



DKLS INDUSTRIES BERHAD

Registration No.: 199501040269 (369472-P)

ANNUAL REPORT 2025



Rooted in Learning

Growing for Good



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



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CORPORATE INFORMATION



AUDIT COMMITTEE

Ms Liew Li Ping
Chairman

Ms Ang Chan Moy

En Zulkifly Bin Zakaria

NOMINATION & REMUNERATION COMMITTEE

Ms Ang Chan Moy
Chairman

Ms Liew Li Ping

En Zulkifly Bin Zakaria

INVESTMENT COMMITTEE

Dato' Ding Poi Bor
Chairman

Ir Sam Tuck Wah

Ms Ang Chan Moy

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
Email : info@sharedservices.com.my

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

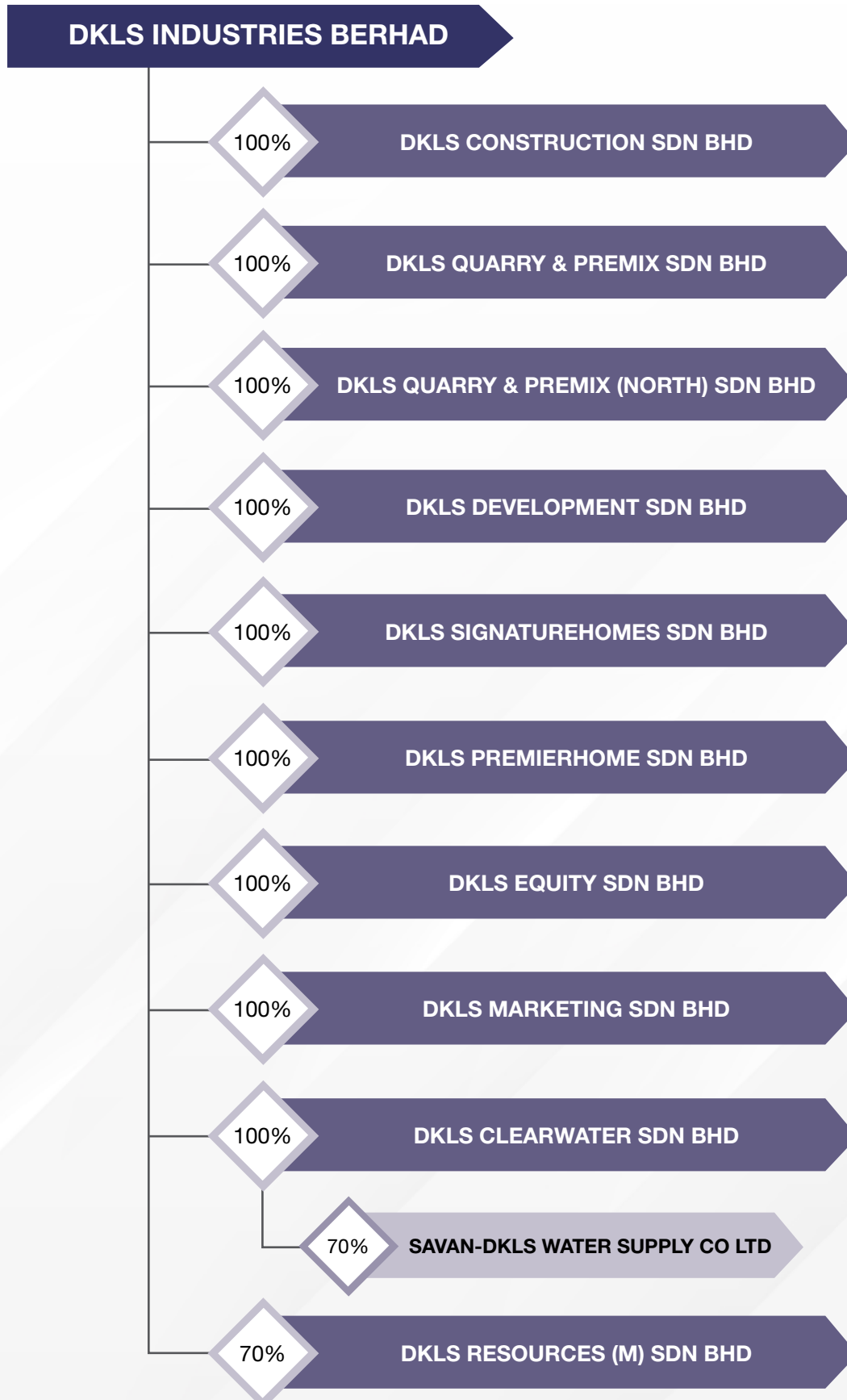
STOCK EXCHANGE LISTING

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

COMPANY WEBSITE

<https://dkls.com.my>

CORPORATE STRUCTURE



PROFILE OF DIRECTORS



DATO' DING PEI CHAI
DPTJ, PMP
Non-Independent Non-Executive Chairman

Nationality	Gender	Age
Malaysian	Male	70

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 forty 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 page 196 of the Annual Report. Within the past five years, he has no conviction of 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	Gender	Age
Malaysian	Male	71

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 page 196 of the Annual Report. Within the past five years, he has no conviction of 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	Gender	Age
Malaysian	Male	66

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 the 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 page 196 of the Annual Report. Within the past five years, he has no conviction of 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	Gender	Age
Malaysian	Female	37

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 ten 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 page 196 of the Annual Report. Within the past five years, she has no conviction of 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	Gender	Age
Malaysian	Male	34

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.

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 also oversees the financial and non-financial performances, as well as business strategies and priorities of the subsidiary companies so as to ensure that they are 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 page 196 of the Annual Report. Within the past five years, he has no conviction of any offences (save for traffic offences) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



MS ANG CHAN MOY
Independent Non-Executive Director

Nationality	Gender	Age
Malaysian	Female	63

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 was later appointed as a member of the Investment Committee on 28 May 2025. 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"). In addition, she is the founder and currently the Managing Director of a property development company in Ipoh, Perak.

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 five years, she has no conviction of 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 LIEW LI PING
*Independent Non-Executive
Director*

Nationality	Gender	Age
Malaysian	Female	56

Ms Liew Li Ping was appointed to the Board as an Independent Non-Executive Director of DKLS Industries Berhad on 1 June 2024. She has served as an independent member of the Audit Committee since her appointment until her resignation as Chairman of the Audit Committee of the Company on 28 May 2025. Ms Liew also serves as a member of the Nomination and Remuneration Committee of the Company.

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 twenty-three 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 Securities Berhad ("Bursa Securities"). On 5 August 2025, Ms Liew has been appointed to the Board of Directors of Malaysian Skin Foundation, a non-profit organisation and on 1 November 2025, she was appointed as a Director of 1 Doc International Berhad.

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 five years, she has no conviction of 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)



EN ZULKIFLY BIN ZAKARIA

*Independent Non-Executive
Director*

Nationality	Gender	Age
Malaysian	Male	71

En Zulkifly Bin Zakaria was appointed to the Board as an Independent Non-Executive Director on 1 July 2025. He currently serves as a member of the Audit Committee as well as the Nomination and Remuneration Committee of the Company.

En Zulkifly graduated in Banking from University Technology MARA in 1976 and subsequently obtained his Master in Business Administration from the University of Wales, Cardiff, United Kingdom in 1998.

He began his career in the banking and finance industry in 1976 with the European Asian Bank, Kuala Lumpur (presently known as Deutsche Bank AG) and also served in its head office in Germany. In 1983, he was in the pioneer team that joined Bank Islam Malaysia Berhad and was responsible for setting up the Trade Finance Division of the bank. In 1991, he joined ABN-AMRO Bank N.V. (Kuala Lumpur Branch). He is a wellrounded banker with a total of eighteen years of experience in the banking sector both locally and overseas.

In 1994, he joined UMW Holdings Berhad (“UMW”) as the group treasurer, later known as the Group Financial Controller. In 2002, he was appointed as the Executive Director of the oil and gas division of UMW Corporation Sdn Bhd, heading its newly formed oil and gas division. In 2009, he was promoted to the position of President of UMW Oil & Gas Berhad until his retirement in 2011.

En Zulkifly currently serves as the Independent and Non-Executive Chairman of Sunview Group Berhad and Go Hub Capital Berhad, as well as an Independent Non-Executive Director of Federal International Holdings Berhad, all public companies listed on the Main Market of Bursa Securities. He also currently serves as an Independent Non-Executive Director of Mooreast Holdings Ltd, a company listed on the Singapore Exchange. En Zulkifly is also the Vice President of Malaysia-China Friendship Association to promote culture and education between Malaysia and China since 2021.

En Zulkifly 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 five years, he has no conviction of 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 Director's section for the profile of Dato' Ding

IR SAM TUCK WAH
Executive Director

Please refer to the Board of Director's section for the profile of Ir Sam

MS DING ZHE XIN
Executive Director

Please refer to the Board of Director's section for the profile of Ms Ding

MR DING JU SHUEN
Executive Director

Please refer to the Board of Director's section for the profile of Mr Ding

IR CALVIN SAM TUCK HENG
Group General Manager

Nationality	Gender	Age
Malaysian	Male	54

Ir Calvin joined DKLS Group on 1 January 1995 upon graduating in 1994. He holds a Bachelor of Science in Civil Engineering degree 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 31 years of accumulated experience in the field of civil & 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	Gender	Age
Malaysian	Female	53

Ms Wong joined DKLS Group in May 2005 and was appointed as Group Accountant in December 2015. She was redesignated 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 30 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 director and/or substantial shareholder of the Company.

KEY SENIOR MANAGEMENT TEAM (CONT'D)

MR KOK TZY KEAT

*General Manager,
Quarry (North) Division*

Nationality	Gender	Age
Malaysian	Male	49

Mr Kok joined DKLS Group in 2002 and was appointed as Senior Quarry Manager (North) in January 2019. He is redesignated 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, Kedah and the quarry and premix plant in Bukit Perak, Kedah. He holds a Bachelor of Development Science degree from National University of Malaysia (UKM).

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

MR THYE SHIAW DLING

Senior Project Manager

Nationality	Gender	Age
Malaysian	Male	55

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 over 30 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 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	Gender	Age
Malaysian	Male	37

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 12 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, 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

Group Corporate Finance Manager

Nationality	Gender	Age
Singaporean	Female	33

Ms Jerlynn joined DKLS Group in November 2023. She oversees the Group's financing requirements, undertakes strategic financial planning under the Finance team, as well as conducts and reviews feasibility studies for potential projects. She is also a member of the Group's Sustainability Committee.

Ms Jerlynn has over 7 years of experience in the banking and finance sector, specialising in real estate financing. She began her career under a leading multinational bank's Management Associate Programme before progressing into regional real estate banking roles covering global data centres, Thailand and Vietnam markets, and REIT-related financing. Prior to joining DKLS Group, she served as a real estate industry banker with one of the largest Japanese banks, where she was involved in the origination and execution of New Economy real estate financing transactions across Asia.

She provides real estate and financial advisory support on complex financing transactions and has extensive experience across the full transaction lifecycle, including deal origination, financial modelling, structuring, and the preparation of credit and investment recommendations for senior management and credit committees.

Ms Jerlynn holds a Bachelor of Science (Honours) degree in Statistics, Economics and Finance from University College London ("UCL"), United Kingdom, and a Master of Science degree in Real Estate Investment (Merit) from Bayes Business School (formerly known as Cass Business School), United Kingdom.

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	Gender	Age
Malaysian	Male	39

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 redesignated to his current position as Contract Manager in November 2021. He obtained a Bachelor of Science (Hons) degree in Quantity Surveying from Universiti Tunku Abdul Rahman in 2011 and has more than 14 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 director and/or substantial shareholder of the Company.

MS KAM YEE LIN

Group Accountant

Nationality	Gender	Age
Malaysian	Female	36

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 12 years of experience in auditing in various industries.

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

Additional Information:

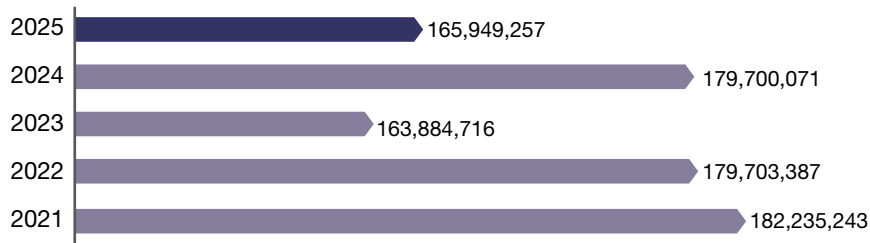
- Save for Dato' Ding Poi Bor, Ir Sam Tuck Wah, Ms Ding Zhe Xin, Mr Ding Ju Shuen, Ir Calvin Sam Tuck Heng, Ar Cheng Mao Yang and Ms Jerlynn Ng Hui Ching, none of the above Key Senior Management has any conflict of interest with DKLS Group.
- None of the above Key Senior Management of DKLS Group has 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 regulatory bodies during the financial year.

GROUP FINANCIAL HIGHLIGHTS



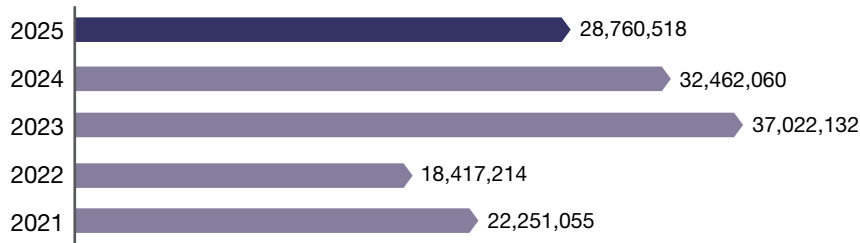
REVENUE
RM165.95 MIL

REVENUE (RM)



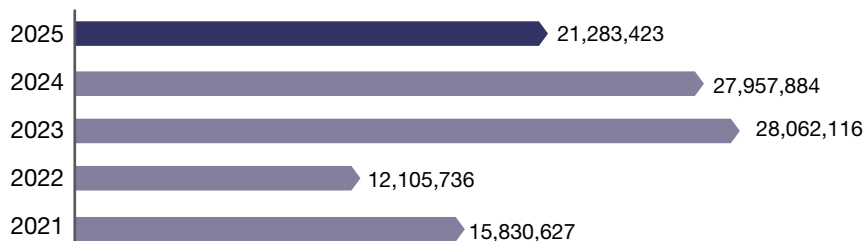

PROFIT BEFORE TAX
RM28.76 MIL

PROFIT BEFORE TAX (RM)



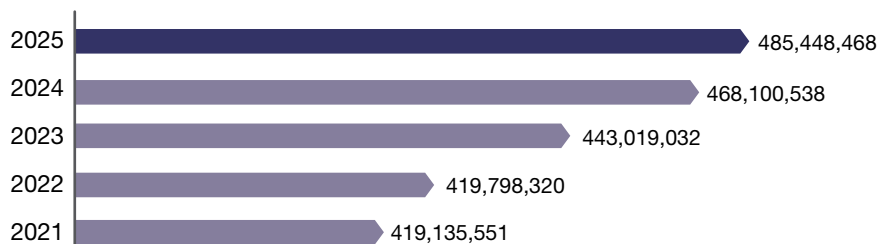

PROFIT AFTER TAX & NON-CONTROLLING INTERESTS
RM21.28 MIL

PROFIT AFTER TAX AND NON-CONTROLLING INTERESTS (RM)



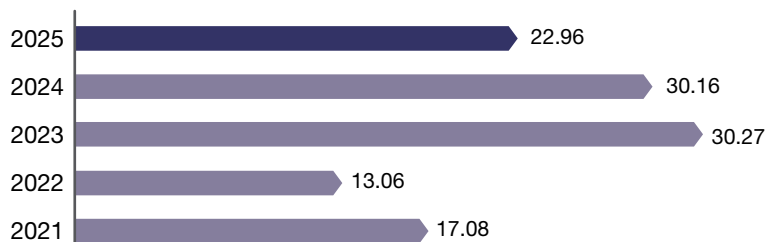

SHAREHOLDERS' FUND
RM485.45 MIL

SHAREHOLDERS' FUND (RM)




EARNINGS PER SHARE
22.96 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 ("Company") and its subsidiaries (collectively "the Group") for the financial year ended 31 December 2025 ("FY 2025").

2025 Overview

The Malaysian economy achieved a Gross Domestic Product ('**GDP**') expansion of 5.2% in 2025, primarily fuelled by domestic consumption and demand supported by positive labor market conditions and income-related policy measures. The recovery in global trade, particularly within the electrical and electronics sector remained a primary driver of export value contributing to the growth.

Supporting this growth trajectory, the Monetary Policy Committee ('**MPC**') of Bank Negara Malaysia maintained the Overnight Policy Rate ('**OPR**') at 2.75% during its September and November 2025 meetings, following an earlier 25-basis-point cut in July 2025.

However, despite these encouraging macroeconomic indicators, the operating environment for the Group remained multifaceted and increasingly complex. While the national economy expanded, the growth trajectory was largely concentrated in specialised sectors and remained susceptible to external pressures, including shifting geopolitical dynamics. The construction industry, amongst others, continued to operate in a highly competitive landscape due to persistent escalation in construction costs, evolving regulatory requirements, as well as a more selective project pipeline leading to intensified bidding amongst contractors.

During the year, the Group has prioritised financial discipline and operational agility in order to sustain performance levels despite market volatility.

CHAIRMAN'S STATEMENT (CONT'D)

Review of Financial Results and Dividends



In the face of these systemic challenges, the Group recorded revenue of RM165.95 million representing a decrease of 7.7% from RM179.70 million in FY 2024, mainly attributable to a lower order book from the construction division. In line with the decline in revenue, the Group reported a lower profit before tax of RM28.76 million in FY 2025, a decrease of 11.4% from RM32.46 million in FY 2024. The decline in profitability was further affected by an allowance for impairment losses on receivables and a lower reversal of impairment losses on property, plant and equipment, partially mitigated by lower inventories write-down to net realisable value.

The in-depth financial performance and affairs of the Group are disclosed in the Management Discussion and Analysis section on pages 18 to 30 within this Annual Report.

Upon deliberation, the Board is pleased to recommend a first and final dividend of 3.00 sen per share in respect of FY 2025, to be approved by the shareholders at the forthcoming Annual General Meeting. The total dividend payment to the shareholders for FY 2025 will involve RM2,780,988.

A Culture of Integrity



The Group remains unwavering in its commitment to the highest standards of corporate governance, stringent compliance and ethical integrity. These guiding principles are more than just regulatory requirements; they 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 fostering trust and transparency across our entire organisation.

