	7,352,157	76,056	157,521,823

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. REVENUE (CONT'D)

	2024 RM	2023 RM
Company		
Type of goods or services		
Dividend income	2,500,000	3,000,000
Rental income from investment properties	526,600	535,800
	3,026,600	3,535,800

5. OTHER INCOME

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Included in other income are:				
Dividend income from short term investments	291,455	27,229	7,704	1,778
Fair value gain on investment properties	856,163	3,511,944	297,160	192,344
Fair value gain on long/short term investments	2,504,171	2,035,087	75,084	88,485
Final distribution of capital repayment from subsidiary upon winding up	–	–	2,800	–
Gain on disposal of:				
- investment properties	–	656	–	656
- property, plant and equipment	1,101,651	583,742	–	–
Gain on foreign exchange				
- realised	20,299	341,896	–	336,435
- unrealised	–	86,777	–	34,867
Gain on lease modification adjustment	1	5,764	–	–
Hire of motor vehicles	900	–	–	–
Interest income from:				
- accretion of interest	371,993	244,207	–	–
- debts instruments at amortised cost	194,191	424,696	–	–
- discounting on retention sum payable	157,852	166,747	–	–
- short-term money market deposit	640,328	379,150	196	–
- short-term deposits	223,894	318,712	82,625	226,438
- others	133,155	122,854	–	16,521
Inventories – properties held for sale and others written back to net realisable value (Note 16(c))	20,400	–	–	–
Rental income from investment properties	–	11,300	–	–
Rental income from building	150,000	141,369	–	–
Reversal of impairment losses on:				
- investments in subsidiaries	–	–	–	6,444,629
- property, plant and equipment (Note 14)	3,697,677	5,453,390	–	–
- trade and other receivables, net (Note 38(b))	6,551,303	3,260,902	–	–

6. COST OF SALES IN RESPECT OF PROPERTY DEVELOPMENT

	Group	
	2024 RM	2023 RM
Property development costs (Note 16(b))	5,920,762	16,060,198
Cost of completed properties sold	1,004,478	723,027
Costs directly charged out after completion of property	3,478	982
Cost of vacant land sold	–	338,474
Cost of services rendered	220,169	–
	7,148,887	17,122,681

7. DIRECT EXPENSES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Direct operating expenses of investment properties				
- revenue generating during the year	1,920,235	1,999,474	148,915	146,282
- non-revenue generating during the year	54,530	54,522	54,530	54,522
	1,974,765	2,053,996	203,445	200,804
Included in direct expenses are:				
Agent fee	24,754	94,115	–	–
Assessment and quit rent	473,214	472,880	69,982	69,557
Electricity and water charges	451,689	437,979	63,071	60,945
Sewerage charges	105,600	105,600	–	–
Short-term lease expense (Note 30)	31,455	26,770	6,840	5,890
Sundry wages	336,000	346,572	–	–
Upkeep of equipment and machinery	182,593	235,433	3,824	4,755

The direct expenses are in relation to investment properties.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. OTHER EXPENSES

	Group 2024 RM	Group 2023 RM
Included in other expenses are:		
Diesel and lubricant	7,146,998	7,090,815
Earth royalty	1,548,238	1,316,833
Electricity charges	1,962,121	1,860,529
Hire of motor vehicles	43,355	93,276
Hire of plant and machinery	49,214	27,805
Short term lease expenses (Note 30)	7,998	–
Subcontractor wages	13,984,114	13,126,972
Transportation charges	7,042,378	6,100,982

9. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
(a) Staff costs				
Salaries, wages, allowances and overtime	9,901,384	9,660,379	–	–
Contributions to defined contribution plan	969,440	982,354	–	–
Social security contributions	163,186	168,528	–	–
Employment insurance system contributions	13,024	13,273	–	–
Human resource development fund contribution	76,980	75,128	–	–
Total staff costs	11,124,014	10,899,662	–	–

Employee benefits expense for the year of RM2,016,361 (2023 : RM1,148,913) have been capitalised in construction contract costs as disclosed in Note 21.

9. EMPLOYEE BENEFITS EXPENSE (CONT'D)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
(b) Directors' remuneration				
Directors of the Company:*				
Executive:				
Salaries and other emoluments	1,430,940	1,436,533	315,000	280,000
Contributions to defined contribution plan	239,060	251,467	47,915	45,500
Social security contributions	7,543	5,194	2,575	1,482
Employment insurance system contributions	492	238	243	119
Estimated monetary value of benefits-in-kind	30,700	15,200	–	–
	1,708,735	1,708,632	365,733	327,101
Non-executive:				
Fees	222,000	202,750	222,000	202,750
Other emoluments	4,500	4,500	4,500	4,500
	226,500	207,250	226,500	207,250
Director of subsidiary company:				
Fees	–	27,000	–	–
Salaries and other emoluments	828,240	984,093	–	–
Contributions to defined contribution plan	109,052	153,537	–	–
Social security contributions	3,963	3,952	–	–
Employment insurance system contributions	125	238	–	–
Estimated monetary value of benefits-in-kind	4,000	15,300	–	–
	945,380	1,184,120	–	–
Total directors' remuneration	2,880,615	3,100,002	592,233	534,351
Total directors' remuneration excluding benefits-in-kind	2,845,915	3,069,502	592,233	534,351
Total employee benefits expense, excluding benefits-in-kind	13,969,929	13,969,164	592,233	534,351

9. EMPLOYEE BENEFITS EXPENSE (CONT'D)

(b) Directors' remuneration (cont'd)

* The number of directors of the Company whose total remuneration during the year fall within the following bands are as follows:

	Number of directors	
	2024	2023
Executive directors:		
RM200,001 to RM300,000	2	–
RM300,001 to RM400,000	–	1
RM500,001 to RM600,000	1	–
RM600,001 to RM700,000	1	1
RM700,001 to RM800,000	–	1
	4	3
Non-executive directors:		
RM50,000 and below	3	2
RM50,001 to RM100,000	2	2
	5	4

10. ADMINISTRATIVE EXPENSES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Included in administrative expenses are:				
Allowance for impairment losses on:				
- investments in subsidiaries	–	–	–	700
- trade and other receivables (Note 38(b))	2,694,821	186,070	–	11,000
Auditors' remuneration:				
- statutory audit				
- current year	322,253	324,833	85,000	85,000
- prior year	–	(3,138)	–	–
- non-audit fees				
- non-assurance related services	11,000	11,000	–	–
- tax and other non-audit services	5,500	5,500	5,500	5,500
Direct operating expenses of investment properties:				
- non-revenue generating during the year	4,775	4,487	–	–
Fair value loss on investment properties	260,000	–	–	–
Inventories – land held for future development written down to net realisable value (Note 16(a))	4,093,548	–	–	–
Inventories written off	77,913	163,000	–	–
Loss on disposal of property, plant and equipment	–	429	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. ADMINISTRATIVE EXPENSES (CONT'D)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Included in administrative expenses are (cont'd):				
Loss on foreign exchange:				
- realised	17,077	35,827	1	–
- unrealised	167,016	200,057	73,101	–
Low-value assets lease expense (Note 30)	8,715	9,206	–	–
Property, plant and equipment written off	238,966	151,146	–	2,352
Property, plant and equipment expensed off	4,565	–	–	–
Security guard	263,649	269,930	–	–
Short term lease expenses (Note 30)	78,945	85,167	–	–

11. INTEREST EXPENSE

	Group	
	2024 RM	2023 RM
Interest expense on:		
- bank overdrafts	1,009	1,499
- discounting on long term receivables	165,631	1,353,584
- lease liabilities		
- hire purchase	44,514	41,620
- other lease liabilities (Note 30)	34,100	14,638
- unwinding of discount	118,240	55,621
- revolving credits	–	326,215
- term loans	1,105,309	1,346,914
	1,468,803	3,140,091

12. INCOME TAX EXPENSE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Malaysia income tax:				
Current income tax	6,386,467	5,642,020	59,727	511,399
Under/(Over) provision in prior years	95,321	(53,562)	(893)	(100)
Foreign tax:				
Current income tax	531,113	411,824	–	–
	7,012,901	6,000,282	58,834	511,299

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. INCOME TAX EXPENSE (CONT'D)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Deferred tax (Note 23):				
Relating to origination and reversal of temporary differences	(303,367)	743,591	29,716	16,861
(Over)/Under provision in prior years	(3,676,046)	52,905	–	–
	(3,979,413)	796,496	29,716	16,861
Real Property Gains Tax	12,640	3,770	–	2,438
Withholding tax	193,267	43,278	–	–
Income tax expense recognised in profit or loss	3,239,395	6,843,826	88,550	530,598

Current income tax is calculated at the Malaysian corporate statutory tax rate of 24% (2023 : 24%) of the estimate assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group	
	2024 RM	2023 RM
Profit before tax	32,462,060	37,022,132
Taxation at applicable tax rates	7,790,894	8,885,312
Income not subject to tax	(2,342,073)	(3,653,643)
Expenses not deductible for tax purposes	1,438,889	738,987
Expenses for special deduction for tax purposes	(103,357)	(40,348)
Difference in tax rate of foreign subsidiary	(305,762)	(80,523)
Deferred tax on fair value adjustments	27,534	513,297
Deferred tax on undistributed earnings from foreign subsidiary	42,204	17,843
Hyperinflationary adjustment	65,928	–
Real Property Gains Tax	12,640	3,770
Taxable on foreign source income recognised in prior year	–	416,553
Withholding tax	193,267	43,278
Utilisation of previously unrecognised deferred tax assets	(44)	(43)
Under/(Over) provision of current tax in prior years	95,321	(53,562)
(Over)/Under provision of deferred tax in prior years	(3,676,046)	52,905
Income tax expense recognised in profit or loss	3,239,395	6,843,826

12. INCOME TAX EXPENSE (CONT'D)

	Company	
	2024 RM	**2023 RM**
Profit before tax	1,961,212	9,766,358
Taxation at applicable tax rates	470,691	2,343,926
Income not subject to tax	(709,840)	(2,403,448)
Expenses not deductible for tax purposes	298,920	154,411
Deferred tax on fair value adjustment	29,716	16,861
Utilisation of previously unrecognised deferred tax assets	(44)	(43)
Taxable on foreign source income recognised in prior year	–	416,553
Over provision of current tax in prior year	(893)	(100)
Real Property Gains Tax	–	2,438
Income tax expense recognised in profit or loss	88,550	530,598

13. EARNINGS PER SHARE

(a) Basic

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year:

	2024 RM	**2023 RM**
Profit attributable to ordinary equity holders of the Company	27,957,884	28,062,116
Number of ordinary shares in issue	92,699,600	92,699,600

	Sen	**Sen**
Basic earnings per share for the year	30.16	30.27

(b) Diluted

There is no dilutive effect on earnings per share as the Company has no potential issue of ordinary shares.

14. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings* RM	Pipes, plant and machinery and capital work-in-progress** RM	Furniture, fittings and office equipment, electrical installations and renovations*** RM	Motor vehicles RM	Total RM
Group					
At 31 December 2024					
Cost					
At 1 January 2024	33,692,662	88,912,448	5,451,611	14,366,649	142,423,370
Hyperinflationary restatement to 1 January 2024	788,082	30,412,947	362,560	233,972	31,797,561
At 1 January 2024, restated	34,480,744	119,325,395	5,814,171	14,600,621	174,220,931
Additions	–	2,441,646	256,864	819,559	3,518,069
Disposals	(983,601)	(2,601,000)	(44,633)	(1,288,814)	(4,918,048)
Written off	–	(300,000)	(19,888)	–	(319,888)
Transfers	–	(81,323)	81,323	–	–
Expensed off	–	(4,565)	–	–	(4,565)
Exchange adjustments	(181,877)	(4,893,260)	(59,878)	(47,012)	(5,182,027)
Hyperinflationary adjustments	368,887	9,924,583	121,447	95,349	10,510,266
At 31 December 2024	33,684,153	123,811,476	6,149,406	14,179,703	177,824,738
Accumulated depreciation and impairment losses					
At 1 January 2024					
Accumulated depreciation	7,092,440	54,930,909	3,859,650	12,908,674	78,791,673
Accumulated impairment losses	35,213	479,720	–	–	514,933
	7,127,653	55,410,629	3,859,650	12,908,674	79,306,606
Hyperinflationary restatement to 1 January 2024:					
Accumulated depreciation	770,133	13,546,541	323,527	184,142	14,824,343
Accumulated impairment losses	–	17,782,478	–	–	17,782,478
	770,133	31,329,019	323,527	184,142	32,606,821
At 1 January 2024, restated					
Accumulated depreciation	7,862,573	68,477,450	4,183,177	13,092,816	93,616,016
Accumulated impairment losses	35,213	18,262,198	–	–	18,297,411
	7,897,786	86,739,648	4,183,177	13,092,816	111,913,427

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Land and buildings* RM	Pipes, plant and machinery and capital work-in-progress** RM	Furniture, fittings and office equipment, electrical installations and renovations*** RM	Motor vehicles RM	Total RM
Group (cont'd)					
At 31 December 2024 (cont'd)					
Accumulated depreciation and impairment losses (cont'd)					
Charge for the year:					
Recognised in profit or loss	231,118	4,720,363	654,742	429,946	6,036,169
Capitalised in construction contract costs (Note 21)	–	156,221	–	10,511	166,732
	231,118	4,876,584	654,742	440,457	6,202,901
Reversal of impairment loss for the year	–	(3,697,677)	–	–	(3,697,677)
Disposals	(153,528)	(2,601,000)	(43,661)	(1,288,814)	(4,087,003)
Written off	–	(62,000)	(18,922)	–	(80,922)
Exchange adjustments	(178,507)	(3,360,003)	(52,830)	(32,631)	(3,623,971)
Hyperinflationary adjustments	362,050	6,814,809	107,152	66,182	7,350,193
At 31 December 2024	8,158,919	88,710,361	4,829,658	12,278,010	113,976,948
Analysed as:					
Accumulated depreciation	8,123,706	72,901,104	4,829,658	12,278,010	98,132,478
Accumulated impairment losses	35,213	15,809,257	–	–	15,844,470
	8,158,919	88,710,361	4,829,658	12,278,010	113,976,948
Net carrying amount	25,525,234	35,101,115	1,319,748	1,901,693	63,847,790