In alignment with our zero-tolerance stance on corruption, the Group has continued to intensify its compliance framework by conducting corruption risk assessments across all its key business entities, as well as the implementation of annual anti-corruption training across all employee categories. During the year, we have achieved an exemplary participation rate in training, which underscores our collective accountability matched by a widespread, grassroots commitment to the Group's professional integrity.

We believe that robust governance requires constant vigilance. Therefore, the Group has further reviewed and revised its Anti-Corruption Policy and Guidelines during the year in line with evolving regulatory requirements and best practice standards. The policy sets clear expectations for ethical conduct across businesses and reinforces a zero-tolerance stance on corruption.

Further details can be found in our Corporate Governance Overview Statement on pages 75 to 92 within this Annual Report.

CHAIRMAN'S STATEMENT (CONT'D)

Advancing ESG Agenda

During the year, we made significant strides in maturing our Environmental, Social and Governance (“ESG”) framework. In our pursuit of enhancing our ESG data reporting and transparency, we have engaged external independent consultants to perform an assessment on our ESG data in 2024. Our 2025 sustainability reporting has accordingly been significantly refined and enhanced based on the professional recommendations, ensuring that our disclosures meet higher benchmarks of accuracy and relevance. This evolution reflects our dedication to providing stakeholders with a clear and honest view of the Group’s impact and progress.



Beyond fulfilling the ESG disclosure requirements as required by Bursa Malaysia Securities Berhad, the Group has also taken additional tangible steps to enhance sustainability efforts such as recycling office wastepaper and proactively expanding our employee development programme and training. In FY 2025, our employees have achieved a total of 2,364 hours of training to build skills, deepen sustainability literacy, and strengthen execution across the Group.

The Group is further committed to progressively review and expand its reporting scope in order to provide greater visibility into our ESG performance. During the year, the Board reviewed the progress on sustainability initiatives, including Management’s efforts in data collection, analysis and reporting. Through these actions, we aim to build trust, drive meaningful change, and contribute to a sustainable future for all stakeholders.

Further details can be found in our Sustainability Statement on pages 31 to 69 within this Annual Report.

2026 Market Outlook and Prospects



The 2026 market outlook presents many uncertainties. While frameworks such as the Thirteenth Malaysia Plan (“13MP”), New Industrial Master Plan 2030 (“NIMP 2030”), National Artificial Intelligence (“AI”) Action Plan 2030 and measures under Budget 2026 aim to reinforce economic fundamentals and sustain investor confidence in the local economy, these catalysts are expected to face challenging headwinds from the ongoing geopolitical conflict in the Middle East.

While Malaysia’s macroeconomic outlook for 2026 points to a domestically driven growth environment, recent geopolitical escalations have placed renewed pressure on global shipping and energy prices. This translates to potential supply chain disruptions and volatility in construction material costs, which may impact project timelines and margins in the industries in which the Group operates.

The Group remains vigilant and will navigate the upcoming year with a cautious yet opportunistic approach, balancing financial stability with readiness to capitalise on any opportunities presented.

CHAIRMAN'S STATEMENT (CONT'D)

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 community.

I would further like to take this opportunity to warmly welcome En Zulkifly Bin Zakaria as our new Independent Non-Executive Director, effective 1 July 2025. En Zulkifly has more than five decades of experience in banking, finance, oil and gas, and corporate leadership, both locally and internationally. With his experience and insights, we are confident that he will add valuable perspectives and support the Group's next phase of growth. We look forward to receiving his 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 Company and its subsidiaries (collectively “the Group”) operated in a moderately growing environment in FY 2025, supported by a resilient domestic economy yet challenged by a volatile global backdrop. While local demand provided growth opportunities, external headwinds including uncertainties in shifting trade policies and geopolitical tensions introduced significant challenges, particularly in supply chain disruptions and pricing variables.

By focusing on resource efficiency and disciplined capital management, the Group was able to absorb increased regulatory and procurement costs, amongst others, without compromising on our delivery standards. Despite the volatile operating landscape, the Group’s operational agility and prudent management ensured we remained profitable throughout the year.

Our vision has always been to evolve in tandem with the industries we serve. By championing sustainable practices and nurturing an internal environment of continuous professional development, we are building a future-proof organisation.

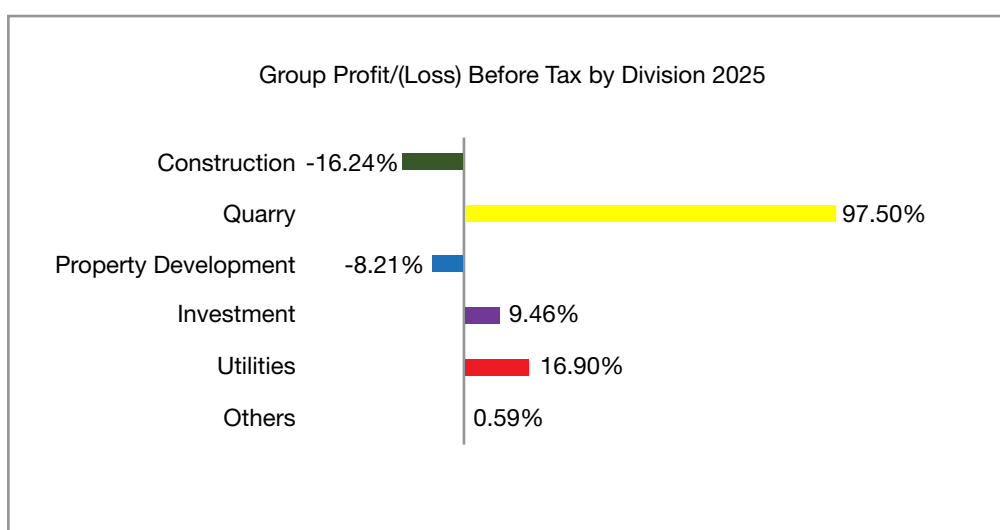
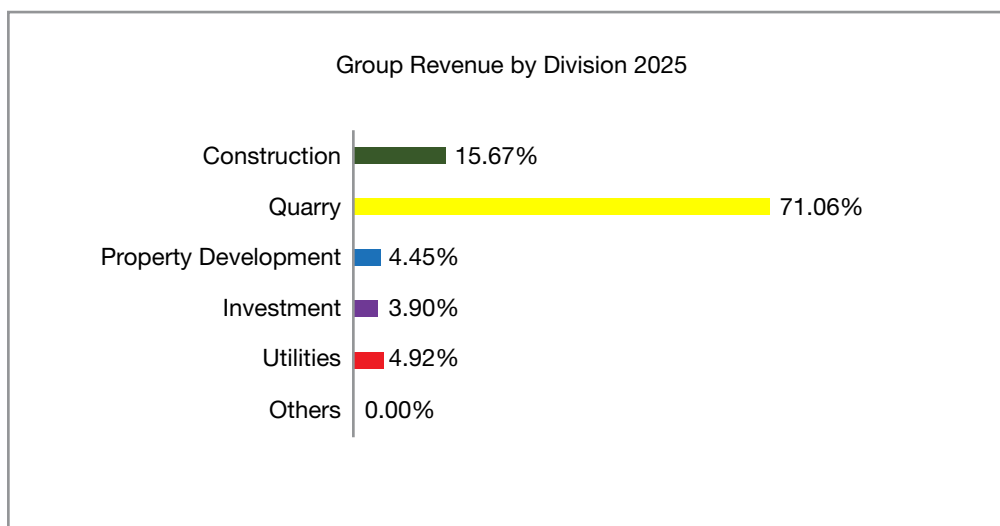
Moving forward, we will continue to leverage our core strengths to remain competitive. The Group remains committed to delivering practical, high-value solutions across its key operating divisions.

GROUP FINANCIAL PERFORMANCE

For the current financial year (FY 2025), the Group reported a lower revenue and profit before tax of RM165.95 million and RM28.76 million, respectively. This represents a decrease of 7.7% in revenue and 11.4% in profit before tax compared to RM179.70 million and RM32.46 million reported in the previous financial year (FY 2024).

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	
	2025 RM million	2024 RM million	2025 RM million	2024 RM million
Construction	26.00	44.30	(4.67)	8.83
Quarry	117.92	112.48	28.04	19.63
Property Development	7.38	8.19	(2.36)	(4.74)
Investment	6.48	6.89	2.72	3.60
Utilities	8.17	7.84	4.86	5.03
Others	-	-	0.17	0.11
Total	165.95	179.70	28.76	32.46

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

CONSTRUCTION DIVISION



Revenue:
RM26.00 million



Loss Before Tax:
RM4.67 million

The Construction Division operates through the Company's 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 ("CIDB") respectively. It takes pride in the high-quality construction and building services that it provides and is accredited with the MS ISO 9001:2015 Quality Management System by SIRIM.

Operating Environment

Throughout the year, the Construction Division has navigated in a demanding operational landscape defined by heightened competition and volatile market dynamics. The sector faces a dual pressure point being geopolitical shifts impacting tariff structures and a more rigorous domestic regulatory framework, both of which have necessitated a recalibration of our cost base. Furthermore, the market remains characterised by a high concentration of established contractors vying for a limited pipeline of tenders and projects, creating an environment of intense bidding and margin scrutiny across the industry.

Fiscal policies such as the broadening of the Sales and Service Tax ('SST') regime have also introduced new cost variables into the Division's operations. As the tax net expands to include non-residential construction activities and related logistics services, the sector has seen and will continue to experience a cumulative effect on procurement and expenses.

Navigating these regulatory changes required constant administrative vigilance and a proactive adjustment of our pricing models to ensure project viability.

Financial Performances

The Construction Division recorded lower revenue of RM26.00 million in FY 2025, compared with RM44.30 million in FY 2024, primarily due to smaller order book and the absence of sale of industrial lands in Laos which occurred in prior year but none in the current year.

The lower revenue resulted in the Division to report a loss before tax of RM4.67 million in FY 2025, compared with a profit before tax of RM8.83 million in FY 2024. In addition to the lower revenue, the Division's performance was further impacted by an allowance of impairment losses on receivables, higher foreign exchange losses and the absence of gain on disposal of property, plant and equipment.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Key Initiatives and Business Updates



CIDB Certificate of Achievement

During FY 2025, the Division continued to leverage its technical expertise and established reputation for delivering high-quality products across all projects. This combination of technical proficiency with a proven track record ensured the Division to remain competitive in an environment defined by dual pressures of cost and quality.

By integrating strategic cost optimisation with sustainable construction methodologies, the Division is moving beyond mere market navigation to solidify its role as a reliable industry partner. This commitment to ‘quality without compromise’ was underscored this year by our achievement of CIDB 4-star (out of 5) rating under the G7 Contractor category — a clear validation of our superior management systems, technical maturity, and adherence to industry best practices.

During the year, the Division has obtained the Certificate of Practical Completion (‘CPC’) for works done for the Victoria Country Phase 1 (Manjung District) project and earthwork for AMERY Residences in Taiping (Larut and Matang District).



Completed Victoria Country Phase 1 (Manjung District)

The Division looks forward to continuing in FY 2026 on the following construction works:

1. Industrial Factory at Kanthan, Chemor (Kinta District); and
2. Bukit Pinang Phase 3 project (Kota Setar, Kedah)

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Outlook for 2026

The Construction Division anticipates an increasingly competitive landscape through 2026. While the Budget 2026 prioritises specialised sectors, specifically data centers and selected high-value public infrastructure projects, traditional civil tenders remain limited, leading to intensified bidding and margin compression among industry players. External volatility, exacerbated by geopolitical instability in the Middle East, continues to present headwinds via fluctuating petrol and building material prices, supply chain disruptions and uncertain global tariff structures.

Domestically, the Division's profitability is expected to face unprecedented pressure from new fiscal measures taking full effect in 2026, including SST expansion on non-residential construction services, the introduction of carbon taxes on iron and steel, as well as the implementation of multi-tiered foreign worker levy.

To mitigate these cumulative pressures, the Division will continue to focus on accurate cost estimation and pricing strategies in order to remain competitive and profitable, while being prudent with its selection of new tender projects.

QUARRY DIVISION



Revenue:
RM117.92 million



Profit Before Tax:
RM 28.04 million

The Quarry Division operates through the Company's wholly owned subsidiaries, DKLS Quarry and Premix Sdn Bhd and DKLS Quarry and Premix (North) Sdn Bhd (collectively referred to as "**DKLS Quarry**") – which are in the business of manufacturing, supply and sale of quarry products, ready-mix concrete and asphaltic concrete (premix). DKLS Quarry owns and operates two quarry plants, two ready-mix concrete batching plants and four premix plants across Peninsular Malaysia.

Operating Environment

Demand for construction materials has picked up significantly in FY 2025, driven by resurgence in demand from both private sector activities and public infrastructure development in the Northern Region.

The Quarry Division continues to capitalise on its network of strategically located plants to fulfill demands for construction materials and sustainable practices in the region. By maintaining plant proximity to both raw material sources and key markets, the Division is able to maintain a distinct competitive edge through reduced transportation costs and prompt delivery service in a volatile supply environment.

Amidst industry challenges such as raw material price fluctuations and escalating operational overheads, the Division is able to maintain a commendable growth trajectory by coupling capacity expansion with a rigorous sales and marketing framework. Through its strategy of optimising output and inventory controls, the Division is able to successfully mitigate inflationary pressures and supply chain disruptions by responding to market shifts with speed and precision. This strategic posture resulted in record sales volumes and a significant expansion of its market footprint.

Driven by adept leadership together with a combination of value engineering, quality assurance and forward-thinking marketing initiatives, the Division's resilient performance has yielded substantial gains in both revenue and net profitability during the year.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Financial Performance

In FY 2025, the Quarry Division recorded a higher profit before tax of RM28.04 million compared with RM19.63 million in FY 2024 in line with higher revenue of RM117.92 million compared with RM112.48 million in FY 2024. The improvement was mainly driven by higher sales volume particularly for premix products, against fixed operating costs.

The Division's improved performance was further supported by higher other operating income, reversal of impairment losses on receivables, as well as lower write-offs of plant and equipment and inventory, and reduced upkeep expenses.

Key Initiatives and Business Updates

The Quarry Division continues to capitalise on its strategic plant locations to maintain a dominant regional presence. Its proximity to high demand areas has enabled the Division to capitalise on expanding opportunities while reducing delivery lead times and transportation costs. Their advantageous locations further provide improved access to essential raw materials, supporting smoother operations and minimising supply chain disruptions. This is especially critical in an industry frequently challenged by logistical constraints, thereby reinforcing the Division's ability to maintain consistent and reliable output.

To complement its frontline operations, the Division's investment in the digitalisation of the Enterprise Resource Planning ("ERP") system has delivered significant benefits in enhancing its operational efficiency. By enabling real time access to critical data, this allowed the Management to more effectively strengthen credit control procedures, monitor performance and respond promptly to issues that arise.

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 CIDB Malaysia. These recognitions underscore the Division's commitment in maintaining high standards of quality management across its operations, ensuring consistent delivery of superior products and services.

Acknowledging the growing stakeholder focus on sustainable practices within the industry, the Division has 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.

The Division remains committed to continuously reviewing and refining its expansion strategy with the objective of maximising production efficiency and meeting growing market demand. This proactive approach ensures that resources are optimally allocated and operations are aligned with areas of highest demand.

As part of a strategic consolidation initiative, during the year the Teluk Intan, Perak premix plant was relocated to Bukit Perak, Kedah, a facility better positioned to achieve higher output levels and operational efficiency. This secondary plant is still under commissioning and is scheduled to begin production in year 2026.

Looking ahead, the Quarry Division remains committed to preserving its competitive edge within the region by prioritising customer-centric service and consistent delivery of high-quality products. By integrating disciplined cost management, proactive marketing and service reliability, the Division is prepared to navigate the competitive landscape to achieve sustainable growth.

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	• (ceased operations from 01.01.2025)		•	•	
Ready-Mix Plant	•	•			
Premix Plant	•	• (ceased operations from 31.08.2025)	•	•	•



Premix Plant at Pundut, Perak



Premix Plant at Pokok Sena, Kedah



Premix Plant at Bukit Perak, Kedah

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Outlook for 2026

The Quarry Division maintains a cautiously optimistic outlook for FY 2026 to sustain a stable performance. While regional demand is underpinned by a pipeline of private activities and public infrastructure projects, the industry remains sensitive to geopolitical volatility in the Middle East. These external headwinds may drive fluctuations in energy and fuel costs, potentially disrupting global supply chains. Prolonged instability could lead to raw material scarcity and upward price pressure, specifically impacting high-dependency products such as bitumen.

The Division will maintain agility in its business decisions to overcome these challenges while continuing to monitor market demands and its expansion strategy to capture emerging opportunities and build its resilience as a key player in the region.

PROPERTY DEVELOPMENT DIVISION



Revenue:
RM7.38 million



Loss Before Tax:
RM2.36 million

The Property Development Division operates through the Company's wholly owned subsidiaries, DKLS Development Sdn Bhd, DKLS Premierhome Sdn Bhd and DKLS Signaturehomes Sdn Bhd (collectively referred to as "DKLS Property").

Operating Environment

Although the Malaysian economy recorded overall Gross Domestic Product ('GDP') growth in FY 2025, challenges within the property sector remained evident. Based on National Property Information Centre ('NAPIC')'s Property Market Report 2025, a total of 30,471 completed units remained unsold in the country, reflecting a year-on-year increase of 31.6% in volume compared to 2024 (23,149 units). Perak, being the state that the Property Development Division primarily operates in, recorded the highest numbers of unsold completed units in the country, dominating 12.9% (3,943 units) of the total, indicating slow market absorption.

The property market faced a combination of supportive policy measures and persistent business challenges. Although several tax reliefs and affordable housing schemes introduced by the Government are expected to stimulate the property market, their overall effectiveness was partially offset by several countervailing factors. This included tax rationalisation measures and rising property prices driven by escalating construction costs and evolving regulatory requirements, which weighed on affordability.

Although Bank Negara Malaysia ('BNM') had on 9 July 2025 reduced the Overnight Policy Rate ('OPR') by 25 basis points to 2.75% - being the first rate cut since July 2020, providing some relief through lower borrowing costs, the impact on overall market recovery remained gradual.

Recognising the need for a more focused and targeted strategy, the Division will continue to refine its product positioning and strengthen its sales and marketing initiatives to enhance market responsiveness and drive take-up rates.

Financial Performance

The Property Development Division recorded lower revenue of RM7.38 million in FY 2025, compared with RM8.19 million in FY 2024, primarily due to a reduced number of active development projects. Despite the lower revenue, the Division reported a lower loss before tax of RM2.36 million in FY 2025, compared with RM4.74 million in FY 2024, mainly attributable to a lower write-down of inventories to net realisable value.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Key Initiatives and Business Updates

During the year, the Property Development Division has soft-launched its new gated and guarded development project known as AMERY Residences in Taiping (“AMERY Residences”). The stratified development sits within a mature neighbourhood in central Taiping, Perak and comprises 177 double storey homes.

More than just a market participant, DKLS Property aspires to lead the way in advancing sustainable development, particularly in Perak where green-certified projects remain limited. In line with this commitment, AMERY Residences has been thoughtfully designed to incorporate a wide range of environmentally responsible features that promote energy efficiency, resource conservation, and long-term sustainability.

Key green initiatives integrated into the project include solar-powered street lighting, rainwater harvesting systems for both the clubhouse and Semi-D units, as well as electric vehicle (“EV”) charging facilities at the clubhouse. In addition, all homes are equipped with isolator points to facilitate the future installation of EV chargers, encouraging customers’ transition towards greener mobility.

Beyond environmental considerations, the project places strong emphasis on community living and holistic well-being. At the heart of the development is the Amery Clubhouse, an open, pavilion-style facility designed to foster interaction and relaxation. It offers a comprehensive range of amenities, including a gymnasium, yoga deck, swimming pool and children’s pool, steam room, games and music rooms, karaoke room, a library-cum-co-working space, and a multipurpose function hall with pantry facilities.

Set to be the first Green Building Index (“GBI”) certified strata landed residential development in Taiping, Perak this project reflects the Company’s vision of creating sustainable, future-ready homes. By combining environmentally responsible design with lifestyle-oriented amenities, DKLS Property aims to deliver lasting value and support multi-generational living for years to come.

In the meantime, the Division looks forward to the continued progress of construction works for AMERY Residences at Taiping, Perak and Kairos Commercial Square in Sitiawan, Perak.



Double-storey shophouses at Kairos Commercial Square in Sitiawan, Perak



AMERY Residences in Taiping, Perak

Outlook for 2026

The Property Development Division maintains a moderate outlook for 2026. While demand is supported by the reduced OPR of 2.75% in July 2025 and extended stamp duty exemption for first-time homebuyers for homes up to RM500,000 announced in Budget 2026, these catalysts are tempered by persistent escalations in construction and living costs. In particular, geopolitical tensions in Middle East if persistent will contribute to volatility in fuel and petrol prices, leading to higher development costs and consequently, upward pressure on property prices. Additional fiscal measures slated to come into effect in FY2026, such as the increase in stamp duty for foreign buyers from 4% to 8% is further expected to dampen activity in the higher-end segment. These factors may impact both buyer affordability and overall investment sentiment in the coming year.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

The Property Development Division will continue to leverage its competitive edge through product differentiation to drive sales of its existing inventory, at the same time strategically time new product launches based on demand trends. By enhancing design, functionality, and value-added features, the Division aims to better meet evolving customer preferences and strengthen its market appeal.

INVESTMENT DIVISION



Revenue:
RM6.48 million



Profit Before Tax:
RM2.72 million

The Investment Division operates through the Company's wholly owned subsidiary, DKLS Equity Sdn Bhd which mainly involves the management and operation of its commercial property in Tower 8 Bangsar South. Tower 8 Bangsar South was formerly awarded with MSC Malaysia Cybercentre status (now rebranded as Malaysia Digital ('MD') status) with high-speed broadband access and was built according to GBI specifications, making it ideal as headquarters for ICT and multimedia companies.

Operating Environment

During FY 2025, the Investment Division recorded a lower occupancy rate of 87%, compared to 99% in FY 2024. This decline was due to the expiry of tenancy agreements during the year and requests for early termination from certain tenants who scaled down their operations in response to evolving business conditions.

Despite these challenges, the Division was able to mitigate the impact of the vacancies by leveraging on the building's strategic location, comprehensive facilities, and building maintenance services thereby enhancing its attractiveness to prospective tenants. This enabled the Division to secure replacement tenants for a significant portion of the vacated space within a relatively short timeframe.

Nonetheless, the Division continues to face persistent competition within the market, with rival companies constantly adjusting their strategies and rental rates to secure tenants.

To maintain its competitive edge, the Division places strong emphasis on delivering prompt and efficient follow-up services to its tenants, supported by regular and proactive maintenance to the building. This approach is aimed at fostering long-term, sustainable tenant relationships.



Tower 8 Bangsar South

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Financial Performance

The Investment Division primarily generated rental income from investment properties.

In FY 2025, the Division's revenue declined to RM6.48 million from RM6.89 million in FY 2024, mainly due to a lower occupancy rate, which fell from 99% to 87%. This was partially offset by an increase in the average monthly rental rate per square foot.

In line with the lower revenue, the Division's profit before tax decreased to RM2.72 million (FY 2024: RM3.60 million). The decline was also attributed to higher operating costs, including professional fees, building maintenance charges and agent fees, as well as lower fair value gain on investment properties.

Key Initiatives and Business Updates

As the local economy stabilised, supported by increased regional foreign investments during the year, the Division was able to attract new quality tenants by aligning its pricing structure with prevailing market conditions and the value proposition of its building. This strategic approach contributed to higher rental yields for new tenancies.

Despite the decline in occupancy, the Division was able to partly mitigate its financial impact by capitalising on favourable market opportunities and optimising lease terms, thereby cushioning the impact of vacant units through improved overall rental rates.

Nonetheless, the leasing market continues to operate in a highly competitive environment, particularly within the Klang Valley, where an oversupply of office space continues to exert downward pressure on yields. In this context, the Division adopted a proactive leasing strategy, focusing on targeted marketing efforts and highlighting the building's competitive advantages to differentiate itself from surrounding properties to drive occupancy levels and tenant retention.

Outlook for 2026

In FY 2026, the Investment Division is expected to continue to sustain its current occupancy levels and momentum, driven mainly by its strategic location, established infrastructure, and service excellence.

The Division will remain focused on optimising its portfolio by upholding high service standards, effective marketing strategies as well as prioritising high-quality tenants to continuously improve occupancy rate and rental yield.

UTILITIES DIVISION



Revenue:
RM 8.17 million



Profit Before Tax:
RM 4.86 million

The Utilities Division operates through the Company's 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 Water Treatment Plant is accredited with MS ISO 9001:2015 Quality Management System by SIRIM for management and support services as operation and maintenance.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)



Savan-DKLS office and water treatment plant

Operating Environment

Kaysone Phomvihane District of Savannakhet Province is about 830km² and bulk of the Division's customers are currently concentrated within the 40km² area of Savannakhet town. The Division continuously monitors water demand and undertake the necessary studies to assess if any expansion or improvement is necessary to meet market demands.

Financial Performance

The revenue of Utilities Division is derived from the supply of treated water and related services to consumers from a water treatment plant located in Lao People's Democratic Republic.

In the current financial year, the Utilities Division recorded higher revenue of RM8.17 million (FY 2024: RM7.84 million), driven by higher water consumption by customers and an increase in water tariff rates.

Despite the revenue growth, profit before tax declined to RM4.86 million (FY 2024: RM5.03 million), primarily due to lower reversal of impairment loss on property, plant and equipment and a lower net monetary gain arising from hyperinflationary adjustments. This was partially mitigated by lower depreciation charges.

Key Initiatives and Business Updates

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

The Division continued its comprehensive approach to tackling non-revenue water ("NRW") through various procedural compliances and mitigation measures. These proactive measures reflect the Division's commitment to mitigating NRW and optimising water management practices to ensure efficient use of resources and maintain financial sustainability.

However, the Division is continuously facing challenges related to non-performing and uncollectible debts. Effective management of these debts is crucial to prevent further deterioration of the Division's financial standing.

Outlook for 2026

The Utilities Division's water treatment plant concession in Lao People's Democratic Republic will continue to remain a source of recurring income stream into the Group. However, the volatility of the foreign exchange rates may continue to impact the Division's performance.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OTHERS



**Revenue:
RM Nil million**



**Profit Before Tax:
RM0.17 million**

The activities under this Division are undertaken through the Company's wholly owned subsidiary, DKLS Marketing Sdn Bhd ("DKM") and 70% owned subsidiary, DKLS Resources (M) Sdn Bhd ("DKR"). This Division functions as the logistics and supply chain platform in sourcing, purchasing and distributing a wide range of materials, as well as the wholesale trading of petrol, diesel and lubricants, in support of the Group's other business divisions.

Operating Environment

The Division posted an increase in its profit margin due to high demands for petrol, diesel, and lubricants.

Financial Performance

In FY 2025, the Division recorded a profit before tax of RM0.17 million (FY 2024: RM0.11 million), with no external sales as its activities are primarily in support of other divisions within the Group.

Key Initiatives and Business Updates

DKR, a newly incorporated subsidiary in which the Company holds a 70% equity interest, was established during the year to undertake bitumen trading activities. The primary objective of this subsidiary is to support intercompany operations by enhancing cost efficiencies in the procurement of materials used in premix production.

The Division continued to play a vital role in supporting the Group's operations through efficient procurement management in FY 2025. 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 2026

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 and supply disruptions to strengthen the Group's overall operations.

CLOSING

Amid external pressures, including geopolitical tensions in the Middle East that may contribute to market volatility, the Group will adopt a cautious yet opportunistic approach in the year ahead—balancing financial prudence with readiness to capitalise on emerging opportunities.

Given the circumstances, the Group holds a cautiously neutral outlook going into year 2026, subject to prevailing economic conditions.

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. Our approach leverages specialised technical knowledge to foster innovation while ensuring full regulatory compliance. Beyond operational gains, the Group is dedicated to advancing our sustainability targets and roadmap to build lasting trust with all stakeholders. Through transparency and accountability, we continue to cultivate the vital relationships that define us as a progressive and ethical organisation.

Reporting Period

1 January 2025 – 31 December 2025

Reporting Scope

Our reporting scope for the financial year 2025 (“**FY 2025**”) 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

- Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”)’s Practice Note 9 of the Main Market Listing Requirements
- 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 have engaged an independent consulting firm to facilitate the Company by assessing and providing enhancement recommendations relating to the 11 Common Sustainability Matters as prescribed by Bursa Malaysia for the financial year ended 31 December 2024. Accordingly, we have adopted the proposed recommendations for this statement for FY 2025 and are continuously working to enhance our data collection and reporting method for a more effective sustainability management.

Sustainability Aim and Objective

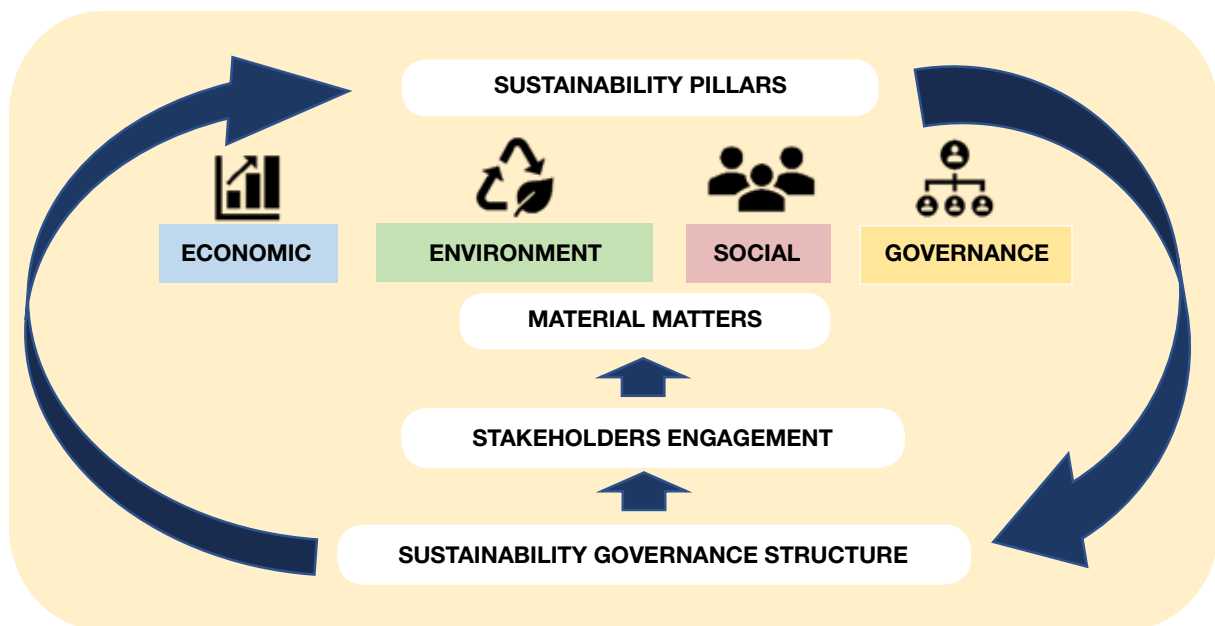
- To explore and implement sustainable practices across our businesses whilst attempting to achieve the right balance between economic success, the requirements of our stakeholders and larger society.
- To integrate the principles of sustainability into the Group’s strategies, business plans, processes 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 STATEMENT (CONT'D)

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, Environmental Sustainability, Social Sustainability, and Governance Sustainability. We endeavour to achieve specific objectives within each focus area by addressing concerns related to our material matters.



Our focus areas:

<p>Economic Sustainability</p> <ul style="list-style-type: none"> • Quality Product and Services • Financial and Business Performance • Procurement and Supply Chain Management • Digitalisation and Data Privacy 	<p>Environmental Sustainability</p> <ul style="list-style-type: none"> • Climate Risk and Biodiversity • Environmental Compliance
<p>Social Sustainability</p> <ul style="list-style-type: none"> • Workplace and Talent Management • Community Engagement • Occupational Health and Safety 	<p>Governance Sustainability</p> <ul style="list-style-type: none"> • Corporate Governance • Compliance and Transparency

SUSTAINABILITY STATEMENT (CONT'D)

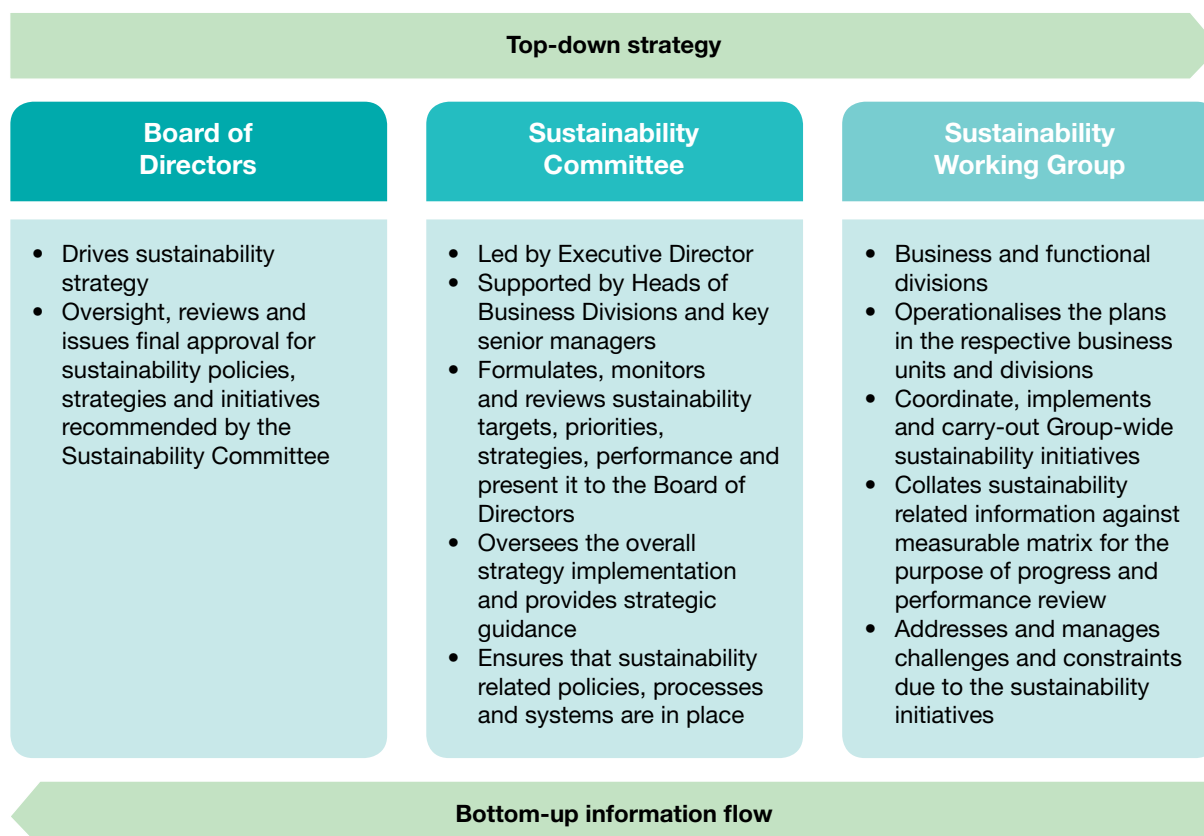
Sustainability Pillars

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

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 Heads 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	<ul style="list-style-type: none"> • Business behaviour • Market presence • Group performance • Return on investment • Risk management • Corporate governance and compliance 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Company's direction and updates • Diversity and equal opportunity • Remunerations and benefits • Career development • Training opportunities • Health and safety at work • Work-life balance 	<ul style="list-style-type: none"> • 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	• As and when required	<ul style="list-style-type: none"> • Product and service quality and safety • Customer satisfaction • Sustainability/ environmental compliance • Customer privacy • Organisational compliance 	<ul style="list-style-type: none"> • 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
	• Corporate website	• Ongoing		
	• Social media	• Ongoing		
	• Marketing materials	• Ongoing		
	• Tenant memos and notices	• As and when required		
• Customer reward initiatives and events	• As and when required			
Local Community	• Meetings and dialogues	• Ongoing/As and when required	<ul style="list-style-type: none"> • Environmental impact • Local community development • Philanthropy • Job and business opportunities 	<ul style="list-style-type: none"> • 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
	• Social media			
	• Corporate website			
	• Strategic partnerships			
	• Build sustainable Corporate Social Responsibility (“CSR”) programmes			