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Land and buildings* RM	Pipes, plant and machinery and capital work-in-progress** RM	Furniture, fittings and office equipment, electrical installations and renovations*** RM	Motor vehicles RM	Total RM
Group (cont'd)					
At 31 December 2023					
Cost					
At 1 January 2023	34,514,782	93,816,868	5,685,803	14,599,888	148,617,341
Additions	–	1,839,865	125,385	132,871	2,098,121
Disposals	(606,721)	(1,239,001)	(2,000)	(300,690)	(2,148,412)
Written off	–	(1,028,615)	(291,655)	(9,540)	(1,329,810)
Exchange adjustments	(215,399)	(4,476,669)	(65,922)	(55,880)	(4,813,870)
At 31 December 2023	33,692,662	88,912,448	5,451,611	14,366,649	142,423,370
Accumulated depreciation and impairment losses					
At 1 January 2023					
Accumulated depreciation	7,149,768	55,257,523	3,562,262	12,741,846	78,711,399
Accumulated impairment losses	35,213	6,401,455	–	–	6,436,668
	7,184,981	61,658,978	3,562,262	12,741,846	85,148,067
Charge for the year:					
Recognised in profit or loss	252,445	3,504,213	645,692	477,549	4,879,899
Capitalised in construction contract costs (Note 21)	–	191,558	–	31,130	222,688
	252,445	3,695,771	645,692	508,679	5,102,587
Reversal of impairment loss for the year	–	(5,453,390)	–	–	(5,453,390)
Disposals	(98,069)	(1,239,001)	(1,283)	(300,549)	(1,638,902)
Written off	–	(879,824)	(289,300)	(9,540)	(1,178,664)
Exchange adjustments	(211,704)	(2,371,905)	(57,721)	(31,762)	(2,673,092)
At 31 December 2023	7,127,653	55,410,629	3,859,650	12,908,674	79,306,606

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Land and buildings* RM	Pipes, plant and machinery and capital work-in-progress** RM	Furniture, fittings and office equipment, electrical installations and renovations*** RM	Motor vehicles RM	Total RM
Group (cont'd)					
At 31 December 2023 (cont'd)					
Accumulated depreciation and impairment losses (cont'd)					
Analysed as:					
Accumulated depreciation	7,092,440	54,930,909	3,859,650	12,908,674	78,791,673
Accumulated impairment losses	35,213	479,720	–	–	514,933
	7,127,653	55,410,629	3,859,650	12,908,674	79,306,606
Net carrying amount	26,565,009	33,501,819	1,591,961	1,457,975	63,116,764

* **Land and buildings**

	Freehold land RM	Long term leasehold land** RM	Buildings RM	Total RM
Group				
At 31 December 2024				
Cost				
At 1 January 2024	16,666,265	7,991,985	9,034,412	33,692,662
Hyperinflationary restatement to 1 January 2024	–	–	788,082	788,082
At 1 January 2024, restated	16,666,265	7,991,985	9,822,494	34,480,744
Disposals	–	(983,601)	–	(983,601)
Exchange adjustments	–	–	(181,877)	(181,877)
Hyperinflationary adjustments	–	–	368,887	368,887
At 31 December 2024	16,666,265	7,008,384	10,009,504	33,684,153

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

* Land and buildings (cont'd)

	Freehold land RM	Long term leasehold land** RM	Buildings RM	Total RM
Group (cont'd)				
At 31 December 2024 (cont'd)				
Accumulated depreciation and impairment losses				
At 1 January 2024				
Accumulated depreciation	2,287,888	1,270,798	3,533,754	7,092,440
Accumulated impairment losses	35,213	–	–	35,213
	2,323,101	1,270,798	3,533,754	7,127,653
Hyperinflationary restatement to 1 January 2024				
Accumulated depreciation	–	–	770,133	770,133
At 1 January 2024, restated				
Accumulated depreciation	2,287,888	1,270,798	4,303,887	7,862,573
Accumulated impairment losses	35,213	–	–	35,213
	2,323,101	1,270,798	4,303,887	7,897,786
Charge for the year	–	86,069	145,049	231,118
Disposals	–	(153,528)	–	(153,528)
Exchange adjustments	–	–	(178,507)	(178,507)
Hyperinflationary adjustments	–	–	362,050	362,050
At 31 December 2024	2,323,101	1,203,339	4,632,479	8,158,919
Analysed as:				
Accumulated depreciation	2,287,888	1,203,339	4,632,479	8,123,706
Accumulated impairment losses	35,213	–	–	35,213
	2,323,101	1,203,339	4,632,479	8,158,919
Net carrying amount	14,343,164	5,805,045	5,377,025	25,525,234

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

* Land and buildings (cont'd)

	Freehold land RM	Long term leasehold land** RM	Buildings RM	Total RM
Group (cont'd)				
At 31 December 2023				
Cost				
At 1 January 2023	16,666,265	8,519,591	9,328,926	34,514,782
Disposals	–	(527,606)	(79,115)	(606,721)
Exchange adjustments	–	–	(215,399)	(215,399)
At 31 December 2023	16,666,265	7,991,985	9,034,412	33,692,662
Accumulated depreciation and impairment losses				
At 1 January 2023				
Accumulated depreciation	2,287,888	1,251,580	3,610,300	7,149,768
Accumulated impairment losses	35,213	–	–	35,213
	2,323,101	1,251,580	3,610,300	7,184,981
Charge for the year	–	94,985	157,460	252,445
Disposals	–	(75,767)	(22,302)	(98,069)
Exchange adjustments	–	–	(211,704)	(211,704)
At 31 December 2023	2,323,101	1,270,798	3,533,754	7,127,653
Analysed as:				
Accumulated depreciation	2,287,888	1,270,798	3,533,754	7,092,440
Accumulated impairment losses	35,213	–	–	35,213
	2,323,101	1,270,798	3,533,754	7,127,653
Net carrying amount	14,343,164	6,721,187	5,500,658	26,565,009

** Long term leasehold land is a right-of-use asset.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

** Pipes, plant and machinery and capital work-in-progress

	Pipes, plant and machinery RM	Capital work-in-progress RM	Total RM
Group			
At 31 December 2024			
Cost			
At 1 January 2024	87,947,820	964,628	88,912,448
Hyperinflationary restatement to 1 January 2024	29,755,737	657,210	30,412,947
At 1 January 2024, restated	117,703,557	1,621,838	119,325,395
Additions	1,440,095	1,001,551	2,441,646
Disposals	(2,601,000)	–	(2,601,000)
Written off	(300,000)	–	(300,000)
Transfers	596,864	(678,187)	(81,323)
Expensed off	–	(4,565)	(4,565)
Exchange adjustments	(4,775,582)	(117,678)	(4,893,260)
Hyperinflationary adjustments	9,685,906	238,677	9,924,583
At 31 December 2024	121,749,840	2,061,636	123,811,476
Accumulated depreciation and impairment losses			
At 1 January 2024			
Accumulated depreciation	54,930,909	–	54,930,909
Accumulated impairment losses	479,720	–	479,720
	55,410,629	–	55,410,629
Hyperinflationary restatement to 1 January 2024			
Accumulated depreciation	13,546,541	–	13,546,541
Accumulated impairment losses	17,782,478	–	17,782,478
	31,329,019	–	31,329,019
At 1 January 2024, restated			
Accumulated depreciation	68,477,450	–	68,477,450
Accumulated impairment losses	18,262,198	–	18,262,198
	86,739,648	–	86,739,648

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

**** Pipes, plant and machinery and capital work-in-progress (cont'd)**

	Pipes, plant and machinery RM	Capital work-in-progress RM	Total RM
Group (cont'd)			
At 31 December 2024 (cont'd)			
Accumulated depreciation and impairment losses (cont'd)			
Charge for the year:			
Recognised in profit or loss	4,720,363	–	4,720,363
Capitalised in construction costs	156,221	–	156,221
	4,876,584	–	4,876,584
Reversal of impairment loss for the year	(3,697,677)	–	(3,697,677)
Disposals	(2,601,000)	–	(2,601,000)
Written off	(62,000)	–	(62,000)
Exchange adjustments	(3,360,003)	–	(3,360,003)
Hyperinflationary adjustments	6,814,809	–	6,814,809
At 31 December 2024	88,710,361	–	88,710,361
Analysed as:			
Accumulated depreciation	72,901,104	–	72,901,104
Accumulated impairment losses	15,809,257	–	15,809,257
	88,710,361	–	88,710,361
Net carrying amount	33,039,479	2,061,636	35,101,115

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

** Pipes, plant and machinery and capital work-in-progress (cont'd)

	Pipes, plant and machinery RM	Capital work-in-progress RM	Total RM
Group (cont'd)			
At 31 December 2023			
Cost			
At 1 January 2023	92,746,977	1,069,891	93,816,868
Additions	1,702,465	137,400	1,839,865
Disposals	(1,239,001)	–	(1,239,001)
Written off	(1,028,615)	–	(1,028,615)
Transfers	136,850	(136,850)	–
Exchange adjustments	(4,370,856)	(105,813)	(4,476,669)
At 31 December 2023	87,947,820	964,628	88,912,448
Accumulated depreciation and impairment losses			
At 1 January 2023			
Accumulated depreciation	55,257,523	–	55,257,523
Accumulated impairment losses	6,401,455	–	6,401,455
	61,658,978	–	61,658,978
Charge for the year:			
Recognised in profit or loss	3,504,213	–	3,504,213
Capitalised in construction costs	191,558	–	191,558
	3,695,771	–	3,695,771
Reversal of impairment loss for the year	(5,453,390)	–	(5,453,390)
Disposals	(1,239,001)	–	(1,239,001)
Written off	(879,824)	–	(879,824)
Exchange adjustments	(2,371,905)	–	(2,371,905)
At 31 December 2023	55,410,629	–	55,410,629
Analysed as:			
Accumulated depreciation	54,930,909	–	54,930,909
Accumulated impairment losses	479,720	–	479,720
	55,410,629	–	55,410,629
Net carrying amount	32,537,191	964,628	33,501,819

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

*** Furniture, fittings and office equipment, electrical installations and renovations

	Furniture, fittings and office equipment RM	Electrical installations and renovations RM	Total RM
Group			
At 31 December 2024			
Cost			
At 1 January 2024	4,125,759	1,325,852	5,451,611
Hyperinflationary restatement to 1 January 2024	256,070	106,490	362,560
At 1 January 2024, restated	4,381,829	1,432,342	5,814,171
Additions	256,864	–	256,864
Disposals	(44,633)	–	(44,633)
Written off	(13,802)	(6,086)	(19,888)
Transfers	39,501	41,822	81,323
Exchange adjustments	(41,524)	(18,354)	(59,878)
Hyperinflationary adjustments	84,221	37,226	121,447
At 31 December 2024	4,662,456	1,486,950	6,149,406
Accumulated depreciation			
At 1 January 2024	2,844,363	1,015,287	3,859,650
Hyperinflationary restatement to 1 January 2024	217,037	106,490	323,527
At 1 January 2024, restated	3,061,400	1,121,777	4,183,177
Charge for the year	549,837	104,905	654,742
Disposals	(43,661)	–	(43,661)
Written off	(12,836)	(6,086)	(18,922)
Exchange adjustments	(34,476)	(18,354)	(52,830)
Hyperinflationary adjustments	69,926	37,226	107,152
At 31 December 2024	3,590,190	1,239,468	4,829,658
Net carrying amount	1,072,266	247,482	1,319,748

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

*** **Furniture, fittings and office equipment, electrical installations and renovations (cont'd)**

	Furniture, fittings and office equipment RM	Electrical installations and renovations RM	Total RM
Group (cont'd)			
At 31 December 2023			
Cost			
At 1 January 2023	4,329,975	1,355,828	5,685,803
Additions	119,885	5,500	125,385
Disposals	(2,000)	–	(2,000)
Written off	(274,152)	(17,503)	(291,655)
Exchange adjustments	(47,949)	(17,973)	(65,922)
At 31 December 2023	4,125,759	1,325,852	5,451,611
Accumulated depreciation			
At 1 January 2023	2,628,062	934,200	3,562,262
Charge for the year	531,480	114,212	645,692
Disposals	(1,283)	–	(1,283)
Written off	(274,148)	(15,152)	(289,300)
Exchange adjustments	(39,748)	(17,973)	(57,721)
At 31 December 2023	2,844,363	1,015,287	3,859,650
Net carrying amount	1,281,396	310,565	1,591,961

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Building RM	Furniture, fittings and office equipment RM	Electrical installations and renovations RM	Total RM
Company				
At 31 December 2024				
Cost				
At 1 January 2024 and 31 December 2024	731,516	8,719	14,200	754,435
Accumulated depreciation				
At 1 January 2024	201,837	4,360	6,258	212,455
Charge for the year	14,732	872	1,420	17,024
At 31 December 2024	216,569	5,232	7,678	229,479
Net carrying amount	514,947	3,487	6,522	524,956
At 31 December 2023				
Cost				
At 1 January 2023	731,516	14,189	21,530	767,235
Additions	–	–	5,500	5,500
Written off	–	(5,470)	(12,830)	(18,300)
At 31 December 2023	731,516	8,719	14,200	754,435
Accumulated depreciation				
At 1 January 2023	187,105	8,957	15,102	211,164
Charge for the year	14,732	872	1,635	17,239
Written off	–	(5,469)	(10,479)	(15,948)
At 31 December 2023	201,837	4,360	6,258	212,455
Net carrying amount	529,679	4,359	7,942	541,980

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Property, plant and equipment of the Group and of the Company were acquired during the year by means of:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash payments	3,005,569	1,540,121	–	5,500
Hire purchase financing	512,500	558,000	–	–
	3,518,069	2,098,121	–	5,500

(b) Included in the property, plant and equipment of the Group are assets held under hire purchase arrangements as follows:

	At cost RM	Accumulated depreciation RM	Net carrying amount RM	Depreciation charge RM
Group				
2024				
Plant and machinery	1,850,000	519,792	1,330,208	231,251
Motor vehicle	601,559	31,331	570,228	31,331
	2,451,559	551,123	1,900,436	262,582
2023				
Plant and machinery	1,850,000	288,541	1,561,459	186,042

These assets have been charged as security for the related hire purchase liabilities of the Group (Note 28).

(c) Following the application of MFRS 129, the property, plant and equipment of Savan-DKLS Water Supply Co Ltd ("SDWS") was restated at 1 January 2024. The Group performed an assessment of the recoverable amount of the restated property, plant and equipment using the value in use approach, and determined it to be lower than the carrying amount. Accordingly, accumulated impairment losses were restated at 1 January 2024.

During the current financial year, the Group has reassessed the expected recoverable amount of its property, plant and equipment located in Laos and a reversal of impairment loss of RM3,697,677 (2023 : RM5,453,390) was recognised in profit or loss. The recoverable amount was determined based on its value in use and the pre-tax discount rate used was 19.5% (2023 : 19.4%). The net carrying value of the affected property, plant and equipment as at 31 December 2024 of the Group was RM23,210,544 (2023 : RM21,051,425).

(d) The title deeds to certain of the Group's land and building with net carrying amount of RM2,312,322 (2023 : RM3,176,619) have yet to be transferred to the subsidiary concerned.

Included in freehold land of the Group is a freehold land with net carrying amount of RM1 (2023 : RM1) which is a parcel of public burial ground not held under a land title.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15. RIGHT-OF-USE ASSETS

	Group 2024 RM	2023 RM
Cost		
As at 1 January	691,527	109,184
Hyperinflationary restatement to 1 January 2024	34,830	–
At 1 January 2024, restated	726,357	109,184
Additions	–	600,034
Lease modification adjustment	4	(11,467)
Exchange adjustments	(5,363)	(6,224)
Hyperinflationary adjustments	10,877	–
As at 31 December	731,875	691,527
Accumulated depreciation		
As at 1 January	89,839	50,254
Hyperinflationary restatement to 1 January 2024	6,854	–
At 1 January 2024, restated	96,693	50,254
Depreciation expense (Note 30)	103,750	42,444
Lease modification adjustment	1	(1,764)
Exchange adjustments	(1,054)	(1,095)
Hyperinflationary adjustments	2,137	–
As at 31 December	201,527	89,839
Net carrying amount	530,348	601,688

16. INVENTORIES

	Group 2024 RM	2023 RM
Non-current		
At cost:		
Land held for property development	83,678,274	106,074,854
At net realisable value:		
Land held for property development	2,972,060	–
Total land held for property development (Note a)	86,650,334	106,074,854

16. INVENTORIES (CONT'D)

	Group 2024 RM	2023 RM
Current		
At cost:		
Property development costs (Note b)	24,631,167	5,426,580
Properties held for sale and others (Note c)	25,018,918	25,566,767
At net realisable value:		
Properties held for sale and others (Note c)	455,400	435,000
	50,105,485	31,428,347
Total inventories (current and non–current)	136,755,819	137,503,201

The cost of inventories recognised as an expense during the financial year of the Group amounted to RM55,959,515 (2023 : RM57,138,115).

The following inventories have been charged to a bank to partially secure the borrowings.

	Group 2024 RM	2023 RM
Land held for property development	43,552,432	43,552,432
Property development costs	–	153,896
	43,552,432	43,706,328

Included in inventories of the Group are the following land and buildings where their title deeds have yet to be transferred to the subsidiaries concerned.

	Group 2024 RM	2023 RM
In Malaysia:		
Land held for property development	–	199,968
Property development costs	1,230,471	2,679,363
Properties held for sale and others	2,560,000	2,560,000
Outside Malaysia:		
Properties held for sale and others	13,532,098	13,868,406
	17,322,569	19,307,737

16. INVENTORIES (CONT'D)

(a) Land held for property development

	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
Group				
At 31 December 2024				
Cost				
At 1 January 2024	7,033,663	73,866,526	25,174,665	106,074,854
Costs incurred during the year	40	648,311	1,889,142	2,537,493
Write-down during the year	(3,207,043)	–	(886,505)	(4,093,548)
Transferred to property development costs (Note 16(b))	–	(17,185,825)	(682,640)	(17,868,465)
At 31 December 2024	3,826,660	57,329,012	25,494,662	86,650,334
At 31 December 2023				
Cost				
At 1 January 2023	7,098,402	73,753,205	23,829,602	104,681,209
Costs incurred during the year	169,316	113,321	1,717,068	1,999,705
Costs reimbursed during the year	(150,128)	–	(211,200)	(361,328)
Transferred to property development costs (Note 16(b))	(83,927)	–	(160,805)	(244,732)
At 31 December 2023	7,033,663	73,866,526	25,174,665	106,074,854

(i) On 30 December 2009, DKLS Development Sdn. Bhd. ("DKD"), a wholly-owned subsidiary of the Company has entered into a Joint Venture Agreement ("JVA") with West Emerald Isle Sdn Bhd ("Owner") in respect of the development of land held under master title HS(D) 29338 PT 6500 Mukim Sitiawan, Daerah Manjung, Negeri Perak. Pursuant to the JVA, DKD has completed the development over most of the land. The remaining land pending for development by DKD under the JVA is held under 15 subdivided individual titles.

Subsequently, on 12 June 2023, DKD and the Owner entered into a Supplementary Agreement ("SA") to revise, vary and modify the provisions in the JVA. Pursuant to the SA, the Owner agreed to reimburse DKD a sum of RM373,010, representing the pre-development costs incurred under the JVA and appointed DKD as the main contractor to construct 15 units of 2-storey terrace houses on the remaining land at the contract sum of RM5,704,970.

(ii) During the current financial year, the Group recognised a write-down of RM4,093,548 (2023: RMNil) on land held for property development as the carrying value was assessed to be in excess of its realisable value. The net realisable value was determined based on the valuation report from accredited independent external valuers or management's estimations of the property selling prices and construction costs based on their past experience in the specific location and property category.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

16. INVENTORIES (CONT'D)

(b) Property development costs

	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
Group				
At 31 December 2024				
Cumulative property development costs				
At 1 January 2024	7,442,450	5,336,037	47,397,378	60,175,865
Costs incurred during the year	600	1,739,094	6,885,227	8,624,921
Transferred from land held for property development (Note 16(a))	–	17,185,825	682,640	17,868,465
Transferred to inventories	(488,921)	(22,476)	(856,640)	(1,368,037)
Reversal of completed phases	(4,144,402)	(5,313,561)	(47,150,350)	(56,608,313)
At 31 December 2024	2,809,727	18,924,919	6,958,255	28,692,901
Cumulative costs recognised in profit or loss				
At 1 January 2024	(4,115,176)	(5,182,141)	(45,451,968)	(54,749,285)
Recognised during the year (Note 6)	(1,608,482)	(131,420)	(4,180,860)	(5,920,762)
Reversal of completed phases	4,144,402	5,313,561	47,150,350	56,608,313
At 31 December 2024	(1,579,256)	–	(2,482,478)	(4,061,734)
Property development costs at 31 December 2024	1,230,471	18,924,919	4,475,777	24,631,167
At 31 December 2023				
Cumulative property development costs				
At 1 January 2023	6,044,594	5,332,965	39,496,420	50,873,979
Costs incurred during the year	2,727,817	3,072	10,318,720	13,049,609
Transferred from land held for property development (Note 16(a))	83,927	–	160,805	244,732
Reversal of completed phases	(1,413,888)	–	(2,578,567)	(3,992,455)
At 31 December 2023	7,442,450	5,336,037	47,397,378	60,175,865

16. INVENTORIES (CONT'D)

(b) Property development costs (cont'd)

	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
Group (cont'd)				
At 31 December 2023 (cont'd)				
Cumulative costs recognised in profit or loss				
At 1 January 2023	(2,732,569)	(4,392,193)	(35,556,780)	(42,681,542)
Recognised during the year (Note 6)	(2,796,495)	(789,948)	(12,473,755)	(16,060,198)
Reversal of completed phases	1,413,888	–	2,578,567	3,992,455
At 31 December 2023	(4,115,176)	(5,182,141)	(45,451,968)	(54,749,285)
Property development costs at 31 December 2023	3,327,274	153,896	1,945,410	5,426,580

(c) Properties held for sale and others

	Group	
	2024 RM	2023 RM
At cost:		
Consumables	1,462,689	1,492,099
Properties held for sale	19,506,606	19,443,069
Raw materials	2,001,234	2,135,175
Spare parts	737,888	1,151,512
Work-in-progress – quarry products	1,310,501	1,344,912
	25,018,918	25,566,767
At net realisable value:		
Properties held for sale	455,400	435,000
	25,474,318	26,001,767

During the current financial year, the Group carried out a comparison of the carrying amount of its properties held for sale against the net realisable amount. The net realisable amount in respect of the properties held for sale is assessed with reference to market prices at the reporting date for similar property less estimated costs to sell.

Based on the Group's review, the properties held for sale have been written back by RM20,400 (2023 : RMNil) to their net realisable value during the current financial year. The net realisable value of the affected properties held for sale as at 31 December 2024 of the Group was RM455,400 (2023 : RM435,000).

17. INVESTMENT PROPERTIES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At 1 January	128,310,000	124,850,000	40,660,000	40,740,000
Additions	143,837	220,400	2,840	–
Disposals	–	(272,344)	–	(272,344)
Fair value gain, net	596,163	3,511,944	297,160	192,344
At 31 December	129,050,000	128,310,000	40,960,000	40,660,000

Investment properties are stated at fair value, which have been determined based on valuations at the reporting date. Valuations are performed by accredited independent valuers with recent experience in the location and category of properties being valued. The valuations are based on the comparison method and income capitalisation method that makes reference to recent transaction value.

Certain investment properties of the Group with carrying amounts of RM90,700,000 (2023 : RM90,000,000) are mortgaged to secure the Group's term loans (Note 28).

The following investment properties are held under lease terms:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Leasehold land	11,400,000	11,400,000	11,400,000	11,400,000
Buildings	93,400,000	92,700,000	2,700,000	2,700,000
	104,800,000	104,100,000	14,100,000	14,100,000

The title deeds to certain of the Group's leasehold land and building with carrying amounts of RM90,700,000 (2023 : RM90,000,000) have yet to be transferred to a subsidiary pending the approval from the relevant authorities.

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment property are disclosed in Note 37.

Description of valuation technique used and key inputs to valuation of investment properties:

	Valuation technique	Significant unobservable inputs	Range 2024	Range 2023
Office properties	Income capitalisation method	Estimates average rental value per square feet per month	RM5.00 to RM7.50	RM5.00 to RM7.20
		Estimated average outgoing per square feet per month	RM1.20 to RM1.40	RM1.10 to RM1.23
		Market yield rate (current term)	5.50%	5.50%
		Market yield rate (reversionary term)	6.00%	6.00%
Land, apartment, factory buildings	Comparison method	Difference in location, time factor, size, land usage and tenure	-40% to 5%	-40% to 45%

17. INVESTMENT PROPERTIES (CONT'D)

Income capitalisation method

Using the income capitalisation method, fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the assets' lives including an exit or terminal value. As an accepted method within the income approach to valuation, the income capitalisation method involves the projection of series of cash flows for a real property interest. To these projected cash flows series, an appropriate, market-derived discount rate (yield) is applied to establish the present value of the income stream associated with the real property.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related lease up periods, re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. In the case of investment property, periodic cash flow is typically estimated as gross income less vacancy, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Significant increases/(decreases) in estimated net income using an appropriate rate of interest (yield) in isolation would result in a significantly higher/(lower) fair value.

Comparison method

Under the comparison method, a property's fair value is estimated based on comparable transactions. This approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. In theory, the best comparable sale would be an exact duplicate of the subject property and would indicate, by the known selling price of the duplicate, the price for which the subject property could be sold.

Significant increases/(decreases) in estimated price per square feet in isolation would result in a significantly higher/(lower) fair value.

18. INVESTMENTS IN SUBSIDIARIES

	Company	
	2024 RM	2023 RM
Unquoted shares, at cost	238,733,357	236,768,357
Less : Accumulated impairment losses	–	(35,000)
	238,733,357	236,733,357

During the financial year, the Company carried out a review of the net carrying amount against the expected recoverable amount of its investments in certain subsidiaries. The recoverable amount was estimated based on the fair value less costs to sell or value in use.

18. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Investment segment

The fair value less costs to sell was determined based on the adjusted net assets of the subsidiaries. Considering one of the subsidiaries' classified under the investment segment's main underlying assets comprise the investment property, the Company has engaged an independent valuer to determine the fair value of the investment property by using the income capitalisation method which is calculated by estimating the future cash inflows and outflows that will be derived from the property rental operations of this subsidiary, and discounting them at an appropriate rate. Accordingly, no impairment loss (2023 : reversal of RM969,929) was recognised in the financial statements.

The key assumptions used in the income capitalisation method calculations are presented below:

(i) Estimated average rental value per square feet per month of RM5.00 to RM7.50 (2023 : RM5.00 to RM7.20)

(ii) Estimated average outgoing per square feet per month of RM1.20 to RM1.40 (2023 : RM1.10 to RM1.23)

(iii) Market yield rate (current term) of 5.50% (2023 : 5.50%)

(iv) Market yield rate (reversionary term) of 6.00% (2023 : 6.00%)

The management believes that any reasonably possible change in any of the above key assumptions would result in an increase/a decrease in its recoverable amount. If the estimated average rental value per square feet per month decreases by 1% and all other variables were held constant, this would result in an impairment loss of approximately RM689,000. If the estimated average outgoing per square feet per month increases by 1% and all other variables were held constant, this would result in an impairment loss of approximately RM184,000. If the market yield rate (current term) increases by 1% and all other variables were held constant, this would result in an impairment loss of approximately RM49,000. If the market yield rate (reversionary term) increases by 1% and all other variables were held constant, this would result in an impairment loss of approximately RM12,759,000.

Utilities segment

The Company has reassessed the expected recoverable amount of its investment in subsidiary and no impairment loss (2023 : reversal of impairment loss of RM5,474,000) was recognised in profit or loss. The recoverable amount was determined based on its value in use and the pre-tax discount rate used was 18.3% (2023 : 18.4%).

The key assumptions used in the value in use method calculations are presented below:

(i) Non-revenue water ("NRW") ranging from 28% to 31%

(ii) Discount rate (pre-tax) of 18.3%

The management believes that any reasonably possible change in any of the above key assumptions would result in an increase/a decrease in its recoverable amount. An increase in the NRW by 8.0% would result in an impairment of approximately RM150,000. A rise in the pre-tax discount rate to 23.6% (i.e. +5.3%) would result in an impairment loss of RM358,000.

18. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	% of ownership interest held by the Group* 2024	2023	Principal activities
DKLS Construction Sdn. Bhd.	Malaysia	100%	100%	Building and general contractors and sale of materials
DKLS Quarry & Premix Sdn. Bhd.	Malaysia	100%	100%	Quarry master and sale of related products
DKLS Signaturehomes Sdn. Bhd.	Malaysia	100%	100%	Construction and development of properties
DKLS Development Sdn. Bhd.	Malaysia	100%	100%	Construction and development of properties
DKLS Marketing Sdn. Bhd.	Malaysia	100%	100%	Trading of construction materials, hardware, kitchen and sanitary wares
DKLS Premierhome Sdn Bhd	Malaysia	100%	100%	Construction and development of properties
DKLS Equity Sdn Bhd	Malaysia	100%	100%	Investment holding
DKLS Clearwater Sdn. Bhd.	Malaysia	100%	100%	Investment holding
DKLS Quarry & Premix (North) Sdn. Bhd.	Malaysia	100%	100%	Quarry master and sale of related products
DKLS Highlands Sdn. Bhd.	Malaysia	–	100%	Investment holding
Held by DKLS Clearwater Sdn. Bhd.				
Savan-DKLS Water Supply Co Ltd **	Lao People's Democratic Republic	70%	70%	Supply, operation and maintenance of water treatment plant

* Equals to the proportion of voting rights held.