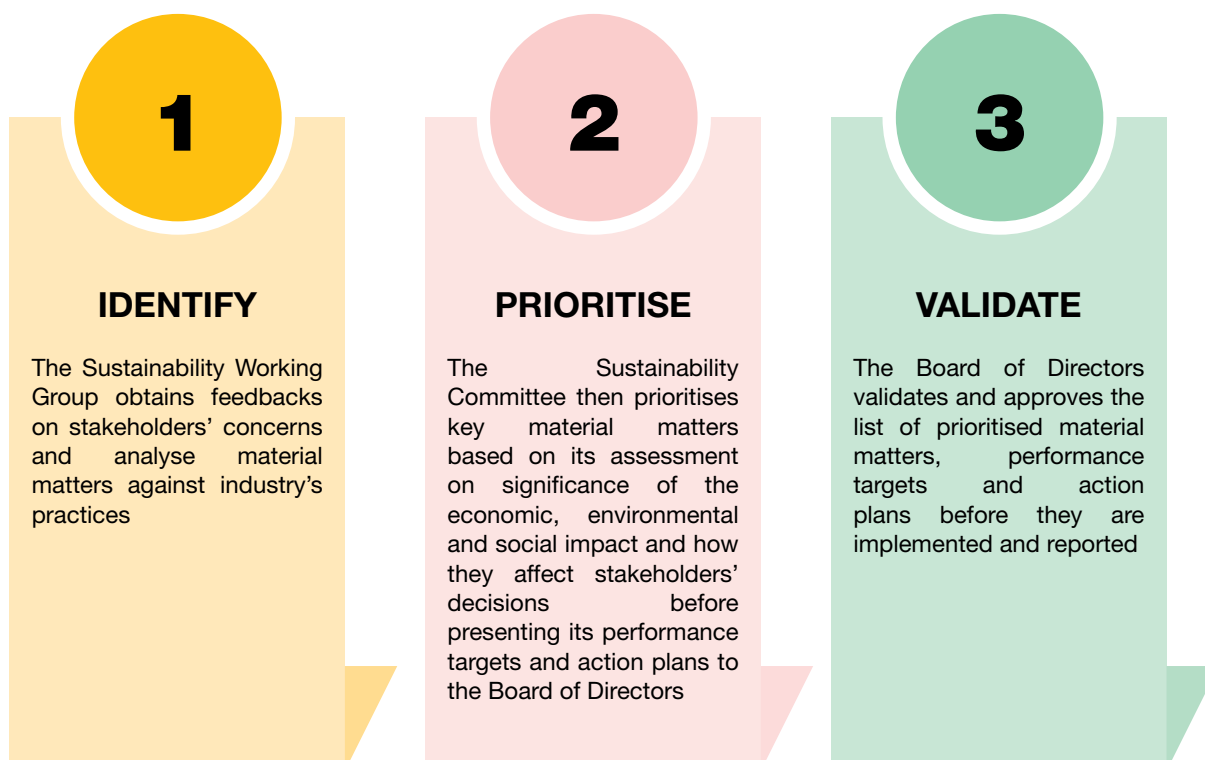
SUSTAINABILITY STATEMENT (CONT'D)

Stakeholder Groups	Method of Engagement	Frequency	Areas of Concern	Our Response
External providers	• Review and coordination meetings	• Ongoing	<ul style="list-style-type: none"> • Fair contract terms • Timely payment • Occupational Health and Safety • Fair procurement practice • Cost saving practices • Supporting local suppliers • Product quality and company reputation 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Regulatory compliance • Listing Requirements • Transparency of disclosure • Tax payment 	<ul style="list-style-type: none"> • 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.



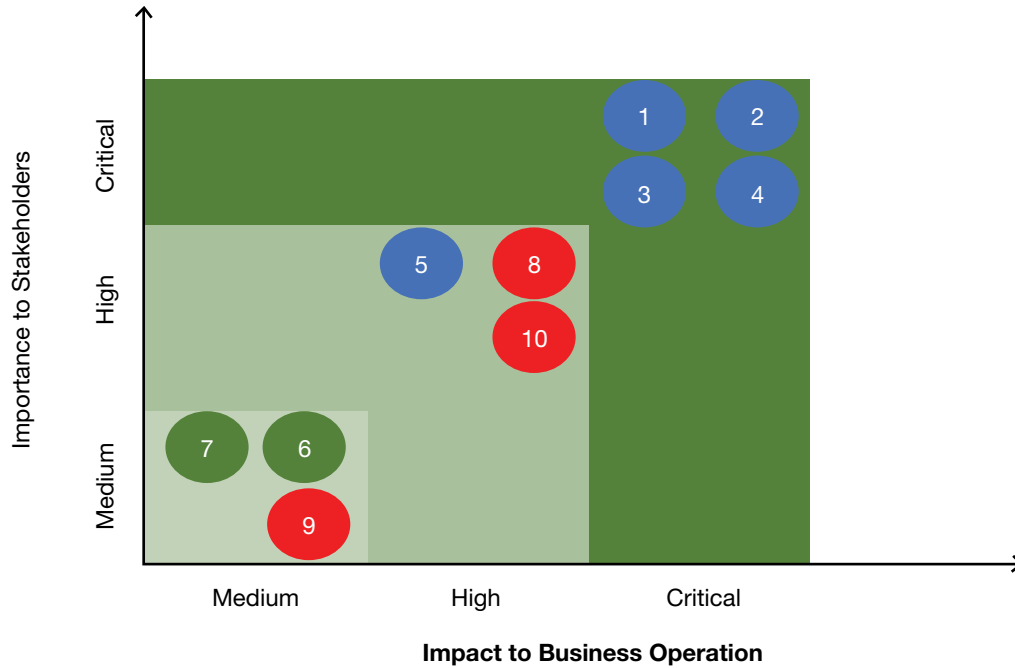
Material Matters




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 2025:

1. Corporate Governance Compliance and Transparency
2. Quality Product and Services
3. Financial and Business Performance
4. Procurement and Supply Chain Management
5. Digitalisation and 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)

Materiality Matrix FY 2025



- | | | |
|---|-----------------------------------|---|
|  | Economic and Governance Indicator | <ol style="list-style-type: none"> 1. Corporate Governance Compliance and Transparency 2. Quality Product and Services 3. Financial and Business Performance 4. Procurement and Supply Chain Management 5. Digitalisation and Data Privacy |
|  | Environmental Indicator | <ol style="list-style-type: none"> 6. Environmental Compliance 7. Climate Risk and Biodiversity |
|  | Social Indicator | <ol style="list-style-type: none"> 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 the 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 KPIs performance for the FY 2025 are compared against its previous years’ performance as set out below:-

ECONOMIC AND GOVERNANCE	
KPI	Corporate Governance Compliance and Transparency
Strategic Priorities	<ul style="list-style-type: none"> • Effective business ethics, integrity and compliance • Fostering good corporate governance
Target	Ensure policies and procedures such as Code of Ethics, Anti-Corruption and Whistleblowing policies are embedded and emphasised throughout the Group through communication including briefings, trainings, declarations and information made readily available on corporate website to enhance awareness and understanding
FY 2023	Zero confirmed incidents of corruption and action taken
FY 2024	Zero confirmed incidents of corruption and action taken
FY 2025	Zero confirmed incidents of corruption and action taken
ECONOMIC AND GOVERNANCE	
KPI	Digitalisation and Data Privacy
Strategic Priorities	<ul style="list-style-type: none"> • 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 2023	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Upgraded DKLS Corporate Office Ipoh 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
FY 2025	<ul style="list-style-type: none"> • Continued subscription of Biztrak System and ERP system • 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	<ul style="list-style-type: none"> 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 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
FY 2025	AMERY Residences Taiping has planned for about 24.6% of green and open spaces, including amenities
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 2023	No significant cases of fines for environmental non-compliance
FY 2024	No significant cases of fines for environmental non-compliance
FY 2025	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 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 developments
FY 2025	Allocation of charging station at AMERY Residences Taiping’s clubhouse
SOCIAL	
KPI	Number of Initiatives Taken to Contribute to Local Community
Strategic Priorities	<ul style="list-style-type: none"> 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 (2) initiatives per year
FY 2023	Successfully achieved five (5) 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 (3) CSR initiatives. A total of RM67,188.99 was invested in the community benefitting a total of 3,700 beneficiaries
FY 2025	Successfully achieved four (4) CSR initiatives. A total of RM85,731.61 was invested in the community benefitting a total of 5,514 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 2025 economic performance is disclosed under the Management Discussion and Analysis in this Annual Report. The Group registered a profit before tax of RM 28.76 million (FY 2024: RM32.46 million) on the back of a total revenue of RM165.95 million (FY 2024: RM179.70 million).

KEY FINANCIAL INDICATORS	FY 2024	FY 2025
Revenue (RM)	179,700,071	165,949,257
Profit Before Tax (RM)	32,462,060	28,760,518
Profit After Tax and Non-Controlling Interests (RM)	27,957,884	21,283,423
Earnings Per Share (sen)	30.16	22.96
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.

Ethics and Integrity

We recognise that a foundation of robust business ethics, anchored by accountability and transparency, is fundamental to our long-term success. Our commitment to these principles fosters a culture of trust among our employees, upholds our reputation with external stakeholders and enhances operational efficiency.

In line with good corporate governance practices, the directors and employees of the Group have made a commitment to uphold 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. These expectations and standards are formalised in our Code of Conduct (“Code”), which sets out the principles and ethical standards expected of the Group and its personnel.

SUSTAINABILITY STATEMENT - ECONOMIC (CONT'D)

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 at <https://dkls.com.my>.

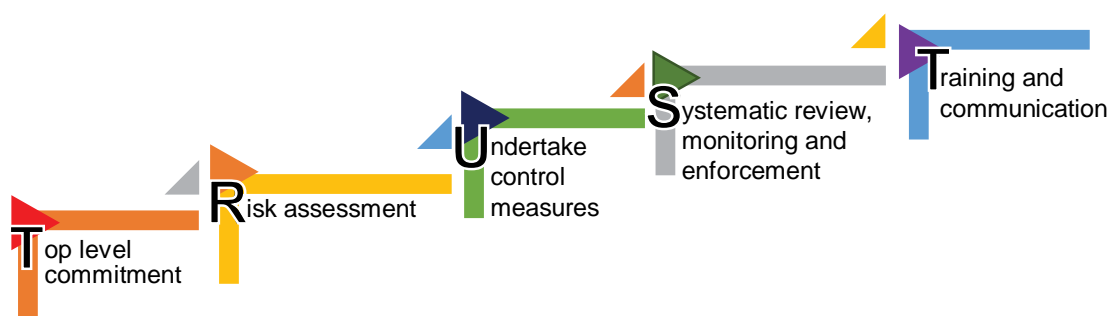
Regulatory Compliance

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 as set out below:-



The Group remains steadfast in its zero-tolerance approach to bribery and corruption, guided by our Anti-Corruption Policy and Guidelines. We ensure these standards are deeply embedded across our value chain by engaging directors, employees, and business partners through briefings and trainings, contractual requirements, and our website at <https://dkls.com.my>.

To maintain continuous awareness, the Group has begun mandating annual anti-corruption trainings for our employees. We are proud to report a transformative leap in engagement for FY 2025, achieving a range of 95%-100% training completion rate, a substantial increase from FY 2024 as shown in the table below.

SUSTAINABILITY STATEMENT - ECONOMIC (CONT'D)

In the FY 2025, a total of 196 employees had received either internal or external trainings on anti-corruption related topics. The table below shows the breakdown of percentage by employee category:-

	Completion Rate		
	FY 2023*	FY 2024	FY 2025
Directors	–	75%	100%
Senior Management	3.93%	58%	100%
Management	0.87%	54%	100%
Operation	7.86%	24%	95%

*For FY 2023 even though internal trainings are carried out, only percentage of external trainings are recorded and disclosed. We have since updated our disclosure metrics to include internal trainings, as these sessions represent a significant portion of our development hours and are vital to our employees' growth plans.

This milestone underscores our heightened commitment to fostering a culture of integrity and vigilance at every level of the organisation. 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.



Anti-Bribery & Anti-Corruption Training

In the FY 2025, 100% of our operations which are key operations of the Group were assessed for corruption-related risks as per the table below.

INDICATOR	FY 2023	FY 2024**	FY 2025**
Percentage of operations assessed for corruption related risk	50%	100%	100%

**All in-scope divisions covered in this Sustainability Statement have been assessed in FY 2024 and FY 2025

We have control measures for compliance in place and to mitigate corruption risks which are assessed, monitored, and regularly audited by the management, board and audit committee.

The Group has recorded zero confirmed cases of corruption and action taken in the FY 2025 as per the table below.

INDICATOR	FY 2023	FY 2024	FY 2025
Confirmed incidents of corruption and action taken	0	0	0

SUSTAINABILITY STATEMENT - ECONOMIC (CONT'D)

Risk Management

We acknowledge that robust risk management is essential for long-term business sustainability. Our approach is to focus 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.

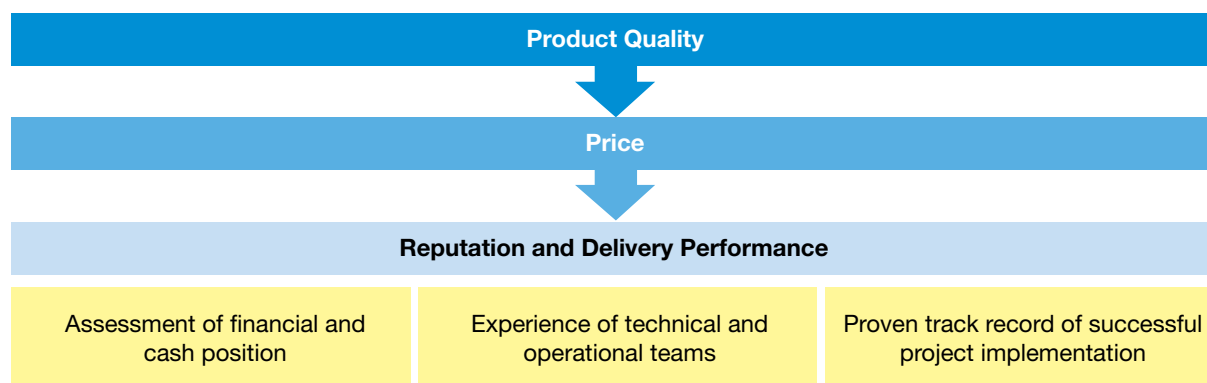
The Group’s risk management framework is central to protecting the interests of our shareholders and broader stakeholder community. By integrating Economic, Environment, Social and Governance (“EESG”) risk considerations into our core strategy, we ensure the resilience and long-term value creation of our business and operations. Given the ever-evolving global landscape and the increasing importance of EESG issues, the Group prioritises the proactive identification and mitigation of emerging EESG risks and managing and mitigating them effectively with adequate systems and actions. This includes dedicated oversight of climate change, biodiversity and environmental pollution, alongside critical social and operational pillars such as 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 a diverse network of partners, including small and medium-sized enterprises (SMEs), 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 including but not limited to the following:-



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 fostering economic growth within the communities where we operate.

SUSTAINABILITY STATEMENT - ECONOMIC (CONT'D)

In the FY 2025, we remain dedicated to sourcing all materials from local suppliers and exclusively partnering with local companies as our subcontractors as per the table below:

INDICATOR	FY 2023	FY 2024	FY 2025
Proportion spending on local supplier	100%	100%	100%

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.

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. Beyond industry requirements, the Construction Division has also adopted its own internal benchmark for strict adherence to quality standards based on QLASSIC standards to uphold our brand promise of superior quality and workmanship.

In a notable performance milestone, the Construction Division is proud to highlight that it has been awarded a 4-star score rating out of a scale of 5 for G7 contractors by the Construction Industry Development Board (“CIDB”) during the year- revised from its 3-star rating since 2019. This elevation of prestigious recognition underscores the robustness of our internal processes and validates our consistent commitment and ability to meet stringent quality and durability standards in every build.

Our Quarry Division adheres to stringent production requirements and delivers the best quality products compliant with Jabatan Kerja Raya Malaysia (“JKR”) and Jabatan Mineral dan Geosains Malaysia (“JMG”) standards and requirements 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.

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.

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.

In FY 2025, no cybersecurity breach was reported throughout the year as per the table below:

INDICATOR	FY 2023	FY 2024	FY 2025
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0

SUSTAINABILITY STATEMENT - ENVIRONMENT

CLIMATE ACTION

The Group acknowledges that our energy consumption and greenhouse gas (“GHG”) emissions contribute to global climate change. 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.

As part of our ongoing commitment to employee well-being and corporate social responsibility, the DKLS team embarked on a group hiking activity at Kledang Hill, Perak on 26 July 2025. More than just a wellness initiative, the hike evolved into a meaningful environmental effort and a collective act to clean up litter along the hiking trail.

While making our way up the 4-2 trail checkpoint, our team members began collecting litter scattered along the hiking route. Beyond strengthening internal bonds, this team building effort further demonstrates our shared commitment towards local conservation, reflecting our culture of collective responsibility and care for the spaces we share.

This initiative reinforces our belief that sustainability begins with awareness and matures into action. The experience stands as a testament to how corporate values can be brought to life beyond the office i.e. through purposeful connection, proactive initiatives, and thoughtful actions. It also serves as a reminder that building a sustainable future starts with individual footprints taken mindfully, together.



DKLS Team Engagement & Appreciation Day

Moving 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 follows:-



Provision of crusher run on access road to reduce dust and mud. Site roads are compacted evenly and regularly.



Stockpile have been levelled so that it is not affected or damaged by rain or wind.



Drainage to guide water runoff away from access road and into water catchment pond. This is done to prevent muddy roads and cause less pollution.



Daily monitoring and maintaining the cleanliness of roads on sites.