** Audited by Ernst & Young Lao Limited.

All the above subsidiaries were consolidated using the acquisition method except for DKLS Construction Sdn. Bhd. and DKLS Quarry & Premix Sdn. Bhd. which were accounted for using the merger method (Note 2.4(ii)).

(a) On 18 April 2024, the Company has subscribed for 2,000,000 ordinary shares at an issue price of RM1.00 each in DKLS Equity Sdn Bhd for a cash consideration of RM2,000,000.

(b) On 22 August 2024, DKLS Highlands Sdn. Bhd., a wholly-owned subsidiary of the Company has completed the voluntary winding up process.

18. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) Summarised financial information of Savan-DKLS Water Supply Co Ltd which has non-controlling interests is set out below. The summarised financial information presented below is the amount before inter-company elimination.

(i) Summarised statement of financial position

	Savan-DKLS Water Supply Co Ltd 2024 RM	2023 RM
% of ownership interest held by non-controlling interests*	30%	30%
Non-current assets	23,293,187	18,861,766
Current assets	5,638,081	3,666,215
Total assets	28,931,268	22,527,981
Non-current liabilities	7,068,197	6,259,327
Current liabilities	1,149,443	1,120,369
Total liabilities	8,217,640	7,379,696
Net assets	20,713,628	15,148,285
Equity attributable to:		
Owners of the Company	14,499,539	10,603,799
Non-controlling interests	6,214,089	4,544,486
	20,713,628	15,148,285

* Equals to the proportion of voting rights held.

(ii) Summarised statement of comprehensive income

	Savan-DKLS Water Supply Co Ltd 2024 RM	2023 RM
Revenue	7,843,462	7,352,157
Profit for the year	4,124,657	5,090,225
Dividend for the year	919,417	1,091,275
Profit attributable to:		
Owners of the Company	2,887,260	3,563,158
Non-controlling interests	1,237,397	1,527,067
	4,124,657	5,090,225

18. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) (ii) Summarised statement of comprehensive income (cont'd)

	Savan-DKLS Water Supply Co Ltd 2024 RM	2023 RM
Other comprehensive income attributable to:		
Owners of the Company	516,233	(1,211,836)
Non-controlling interests	221,243	(519,358)
	737,476	(1,731,194)
Total comprehensive income attributable to:		
Owners of the Company	3,403,493	2,351,322
Non-controlling interests	1,458,640	1,007,709
	4,862,133	3,359,031
Dividend paid to non-controlling interests	275,825	327,382

(iii) Summarised statement of cash flows

	Savan-DKLS Water Supply Co Ltd 2024 RM	2023 RM
Net cash from/(used in):		
Operating activities	3,719,631	3,019,037
Investing activities	(1,839,326)	(1,170,927)
Financing activities	(922,386)	(1,494,176)
Net increase in cash and cash equivalents	957,919	353,934
Effects of exchange rate differences	(73,302)	(164,857)
Cash and cash equivalents at:		
Beginning of the year	856,504	667,427
End of the year	1,741,121	856,504

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19. LONG TERM/SHORT TERM INVESTMENTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-current				
At fair value through profit or loss:				
Quoted in Malaysia				
- Equity instruments	28,754	30,061	–	–
Current				
At fair value through profit or loss:				
Quoted in Malaysia				
- Unit Trust Fund	83,265,469	65,920,590	1,022,548	4,521,609

20. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-current				
Other receivables				
Third party	634,369	1,858,045	–	–
Current				
Trade receivables				
Third parties	28,017,429	29,879,732	–	–
Progress billings receivables	24,083,605	26,551,692	–	–
Retention sum on contracts (Note 21)	3,109,184	2,888,281	–	–
	55,210,218	59,319,705	–	–
Less: Allowance for impairment	(13,771,318)	(17,746,711)	–	–
Trade receivables, net	41,438,900	41,572,994	–	–
Other receivables				
Third parties	2,528,917	637,847	–	–
Deposits	1,483,586	1,187,334	31,290	31,290
Value added tax deductible	–	1,590	–	–
Others	110,887	112,572	43,063	39,150
	4,123,390	1,939,343	74,353	70,440
Trade and other receivables (current)	45,562,290	43,512,337	74,353	70,440

20. TRADE AND OTHER RECEIVABLES (CONT'D)

	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Total trade and other receivables (current and non-current)	46,196,659	45,370,382	74,353	70,440
Less: Value added tax deductible	–	(1,590)	–	–
	46,196,659	45,368,792	74,353	70,440
Add: Cash and bank balances (Note 24)	52,838,115	36,261,256	2,252,484	2,178,074
Total financial assets carried at amortised cost	99,034,774	81,630,048	2,326,837	2,248,514

Trade and other receivables at the reporting date are denominated in the following currencies:

	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Ringgit Malaysia	39,986,302	43,086,989	31,290	31,290
Lao Kip	806,219	983,562	2,185	2,292
United States Dollar	5,404,138	1,299,831	40,878	36,858
	46,196,659	45,370,382	74,353	70,440

(a) Other receivables (non-current)

The amount in the current financial year represents performance deposits given on contract. This amount shall be repaid within 4 years. The amount has been remeasured at fair value at an effective interest rate of 8.15% per annum and the difference between the fair value and the carrying amount of RM165,631 (2023 : RMNil) is recognised in profit or loss. Subsequent to initial recognition, the amount is measured at amortised cost.

The amount in the previous financial year comprise performance deposits given on a contract. This amount was measured at amortised cost with an effective interest rate of 7.64% per annum and has been reclassified to other receivables (current) in the current financial year.

(b) Trade receivables (current)

Trade receivables are generally non-interest bearing and on cash to 90-day (2023 : cash to 90-day) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Trade receivables are to be settled in cash on due dates except for progress billing receivables amounting to RMNil (2023 : RM1,262,973) which are to be settled via in-kind payments.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

20. TRADE AND OTHER RECEIVABLES (CONT'D)

(b) Trade receivables (current) (cont'd)

Included in trade receivables are amount of RM2,219,719 (2023: RMNil) retained by stakeholders that are due upon expiry of retention periods ranging from 8 to 24 months as stipulated in the sale and purchase agreement.

(c) Other receivables (current)

Deposits

Included in deposits of the Group are security deposits and advances amounting to RMNil (2023 : RM50,000) for the development project. These amounts were unsecured, non-interest bearing and has been settled during the year.

21. DUE FROM/(TO) CUSTOMERS ON CONTRACTS

	Group 2024 RM	Group 2023 RM
Construction contract costs incurred to date	56,435,882	61,325,240
Attributable profits	7,613,399	8,200,831
	64,049,281	69,526,071
Less: Progress billings	(64,705,059)	(66,440,750)
	(655,778)	3,085,321
Represented by:		
Contract assets (Note 22)	1,317,140	3,370,773
Contract liabilities (Note 32)	(1,972,918)	(285,452)
	(655,778)	3,085,321
Retention sum on contracts, included within trade receivables (Note 20)	3,109,184	2,888,281

The costs incurred to date on construction contracts include the following charges made during the financial year:

	Group 2024 RM	Group 2023 RM
Depreciation – property, plant and equipment (Note 14)	166,732	222,688
Hire of machinery and equipment	1,970	–
Short-term lease expense (Note 30)	42,155	159,085
Employee benefits expense (Note 9)	2,016,361	1,148,913

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. DUE FROM/(TO) CUSTOMERS ON CONTRACTS (CONT'D)

The costs incurred to date on construction contracts include the following charges made during the financial year: (cont'd)

	Group 2024 RM	Group 2023 RM
Employee benefits expense comprise:		
Salaries, wages, allowances and overtime	1,848,893	1,052,906
Contributions to defined contribution plans	135,430	77,589
Social security contributions	19,320	10,923
Employment insurance system contributions	2,106	1,113
Human resource development fund contributions	10,612	6,382
	2,016,361	1,148,913

22. OTHER ASSETS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-current				
Prepayments	25,056	–	–	–
Current				
Contract assets in respect of property development costs	–	17,395,021	–	–
Contract assets in respect of construction contracts (Note 21)	1,317,140	3,370,773	–	–
Deferred expenses	–	16,463	–	–
Deposits	1,340,000	1,350,000	–	–
Prepayments	1,556,264	1,930,093	1,170	1,793
	4,213,404	24,062,350	1,170	1,793
Other assets (current and non–current)	4,238,460	24,062,350	1,170	1,793

The transaction price allocated to the unsatisfied performance obligations for property development contracts as at 31 December 2024 is RM1,252,573 (2023 : RM5,458,551). The remaining performance obligations are expected to be recognised within one to two years. The contract assets in respect of property development costs as at 1 January 2023 was RM11,410,248.

The transaction price allocated to the unsatisfied performance obligations for construction contracts as at 31 December 2024 is RM52,757,400 (2023 : RM62,531,717). The remaining performance obligations are expected to be recognised within one to two years. The contract assets in respect of construction contracts as at 1 January 2023 was RM1,828,127.

The management monitors the movement of the contracts assets balance and there is no balance which is assessed as past due or is to be impaired.

23. DEFERRED TAX (ASSETS)/LIABILITIES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At 1 January	1,021,351	224,855	1,003,718	986,857
Hyperinflationary restatement to 1 January 2024	(161,852)	–	–	–
At 1 January 2024, restated	859,499	224,855	1,003,718	986,857
Recognised in profit or loss (Note 12)	(3,979,413)	796,496	29,716	16,861
Exchange adjustments	(22,381)	–	–	–
Hyperinflationary adjustments	632,014	–	–	–
At 31 December	(2,510,281)	1,021,351	1,033,434	1,003,718
Subject to income tax:				
Deferred tax assets	(8,983,407)	(4,879,271)	–	–
Deferred tax liabilities	5,135,623	4,567,835	–	–
	(3,847,784)	(311,436)	–	–
Subject to capital gain tax:				
Deferred tax liabilities	1,337,503	1,332,787	1,033,434	1,003,718
	(2,510,281)	1,021,351	1,033,434	1,003,718

The components and movements of deferred tax assets and liabilities during the current financial year prior to offsetting are as follows:

Deferred tax assets of the Group:

	Unutilised tax losses RM	Unabsorbed capital allowances RM	Others RM	Total RM
At 1 January 2024	–	(46,942)	(4,142,937)	(4,189,879)
Hyperinflationary restatement to 1 January 2024	–	–	(161,852)	(161,852)
At 1 January 2024, restated	–	(46,942)	(4,304,789)	(4,351,731)
Recognised in profit or loss	(374,343)	42,779	(3,648,805)	(3,980,369)
Exchange adjustments	–	–	(22,381)	(22,381)
Hyperinflationary adjustments	–	–	632,014	632,014
At 31 December 2024	(374,343)	(4,163)	(7,343,961)	(7,722,467)
At 1 January 2023	(359,527)	–	(4,653,275)	(5,012,802)
Recognised in profit or loss	359,527	(46,942)	510,338	822,923
At 31 December 2023	–	(46,942)	(4,142,937)	(4,189,879)

23. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)

Deferred tax liabilities of the Group:

	Property, plant and equipment RM	Investment properties RM	Total RM
At 1 January 2024	2,089,040	3,122,190	5,211,230
Recognised in profit or loss	(9,770)	10,726	956
At 31 December 2024	2,079,270	3,132,916	5,212,186
At 1 January 2023	2,154,417	3,083,240	5,237,657
Recognised in profit or loss	(65,377)	38,950	(26,427)
At 31 December 2023	2,089,040	3,122,190	5,211,230

Deferred tax liabilities of the Company:

	Investment properties	
	2024 RM	2023 RM
At 1 January	1,003,718	986,857
Recognised in profit or loss	29,716	16,861
At 31 December	1,033,434	1,003,718

Deferred tax asset has not been recognised in respect of the following item:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Deductible temporary differences:				
Unabsorbed capital allowances	(11,761)	(11,944)	(11,761)	(11,944)
Potential deferred tax benefits at 24%	(2,823)	(2,867)	(2,823)	(2,867)

Deferred tax asset has not been recognised in respect of this item as it may not be probable that future taxable profits will be available against which the asset can be utilised.

The Malaysia Finance Bill 2021 gazetted on 31 December 2021 stated that the time frame to carry forward unutilised tax losses for year of assessment 2019 and subsequent years of assessment be extended from seven to ten consecutive years of assessment. Unutilised tax losses accumulated up to year of assessment 2018 can now be carried forward for ten consecutive years of assessment until year of assessment 2028.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)

The above unutilised tax losses for the Group will expire by the end of the following year of assessment:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unutilised tax losses:				
2034	1,559,760	–	–	–

24. CASH AND BANK BALANCES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	26,549,110	21,546,885	144,630	77,491
Deposits with licensed banks	26,289,005	14,714,371	2,107,854	2,100,583
	52,838,115	36,261,256	2,252,484	2,178,074

Cash and bank balances at the reporting date are denominated in the following currencies:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Lao Kip	4,953,642	2,807,688	290,746	305,466
Ringgit Malaysia	44,351,074	30,390,433	105,845	36,954
Thai Baht	81,343	174,600	–	–
United States Dollar	3,452,056	2,888,535	1,855,893	1,835,654
	52,838,115	36,261,256	2,252,484	2,178,074

Included in the Group's cash and bank balances are:

(i) amounts totalling RM5,153,698 (2023 : RM2,270,581) in current accounts which earn interest at floating rates based on daily bank deposit rates.

(ii) amounts totalling RM813,669 (2023 : RM9,633,643) held in Housing Development Accounts pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 which are restricted from use in other operations.

The deposits with licensed banks of the Group and of the Company represent deposits with maturity periods of 1 day to 365 days (2023 : 1 day to 365 days) and 90 days to 365 days (2023 : 90 days to 365 days) respectively and earn interests at the rates of 1.50% - 11.55% (2023 : 0.25% - 5.80%) and 3.20% - 4.10% (2023 : 3.16% - 3.75%) per annum respectively.

Included in the deposits with licensed banks of the Group and of the Company are deposits with maturity period of more than three months amounting to RM5,257,661 (2023 : RM3,915,476) and RM1,828,686 (2023 : RM1,807,682) respectively, out of which an amount of RMNil (2023 : RM1,907,682) and RMNil (2023 : RM1,807,682) respectively has been pledged as securities for banking facilities granted to subsidiaries.

25. SHARE CAPITAL

	Number of ordinary shares 2024	Number of ordinary shares 2023	Amount 2024 RM	Amount 2023 RM
Issued and fully paid, at no par value:				
At 1 January and 31 December	92,699,600	92,699,600	101,883,643	101,883,643

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

26. RETAINED PROFITS

The Company is able to distribute dividends out of its entire retained profits as at 31 December 2024 and 31 December 2023 under the single tier system.

27. RESERVES

	Foreign currency translation reserve RM	Asset revaluation reserve RM	Charter capital reserve RM	Other reserve RM	Total RM
Group					
At 31 December 2024					
At 1 January 2024	(20,388,182)	2,058,238	3,026,004	(426,447)	(15,730,387)
Hyperinflationary restatement to 1 January 2024	–	–	1,174,714	–	1,174,714
At 1 January 2024, restated	(20,388,182)	2,058,238	4,200,718	(426,447)	(14,555,673)
Other comprehensive income:					
Foreign currency translation - subsidiary	(1,765,887)	–	–	–	(1,765,887)
Hyperinflationary adjustments	–	–	609,969	–	609,969
Less: Non-controlling interests	386,329	–	(182,991)	–	203,338
At 31 December 2024	(21,767,740)	2,058,238	4,627,696	(426,447)	(15,508,253)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

27. RESERVES (CONT'D)

	Foreign currency translation reserve RM	Asset revaluation reserve RM	Charter capital reserve RM	Other reserve RM	Total RM
Group (cont'd)					
At 31 December 2023					
At 1 January 2023	(18,327,766)	2,058,238	3,026,004	(426,447)	(13,669,971)
Other comprehensive income:					
Foreign currency translation - subsidiary	(2,579,774)	–	–	–	(2,579,774)
Less: Non-controlling interests	519,358	–	–	–	519,358
At 31 December 2023	(20,388,182)	2,058,238	3,026,004	(426,447)	(15,730,387)
Company					
At 31 December 2024					
At 1 January 2024 and 31 December 2024	–	900,716	–	–	900,716
At 31 December 2023					
At 1 January 2023 and 31 December 2023	–	900,716	–	–	900,716

(a) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in a foreign operation.

(b) Asset revaluation reserve

The asset revaluation reserve represents the difference between the carrying amount of a property previously held as 'property, plant and equipment' and its fair value at the date of transfer to 'investment properties'.

(c) Charter capital reserve

Charter capital reserve represents the amount of capital contribution in kind in excess of charter capital committed by the non-controlling interests of one of the subsidiaries.

(d) Other reserve

Other reserve represents premium arising from the acquisition of the two subsidiaries which were accounted for using the merger method as detailed in Note 2.4(ii).

28. LOANS AND BORROWINGS

	Maturity	Group 2024 RM	Group 2023 RM
Non-current			
Secured:			
Lease liabilities:			
- Hire purchase liabilities (Note 29)	2026	176,147	402,768
Term loan	2026 – 2028	13,583,285	18,583,289
		13,759,432	18,986,057
Unsecured:			
Lease liabilities:			
- Other lease liabilities (Note 30)	2026 – 2046	423,820	521,228
Total loans and borrowings (non-current)		14,183,252	19,507,285
Current			
Secured:			
Lease liabilities:			
- Hire purchase liabilities (Note 29)	2025	657,296	654,536
Term loan	2025	5,000,004	5,000,004
		5,657,300	5,654,540
Unsecured:			
Bank overdraft	On demand	186,483	–
Lease liabilities:			
- Other lease liabilities (Note 30)	2025	94,911	90,028
		281,394	90,028
Total loans and borrowings (current)		5,938,694	5,744,568
Total loans and borrowings			
Bank overdrafts		186,483	–
Lease liabilities:			
- Hire purchase liabilities (Note 29)		833,443	1,057,304
- Other lease liabilities (Note 30)		518,731	611,256
Term loan		18,583,289	23,583,293
Total loans and borrowings		20,121,946	25,251,853

28. LOANS AND BORROWINGS (CONT'D)

The remaining maturities of the loans and borrowings as at 31 December 2024 are as follows:

	Group	
	2024 RM	2023 RM
On demand or within 1 year	5,938,694	5,744,568
More than 1 year and less than 2 years	5,276,257	5,497,728
More than 2 years and less than 5 years	8,876,967	13,900,189
5 years or more	30,028	109,368
	20,121,946	25,251,853

Loans and borrowings at the reporting date are denominated in the following currencies:

	Group	
	2024 RM	2023 RM
Ringgit Malaysia	20,091,884	25,218,728
Lao Kip	30,062	33,125
	20,121,946	25,251,853

Hire purchase liabilities

These obligations are secured by a charge over the hire purchase assets (Note 14(b)). The discount rates implicit in the hire purchase range from 2.43% - 2.60% (2023 : 2.60%) per annum.

Bank overdrafts

The unsecured bank overdraft bear interest rate at 8.09% per annum and was supported by way of a negative pledge and corporate guarantee given by the holding company.

Term loan

Term loan is secured by a charge over investment properties (Note 17) of the Group. The term loan bears interest rates ranging from 5.26% to 5.34% (2023 : 4.74% to 5.34%) per annum.

29. HIRE PURCHASE LIABILITIES

	Group	
	2024 RM	2023 RM
Future minimum payments:		
Payable within 1 year	679,007	691,578
Payable between 1 and 2 years	179,135	410,032
	858,142	1,101,610
Less: Finance charges	(24,699)	(44,306)
	833,443	1,057,304

29. HIRE PURCHASE LIABILITIES (CONT'D)

	Group	
	2024 RM	2023 RM
Representing hire purchase liabilities:		
Due within 12 months (Note 28)	657,296	654,536
Due after 12 months (Note 28)	176,147	402,768
	833,443	1,057,304

30. OTHER LEASE LIABILITIES

As lessee

The Group has lease contracts for leasehold land with lease terms of 6 to 30 years.

The Group and the Company also have certain leases with lease terms of 12 months or less and leases of office equipment of low value. The Group and the Company apply the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

	Group	
	2024 RM	2023 RM
As at 1 January	611,256	70,983
Additions	–	600,034
Lease interest (Note 11)	34,100	14,638
Lease payment	(123,969)	(52,436)
Lease modification adjustment	2	(15,467)
Exchange adjustments	(2,544)	(6,496)
Hyperinflationary adjustments	(114)	–
As at 31 December	518,731	611,256
Representing lease liabilities:		
Due within 12 months (Note 28)	94,911	90,028
Due after 12 months (Note 28)	423,820	521,228
	518,731	611,256

30. OTHER LEASE LIABILITIES (CONT'D)

As lessee (cont'd)

The following are the amounts recognised in profit or loss:

	Group		Company	
	2024 RM	**2023 RM**	**2024 RM**	**2023 RM**
Depreciation expense of right-of-use assets (Note 15)	103,750	42,444	–	–
Interest expense on lease liabilities (Note 11)	34,100	14,638	–	–
Expense relating to short-term lease expense:				
- included in direct expenses (Note 7)	31,455	26,770	6,840	5,890
- included in other expenses (Note 8)	7,998	–	–	–
- included in administrative expenses (Note 10)	78,945	85,167	–	–
- included in construction contract costs (Note 21)	42,155	159,085	–	–
Expense relating to lease of low-value assets included in administrative expenses (Note 10)	8,715	9,206	–	–
The amount recognised in profit or loss	307,118	337,310	6,840	5,890

The Group and the Company had total cash outflow of leases of RM293,237 (2023 : RM332,664) and RM6,840 (2023 : RM5,890) respectively.

31. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 RM	**2023 RM**	**2024 RM**	**2023 RM**
Non-current				
Other payables				
Other commitments	388,967	506,174	–	–
Current				
Trade payables				
Third parties	14,330,171	15,128,387	–	–
Related parties	380	3,416	–	–
	14,330,551	15,131,803	–	–

31. TRADE AND OTHER PAYABLES (CONT'D)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current (cont'd)				
Other payables				
Third parties	507,824	555,500	33,600	31,800
Related party	4,611	4,996	4,508	4,996
Accruals	3,862,699	7,391,560	63,137	61,181
Deposits	2,870,368	3,004,274	92,250	92,750
Value added tax payables	34,771	–	–	–
Other payables	27,000	30,634	–	–
Other commitments	528,007	524,893	–	–
	7,835,280	11,511,857	193,495	190,727
Total trade and other payables (current)	22,165,831	26,643,660	193,495	190,727
Total trade and other payables (current and non-current)	22,554,798	27,149,834	193,495	190,727
Less: Value added tax payables	(34,771)	–	–	–
Accrued land owners entitlement (Note (c))	–	(224,891)	–	–
Other commitments (Note (a))	(916,974)	(1,031,067)	–	–
	21,603,053	25,893,876	193,495	190,727
Add: Loans and borrowings (Note 28)	20,121,946	25,251,853	–	–
Total financial liabilities carried at amortised cost	41,724,999	51,145,729	193,495	190,727

Trade and other payables at the reporting date are denominated in the following currencies:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	17,830,680	25,173,989	193,495	190,727
Lao Kip	1,788,036	1,975,845	–	–
United States Dollar	2,936,082	–	–	–
	22,554,798	27,149,834	193,495	190,727

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31. TRADE AND OTHER PAYABLES (CONT'D)

(a) Other commitments (non-current and current)

On 27 August 2013, Savan-DKLS Water Supply Co Ltd ("SDWS"), a 70% owned subsidiary of DKLS Clearwater Sdn. Bhd., had agreed to repay the Asian Development Bank ("ADB") loans which had been deployed by Nam Pa Pa Savannakhet ("NPPS"), the non-controlling interests of SDWS, for its water supply projects at Outhoumphone and Songkhone districts, as part of the mutual understanding between SDWS and NPPS.

	Group	
	2024 RM	2023 RM
Non-current		
Outhoumphone loan	53,768	92,370
Songkhone loan	335,199	413,804
	388,967	506,174
Current		
Outhoumphone loan	31,508	37,821
Songkhone loan	496,499	487,072
	528,007	524,893
Total other commitments (current and non-current)	916,974	1,031,067

(b) Trade payables (current)

Third parties

These amounts are non-interest bearing. Trade payables are normally settled on 7 to 90-day (2023 : 7 to 90-day) terms.

The amounts due to third parties include retention sum on contracts of RM3,252,918 (2023 : RM2,169,552). These amounts shall be paid within 5 years. These amounts are measured at amortised cost at an effective interest rate of 5.45% (2023: 5.45%) per annum.

Related parties

The amounts due to related parties are non-interest bearing and with credit terms of 30 days (2023 : 30 days). These amounts are unsecured and to be settled in cash on due date.

Further details on related party transactions are disclosed in Note 36.

(c) Accruals (current)

Included in the accruals are land owners entitlement of RMNil (2023 : RM224,891) for development project which will be payable by way of consideration in kind to the land owners.

32. OTHER CURRENT LIABILITIES

	Group	
	2024 RM	2023 RM
Contract liabilities in respect of property development costs	303,579	263,342
Contract liabilities in respect of construction contracts (Note 21)	1,972,918	285,452
Advance rental received	197,501	1,780
Deferred income	294,419	–
	2,768,417	550,574

The contract liabilities in respect of property development costs and construction contracts as at 1 January 2023 were RM1,389,044 and RM881,675 respectively.

The contract liabilities at the beginning of the year of RM548,794 (2023 : RM2,270,719) has been recognised as revenue during the year.

33. DIVIDEND

	Dividend in respect of year		Dividend recognised in year	
	2024 RM	2023 RM	2024 RM	2023 RM
Company				
Recognised during the year:				
First and final single tier dividend for 2023 at 3 sen (2022 : at 3 sen) per share on 92,699,600 ordinary shares	–	–	2,780,988	2,780,988

At the forthcoming Annual General Meeting, a first and final single tier dividend in respect of the financial year ended 31 December 2024, of 3 sen per share on 92,699,600 ordinary shares, amounting to a total dividend payable of RM2,780,988 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2025.

34. COMMITMENTS

(a) Capital commitments

Approved capital expenditures as at the reporting date are as follows:

	Group	
	2024 RM	2023 RM
Approved and contracted for:		
Property, plant and equipment	1,432,700	2,399,243

34. COMMITMENTS (CONT'D)

(b) Operating lease commitments – as lessor

The Group has entered into commercial property leases on their investment properties. These non-cancellable leases have remaining lease terms of between one and three years.

Future minimum rentals receivable under non-cancellable operating leases at the reporting date are as follows:

	Group	
	2024 RM	2023 RM
Not later than 1 year	4,260,311	4,762,996
Later than 1 year but not later than 5 years	1,653,031	1,917,095
	5,913,342	6,680,091

35. CONTINGENT LIABILITIES (UNSECURED)

The Company has provided the following corporate guarantees at the reporting date:

	Group	
	2024 RM	2023 RM
Unsecured:		
Corporate guarantees given to banks for facilities granted to subsidiaries	32,923,264	36,865,590

As at reporting date, no values are ascribed to the corporate guarantees provided by the Company to secure banking facilities granted to its subsidiaries whereby the Company monitors the performance of the subsidiaries concerned closely to ensure they meet all their financial obligations. In view that there is a minimal risk of default, the directors regard the value of the credit enhancement provided by the corporate guarantees as minimal.

36. RELATED PARTY DISCLOSURES

(a) Sale and purchase of goods and services

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

Name of company/person/firm	Nature	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Transactions with subsidiaries:					
DKLS Construction Sdn. Bhd.	Dividend income	–	–	2,500,000	3,000,000
	Rental income	–	–	254,400	254,400
DKLS Premierhome Sdn Bhd	Rental income	–	–	75,600	75,600
DKLS Highlands Sdn. Bhd.	Final distribution	–	–	2,800	–
Transactions with related parties:					
Firm/Company in which Dato' Ding Poi Bor has substantial interest:					
DKLS Service Station	Purchase of consumables	(61,176)	(45,583)	–	–
Company in which Dato' Ding Poi Bor and Mr Sam Tuck Wah have substantial interests:					
Ipoh Tower Sdn. Bhd.	Supply of electricity	(63,883)	(62,178)	(63,883)	(62,178)
Aplikasi Budimas Sdn. Bhd.	Rental of car park	(17,440)	(19,990)	(6,840)	(5,890)
Persons with which Dato' Ding Poi Bor and Dato' Ding Pei Chai are deemed to be connected pursuant to Section 197 of the Companies Act 2016:					
Arkitek Ding Poi Kooi	Architect fees	(795,160)	(29,521)	–	–

Information regarding outstanding balances arising from related party transactions as at 31 December 2024 are disclosed in Note 20 and Note 31.