SUSTAINABILITY STATEMENT - ENVIRONMENT (CONT'D)

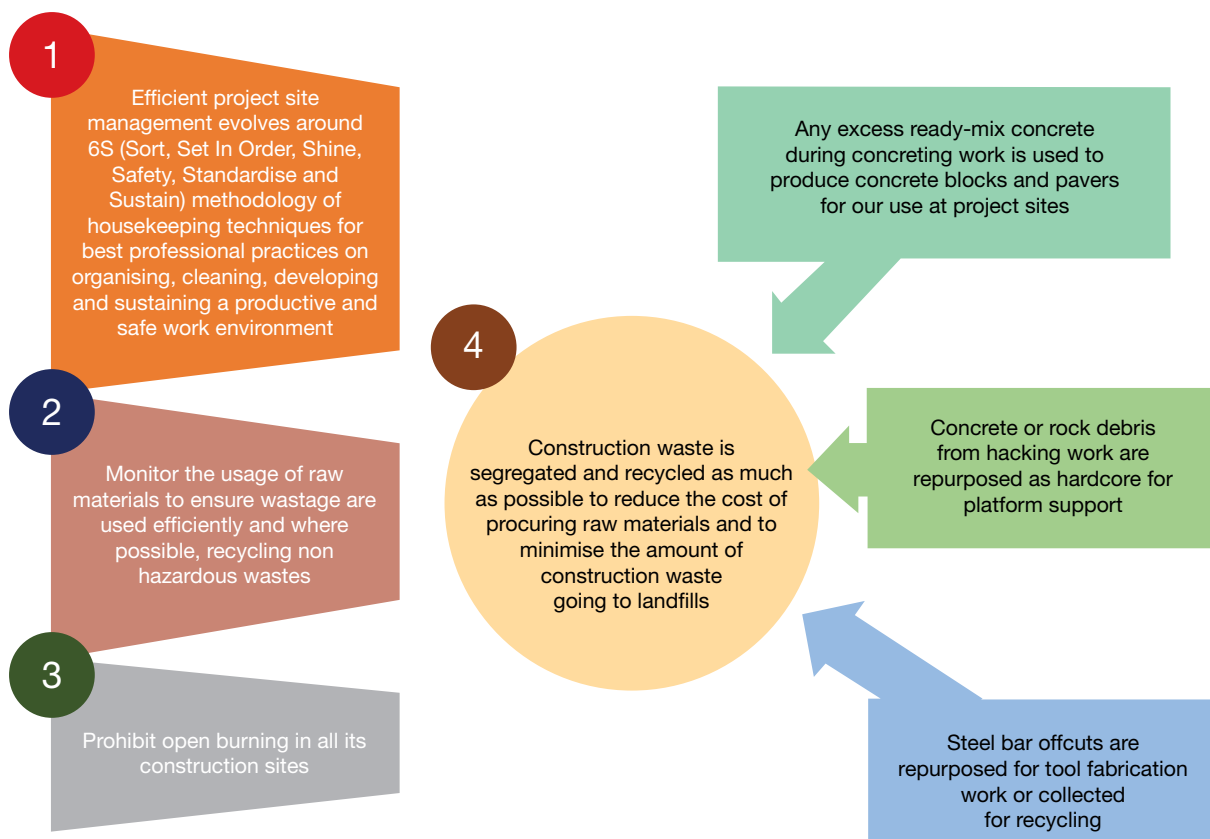
Waste Management

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 :-

- Recycling of office wastepaper.
- 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 project 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



Ambient monitoring at nearest house



Pundut premix plant uses natural gas for its production



Water sampling at final discharge

SUSTAINABILITY STATEMENT - ENVIRONMENT (CONT'D)

In the FY 2025, our Construction Division generated 17.86 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 5.58 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 for in scope entities which were diverted from disposal and directed to disposal for the FY 2025. Data for general waste were included as well.

Indicator	FY 2023	FY 2024	FY 2025
Total waste generated (mT)	–	18.92	25.63
Total waste diverted from disposal (mT)	–	2.92	6.31
Total waste directed to disposal (mT)	–	16.00	19.32

While the total waste volume shows a year-on-year increase, this is primarily attributed to a more comprehensive data consolidation framework that includes sites or data not previously captured for FY 2024. Furthermore, waste data variability is expected for the Group each year as volumes are influenced by operational activity progress and the quantity of work or projects carried out during the reporting period.



Waste Collection for Recycling Day at DKLS Corporate Office Ipoh

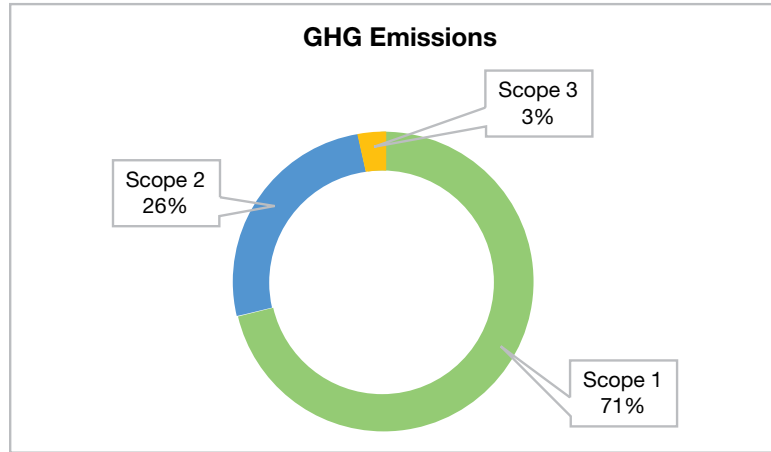
Emission Management

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.

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.

For the FY 2025, we have monitored and recorded Scope 1, 2 and 3 emission data as per the table below. All relevant energy sources, i.e. equipment, vehicles, sites and facilities owned/controlled by the Group in which fuel is combusted and/or energy is consumed data is included in the calculation.

SUSTAINABILITY STATEMENT - ENVIRONMENT (CONT'D)



GHG Emissions	FY 2023		FY 2024		FY 2025	
	tCO ₂ e	%	tCO ₂ e	%	tCO ₂ e	%
Scope 1 Emissions*	-	-	11,107.09	75%	12,754.67	71%
Scope 2 Emissions**	-	-	3,336.08	23%	4,628.07	26%
Scope 3 Emissions*	-	-	381.88	2%	452.28	3%
TOTAL	-	-	14,825.05	100%	17,835.02	100%

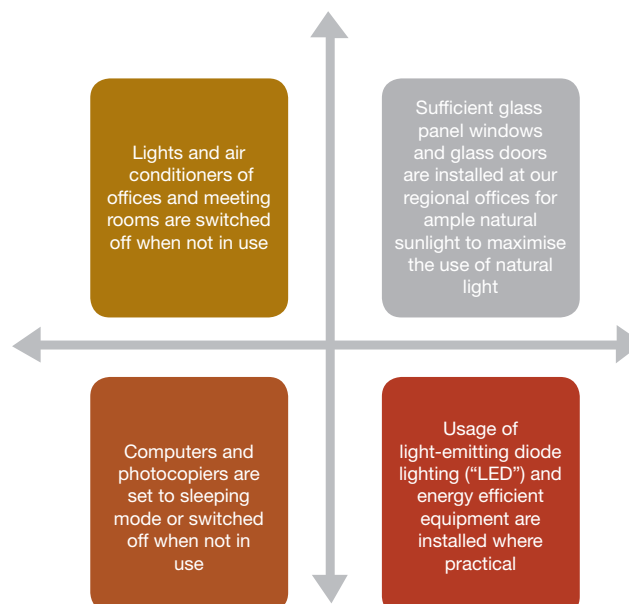
*Scope 1 and 3 calculation are derived using the UNFCCC GHG emission calculator

**Scope 2 is derived using myenergystatsgrid emission factor in Malaysia

The increase in GHG Emission year on year is primarily due to increasing demand in operational activities.

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:-



SUSTAINABILITY STATEMENT - ENVIRONMENT (CONT'D)

We have expanded our scope of disclosure for energy usage to include all our Construction, Property Development and Quarry sites and others in order to enhance the transparency of our environmental performance since the FY 2024. Below is the total data usage for FY 2025:

Entity	Electricity (kWh)		
	FY 2023	FY 2024	FY 2025
DKLS Industries Berhad	114,656	118,655	112,376
DKLS Equity Sdn Bhd	653,578	687,968	667,546
DKLS Quarry & Premix Sdn Bhd	130,114*	703,189	348,718
DKLS Quarry & Premix (North) Sdn Bhd	–	2,430,529	2,638,693
DKLS Construction Sdn Bhd	–	75,601	47,279
DKLS Premierhome Sdn Bhd	–	17,538	8,748
DKLS Development Sdn Bhd	–	8,578	885
Total	898,348	4,042,058	3,824,245

*Consumption for Bizhub DKLS Sitiawan office only

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.

Water taps are turned off when not in use.

Unnecessary flushing should be avoided

Ongoing energy management and water conservation tips are placed at common areas as a reminder

We have expanded our scope of disclosure for water consumption to include all our Construction, Property Development and Quarry sites and others in order to enhance the transparency of our environmental performance since the FY 2024. We have included all water consumed to derive the required data and disclosed them in this Annual Report 2025. Nonetheless, the quarry sites use water sources such as groundwater, rainwater and hill water into its sedimentation pond for spraying, truck wheel washing and other activities. As the usage/volume is insignificant, hence the data is excluded.

Below is the total data usage for FY 2025:

Entity	Water (m ³)		
	FY 2023	FY 2024	FY 2025
DKLS Industries Berhad	301	304	243
DKLS Equity Sdn Bhd	4,600	3,893	4,103
DKLS Quarry & Premix Sdn Bhd	1,034*	15,905	10,587
DKLS Quarry & Premix (North) Sdn Bhd	–	4,848	6,322
DKLS Construction Sdn Bhd	–	5,115	4,220
DKLS Premierhome Sdn Bhd	–	–	122
DKLS Development Sdn Bhd	–	4,945	19
Total	5,935	35,010	25,616

*Consumption for Bizhub DKLS Sitiawan office only

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.

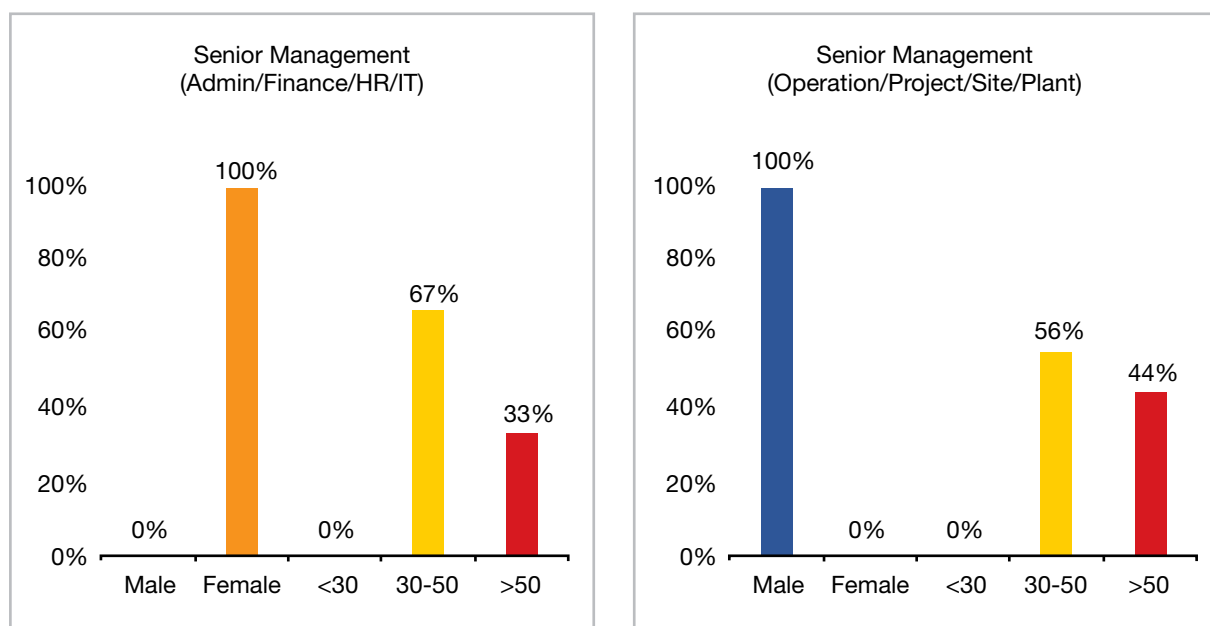
Diversity and Equality

At DKLS, we believe that a diverse workforce is imperative to achieving our goals. A broad range of perspectives enables us to respond more effectively to the evolving 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. Our commitment to equity is reflected in our compensation and career structures where employees' remuneration, advancement, recognition, and rewards are evaluated solely based on merit and performance free from any form of discrimination. Additionally, 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 2025, the total number of employees stood at 196 with 33.2% being female and the remaining 66.8% 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 2025:

Percentage of Gender and Age Group by Each Employee Category

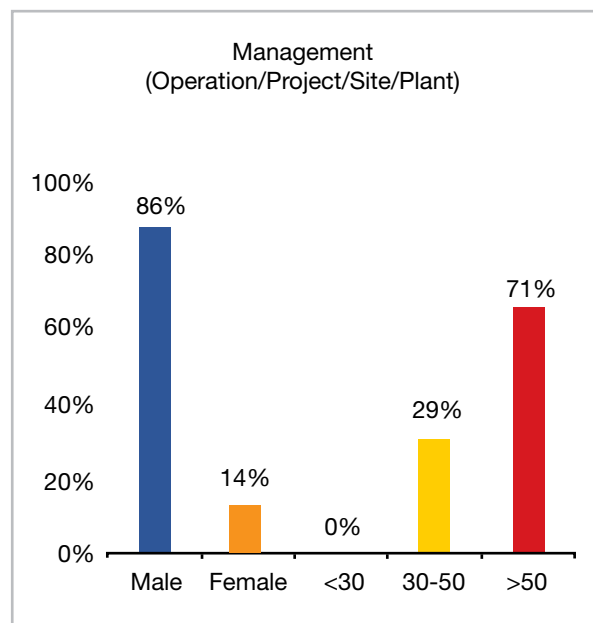
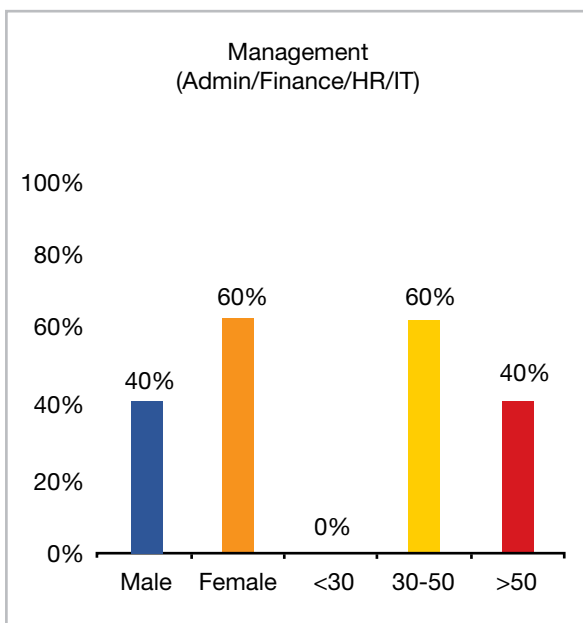


SUSTAINABILITY STATEMENT - SOCIAL (CONT'D)

Employee Category	Group	FY 2023	FY 2024	FY 2025
Senior Management (Admin/Finance/HR/ IT)	Male	33%	14%	0%
	Female	67%	86%	100%
	<55 Years Old	83%	86%	–
	≥55 Years Old	17%	14%	–
	>50 Years Old*	–	–	33%
	30-50 Years Old*	–	–	67%
	<30 Years Old*	–	–	0%

Employee Category	Group	FY 2023	FY 2024	FY 2025
Senior Management (Operation/Project/ Site/Plant)	Male	100%	100%	100%
	Female	0%	0%	0%
	<55 Years Old	83%	67%	–
	≥55 Years Old	17%	33%	–
	>50 Years Old*	–	–	44%
	30-50 Years Old*	–	–	56%
	<30 Years Old*	–	–	0%

* In FY 2025, the age group are re-categorised into 3 categories i.e. below 30 (<30) years old, between 30 to 50 (30–50) years old and above 50 (>50) years old.

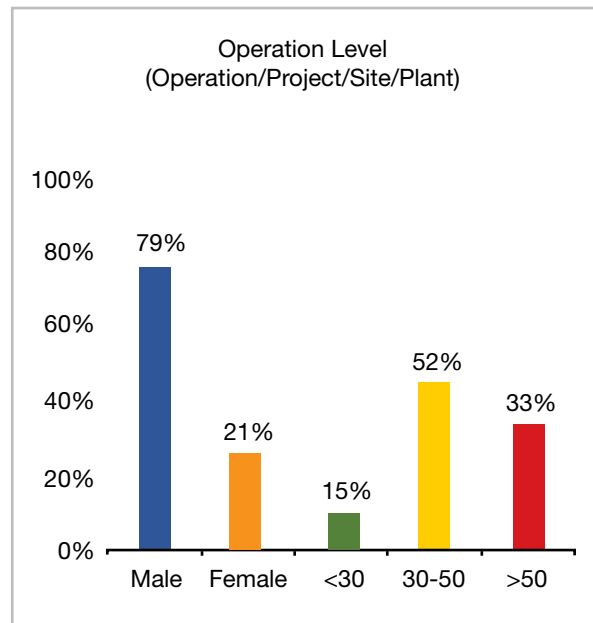
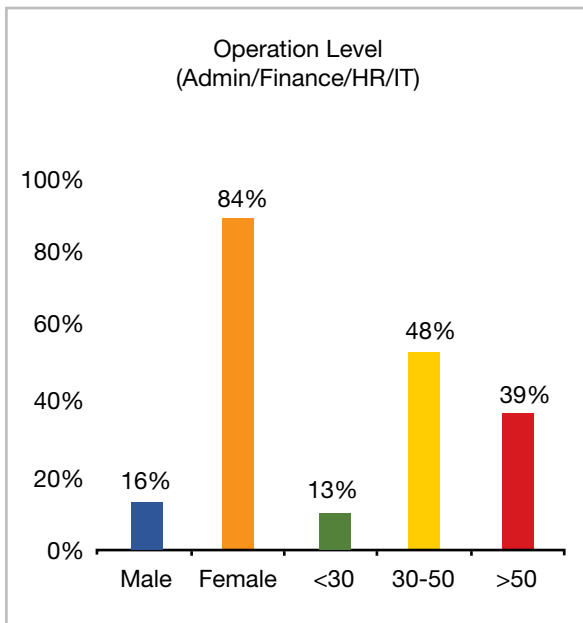


SUSTAINABILITY STATEMENT - SOCIAL (CONT'D)

Employee Category	Group	FY 2023	FY 2024	FY 2025
Management (Admin/Finance/HR/ IT)	Male	33%	40%	40%
	Female	67%	60%	60%
	<55 Years Old	100%	100%	–
	≥55 Years Old	0%	0%	–
	>50 Years Old*	–	–	40%
	30-50 Years Old*	–	–	60%
	<30 Years Old*	–	–	0%

Employee Category	Group	FY 2023	FY 2024	FY 2025
Management (Operation/Project/ Site/Plant)	Male	100%	88%	86%
	Female	0%	12%	14%
	<55 Years Old	29%	50%	–
	≥55 Years Old	71%	50%	–
	>50 Years Old*	–	–	71%
	30-50 Years Old*	–	–	29%
	<30 Years Old*	–	–	0%

* In FY 2025, the age group are re-categorised into 3 categories i.e. below 30 (<30) years old, between 30 to 50 (30–50) years old and above 50 (>50) years old.