36. RELATED PARTY DISCLOSURES (CONT'D)

(b) Compensation of key management personnel

The remuneration of executive directors and other members of key management during the year were as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Short term employee benefits	2,949,370	3,721,336	317,818	281,601
Post-employment benefits:				
Defined contribution plan	397,652	543,854	47,915	45,500
	3,347,022	4,265,190	365,733	327,101

Included in the remuneration of key management personnel are:

Executive directors' remuneration (excluding fees and benefits-in-kind)	1,678,035	1,693,432	365,733	327,101

37. FAIR VALUE OF NON-FINANCIAL ASSETS AND FINANCIAL INSTRUMENTS

(i) Fair value of non-financial assets and financial instruments that are carried at fair value

An analysis of non-financial assets and financial instruments carried at fair value by level of fair value hierarchy:

	Quoted prices in active markets for identical assets Level 1 RM	Significant other observable inputs Level 2 RM	Significant unobservable inputs Level 3 RM	Total RM
Group				
At 31 December 2024				
Non-financial assets:				
Investment properties (Note 17)	–	–	129,050,000	129,050,000

37. FAIR VALUE OF NON-FINANCIAL ASSETS AND FINANCIAL INSTRUMENTS (CONT'D)

(i) Fair value of non-financial assets and financial instruments that are carried at fair value (cont'd)

	Quoted prices in active markets for identical assets Level 1 RM	Significant other observable inputs Level 2 RM	Significant unobservable inputs Level 3 RM	Total RM
Group (cont'd)				
At 31 December 2024 (cont'd)				
Financial assets:				
Long term/Short term investments (Note 19)				
- Equity instruments (quoted)	28,754	–	–	28,754
- Unit trust fund (quoted)	–	83,265,469	–	83,265,469
Financial liabilities:				
Other commitments (Note 31)	–	916,974	–	916,974
At 31 December 2023				
Non-financial assets:				
Investment properties (Note 17)	–	–	128,310,000	128,310,000
Financial assets:				
Long term/Short term investments (Note 19)				
- Equity instruments (quoted)	30,061	–	–	30,061
- Unit trust fund (quoted)	–	65,920,590	–	65,920,590
Financial liabilities:				
Other commitments (Note 31)	–	1,031,067	–	1,031,067

37. FAIR VALUE OF NON-FINANCIAL ASSETS AND FINANCIAL INSTRUMENTS (CONT'D)

(i) Fair value of non-financial assets and financial instruments that are carried at fair value (cont'd)

	Quoted prices in active markets for identical assets Level 1 RM	Significant other observable inputs Level 2 RM	Significant unobservable inputs Level 3 RM	Total RM
Company				
At 31 December 2024				
Non-financial assets:				
Investment properties (Note 17)	–	–	40,960,000	40,960,000
Financial assets:				
Short term investments (Note 19)				
- Unit trust fund (quoted)	–	1,022,548	–	1,022,548
At 31 December 2023				
Non-financial assets:				
Investment properties (Note 17)	–	–	40,660,000	40,660,000
Financial assets:				
Short term investments (Note 19)				
- Unit trust fund (quoted)	–	4,521,609	–	4,521,609

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements as disclosed in Note 2.21.

There have been no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial years ended 31 December 2024 and 31 December 2023.

Determination of fair value

Investment properties

Fair value is determined based on valuations at the reporting date. Valuations are performed by accredited independent valuers with recent experience in the location and category of properties being valued. The valuations are based on the comparison and income capitalisation method that makes reference to the recent transaction value.

37. FAIR VALUE OF NON-FINANCIAL ASSETS AND FINANCIAL INSTRUMENTS (CONT'D)

(i) Fair value of non-financial assets and financial instruments that are carried at fair value (cont'd)

Determination of fair value (cont'd)

Quoted equity instruments

Fair value is determined directly by reference to the published market bid price at the reporting date.

Unit trust fund (quoted)

Fair value is determined directly by reference to the published net asset value at the reporting date.

Other commitments

Fair value is estimated by discounting expected future cash flows at market borrowing interest rates.

(ii) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables (current and non-current)	20
Cash and bank balances	24
Loans and borrowings (current and non-current)	28
Trade and other payables (current)	31

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date except for those that are estimated by discounting expected cash flows at weighted average rates of the lenders as detailed in the respective notes.

Other receivables (non-current)

The fair value of the other receivables of the Group are estimated by discounting expected future cash flows at effective interest rates at 8.15% (2023 : 7.64%).

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to the financial risks arising from their operations and the use of financial instruments. The key financial risks include interest rate risk, credit risk, liquidity risk, foreign currency risk and market risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

The Group operates within clearly defined guidelines that are approved by the Board of Directors and the Group's policy is not to engage in speculative transactions.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Interest rate risk

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

The Group's interest rate risk arises primarily from interest-bearing loans and borrowings and financial assets placed in money market deposits which are outstanding as at the reporting date.

<u>Sensitivity analysis for interest rate risk</u>

At the reporting date, if interest rates had been 25 (2023 : 25) basis points lower/higher, with all other variables held constant, the Group's and the Company's profit would have been RM33,717 (2023 : RM7,588) higher/lower and RM5,270 (2023 : RM5,251) lower/higher respectively, arising mainly as a result of lower/higher interest expense from borrowings and lower/higher interest income from interest-bearing financial assets. The assumed movement in basis points for interest rate sensitivity analysis is based on short term deposits and loans and borrowings in the currently observable market environment.

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade receivables. For other financial assets which comprise cash and bank balances, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group transacts only with recognised, creditworthy and appropriate credit history third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. New customers will be assessed and approved on a case-by-case basis. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and monitors outstanding and overdue balances on an ongoing basis.

Trade receivables

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., geographical region, and product type, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the construction, quarry and utilities sectors, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Credit risk (cont'd)

Trade receivables (cont'd)

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2024 RM	2023 RM
Neither past due nor impaired	18,128,171	13,531,029
1 to 30 days past due not impaired	6,222,276	10,655,239
31 to 60 days past due not impaired	4,564,752	4,494,074
61 to 90 days past due not impaired	2,712,442	1,216,710
91 to 120 days past due not impaired	1,974,523	264,905
More than 120 days past due not impaired	7,836,736	11,411,037
Past due but not impaired	23,310,729	28,041,965
Impaired	13,771,318	17,746,711
	55,210,218	59,319,705

Impairment on receivables

The Group and the Company apply the simplified approach whereby allowance for impairment are measured at lifetime ECL. The movement of the allowance for impairment loss on receivables is as follows:

	Trade receivables		
	Lifetime ECL allowance RM	Credit impaired (note a) RM	Total allowance RM
Group			
At 1 January 2024	16,174,784	1,571,927	17,746,711
Charge for the year (Note 10)	22,811	2,672,010	2,694,821
Reversal of impairment losses (Note 5)	(6,424,676)	(126,627)	(6,551,303)
Write off of impairment losses	–	(86,180)	(86,180)
Exchange adjustment	(24,044)	(9,019)	(33,063)
Hyperinflationary adjustment	–	332	332
At 31 December 2024	9,748,875	4,022,443	13,771,318
At 1 January 2023	18,322,453	2,782,661	21,105,114
Charge for the year (Note 10)	158,540	27,530	186,070
Reversal of impairment losses (Note 5)	(2,258,449)	(1,002,453)	(3,260,902)
Write off of impairment losses	–	(220,529)	(220,529)
Exchange adjustment	(47,760)	(15,282)	(63,042)
At 31 December 2023	16,174,784	1,571,927	17,746,711

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Credit risk (cont'd)

Impairment on receivables (cont'd)

a. Trade and other receivables that are individually determined to be credit impaired at the reporting date relate to debtors that are not traceable and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

At the reporting date, approximately 32% (2023 : 39%) of the Group's trade and other receivables were due from a major customer of a subsidiary who is a property developer in Malaysia developing a housing project under "Perumahan Rumah Penjawat Awam" in which the subsidiary concerned acts as a turnkey contractor.

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objectives are to maintain sufficient level of cash and adequate amounts of credit facilities to meet its financial obligations. In addition, the Group strives to maintain flexibility in funding by keeping its credit lines available at a reasonable level.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year RM	Two to five years RM	Over five years RM	Total RM
Group				
At 31 December 2024				
Financial liabilities:				
Trade and other payables	19,899,608	2,981,091	421,610	23,302,309
Loans and borrowings	6,828,674	15,161,525	50,562	22,040,761
Total undiscounted financial liabilities	26,728,282	18,142,616	472,172	45,343,070

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

	On demand or within one year RM	Two to five years RM	Over five years RM	Total RM
Group (cont'd)				
At 31 December 2023				
Financial liabilities:				
Trade and other payables	24,377,510	2,827,478	523,083	27,728,071
Loans and borrowings	6,933,270	21,289,885	138,239	28,361,394
Total undiscounted financial liabilities	31,310,780	24,117,363	661,322	56,089,465
Company				
At 31 December 2024				
Financial liabilities:				
Trade and other payables, representing total undiscounted financial liabilities	193,495	–	–	193,495
At 31 December 2023				
Financial liabilities:				
Trade and other payables, representing total undiscounted financial liabilities	190,727	–	–	190,727

(d) Market risk

Market price risk is the risk that the fair value of future cash flows of the Group's financial instruments will fluctuate because of changes in market price. The Group's principal exposure to market risk arises mainly from its investments in quoted unit trust funds.

The Group manages its exposure to market risk by establishing a strict investment policy that is to only invest in trust funds which maintain an investment portfolio in fixed deposits and bond funds with steady dividend yield and insignificant risk of changes in value.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(e) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's business operations are exposed to foreign currency risks denominated in currencies other than the respective functional currencies of the Group's entities. The Group does not hedge its exposure to foreign currency risk and does not trade or speculate in foreign currencies. Balances denominated in foreign currencies are disclosed in Note 20, Note 24, Note 28 and Note 31.

In addition, the Group is also exposed to currency translation risk arising from its net investments in foreign operations in Lao People's Democratic Republic ("Lao PDR"). The Group's net investments in Lao PDR are not hedged as currency positions in Lao PDR are considered to be long-term in nature.

The following table demonstrates the sensitivity of the Group's and the Company's profit net of tax and equity to a reasonably possible change in the exchange rates of the following foreign currencies against functional currency of the Group entities, with all other variables held constant.

		Increase/(Decrease) Profit net of tax		Increase/(Decrease) Equity	
		2024 RM	2023 RM	2024 RM	2023 RM
Group					
USD/RM	- strengthened 2% (2023 : 5%)	108,147	192,806	–	–
	- weakened 2% (2023 : 5%)	(108,147)	(192,806)	–	–
USD/LAK	- strengthened 6% (2023 : 19%)	8,698	16,613	–	–
	- weakened 6% (2023 : 19%)	(8,698)	(16,613)	–	–
THB/RM	- strengthened 3% (2023 : 6%)	15	153	–	–
	- weakened 3% (2023 : 6%)	(15)	(153)	–	–
LAK/RM	- strengthened 8% (2023 : 14%)	147,369	269,093	459,892	2,038,360
	- weakened 8% (2023 : 14%)	(147,369)	(269,093)	(459,892)	(2,038,360)
THB/LAK	- strengthened 2% (2023 : 28%)	1,617	48,172	–	–
	- weakened 2% (2023 : 28%)	(1,617)	(48,172)	–	–
Company					
USD/RM	- strengthened 2% (2023 : 5%)	37,931	93,626	–	–
	- weakened 2% (2023 : 5%)	(37,931)	(93,626)	–	–
LAK/RM	- strengthened 8% (2023 : 14%)	23,434	43,086	–	–
	- weakened 8% (2023 : 14%)	(23,434)	(43,086)	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

39. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

During the year, the Group's strategy, which was unchanged from 2023, was to maintain sufficient cash and cash equivalents and standby bank facilities to cover its short term debts. The Group includes within net debt, short term investments and cash and bank balances less loans and borrowings and trade and other payables. The gearing ratios at 31 December 2024 and 31 December 2023 were as follows:-

		Group	
	Note	2024 RM	2023 RM
Loans and borrowings (current)	28	5,938,694	5,744,568
Trade and other payables (current)	31	22,165,831	26,643,660
Less: Short term investment	19	(83,265,469)	(65,920,590)
Less: Cash and bank balances	24	(52,838,115)	(36,261,256)
Net debt/(cash)		(107,999,059)	(69,793,618)
Equity attributable to the owners of the Group		468,100,538	443,019,032
Capital and net debt/(cash)		360,101,479	373,225,414
Gearing ratio		0%	0%

40. SEGMENTAL INFORMATION

(a) Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products.

(b) Business segments

The Group comprises the following main business segments:

(i) Investment holding
(ii) Construction – building and general contractors
(iii) Quarry
(iv) Property development
(v) Utilities

Other operation of the Group comprises trading of construction materials, which constitutes a separate reportable segment.

40. SEGMENTAL INFORMATION (CONT'D)

(c) Geographical segments

(i) Analysis of revenue from external customers by geographical location

	2024 RM	2023 RM
Malaysia	164,038,374	156,532,559
Lao People's Democratic Republic	15,661,697	7,352,157
	179,700,071	163,884,716

(ii) Analysis of non-current assets by geographical location

	2024 RM	2023 RM
Malaysia	266,481,850	283,791,118
Lao People's Democratic Republic	23,268,208	21,079,565
	289,750,058	304,870,683

(d) Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Transfer prices between business segments are set out in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

40. SEGMENTAL INFORMATION (CONT'D)

Business segments

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment.

	Investment RM	Construction RM	Quarry RM	Property development RM	Utilities RM	Others RM	Elimination RM	Total RM
31 December 2024								
Revenue								
External sales	6,893,715	44,296,023	112,475,378	8,191,493	7,843,462	–	–	179,700,071
Inter-segment sales	2,830,000	29,466,233	1,617,891	–	–	289,119	(34,203,243)	–
Total revenue	9,723,715	73,762,256	114,093,269	8,191,493	7,843,462	289,119	(34,203,243)	179,700,071
Results								
Segment results	7,204,090	9,119,256	19,711,178	(4,742,491)	4,472,439	108,193	(2,500,000)	33,372,665
Interest expense	(1,105,309)	(283,871)	(76,840)	(221)	(2,562)	–	–	(1,468,803)
Net monetary gain	–	–	–	–	558,198	–	–	558,198
Profit/(Loss) before tax	6,098,781	8,835,385	19,634,338	(4,742,712)	5,028,075	108,193	(2,500,000)	32,462,060
Income tax expense								(3,239,395)
Profit for the year								29,222,665

40. SEGMENTAL INFORMATION (CONT'D)

Business segments (cont'd)

	Investment RM	Construction RM	Quarry RM	Property development RM	Utilities RM	Others RM	Total RM
31 December 2024 (cont'd)							
Assets and liabilities							
Segment assets	132,728,673	53,720,860	90,663,862	124,949,938	31,219,916	173,942	433,457,191
Unallocated corporate assets							94,471,604
Total assets							527,928,795
Segment liabilities	21,556,292	10,890,748	7,870,698	3,237,337	1,881,972	8,114	45,445,161
Unallocated corporate liabilities							8,389,080
Total liabilities							53,834,241
Other information							
Capital expenditure	146,236	744,246	2,301,911	2,997	465,717	799	3,661,906
Depreciation	120,895	434,380	2,813,702	111,940	2,824,974	760	6,306,651

40. SEGMENTAL INFORMATION (CONT'D)

Business segments (cont'd)

	Investment RM	Construction RM	Quarry RM	Property development RM	Utilities RM	Others RM	Total RM
31 December 2024 (cont'd)							
Non-cash expenses/(income)							
Fair value gain of investment properties, net	(856,163)	–	260,000	–	–	–	(596,163)
Fair value gain on long/short term investments	(108,638)	(585,767)	(925,110)	(746,909)	(29,208)	(108,539)	(2,504,171)
Gain on disposal of property, plant and equipment, net	–	(501,906)	(588,345)	(11,400)	–	–	(1,101,651)
Gain on lease modification adjustment	–	–	–	–	(1)	–	(1)
Inventories written down to net realisable value	–	–	–	4,073,148	–	–	4,073,148
Inventories written off	–	–	77,913	–	–	–	77,913
Net monetary gain	–	–	–	–	(558,198)	–	(558,198)
Property, plant and equipment written off	–	–	238,966	–	–	–	238,966
Reversal of impairment losses on:							
- trade and other receivables, net	–	(6,322,887)	2,543,851	–	(77,446)	–	(3,856,482)
- property, plant and equipment	–	–	–	–	(3,697,677)	–	(3,697,677)
Unrealised loss on foreign exchange, net	73,101	19,605	–	–	74,310	–	167,016

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

40. SEGMENTAL INFORMATION (CONT'D)

Business segments (cont'd)

	Investment RM	Construction RM	Quarry RM	Property development RM	Utilities RM	Others RM	Elimination RM	Total RM
31 December 2023								
Revenue								
External sales	6,372,833	22,937,878	104,628,686	22,517,106	7,352,157	76,056	–	163,884,716
Inter-segment sales	3,330,000	10,609,820	2,287,237	–	–	387,360	(16,614,417)	–
Total revenue	9,702,833	33,547,698	106,915,923	22,517,106	7,352,157	463,416	(16,614,417)	163,884,716
Results								
Segment results	10,732,938	4,080,437	17,311,071	3,145,674	7,688,072	204,031	(3,000,000)	40,162,223
Interest expense	(1,346,914)	(1,735,420)	(53,331)	(1,499)	(2,927)	–	–	(3,140,091)
Profit before tax	9,386,024	2,345,017	17,257,740	3,144,175	7,685,145	204,031	(3,000,000)	37,022,132
Income tax expense								(6,843,826)
Profit for the year								30,178,306

40. SEGMENTAL INFORMATION (CONT'D)

Business segments (cont'd)

	Investment RM	Construction RM	Quarry RM	Property development RM	Utilities RM	Others RM	Total RM
31 December 2023 (cont'd)							
Assets and liabilities							
Segment assets	131,862,905	43,026,942	87,178,284	145,757,830	27,077,645	322,035	435,225,641
Unallocated corporate assets							73,183,403
Total assets							508,409,044
Segment liabilities	26,514,774	7,641,404	11,616,344	5,162,635	2,008,970	8,134	52,952,261
Unallocated corporate liabilities							7,596,720
Total liabilities							60,548,981
Other information							
Capital expenditure	225,900	223,117	961,833	11,297	896,374	–	2,318,521
Depreciation	122,584	791,892	2,958,821	134,181	1,136,244	1,309	5,145,031

40. SEGMENTAL INFORMATION (CONT'D)

Business segments (cont'd)

	Investment RM	Construction RM	Quarry RM	Property development RM	Utilities RM	Others RM	Total RM
31 December 2023 (cont'd)							
Non-cash expenses/(income)							
Fair value gain of investment properties, net	(3,451,944)	–	(60,000)	–	–	–	(3,511,944)
Fair value gain on long/short term investments	(118,232)	(350,676)	(825,403)	(620,706)	(2,446)	(117,624)	(2,035,087)
Gain on disposal of property, plant and equipment, net	–	(210,634)	(227,430)	(142,806)	(2,443)	–	(583,313)
Gain on disposal of investment properties	(656)	–	–	–	–	–	(656)
Gain on lease modification adjustment	–	–	–	–	(5,764)	–	(5,764)
Inventories written off	–	–	163,000	–	–	–	163,000
Property, plant and equipment written off	2,352	–	148,791	3	–	–	151,146
Reversal of impairment losses on:							
- trade and other receivables, net	–	(2,904,807)	(135,279)	–	(34,746)	–	(3,074,832)
- property, plant and equipment	–	–	–	–	(5,453,390)	–	(5,453,390)
Unrealised loss on foreign exchange, net	(34,867)	(51,910)	–	–	200,057	–	113,280

40. SEGMENTAL INFORMATION (CONT'D)

Business segments (cont'd)

Major customers

The following are the major customers which contribute revenue equal or more than 10% of the Group's total revenue:

	Revenue 2024 RM	Revenue 2023 RM	Segment
Customer A	21,147,284	17,666,311	Construction

41. SIGNIFICANT AND/OR RECURRING EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

(a) On 18 April 2024, the Company has subscribed for 2,000,000 ordinary shares at an issue price of RM1.00 each in DKLS Equity Sdn Bhd for a cash consideration of RM2,000,000.

(b) On 22 August 2024, DKLS Highlands Sdn. Bhd., a wholly-owned subsidiary of the Company has completed the voluntary winding up process.

(c) On 8 January 2025, the Company subscribed for 140,000 ordinary shares at an issue price of RM1.00 each in DKLS Resources (M) Sdn. Bhd. ("DKR"), for a cash consideration of RM140,000, effectively making DKR a 70% owned subsidiary of the Company.

PROPERTIES OWNED BY THE GROUP

Location	Description	Date of acquisition	Area	Tenure	Approximate age of properties (years)	Carrying amount (RM)
DKLS INDUSTRIES BERHAD						
Geran 1873 Lot 12742, Mukim of Sitiawan, District of Manjung, Perak Darul Ridzuan	Agricultural land	02.09.2009	9.2698 hectares	Freehold	116	5,400,000
15FO-15, 15th Floor 16FO-1, 16th Floor 17FPBS-1, 17th Floor Ipoh Tower, Jalan Dato' Seri Ahmad Said, 30450 Ipoh, Perak Darul Ridzuan	Office units (corporate office)	28.02.2009	1,055 sq. ft. 13,724 sq. ft. 3,013 sq. ft.	Freehold	16	136,115 1,827,840 514,947
PN 296074, Lot 15517, Mukim Lumut, (Lot F-2 Lumut Port Industrial Park)	Industrial land and factory	15.05.1997	52,770 sq. metres	Leasehold (99 years expiring on 09.07.2105)	18	14,100,000
Geran 40432, Lot 2793 Mukim Lumut	Agricultural land	17.01.2011	5.6775 hectares	Freehold	26	4,000,000
Geran 70221, Lot 172, Geran 70223, Lot 173, Geran 70226, Lot 175, Geran 70222, Lot 176 Seksyen 87, Bandar Kuala Lumpur, Kuala Lumpur	Residential land	09.03.2011	562 sq. metres 589 sq. metres 642 sq. metres 701 sq. metres	Freehold	16	2,000,000 1,750,000 2,350,000 2,600,000
17F-PBS-2, 17F-PBS-3, 17F-PBS-3A, 17F-PBS-5, 17F-PBS-6, 17F-PBS-7, 17F-PBS-8, 17F-PBS-9, 17th Floor, Ipoh Tower, Jalan Dato' Seri Ahmad Said 30450 Ipoh, Perak Darul Ridzuan	Office unit (rented out)	01.04.2011	1,270 sq. ft. 850 sq. ft. 850 sq. ft. 1,270 sq. ft. 1,087 sq. ft. 1,054 sq. ft. 1,377 sq. ft. 1,431 sq. ft.	Freehold	16	3,490,000
LG-01 Basement Floor, GRF-01,Ground Floor, Ipoh Tower, Jalan Dato' Seri Ahmad Said 30450 Ipoh, Perak Darul Ridzuan	Office unit	12.10.2017	536 sq. metres 63 sq. metres	Freehold	15	488,300 62,878

PROPERTIES OWNED BY THE GROUP (CONT'D)

Location	Description	Date of acquisition	Area	Tenure	Approximate age of properties (years)	Carrying amount (RM)
DKLS CONSTRUCTION SDN BHD						
PM 2446, Lot 9125, Mukim of Kurong Anai, Ulu Pauh	Agricultural land (vacant)	28.05.2004	1.374 hectares	Leasehold (99 years expiring on 09.08.2098)	25	710,647
PM 2779, Lot 8452 Mukim of Padang Siding, Ulu Pauh	Agricultural land (vacant)	28.05.2004	1.661 hectares	Leasehold (99 years expiring on 08.07.2098)	25	858,274
PM 2391, Lot 8322, Mukim of Padang Siding, Ulu Pauh	Agricultural land (vacant)	28.05.2004	1.449 hectares	Leasehold (99 years expiring on 08.07.2098)	25	743,401
HSD 20082, PT 832, Bandar Alor Setar, District of Kota Setar, Kedah	3-storey shop (office)	17.06.2014	256 sq. metres	Leasehold (99 years expiring on 26.06.2106)	17	659,502
DKLS QUARRY & PREMIX SDN BHD						
Lot 4821, Lot 5023, Lot 5470, Lot 5782, 5783, Lot 1553, Lot 4892+, Mukim of Lumut, District of Manjung located off the 4th mile stone Sitiawan/Lumut road, in the vicinity of Kampong Tersusun Pundut, Lumut, Perak Darul Ridzuan	Quarry land and administrative and ancillary buildings constructed thereon	13.03.1996 19.01.1991 25.01.1991 12.02.1993 24.10.1992 12.06.1992	33 hectares (land) 2,552.7 sq. metres (built-up)	Freehold	84 60 51 87 84 87	2,348,923
Lots 2105, 2106, 2554, Mukim of Lumut, District of Manjung, located off the 4th mile stone Sitiawan/ Lumut road, in the vicinity of Kampong Tersusun Pundut, Lumut, Perak Darul Ridzuan	Quarry land	06.01.1995	5.7 hectares 2 rods 35 poles (land)	Freehold	86	1
Lots 2462, 2102, 2104, 2478, 2110, 2109, 2477 and 2101, Mukim of Lumut, District of Manjung, located off the 4th mile stone Sitiawan/ Lumut road, in the vicinity of Kampong Tersusun Pundut, Lumut, Perak Darul Ridzuan	Quarry land	13.01.1996	14.6 hectares 12 poles (land)	Freehold	87	1

PROPERTIES OWNED BY THE GROUP (CONT'D)

Location	Description	Date of acquisition	Area	Tenure	Approximate age of properties (years)	Carrying amount (RM)
DKLS QUARRY & PREMIX SDN BHD (CONT'D)						
E.M.R. No 789 S.G 24407 Lot 1550, Pundut, Mukim of Lumut, Perak Darul Ridzuan	Land (storage)	29.02.2003	0.9105 hectares (2a.1r.00p)	Freehold	105	270,000
GM 1215, Lot 3932 Tempat Padang Lembu, Mukim of Gurun, Daerah Kuala Muda, Kedah Darul Aman	Agricultural land (vacant)	29.12.2003	2.221 hectares	Freehold	63	1,400,000
Lot 1937, 1939, 1940, 1953, 1954, 3863, 1959 (3860), 2099 & 4819 (6675) Mukim of Lumut, Perak Darul Ridzuan	Quarry land	02.11.2007	20.658 hectares	Freehold	27 27 23 30	6,282,142
Lot 5018, Mukim of Lumut, Perak Darul Ridzuan	Quarry land	02.11.2007	0.85 hectares	Leasehold (99 years expiring on 28.09.2088)	35	202,458
Lot 9876, Mukim of Lumut, Perak Darul Ridzuan	Quarry land	02.11.2007	0.4833 hectares	Leasehold (60 years expiring on 27.01.2054)	30	92,308
Lot 6489, Mukim of Lumut, Perak Darul Ridzuan	Quarry land	02.11.2007	0.4319 hectares	Leasehold (60 years expiring on 07.02.2052)	32	80,496
Lot 3979, GM 2256 Mukim of Lumut, Perak Darul Ridzuan	Agricultural land (vacant)	02.01.2004	0.9105 hectares (2a.1r.00p)	Freehold	23	420,000
H.S.(M) 89, PT 11339 H.S.(M) 87, PT 11334 GM 119, Lot 61 Mukim Daerah SIK, Kedah Darul Aman	Agricultural land (storage & premix plant)	02.02.2005	4.3415 hectares	Freehold	20	471,970

PROPERTIES OWNED BY THE GROUP (CONT'D)

Location	Description	Date of acquisition	Area	Tenure	Approximate age of properties (years)	Carrying amount (RM)
DKLS QUARRY & PREMIX SDN BHD (CONT'D)						
Desa Bistari Block B on Lot 9948 Mk. 13, N.E.S Penang, Unit No. B-13-04	Apartment (vacant)	05.07.1999	65.03 sq. metres (built-up)	Freehold	26	270,000
Desa Bistari Block B on Lot 9948 Mk. 13, N.E.S Penang, Unit No. B-22-05	Apartment (vacant)	05.07.1999	65 sq. metres (built-up)	Freehold	26	270,000
M-16, Block Daisi, Mutiara Perdana, Lengkok Kelicap, 11900 Bayan Lepas, Pulau Pinang	Apartment (vacant)	01.11.2012	89 sq. metres (built-up)	Freehold	13	300,000
PN 342193, Lot 33227 PN 342194, Lot 33226 Mukim Durian Sebatang, Hilir Perak	Industrial land	01.11.2012	4,718 sq. metres 4,571 sq. metres	Leasehold (99 years expiring on 25.10.2097)	26	1,338,591
Lot 55005, GM 15188, Mukim Sitiawan, Manjung Perak	Commercial land and office building	22.12.2015	4,415 sq. metres (land) 3,855.01 sq. metres (built-up)	Freehold	91	4,397,548
PN 342189, Lot 33224 Mukim Durian Sebatang, Hilir Perak	Industrial land	13.03.2017	4,316 sq. metres	Leasehold (99 years expiring on 25.10.2097)	26	1,563,716

PROPERTIES OWNED BY THE GROUP (CONT'D)

Location	Description	Date of acquisition	Area	Tenure	Approximate age of properties (years)	Carrying amount (RM)
DKLS QUARRY & PREMIX (NORTH) SDN BHD						
GM 3062, Lot 62260, H.S.(D) 6564, PT 5710 (Formerly PT 2295), H.S.(D) 6565, PT 5711 H.S.(D) 6566, PT 5712 (Formerly PT 2296), Dearah Pokok Sena	Agricultural land	14.09.2017	0.4067 hectares 0.3393 hectares 0.3818 hectares	Freehold	14	1,519,217
H.S.(M) 2825, PT 6088 H.S.(M) 2826, PT 6087 (Formerly GM 3055, Lot 62258), GM 3061, Lot 62259, Dearah Pokok Sena	Agricultural land	01.06.2018	0.3818 hectares 0.4073 hectares	Freehold	14 14	462,143 450,789
DKLS EQUITY SDN BHD						
Tower 8, Avenue 5, The Horizon, Phase 2, Bangsar South City, Wilayah Persekutuan Kuala Lumpur	14 storey boutique office building	31.03.2013	12,827.4 sq. metres	Leasehold (99 years expiring on 16.08.2106)	17	90,700,000

\+ Lot 4892 is a parcel of public burial ground which is not held under a land title.