SUSTAINABILITY STATEMENT - SOCIAL (CONT'D)

Employee Category	Group	FY 2023	FY 2024	FY 2025
Operation Level (Admin/Finance/HR/ IT)	Male	6%	15%	16%
	Female	94%	85%	84%
	<55 Years Old	75%	81%	–
	≥55 Years Old	25%	19%	–
	>50 Years Old*	–	–	39%
	30-50 Years Old*	–	–	48%
	<30 Years Old*	–	–	13%

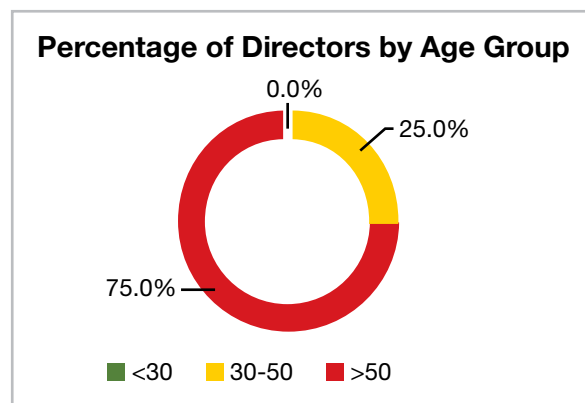
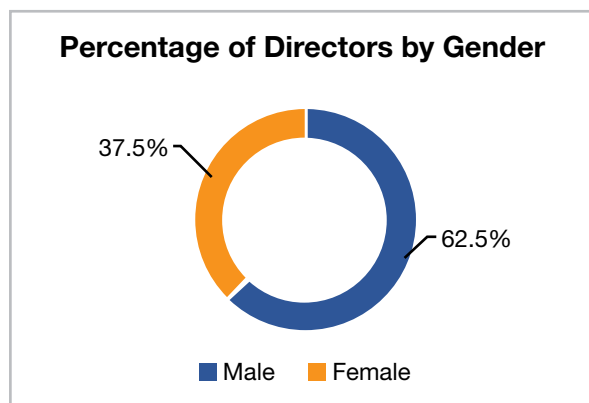
Employee Category	Group	FY 2023	FY 2024	FY 2025
Operation Level (Operation/Project/ Site/Plant)	Male	93%	79%	79%
	Female	7%	21%	21%
	<55 Years Old	60%	82%	–
	≥55 Years Old	40%	18%	–
	>50 Years Old*	–	–	33%
	30-50 Years Old*	–	–	52%
	<30 Years Old*	–	–	15%

* In FY 2025, the age group are re-categorised into 3 categories i.e. below 30 (<30) years old, between 30 to 50 (30–50) years old and above 50 (>50) years old.

The Board has adopted a Gender Diversity Policy (“Policy”) which is available on the Company’s website at <https://dkls.com.my>. This Policy sets out the Company’s approach to gender diversity applicable to the Board and senior management. The Policy is aligned with the Company’s objectives and principles. It provides a framework for the Company to achieve a diverse and skilled workforce as the Company believes a diversified workforce would contribute different ideas, insights and perspectives towards achieving an optimum decision making process. The Policy focuses on identifying and balancing the different skills and industry experience, background, gender and age in achieving gender diversity within its Board and senior management. The Board will review and assess the effectiveness of the Policy as and when necessary to ensure that the Policy remains relevant and viable to meet the objective and needs of the Company.

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 and 37.5% women on its senior management team i.e. 3 out of 8 key senior management positions (excluding executive directors). 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	Group	FY 2023	FY 2024	FY 2025
Director	Male	71.4%	62.5%	62.5%
	Female	28.6%	37.5%	37.5%
	<55 Years Old	28.6%	37.5%	–
	≥55 Years Old	71.4%	62.5%	–
	>50 Years Old*	–	–	75%
	30-50 Years Old*	–	–	25%
	<30 Years Old*	–	–	0%

* In FY 2025, the age group are re-categorised into 3 categories i.e. below 30 (<30) years old, between 30 to 50 (30–50) years old and above 50 (>50) years old.

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.

SUSTAINABILITY STATEMENT - SOCIAL (CONT'D)

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 2025, we have recorded zero substantiated complaints regarding human rights violation as per table below.

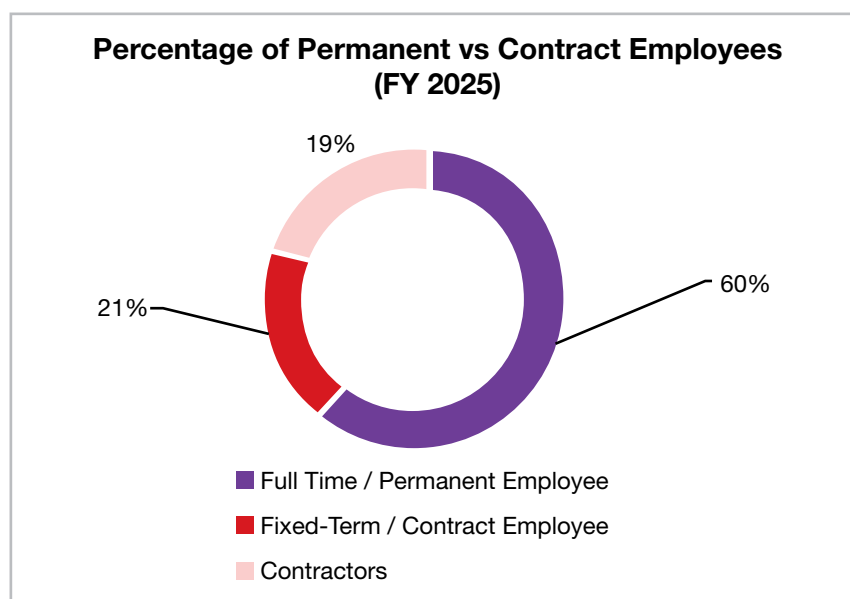
Indicator	FY 2023	FY 2024	FY 2025
Number of substantiated complaints concerning human rights	0	0	0

The Group adopts a zero tolerance approach towards any form of harassment and bullying whether verbal, written, physical or non-verbal form in the workplace. We are committed to providing a conducive workplace defined by mutual respect and free from harassment and discrimination. To support this, we have established a confidential reporting channel for the submission and management of all harassment complaints and grievances. Such formalised response procedures ensure that every complaint is address promptly and impartially while protecting the identity of the complainant. To maintain high levels of awareness, notices and posters on sexual harassment are displayed at all offices and sites across our business divisions, and can be found on our Group’s website.

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 key entities has demonstrated a low turnover rate of 13.2% for the FY 2025, consisting of the following breakdown across employee categories:

Employee Category	Turnover Rate		
	FY 2023	FY 2024	FY 2025
Director	0	0	0
Senior Management	1	2	0
Management	1	1	4
Operation	13	34	23
Total	15	37	27

The Group also utilise contractors or temporary staff as part of its human capital strategy. The table and chart below shows the total percentage of employees that are contractors or temporary staff in FY 2025:-



SUSTAINABILITY STATEMENT - SOCIAL (CONT'D)

Indicator	FY 2023	FY 2024	FY 2025
Percentage of employees that are contractors or temporary staff	26%*	41%**	40%**

*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

Training and Developments

At DKLS, we recognise that the Group’s sustained success hinges on the quality of our employees. As the backbone and front-liners of our organisation, we prioritise upskilling and enhancing the knowledge base of our workforce. Emphasising the importance of training and development, we continually introduce learning programs for all our employees. For the company, a highly trained workforce ensures operational safety, efficiency and innovation. For our employees, these programs offer a clear pathway for career advancement and personal growth, fostering a culture of engagement and long term loyalty. In line with our efforts and objective, we have successfully ramped up our training initiatives across all employee categories. In FY 2025, including in-house trainings, our employees have achieved a total of 2,364 training hours, representing a substantial increase over previous reporting years and reflecting our steadfast commitment to closing skill gaps and fostering a high-performance culture within the Group. The breakdown of total hours of trainings spent by each employee category are set out as follows:-

Employee Category	Total Hours of Training		
	FY 2023	FY 2024	FY 2025
Director	108	177	252
Senior Management	84	266	364
Management	58	188	221
Operation	377	488	1,527
Total	627	1,119	2,364

All employee categories have shown significant improvement in total hours of training. We will continue to identify relevant trainings for our employees.



In-House Cybersecurity Training at DKLS Corporate Office Ipoh



Fire Prevention Briefing at DKLS Corporate Office Ipoh

SUSTAINABILITY STATEMENT - SOCIAL (CONT'D)



CPR Training
at Bizhub DKLS Sitiawan Office



ISO 37001 Training
at Bizhub DKLS Sitiawan Office

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.

In FY 2025, we recorded zero work related fatalities and zero lost time incident rate as per table below:

Indicator	FY 2023	FY 2024	FY 2025
Number of work related fatalities	0	0	0
Lost time incident rate	0	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.

SUSTAINABILITY STATEMENT - SOCIAL (CONT'D)

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, as well as specialised training sessions covering emergencies, worksite safety and on-the-job trainings. The Group has transitioned from standard compliance to a more proactive learning model, notably increasing the frequency and scope of seminars and trainings for our workforce. In the FY 2025, a total of 108 employees had received trainings on health and safety standards as per the table below, a significant increase from the previous years.

Indicator	FY 2023	FY 2024	FY 2025
Number of employees trained on health and safety standards	3	37	108

These seminars and trainings serve as vital platforms for employees to engage with industry experts, stay abreast of evolving safety regulations, and share best practices across business divisions. We are further committed to continuously improve our safety standards to reduce the risk of accidents at our workplace and project sites.



Weekly Site Safety Toolbox Meetings



DKLS Corporate Office Ipoh Evacuation Drill

Bizhub DKLS Sitiawan Office Fire Drill

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 2025, the Group has organised multiple events to increase interaction and foster a sense of ownership and belonging among employees.



Hari Raya Celebration



Chinese New Year Celebration



Christmas Celebration

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 strongly believes that by supporting the communities around us, we create a foundation for shared prosperity, ensuring that our business growth contributes positively to local social and economic development. These initiatives are primarily implemented through DKLS Foundation. In FY 2025, contributions continued to organisations including Sitiawan Care Villa Old Folks Home, Rumah Hope Kanak-Kanak Orang Asli Manjung, and selected schools and organisations in the local community.

SUSTAINABILITY STATEMENT - SOCIAL (CONT'D)

Chinese New Year celebration at Sitiawan Care Villa Old Folks Home

On 21 January 2025, 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 Snake. DKLS has been celebrating Chinese New Year with the residents here since 2016 and in fact, the residents look forward to celebrating the festive period with DKLS' team every year.

In a heartfelt celebration that epitomised the essence of community and compassion, the Group's employees immersed themselves in the festive spirit by celebrating Chinese New Year with 35 elderly folks at Sitiawan Care Villa Old Folks Home. This celebration showcased our commitment in creating meaningful connections and fostering a sense of togetherness with the elderly within our local community.

It was definitely a memorable experience as we were treated to a wonderful display of talent from the residents as they sang Chinese New Year songs as well as popular folk songs.

The joyous occasion was marked by genuine smiles and camaraderie shared between DKLS team and the home's residents.

This heart-warming event stands as a strong testament to DKLS's unwavering commitment to community engagement and social welfare. The intention behind this initiative was not only to spread joy and happiness but also to ensure that the elderly residents feel valued, respected and connected, particularly for those who lack regular social support or companionship. The Group wished everyone at Care Villa Sitiawan abundant blessings of good health, happiness and peace.



Chinese New Year Group Photo with Residents



Chinese New Year Dance Performance by Team DKLS



Distribution of "Ang Pau" to the residents

SUSTAINABILITY STATEMENT - SOCIAL (CONT'D)

DKLS Foundation's Annual Education Excellence Awards

On 24 July 2025, over 120 students from various secondary schools in the Manjung District gathered at BizHub DKLS to honor each other's successes and accomplishments during the DKLS Foundation Annual Education Excellence Awards Presentation Ceremony. Accompanied by their teachers and parents, the students received support and recognition for this remarkable achievement. The audience felt immerse pride as the students were acknowledged and inducted into the DKLS Hall of Fame.

Hosted by DKLS Foundation, the ceremony is dedicated to acknowledge the achievements of Manjung District Secondary Schools' students for their excellent performance in both academics and co-curricular activities for academic year 2024. The event was attended by notable dignitaries including Yang Dipertua Majlis Perbandaran Manjung, Tuan Muhammad Faizal bin Safian Suri; Pengarah Jabatan Bangunan Majlis Perbandaran Manjung, Ts Mohd Rohaizan bin Abd Aris; Timbalan PPD Pengurusan Sekolah, Encik Rosman bin Yaakub and the President of Lions Club Sitiawan, Ln. Ravichandran Arumugam; along with DKLS Foundation Board and Exco Members, underscoring the community's support and commitment to student success.

The ceremony featured a range of awards recognising academic excellence and extracurricular achievements, including the STPM Best Academia and Best All-Rounder Awards, the SPM Best Academia and Best All-Rounder Awards and the Co-Curricular Activities High Achiever Awards, highlighting outstanding student accomplishments across various domains.

This year's STPM and SPM Best Academia and Best All-Rounder Awards in Manjung District saw a total of 30 nominations, with awards given in two categories: individual and school. The Individual Awards included Gold, Silver, and Bronze medals, accompanied by cash prizes of RM1,000, RM700, and RM500 respectively, along with trophies and certificates of achievement. The School Award recognised the best performing school with a challenge trophy and a cash prize of RM1,000 for each category, celebrating excellence among both students and institutions within the district.



Gold Medallist
Finnie Felixcy Anak Sugu
SMK Methodist (ACS) Sitiawan
Achievement: 4A



Silver Medallist
Siti Syamimi Binti Mohd Ropi
SMK Methodist (ACS) Sitiawan
Achievement: 3A, 1A-



Bronze Medallist
Ding Lee Rou
SMK Methodist (ACS) Sitiawan
Achievement: 3A, 1B-



STPM Best Academia
School Challenge Trophy
SMK Methodist (ACS) Sitiawan

SUSTAINABILITY STATEMENT - SOCIAL (CONT'D)

On the other hand, the Co-Curricular Activities High Achiever Awards State and National Level celebrated more than 100 students who demonstrated exceptional dedication and talent in various co-curricular activities at state and national levels, with each recipient honored with a trophy and a certificate of achievement to acknowledge their significant contributions and accomplishments.



SMJK Nan Hwa,
Sitiawan



SMK Seri Manjung



SMK Methodist (ACS),
Sitiawan



SMK Ahmad Boestaman



SMJK Dindings,
Pundut



SMK Dato' Idris,
Pantai Remis



SMK Methodist,
Ayer Tawar



SMK Ambrose,
Ayer Tawar



SMK Seri Samudera,
Seri Manjung

The event ended with fellowships and celebration. DKLS Foundation Annual Education Excellence Awards Presentation Ceremony exemplifies Manjung's vibrant community spirit by recognising not only outstanding academic but co-curricular achievements too, thereby inspiring students to strive for excellence and fostering a culture of encouragement and support within the community.

SUSTAINABILITY STATEMENT - SOCIAL (CONT'D)

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 Organisation 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 RM20,000.00 towards this cause and it is estimated that about 200 Orang Asli families are expected to benefit from this contribution.



Cheque presentation ceremony for the donation by DKLS to Komuniti Bantuan dan Pendidikan Berhad

In conjunction with Christmas, to cheer and lift the festive spirits among the Orang Asli children, on 13 December 2025, DKLS brought the Christmas celebrations forward and embraced the spirit of giving through its corporate social initiative “Christmas Blessings” 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 to 15, with educational opportunities. The goal is to help them succeed in their studies and be a blessing to their families, communities, and contribute to the country and society.

Celebrating Christmas with over 49 amazing kids from Rumah Hope KKOA Manjung was pure magic. From heartwarming performances to spirited competitive games, each kid left with a Christmas goodie bag and a Christmas packet full of joy. Along with DKLS’s staff and management team, we created moments of joy and togetherness. The Group aims to embody the true spirit of Christmas by sharing love, hope and happiness through the event.



“Trash To Tower” Building Challenge

SUSTAINABILITY STATEMENT - SOCIAL (CONT'D)



Santa's Suit Up Challenge



Christmas Goodie Bags presented to each HOPE children

The table below set out the total amount invested in the community by DKLS and the total number of beneficiaries of the investment in the community by DKLS for the FY 2025, which have steadily increased each year.