ANALYSIS OF SHAREHOLDINGS AS AT 28 MARCH 2025

Total number of issued shares	:	92,699,600
Class of shares	:	Ordinary shares
Voting rights	:	One (1) vote per ordinary share held

DISTRIBUTION OF SHAREHOLDERS

Holdings	No. of Holders	% of Holders	Total Holdings	% of Issued Capital
Less than 100	43	2.90	526	**
100 to 1,000	574	38.68	547,474	0.59
1,001 to 10,000	735	49.53	2,688,400	2.90
10,001 to 100,000	103	6.94	2,573,363	2.78
100,001 to 4,634,979	27	1.82	44,118,050	47.59
4,634,980* and above	2	0.13	42,771,787	46.14
	1,484	100.00	92,699,600	100.00

Notes:

* *Denotes 5% of the issued capital.*

** *Negligible.*

SUBSTANTIAL SHAREHOLDERS (EXCLUDING BARE TRUSTEES)

		No. of shares held			
	Name of shareholders	Direct	%	Deemed	%
1.	Dato' Ding Poi Bor	30,114,362	32.49	–	–
2.	Ir Sam Tuck Wah	14,144,125	15.26	2,486,663*3	2.68
3.	Dato' Ding Pei Chai	3,315,163*1	3.58	1,767,841*2	1.91
4.	Ding Soo King	2,486,663	2.68	14,144,125*3	15.26

Notes:

*1 *Including 3,260,000 shares held through nominee company.*

*2 *Deemed interested through his spouse and his shareholding in a corporation by virtue of Section 8 of the Companies Act 2016.*

*3 *Deemed interested through spouse.*

ANALYSIS OF SHAREHOLDINGS AS AT 28 MARCH 2025 (CONT'D)

DIRECTORS' SHAREHOLDINGS

		No. of shares held			
	Name of Directors	**Direct**	**%**	**Deemed**	**%**
1.	Dato' Ding Pei Chai	3,315,163*1	3.58	1,767,841*2	1.91
2.	Dato' Ding Poi Bor	30,114,362	32.49	–	–
3.	Ir Sam Tuck Wah	14,144,125	15.26	2,486,663*3	2.68
4.	Chin Kok Tong	2,000	**	–	–
5.	Ding Zhe Xin	–	–	–	–
6.	Ding Ju Shuen	–	–	–	–
7.	Ang Chan Moy	–	–	–	–
8.	Liew Li Ping	–	–	–	–

Notes:
*1 *Including 3,260,000 shares held through nominee company.*
*2 *Deemed interested through his spouse and his shareholding in a corporation by virtue of Section 8 of the Companies Act 2016.*
*3 *Deemed interested through spouse.*
** *Negligible.*

THIRTY LARGEST SHAREHOLDERS

	Name of Shareholders	**No. of shares held**	**%**
1.	Dato' Ding Poi Bor	30,114,362	32.49
2.	Ir Sam Tuck Wah	12,657,425	13.65
3.	Cheah Ngeok Chai	4,597,963	4.96
4.	Hong Poh Poh	4,500,000	4.85
5.	Pembinaan Bumiasia Sdn Bhd	4,496,300	4.85
6.	Ding Zu Huei	4,000,000	4.32
7.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Dato' Ding Pei Chai	3,260,000	3.52
8.	Thian Peek Choo	3,114,000	3.36
9.	Soh Yoke Lee	2,719,100	2.93
10.	Ding Soo King	2,486,663	2.68
11.	Ding Zu Guan	2,000,000	2.16
12.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Soh Joon Hang (7000755)	1,525,300	1.65
13.	Wong Shi Siang	1,501,431	1.62
14.	Ding Zu Ron	1,500,000	1.62
15.	Ir Sam Tuck Wah	1,486,700	1.60
16.	Soh Yoke Moi	1,297,841	1.40
17.	Soh Joon Hui	1,227,600	1.32

ANALYSIS OF SHAREHOLDINGS AS AT 28 MARCH 2025 (CONT'D)

THIRTY LARGEST SHAREHOLDERS (CONT'D)

	Name of Shareholders	No. of shares held	%
18.	CIMB Group Nominees (Asing) Sdn Bhd Exempt AN for DBS Bank Ltd (SFS)	954,800	1.03
19.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chek Ho Sing	868,300	0.94
20.	Bertam Indah (M) Sdn Bhd	500,000	0.54
21.	Isyoda (M) Sdn Bhd	470,000	0.51
22.	Ding Poi Kooi	444,452	0.48
23.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lai Weng Chee @ Lai Kok Chye	400,100	0.43
24.	Soh Joon Hang	141,900	0.15
25.	Lee Keng Fah	140,600	0.15
26.	Sam Tuck Heng	140,000	0.15
27.	Ng Tee Hian	125,000	0.13
28.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Francisca Lo Fui Khiun	118,000	0.13
29.	Low Hing Noi	102,000	0.11
30.	Tan Ai Leng	80,000	0.09
		86,969,837	93.82

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Ninth Annual General Meeting ("**AGM**") of the Company will be held at 11th Floor, Ipoh Tower, Jalan Dato' Seri Ahmad Said, 30450 Ipoh, Perak Darul Ridzuan on Wednesday, 28 May 2025 at 11.00 a.m. to transact the following businesses:

AGENDA

AS ORDINARY BUSINESS

1.	To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Directors' and Auditors' Reports thereon.	[Explanatory Note 1]
2.	To approve the payment of a first and final single tier dividend of 3 sen per share in respect of the financial year ended 31 December 2024.	**Resolution 1** [Explanatory Note 2]
3.	To approve the payment of Directors' fees and benefits up to an amount of RM226,800 from the date of the conclusion of this AGM until the date of the next AGM to be paid on a monthly basis.	**Resolution 2** [Explanatory Note 3]
4.	To re-elect Dato' Ding Poi Bor who retires in accordance with Clause 19.3 of the Constitution.	**Resolution 3** [Explanatory Note 4]
5.	To re-elect Ms Liew Li Ping who retires in accordance with Clause 19.10 of the Constitution.	**Resolution 4** [Explanatory Note 4]
6.	To re-appoint Messrs Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2025 and to authorise the Directors to fix their remuneration.	**Resolution 5** [Explanatory Note 5]
7.	To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.	

By order of the Board

CHEAI WENG HOONG
SSM PC NO. 202008000575
(LS 0005624)

OOI WOOI KEAN
SSM PC NO. 202008001219
(MAICSA 7067254)
Company Secretaries

Ipoh
28 April 2025

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

NOTICE OF FIRST AND FINAL DIVIDEND PAYMENT AND CLOSURE OF REGISTER

Subject to the approval of the members, a first and final single tier dividend of 3 sen per share in respect of the financial year ended 31 December 2024 will be paid on 15 August 2025.

Notice is hereby given that the Register of Members of the Company will be closed on 31 July 2025, to determine members' entitlement to the dividend payment.

A depositor will qualify for entitlement only in respect of:

a) Share transferred into the Depositors' Securities account before 4.00 p.m. on 31 July 2025 in respect of ordinary transfers; and

b) Share bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

NOTES:

a. A member of the Company entitled to attend and vote at the meeting may appoint any person to be his/her proxy to attend and vote in his/her stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy. A proxy shall have the same rights as the member to speak at the meeting.

b. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.

c. The instrument appointing a proxy must be deposited at the Registered Office of the Company at No. 1 Jalan Lasam, 30350 Ipoh, Perak Darul Ridzuan not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

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

e. Only members whose names appear on the Record of Depositors as at 21 May 2025 will be entitled to attend and vote at the meeting.

f. Pursuant to paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirements**"), all resolutions at the AGM will be put to vote by way of poll.

EXPLANATORY NOTES:

These Explanatory Notes set out further information regarding the Agenda and the proposed resolutions to be considered by the members of the Company at the AGM.

1. Audited Financial Statements for the financial year ended 31 December 2024

The audited financial statements under Agenda 1 are meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the members. Hence, Agenda 1 is not put forward for voting.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES: (CONT'D)

2. **Resolution 1**

The Board has considered and recommended the first and final single tier dividend of 3 sen per share in respect of the financial year ended 31 December 2024 for the members' approval. The Directors of the Company are satisfied that the Company will be solvent as it will be able to pay its debts as and when the debts become due within 12 months immediately after the distribution is made on 15 August 2025 in accordance with the requirements under Section 132(2) and (3) of the Companies Act 2016.

3. **Resolution 2**

The Board through the Nomination and Remuneration Committee has assessed and agreed to the proposed Directors' fees and benefits payable to non-executive Directors from the conclusion of the date of this AGM until the date of the next AGM at their respective meetings held on 25 November 2024.

The breakdown of the proposed payment of Directors' fees on an annual basis is as follows:

Chairman	RM87,500
Chairman of Audit Committee	RM59,500
Other non-executive Directors	RM37,500 each

The Directors' benefits payable up to the amount of RM4,800 comprise meeting allowances.

The Directors' fees and benefits payable up to an amount of RM226,800 from the conclusion of the date of this AGM until the date of the next AGM shall be paid on a monthly basis at the end of each month.

In the event the Directors' fees and benefits proposed are insufficient (e.g. due to enlarged Board size or additional Board meetings to be convened), approval will be sought at the next AGM for additional fees to meet the shortfall.

4. **Resolutions 3 and 4**

The Board through the Nomination and Remuneration Committee has deliberated on the suitability of the Directors standing for re-election ("**Retiring Directors**") at their respective meetings held on 27 February 2025. Upon deliberation, the Board (except for the Retiring Directors) collectively agreed that the Retiring Directors have satisfied the requirements in the Directors' Fit and Proper Policy and meet the criteria of character, experience, integrity, competence and time commitment to effectively discharge their respective roles as Directors of the Company and recommended the Retiring Directors to be re-elected as the Directors of the Company.

Mr Chin Kok Tong who retires in accordance with Clause 19.3 of the Company's Constitution, has expressed his intention not to seek for re-election. Hence, he will retain office until the close of the Twenty-Ninth AGM.

The profiles of the Directors standing for re-election are disclosed under Profile of Board of Directors on pages 4 and 7 of the Annual Report 2024 and the details of their interest in the securities of the Company are disclosed under Analysis of Shareholdings on pages 214 to 216 of the Annual Report 2024.

5. **Resolution 5**

The Board through the Audit Committee has assessed and is satisfied with the quality of audit and services, adequacy of resources, performance, communication, audit scope and planning, and independence and objectivity of the external auditors, Messrs Ernst & Young PLT, which are in accordance with the Paragraph 15.21 of the Listing Requirements, at their respective meetings held on 27 February 2025 and recommended the re-appointment of Messrs Ernst & Young PLT at the AGM.

Messrs Ernst & Young PLT have indicated their willingness to continue their services for the ensuing year.

(This page has been intentionally left blank)

DKLS INDUSTRIES BERHAD
[Registration No.: 199501040269 (369472-P)]
(Incorporated in Malaysia)

FORM OF PROXY

(Before completing the form please refer to the notes below)

No. of ordinary shares held	
CDS Account Number	

I/We ____NRIC/Passport/Co. No. ____________________________
(FULL NAME IN BLOCK LETTERS)

of ____ Tel. No. _______________________
(FULL ADDRESS)

being a member of **DKLS INDUSTRIES BERHAD**, hereby appoint:

Proxy 1 - Full Name in Block Letters	NRIC/Passport No.	No. of shares	% of shareholdings
Address:			

and/or

Proxy 2 - Full Name in Block Letters	NRIC/Passport No.	No. of shares	% of shareholdings
Address:			

or failing him/her, the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Twenty-Ninth Annual General Meeting ("**AGM**") of the Company to be held at 11th Floor, Ipoh Tower, Jalan Dato' Seri Ahmad Said, 30450 Ipoh, Perak Darul Ridzuan on Wednesday, 28 May 2025 at 11.00 a.m. or at any adjournment thereof. My/our proxy is to vote as indicated below:

Resolutions relating to:		**For**	**Against**
1.	Approval of Payment of First and Final Dividend		
2.	Approval of Payment of Directors' fees and benefits		
3.	Re-election of Dato' Ding Poi Bor		
4.	Re-election of Ms Liew Li Ping		
5.	Re-appointment of Auditors		

(Please indicate with an "X" within the space provided how you wish your vote to be cast on the resolutions specified in the Notice of the AGM. If you do not do so, the proxy will vote or abstain from voting at his/her discretion).

Dated this .... day of 2025

....
Signature/Seal of Member

NOTES:

a. A member of the Company entitled to attend and vote at the meeting may appoint any person to be his/her proxy to attend and vote in his/her stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy. A proxy shall have the same rights as the member to speak at the meeting.

b. This instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.

c. This instrument appointing a proxy must be deposited at the Registered Office of the Company at No. 1 Jalan Lasam, 30350 Ipoh, Perak Darul Ridzuan not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

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

e. Only members whose names appear on the Record of Depositors as at 21 May 2025 will be entitled to attend and vote at the meeting.

f. Pursuant to paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions at the AGM will be put to vote by way of poll.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company Secretaries
DKLS INDUSTRIES BERHAD
[Registration No.: 199501040269 (369472-P)]
No. 1 Jalan Lasam
30350 Ipoh, Perak Darul Ridzuan, Malaysia

1st fold here

DKLS INDUSTRIES BERHAD
Registration No.: 199501040269 (369472-P)

16th Floor & Penthouse Ipoh Tower
Jalan Dato Seri Ahmad Said
30450 Ipoh, Perak