Indicator	FY 2023	FY 2024	FY 2025
Total amount invested in the community where the target beneficiaries are external to the listed issuers	RM66,147.25	RM67,188.99	RM85,731.61
Total number of beneficiaries of the investment in communities	2,400	3,700	5,514

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

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FYE 31/12/2025

DKLS INDUSTRIES BERHAD
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Anti-corruption	Percentage of Directors who have received training on anti-corruption	Percentage	100.00	100% Directors received training on anti-corruption	No assurance
Anti-corruption	Percentage of Senior Management who have received training on anti-corruption	Percentage	100.00	100% Senior Management received training on anti-corruption	No assurance
Anti-corruption	Percentage of Management who have received training on anti-corruption	Percentage	100.00	100% Management received training on anti-corruption	No assurance
Anti-corruption	Percentage of Operation who have received training on anti-corruption	Percentage	95.00	100% Operation received anti-corruption training	No assurance
Anti-corruption	Percentage of operations assessed for corruption-related risks	Percentage	100.00	100% operations assessed for corruption-related risks	No assurance
Anti-corruption	Confirmed incidents of corruption and action taken	Number	0	0 confirmed incidents of corruption and action taken	No assurance
Community/Society	Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	85,731,61	At least RM50,000,000 invested in the community where the target beneficiaries are external to the listed issuer	No assurance
Community/Society	Total number of beneficiaries of the investment in communities	Number	5,514,00	At least 200 beneficiaries of the investment in communities	No assurance
Diversity	Percentage of Senior Management (Admin) Male	Percentage	0	—	No assurance
Diversity	Percentage of Senior Management (Admin) Female	Percentage	100.00	At least 40% Senior Management (Admin) Female	No assurance
Diversity	Percentage of Senior Management (Operation) Male	Percentage	100.00	—	No assurance
Diversity	Percentage of Senior Management (Operation) Female	Percentage	0	—	No assurance
Diversity	Percentage of Management (Admin) Male	Percentage	40.00	—	No assurance

ESG PERFORMANCE DATA (CONT'D)

Date & Time: 2026-04-14_16:46:20
FYE 31/12/2025

DKLS INDUSTRIES BERHAD
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Percentage of Management (Admin) Female	Percentage	60.00	At least 40% Management Female	No assurance
Diversity	Percentage of Management (Operation) Male	Percentage	86.00	—	No assurance
Diversity	Percentage of Management (Operation) Female	Percentage	14.00	—	No assurance
Diversity	Percentage of Operation (Admin) Male	Percentage	16.00	—	No assurance
Diversity	Percentage of Operation (Admin) Female	Percentage	84.00	At least 40% Operation (Admin) Female	No assurance
Diversity	Percentage of Operation (Operation) Male	Percentage	79.00	—	No assurance
Diversity	Percentage of Operation (Operation) Female	Percentage	21.00	—	No assurance
Diversity	Percentage of Senior Management (Admin) above 50 years old	Percentage	33.00	—	No assurance
Diversity	Percentage of Senior Management (Admin) between 30 to 50 years old	Percentage	67.00	More than 60% below 50 years old in all employee category	No assurance
Diversity	Percentage of Senior Management (Admin) below 30 years old	Percentage	0	More than 60% below 50 years old in all employee category	No assurance
Diversity	Percentage of Senior Management (Operation) above 50 years old	Percentage	44.00	—	No assurance
Diversity	Percentage of Senior Management (Operation) between 30 to 50 years old	Percentage	56.00	More than 60% below 50 years old in all employee category	No assurance
Diversity	Percentage of Senior Management (Operation) below 30 years old	Percentage	0	More than 60% below 50 years old in all employee category	No assurance
Diversity	Percentage of Management (Admin) above 50 years old	Percentage	40.00	—	No assurance

ESG PERFORMANCE DATA (CONT'D)

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DKLS INDUSTRIES BERHAD
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Percentage of Management (Admin) between 30 to 50 years old	Percentage	60.00	More than 60% below 50 years old in all employee category	No assurance
Diversity	Percentage of Management (Admin) below 30 years old	Percentage	0	More than 60% below 50 years old in all employee category	No assurance
Diversity	Percentage of Management (Operation) above 50 years old	Percentage	71.00	—	No assurance
Diversity	Percentage of Management (Operation) between 30 to 50 years old	Percentage	29.00	More than 60% below 50 years old in all employee category	No assurance
Diversity	Percentage of Management (Operation) below 30 years old	Percentage	0	More than 60% below 50 years old in all employee category	No assurance
Diversity	Percentage of Operation (Admin) above 50 years old	Percentage	39.00	—	No assurance
Diversity	Percentage of Operation (Admin) between 30 to 50 years old	Percentage	48.00	More than 60% below 50 years old in all employee category	No assurance
Diversity	Percentage of Operation (Admin) below 30 years old	Percentage	13.00	More than 60% below 50 years old in all employee category	No assurance
Diversity	Percentage of Operation (Operation) above 50 years old	Percentage	33.00	—	No assurance
Diversity	Percentage of Operation (Operation) between 30 to 50 years old	Percentage	52.00	More than 60% below 50 years old in all employee category	No assurance
Diversity	Percentage of Operation (Operation) below 30 years old	Percentage	15.00	More than 60% below 50 years old in all employee category	No assurance
Diversity	Percentage of Directors Male	Percentage	62.50	—	No assurance
Diversity	Percentage of Directors Female	Percentage	37.50	At least 30% Directors Female	No assurance
Diversity	Percentage of Directors above 50 years old	Percentage	75.00	—	No assurance

ESG PERFORMANCE DATA (CONT'D)

DKLS INDUSTRIES BERHAD
BMLR Transition Period

Date & Time: 2026-04-14_16:46:20
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Percentage of Directors between 20 to 50 years old	Percentage	25.00	At least 25% below 50 years old	No assurance
Diversity	Percentage of Directors below 30 years old	Percentage	0	At least 25% below 50 years old	No assurance
Energy management	Total energy consumption	* Kilo-watt-hour	3,824,245	* No more than 0.03 kilowatt-hour of electricity consumption per RM1 revenue generated	No assurance
Footnote Measurement Unit: Measurement Unit change from Megawatt to Kilo-watt-hour					
Footnote Target: Kwh change to kilo-watt-hour					
Health and safety	Number of work-related fatalities	Number	0	0 work-related fatalities	No assurance
Health and safety	Lost time incident rate ("LTIR")	Rate	0	0 lost time incident rate	No assurance
Health and safety	Number of employees trained on health and safety standards	Number	108	At least 40 employees trained on health and safety standards	No assurance
Labour practices and standards	Total hours of training by Directors	Hours	252.00	At least 100 hours of training	No assurance
Labour practices and standards	Total hours of training by Senior Management	Hours	36,400	At least 200 hours of training	No assurance
Labour practices and standards	Total hours of training by Management	Hours	22,100	At least 100 hours of training	No assurance
Labour practices and standards	Total hours of training by Operation	Hours	1,527.00	At least 200 hours of training	No assurance
Labour practices and standards	Percentage of employees that are contractors or temporary staff	Percentage	40.00	No more than 40% of employees that are contractors or temporary staff	No assurance
Labour practices and standards	Total number of Senior Management turnover	Number	0	No more than 20% turnover	No assurance
Labour practices and standards	Total number of Management turnover	Number	4	No more than 20% turnover	No assurance

ESG PERFORMANCE DATA (CONT'D)

Date & Time: 2026-04-14_16:46:20
FYE 31/12/2025

DKLS INDUSTRIES BERHAD
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Labour practices and standards	Total number of Operation turnover	Number	23	No more than 20% turnover	No assurance
Labour practices and standards	Number of substantiated complaints concerning human rights violations	Number	0	0 substantiated complaints concerning breaches of customer privacy and losses of customer data	No assurance
Supply chain management	Proportion of spending on local suppliers	Percentage	100.00	100% spending on local suppliers	No assurance
Data privacy and security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0 substantiated complaints concerning human rights violations	No assurance
Water	Total volume of water used	* Cubic meter	25,616	No more than 0.003 cubic meter of water consumption per RM1 revenue generated	No assurance
Footnote Measurement Unit Measurement Unit changed from Megalitres to Cubic meter					
Waste management	Total waste generated	Metric tonnes	25.63	—	No assurance
Waste management	Total waste diverted from disposal	Metric tonnes	6.31	No more than 0.0003kg of scheduled waste for oils and filters produces per RM1 revenue generated	No assurance
Waste management	Total waste directed to disposal	Metric tonnes	19.32	No more than 100 Metric tonnes	No assurance
Emissions management	Scope 1 emissions in tonnes of CO2e	Metric tonnes	12,754.67	No more than 0.00008 Metric tonnes of CO2e emission per RM1 revenue generated	No assurance
Emissions management	Scope 2 emissions in tonnes of CO2e	Metric tonnes	4,628.07	No more than 0.00003 Metric tonnes of CO2e emission per RM1 revenue generated	No assurance
Emissions management	Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	452.28	No more than 500 Metric tonnes	No assurance

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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 2021 ("**MCCG**"), except where stated otherwise, during the financial year ended 31 December 2025. 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 2025. This Corporate Governance Overview Statement is made pursuant to paragraph 15.25 of the Main Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

The statement is augmented with the Corporate Governance Report ("**CG Report**") which provides a detailed articulation on the Company's application of corporate governance practices as 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) main 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 is responsible for the oversight and overall management of the Company as well as the development and control of the Group. 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 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 in assisting the Board to discharge its duties in accordance with the Listing Requirements, current regulations, and any new regulations that may have an impact on the Board discharging such duties. 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 MCGG recommends for the role of the Chairman of the Board and the Managing Director to be held by two (2) different individuals. The Board is chaired by Dato' Ding Pei Chai DPTJ, PMP, a founding member and a Non-Independent Non-Executive Director.

In line with the MCGG, Dato' Ding Pei Chai DPTJ, PMP being the Chairman of the Board, is not a member of any of the Board Committees.

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.

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.

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 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, 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.

1.3 The Role of Company Secretaries

The Board is supported by joint Company Secretaries who have the requisite credentials and are qualified to act as Company Secretaries under Sections 235(2) and 241 of the Companies Act 2016. The Company Secretaries, who are 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 Secretaries attend 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 Secretaries to the Board.

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

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 (1) 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 senior management's recommendation.

All directors have full and unrestricted access to the advice and services of the senior management, Company Secretaries, 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 announcements 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 the 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>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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.

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.

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 (last revised on 25 August 2025) 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 (last revised on 25 August 2025) 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>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

1 Board Leadership (cont'd)

1.7 Sustainability Governance and Strategies

The Board recognises that it is important to incorporate 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.

The Board has established the Sustainability Committee, at management level, led by an Executive Director and is under the direct purview of the Board. In doing so, the Board, through the Sustainability Committee reviews the Group's performance against the key sustainability targets identified in terms of economic, environmental, social and governance ("ESG") and addresses the associated ESG risks and opportunities. The Sustainability Committee 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 Sustainability Committee has included the Group's performance in all common sustainability matters as required under Practice Note 9 of the Listing Requirements.

The Sustainability Committee has also 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 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's annual evaluation forms.

The sustainability targets and performance of the Group are presented in more detail in the Sustainability Statement on pages 31 to 69 of the Annual Report.

2 Board Dynamic

2.1 Size and Composition of the Board

The members of the Board during the financial year 2025 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

Independent Non-Executive Directors

Ms Ang Chan Moy

Ms Liew Li Ping

En Zulkifly Bin Zakaria (*appointed on 1 July 2025*)

Mr Chin Kok Tong (*retired on 28 May 2025*)

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 recommends companies to have at least half of the Board to comprise Independent Directors. The Board will continue to work towards achieving this.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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 Board, through the Nomination and Remuneration Committee, has carefully assessed and reviewed the performance carried out by the existing three (3) Independent Directors of the Company and concluded that each of them continues to fulfil the definition and criteria of independence as set out in the Listing Requirements and they are able to discharge their duties and responsibilities effectively to ensure that there is a balance of power and authority on the Board.

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. If the Board intends to retain an Independent Director after having served a cumulative term of nine (9) years, the Board will justify the decision and seek shareholders' approval at an Annual General Meeting ("AGM") via the two-tier voting process subject always that the tenure of the Independent Directors shall be limited to not more than a cumulative period of twelve (12) years from the date of their appointment as Independent Directors.

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. 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 maintained at 37.5% as 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 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.

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 AGM held following their appointment.

The directors seeking re-election at the forthcoming AGM are shown on the Notice of AGM on page 223 of the Annual Report.

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

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 Secretaries 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.

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.

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)

2.5.2 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 2025, four (4) meetings of the Board were held on 27 February 2025, 28 May 2025, 25 August 2025 and 24 November 2025. All directors have complied with the minimum fifty percent (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 2025:

Directors	Board meeting	Board Committees	
		Audit	Nomination and Remuneration
Dato' Ding Pei Chai, DPTJ, PMP	4/4	–	–
Dato' Ding Poi Bor	4/4	–	–
Ir Sam Tuck Wah	4/4	–	–
Ms Ding Zhe Xin	4/4	–	–
Mr Ding Ju Shuen	4/4	–	–
Ms Ang Chan Moy	4/4	4/4	3/3
Ms Liew Li Ping	4/4	4/4	3/3
En Zulkifly Bin Zakaria (appointed on 1 July 2025)	2/2	2/2	1/1
Mr Chin Kok Tong (retired on 28 May 2025)	2/2	2/2	2/2

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.

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

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)

2.5.2 Time Commitment (cont'd)

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 2025, the transactions involving the present directors are set out on page 196 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 and the Mandatory Accreditation Programme Part II prescribed by Bursa Securities. The directors are regularly updated by the Company Secretaries 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	<ul style="list-style-type: none"> Rights of Shareholders under the Companies Act 2016
Dato' Ding Poi Bor	<ul style="list-style-type: none"> Developing the Sustainability Statement that Supports Strong ESG Ratings Using FTSE4Good Index Series as a Guide
Ir Sam Tuck Wah	<ul style="list-style-type: none"> Anti Bribery and Anti Corruption Training How Tariffs Impact Supply Chains in the Industrial and Energy Sector Representations and Warranties: Their Essence in Transaction Documents Basic Occupational First Aid, CPR and AED Cyber-Security – Steps to Prevent a Web Hacker ISO 37001:2025 Anti-Bribery Management System Requirements Training Course ISO 37001:2025 Anti-Bribery Management System Implementing Training Course

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)

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

Name of Director	Training Programmes Attended
Ms Ding Zhe Xin	<ul style="list-style-type: none"> • Self Assessment System for Stamp Duty • Understanding the Amendments to the Housing Development (Control and Licensing) Act 1966 [Act 118] • Expansion of Sales and Service Tax (SST) • Service Tax Update 2025 • Developing the Sustainability Statement that Supports Strong ESG Ratings Using FTSE4Good Index Series as a Guide • IFRS S1 and IFRS S2: Get Ready for Mandatory Sustainability Reporting • Fire Prevention Briefing • Cyber Security – Steps to Prevent a Web Hacker • CSI Platform Onboarding Sessions • Anti-Bribery and Corruption in Malaysia e-Learning Module
Mr Ding Ju Shuen	<ul style="list-style-type: none"> • Road Construction Cold in Place Recycling (CIPR) • Cold in Place Recycling (CIPR) • Uncovering the Real Estate Market Trends in Malaysia • Developing the Sustainability Statement that Supports Strong ESG Ratings • Discover Perak – Forging the Next Frontier • IFRS S1 and IFRS S2: Get Ready for Mandatory Sustainability Reporting • Where does Nuclear Energy Fit in the Energy Transition? • Data to Disclosure (D2D) Forum: Strengthening Data Capacity for NSRF Reporting Entities • Certified Environmental Professional in Scrubber Operation (CePSO)
Ms Ang Chan Moy	<ul style="list-style-type: none"> • Bursa Malaysia Mandatory Accreditation Programme (MAP II: Leading for Impact) • International Strata Symposium 2025 • Perak Tax Forum 2025: Tax in a Digital World-Challenges and Opportunities • Resilient Cities, Sustainable Futures: Transforming Urban Landscapes through Sustainable Renewal • International Green Build Conference 2025 • PropertyGuru Malaysia Summit 2025 – How ESG, Sustainability Financing and Innovations are Shaping the Future of Property Development • AOB Conversation with Audit Committee • Green Tech Perak 2025: ESG Industrial Advantage

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)

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

Name of Director	Training Programmes Attended
Ms Liew Li Ping	<ul style="list-style-type: none"> • MIA Townhall 2024/2025 (Session 2) • MIA Webinar Series: Reserved Matters for Shareholders • MIA Webinar Series: The Limited Liability Partnership (Amendment) Act 2024 • MIA Town Hall 2024/2025 (Session 3) • MIA Webinar Series: Company Resolutions • Artificial Intelligence 101 • MIA Townhall 2025/2026 (Series 1) • Building Trust with Investors Through Integrated Reporting in an Era of Enhanced Sustainability Disclosures • AOB Conversation with Audit Committee
En Zulkifly Bin Zakaria	<ul style="list-style-type: none"> • CSI 1: A Director's Guide for Navigating Climate Change • Understanding the Appointment of Data Protection Officers & Data Breach • The Do's and Don'ts of KPI & Performing Monitoring: From Boards Lens • Chairperson Circle: Excellence in Board Leadership • ESG Webinar: Developing the Sustainability Statements

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 the 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.

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 2025 are as below :

- Ms Ang Chan Moy (Chairman)
- Ms Liew Li Ping (Member)
- En Zulkifly Bin Zakaria (Member) (*appointed on 1 July 2025*)
- Mr Chin Kok Tong (*retired on 28 May 2025*)

The Nomination and Remuneration Committee meets as and when required. The Nomination and Remuneration Committee has met three (3) times during the financial year 2025 on 27 February 2025, 28 May 2025 and 24 November 2025.

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)

2.6.2 Summary of Activities

The summary of the activities carried out by the Nomination and Remuneration Committee during the financial year 2025, amongst others, included the following:

- Assessed the overall performance of the Audit Committee for the financial year 2024 on a 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 2024;
- Assessed individual directors, overall Board and its performance and effectiveness as a whole for the financial year 2024;
- Reviewed the composition of the Board based on the required mix of skills, experience and other qualities of the Board for the financial year 2024;
- 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 Directors’ Fit and Proper Policy and Gender Diversity Policy;
- Reviewed and assessed the performance of directors seeking for re-election at the AGM, and made recommendations to the Board for its support and endorsement;
- Reviewed the training that the directors received in the financial year 2024 to ensure appropriate continuous training;
- Reviewed the proposed executive directors’ discretionary uncontracted bonus for the financial year 2024 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 2026 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 2026 to May 2027 and recommended the same to the Board for approval.

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>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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 2025 are as follows:

Company Directors	Remuneration paid by the Company				
	Fee/ Salary RM	Allowance ¹ RM	Benefit- in-kind RM	Other Emoluments ² RM	Total RM
Executive Directors					
Dato' Ding Poi Bor	110,000	–	–	20,900	130,900
Ir Sam Tuck Wah	132,000	–	–	25,897	157,897
Ms Ding Zhe Xin	99,000	–	–	13,155	112,155
Mr Ding Ju Shuen	99,000	–	–	13,155	112,155
Non-Executive Directors					
Dato' Ding Pei Chai <small>DPTJ, DMJ</small>	87,500	1,200	–	–	88,700
Ms Ang Chan Moy	37,500	1,200	–	–	38,700
Ms Liew Li Ping	54,500	1,200	–	–	55,700
En Zulkifly Bin Zakaria <i>(appointed on 1 July 2025)</i>	17,500	600	–	–	18,100
Mr Chin Kok Tong <i>(retired on 28 May 2025)</i>	22,500	600	–	–	23,100
Total	659,500	4,800	–	73,107	737,407

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

3 Remuneration (cont'd)

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	611,800	–	9,900	117,093	738,793
Ir Sam Tuck Wah	419,520	–	5,300	81,683	506,503
Ms Ding Zhe Xin	360,000	–	–	45,868	405,868
Mr Ding Ju Shuen	360,000	–	15,500	45,868	421,368
Non-Executive Directors					
Dato' Ding Pei Chai <small>DPTJ, DMJ</small>	87,500	1,200	–	–	88,700
Ms Ang Chan Moy	37,500	1,200	–	–	38,700
Ms Liew Li Ping	54,500	1,200	–	–	55,700
En Zulkifly Bin Zakaria <i>(appointed on 1 July 2025)</i>	17,500	600	–	–	18,100
Mr Chin Kok Tong <i>(retired on 28 May 2025)</i>	22,500	600	–	–	23,100
Total	1,970,820	4,800	30,700	290,512	2,296,832

Notes:

¹ Allowance includes meeting allowance

² Other emoluments include Employee Provident Fund ("EPF"), Social Security Organisation ("SOCSO"), Employment Insurance System ("EIS") contributions

The Board noted that Practice 8.2 of the MCGG 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, 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 (including the four (4) Executive Directors) for the financial year ended 31 December 2025 is approximately RM3.9 million (31 December 2024: RM3.3 million).

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1 Accountability and Audit

The Board is committed to provide a balanced, clear and comprehensive assessment of the Group's financial position and performance in the preparation of the financial statements and quarterly reporting of the Company and its subsidiaries. The Board is assisted by the Audit Committee in overseeing the financial reporting process and ensuring the quality and accuracy of the financial reporting by the Group.

In reviewing the financial statements and quarterly reporting, the directors take due care and reasonable steps to ensure compliance with the applicable accounting standards in all material aspects.

A statement made by the directors on their responsibilities for preparing the financial statements is set out under the Statement of Directors' Responsibility in Relation to the Financial Statements on page 105 of the Annual Report.

2 Establishment and Effectiveness of the Audit Committee

2.1 Establishment and Terms of Reference ("TOR")

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 fiduciary 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:

- Ms Liew Li Ping (Chairman) (*redesignated on 28 May 2025*)
- Ms Ang Chan Moy (Member)
- En Zulkifly Bin Zakaria (Member) (*appointed on 1 July 2025*)
- Mr Chin Kok Tong (*retired on 28 May 2025*)

A summary of the activities of the Audit Committee during the financial year 2025 is set out in the Audit Committee Report on pages 99 to 103 of the Annual Report.

2.2 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.

2.3 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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

2.4 Audit Committee Relationship and Communications

2.4.1 Relationship with Board and Senior 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 the Audit Committee members.

2.4.2 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 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.

2.4.3 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

3 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 93 to 98 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 to long-term business sustainability. The responsibility for strong stakeholder relationships rests with every employee in the Group, as the Board recognises that a good reputation is a source of 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 the management engage 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 be affected by the Group's activities. The Board recognises the importance of identifying issues of a shared interest, and values 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 media.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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 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.

Shareholders are 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, are present to answer questions raised at the meeting. The Chairman provides sufficient time to answer shareholders' questions on matters pertaining to the Company's performance and duly responds to the 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.

The 29th AGM was successfully held physically on 28 May 2025. Minutes of the 29th 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 adopting the voting method for polling that is most practical, efficient and reliable for the shareholders.

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 2026.

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 (“**Listing Requirements**”) of Bursa Malaysia Securities Berhad. 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 2025 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.

The risk management framework consists of the Risk Management Committee (“**RMC**”) and the Risk Management Units (“**RMUs**”), both established at management level. The RMC, headed by an executive director, is placed under the purview of the Audit Committee. 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 is 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 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 through the RMC to the Audit Committee and the Board on a yearly basis. Any changes highlighted by the Audit Committee and 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 2025, the RMC has reviewed the effectiveness of the controls implemented for each department's risk profiles where ten (10) additional new risks were being identified and one (1) low risk had 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 conducted a corruption risk assessment exercise on the Company and seven (7) 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 has 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, with the last review and update done on 25 August 2025.

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

RISK MANAGEMENT FRAMEWORK (CONT'D)

Operational Risk Management (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 is moving from awareness to taking proactive actions in order to reduce the Group's 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 will 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 Information Technology ("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 2025, the Group's total loans and borrowings was RM32.32 million (31 December 2024: RM19.60 million). There is no immediate refinancing risk as the tranches of the Group's term loan have tenures ranging from three (3) to seven (7) years.

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

RISK MANAGEMENT FRAMEWORK (CONT'D)

Financial Risk Management (cont'd)

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.

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.

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

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.
- 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 financial results versus the budgeted financial results 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 Section 7 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor it is factually inaccurate.

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

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 2025.

The Audit Committee is responsible, among others, to review and monitor the integrity of the Group's financial reporting process, system of internal controls and audit process as well as the responsibilities for ensuring compliance with legal, regulatory and tax matters for the Group, including 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://dcls.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: Ms Liew Li Ping (*redesignated on 28 May 2025*)

Members: Ms Ang Chan Moy
En Zulkifly Bin Zakaria (*appointed on 1 July 2025*)
Mr Chin Kok Tong (*retired on 28 May 2025*)

The Chairman of the Audit Committee, Ms Liew Li Ping is an independent non-executive director who is a Fellow Member of the Association of Chartered Certified Accountants ("ACCA") and a member of the 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 by the Audit Committee and to facilitate decision-making.

During the financial year 2025, a total of four (4) meetings of the Audit Committee were held on 27 February 2025, 28 May 2025, 25 August 2025 and 24 November 2025. The attendance of members in the financial year 2025 is as follows:

Member	Number of meetings attended
Ms Liew Li Ping	4/4
Ms Ang Chan Moy	4/4
En Zulkifly Bin Zakaria (<i>appointed on 1 July 2025</i>)	2/2
Mr Chin Kok Tong (<i>retired on 28 May 2025</i>)	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 Secretaries attended all the meetings of the Audit Committee held during the financial year 2025.

AUDIT COMMITTEE REPORT (CONT'D)

REVIEW OF THE AUDIT COMMITTEE

The Nomination and Remuneration Committee has conducted an 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 2025 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 2024 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 of 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 27 February 2025 and 24 November 2025, which included private sessions with the external auditors in the absence of the management.
- i. The Audit Committee reviewed with EY, the "2024 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 2024 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' 2025 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 2025 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 2024 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 2025 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 2025, 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	97,000	6,000
Group	364,306	16,000

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 August 2025, which included a private session with the internal auditors in the absence of the management.
- i. The Audit Committee reviewed the Internal Audit Report (including follow-up review reports) of the Group for the financial year 2025, on the audit findings and recommendations and management responses, and also appraised the adequacy of actions and remedial measures taken by the management in resolving the audit issues reported before recommending the same to the Board for consideration and approval.
 - ii. The Audit Committee also reviewed the Internal Audit Plan of the Group for the financial year 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 2024 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 2025 Risk Profile in respect of the Company and seven (7) major subsidiaries where one (1) existing risk was removed and ten (10) new risks were 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

- (a) During the financial year 2025, 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 2024:-

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

On 27 February 2026, the Audit Committee reviewed this Audit Committee Report for inclusion in the Annual Report 2025 of the Company.

- (b) During the financial year 2025, the Audit Committee reviewed the proposed amendments to the following policies of the Group before recommending the same to the Board for approval:-

- Anti-Corruption Policy and Guidelines;
- Whistle Blowing Policy and Procedures;
- Gifts and Hospitality Policy; and
- Donation and Sponsorship Policy.

- (c) During the financial year 2025, the Audit Committee reviewed the Common Sustainability Matters Report of the Group for the financial year 2024 presented by KPMG MRC on the assessment and enhancement of disclosure requirements in which nine (9) out of twelve (12) observations were rated as "require improvement" whereby improvement is required to enhance the disclosure as well as the completeness and accuracy of data compilation relating to the Common Sustainability Matter and the management responses before recommending the same to the Board for consideration and approval.

AUDIT COMMITTEE REPORT (CONT'D)

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 headed by an Executive Director, namely Mr. Chan Chee Keong, who is a professional member of ACCA and MIA as well as licensed auditor by Ministry of Finance. He currently leads the Risk Consulting Practice in KPMG Malaysia. He has accumulated more than twenty-seven (27) years of experience with extensive audit, accounting, due diligence exercises 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. All the personnel deployed by KPMG MRC are free from any relationships or conflicts of interest, which could impair their objectivity and independence during the course of the work.

The internal audit engagement team had adopted KPMG MRC Internal Audit Methodology (“**KIAM**”), a 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 2025. There was a total of fifteen (15) observations noted from the internal audit conducted, with five (5) of which were classified as “High” priority due to potential risk and impact of the issues, whereby it is pertinent that corrective action are implemented urgently and nine (9) 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, and remaining one (1) classified as “Low” priority. 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 2025 amounted to RM46,440 (31 December 2024: 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 2025.

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 page 196 of the Annual Report.

iii) Recurrent Related Party Transactions

During the financial year 2025, 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 2026.

DIRECTORS' REPORT

The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

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/(Loss) for the year	22,498,292	(634,207)
Attributable to:		
Owners of the Company	21,283,423	(634,207)
Non-controlling interests	1,214,869	-
	22,498,292	(634,207)

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 RM2,143,325 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 2024 was as follows:

RM

In respect of the financial year ended 31 December 2024 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 28 May 2025 and paid on 15 August 2025	2,780,988
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At the forthcoming Annual General Meeting, a first and final single tier dividend in respect of the financial year ended 31 December 2025 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 2026.

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
 Ding Ju Shuen
 Ang Chan Moy
 Liew Li Ping
 Zulkifly bin Zakaria (appointed on 1 July 2025)
 Chin Kok Tong (retired on 28 May 2025)

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
Ng Kok Jin	Savan-DKLS Water Supply Co Ltd
Sombandith Sihalath (appointed on 3 June 2025)	Savan-DKLS Water Supply Co Ltd
Khamsone Savannaleuth (resigned on 23 September 2025)	Savan-DKLS Water Supply Co Ltd
Nor Azizan Bin Nadzri (appointed on 8 January 2025 and resigned on 27 November 2025)	DKLS Resources (M) Sdn. Bhd.

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	219,500	219,500
Salaries and other emoluments	1,756,120	444,800
Contributions to defined contribution plan	282,280	69,740
Social security contributions	7,685	3,106
Employment insurance system contributions	547	261
Estimated monetary value of benefits-in-kind	30,700	–
	<hr/>	<hr/>
Insurance effected to indemnify directors*	2,296,832	737,407
	14,500	14,500
	<hr/>	<hr/>
	2,311,332	751,907

* 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:

The Company	1 January 2025	Number of ordinary shares		31 December 2025
		Bought	Sold	
Direct interest				
Dato' Ding Pei Chai <small>DPTJ, PMP</small>	3,315,163	–	–	3,315,163
Dato' Ding Poi Bor*	30,114,362	118,000	–	30,232,362
Ir Sam Tuck Wah	14,144,125	–	–	14,144,125
Indirect interest				
Dato' Ding Pei Chai <small>DPTJ, PMP**</small>	470,000	–	–	470,000
Dato' Ding Pei Chai <small>DPTJ, PMP***</small>	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	320,000	97,000
Other member firms of Ernst & Young Global Network	44,306	–
	364,306	97,000

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 17 April 2026.

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 117 to 214 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 2025 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 17 April 2026.

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 117 to 214 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 17 April 2026.

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 2025 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 material accounting policy information, as set out on pages 117 to 214.

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 2025, and of their financial performance and 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"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. 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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Key audit matters (cont'd)

Revenue and cost of construction recognition

(Refer to Notes 2.14, 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 2025, construction contract revenue of RM30.1 million and contract cost of RM27.7 million accounted for approximately 18% 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.

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 2.13(c) and 4 to the financial statements)

For the financial year ended 31 December 2025, sale of goods from quarry activities of RM117.9 million accounted for approximately 71% 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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Key audit matters (cont'd)

Revenue recognition from quarry activities (cont'd)

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.

Valuation of investment properties

(Refer to Notes 2.7, 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 2025, the Group's investment properties comprise various categories of properties, of which the most significant being the leasehold office building ("Property") amounting to RM90.9 million, representing 16% of the Group's total assets. The fair value of such Property 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.
- (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) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT (CONT'D)

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

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current 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. 03082/07/2027 J
Chartered Accountant

Penang, Malaysia
Date: 17 April 2026

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	4	165,949,257	179,700,071	494,800	3,026,600
Other income	5	11,547,921	18,464,358	512,338	465,569
Construction contract costs recognised as contract expenses		(27,685,938)	(31,193,772)	-	-
Cost of goods sold		(909,111)	(7,002,992)	-	-
Cost of sales in respect of property development	6	(2,620,324)	(7,148,887)	-	-
Changes in work-in-progress and finished goods		(137,027)	(34,411)	-	-
Raw materials and consumables used		(45,098,448)	(42,006,081)	-	-
Direct expenses	7	(2,153,886)	(1,974,765)	(202,105)	(203,445)
Other expenses	8	(39,248,791)	(41,483,640)	-	-
Employee benefits expense	9	(14,391,833)	(13,969,929)	(737,407)	(592,233)
Depreciation		(4,719,243)	(6,139,919)	(17,023)	(17,024)
Administrative expenses	10	(10,724,273)	(13,837,368)	(646,014)	(718,255)
Operating profit/(loss)		29,808,304	33,372,665	(595,411)	1,961,212
Interest expense	11	(1,140,972)	(1,468,803)	-	-
Net monetary gain		93,186	558,198	-	-
Profit/(Loss) before tax		28,760,518	32,462,060	(595,411)	1,961,212
Income tax expense	12	(6,262,226)	(3,239,395)	(38,796)	(88,550)
Profit/(Loss) for the year, net of tax		22,498,292	29,222,665	(634,207)	1,872,662
Other comprehensive income, net of tax					
<u>Items that will be reclassified to profit or loss in the future</u>					
Foreign currency translation:					
- subsidiary		(2,332,396)	(1,765,887)	-	-
Hyperinflationary adjustment		897,592	2,025,238	-	-
Other comprehensive income for the year, net of tax		(1,434,804)	259,351	-	-
Total comprehensive income for the year		21,063,488	29,482,016	(634,207)	1,872,662

STATEMENTS OF COMPREHENSIVE INCOME (CONT'D)

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Profit/(Loss) attributable to:					
Owners of the Company		21,283,423	27,957,884	(634,207)	1,872,662
Non-controlling interests		1,214,869	1,264,781	–	–
		22,498,292	29,222,665	(634,207)	1,872,662
Total comprehensive income attributable to:					
Owners of the Company		20,128,918	27,995,992	(634,207)	1,872,662
Non-controlling interests		934,570	1,486,024	–	–
		21,063,488	29,482,016	(634,207)	1,872,662
Earnings per share attributable to owners of the Company (sen):					
Basic/Diluted, for profit for the year	13	22.96	30.16		

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Assets					
Non-current assets					
Property, plant and equipment	14	62,463,901	63,847,790	507,933	524,956
Right-of-use assets	15	424,583	530,348	–	–
Inventories	16	94,669,036	86,650,334	–	–
Investment properties	17	125,435,235	129,050,000	37,095,235	40,960,000
Investments in subsidiaries	18	–	–	238,873,357	238,733,357
Long term investments	19	19,867	28,754	–	–
Trade and other receivables	20	686,070	634,369	–	–
Other assets	22	–	25,056	–	–
Deferred tax assets	23	11,085,722	8,983,407	–	–
		294,784,414	289,750,058	276,476,525	280,218,313
Current assets					
Inventories	16	61,150,764	50,105,485	–	–
Trade and other receivables	20	52,197,199	45,562,290	197,977	74,353
Other assets	22	4,391,957	4,213,404	2,163	1,170
Short term investments	19	118,926,250	83,265,469	1,468,677	1,022,548
Tax recoverable		764,038	2,193,974	66,817	50,122
Cash and bank balances	24	38,575,879	52,838,115	2,096,966	2,252,484
		276,006,087	238,178,737	3,832,600	3,400,677
Total assets		570,790,501	527,928,795	280,309,125	283,618,990

STATEMENTS OF FINANCIAL POSITION (CONT'D)

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 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	400,525,370	381,725,148	176,192,507	179,607,702
Reserves	27	(16,960,545)	(15,508,253)	900,716	900,716
		485,448,468	468,100,538	278,976,866	282,392,061
Non-controlling interests		6,574,206	5,994,016	–	–
Total equity		492,022,674	474,094,554	278,976,866	282,392,061
Non-current liabilities					
Loans and borrowings	28	16,939,520	14,183,252	–	–
Other payables	31	289,951	388,967	–	–
Deferred tax liabilities	23	6,357,242	6,473,126	979,753	1,033,434
		23,586,713	21,045,345	979,753	1,033,434
Current liabilities					
Loans and borrowings	28	15,801,119	5,938,694	–	–
Trade and other payables	31	25,902,365	22,165,831	352,506	193,495
Other current liabilities	32	10,122,653	2,768,417	–	–
Tax payable		3,354,977	1,915,954	–	–
		55,181,114	32,788,896	352,506	193,495
Total liabilities		78,767,827	53,834,241	1,332,259	1,226,929
Net current assets		220,824,973	205,389,841	3,480,094	3,207,182
Net assets		492,022,674	474,094,554	278,976,866	282,392,061
Total equity and liabilities		570,790,501	527,928,795	280,309,125	283,618,990

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 2025

Group	Attributable to owners of the Company							Total equity RM
	Share capital RM	Foreign currency translation reserve RM	Asset revaluation reserve RM	Charter capital reserve RM	Other reserve RM	Retained profits RM	Non-controlling interests RM	
	← Non-distributable			→ Distributable				
At 1 January 2024	101,883,643	(20,388,182)	2,058,238	3,026,004	(426,447)	356,865,776	443,019,032	447,860,063
Hyperinflationary restatement to 1 January 2024	-	-	-	1,174,714	-	(1,308,212)	(133,498)	(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	447,669,351
Foreign currency translation differences from foreign operations	-	(1,379,558)	-	-	-	-	(1,379,558)	(1,765,887)
Hyperinflationary adjustments	-	-	-	426,978	-	990,688	1,417,666	2,025,238
Profit for the year	-	-	-	-	-	27,957,884	27,957,884	29,222,665
Total comprehensive income	-	(1,379,558)	-	426,978	-	28,948,572	27,995,992	29,482,016
Transactions with owners:								
Dividend to non-controlling interests	-	-	-	-	-	-	-	(275,825)
Dividend on ordinary shares (Note 33)	-	-	-	-	-	(2,780,988)	(2,780,988)	(2,780,988)
	-	-	-	-	-	(2,780,988)	(2,780,988)	(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	474,094,554

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

Group	Attributable to owners of the Company										Total equity RM
	Non-distributable					Distributable					
	Share capital RM	Foreign currency translation reserve RM	Asset revaluation reserve RM	Charter capital reserve RM	Other reserve RM	Legal reserve RM	Retained profits RM	Total RM	Non-controlling interests RM	Total equity RM	
At 1 January 2025	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	
Foreign currency translation differences from foreign operations	-	(1,782,820)	-	-	-	-	-	(1,782,820)	(549,576)	(2,332,396)	
Hyperinflationary adjustments	-	-	-	153,155	-	-	475,160	628,315	269,277	897,592	
Profit for the year	-	-	-	-	-	-	21,283,423	21,283,423	1,214,869	22,498,292	
Total comprehensive income	-	(1,782,820)	-	153,155	-	-	21,758,583	20,128,918	934,570	21,063,488	
Transfer to legal reserve	-	-	-	-	-	177,373	(177,373)	-	-	-	
Transactions with owners:											
Incorporation of subsidiary	-	-	-	-	-	-	-	-	60,000	60,000	
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	(414,380)	(414,380)	
Dividend on ordinary shares (Note 33)	-	-	-	-	-	-	(2,780,988)	(2,780,988)	-	(2,780,988)	
	-	-	-	-	-	-	(2,780,988)	(2,780,988)	(354,380)	(3,135,368)	
At 31 December 2025	101,883,643	(23,550,560)	2,058,238	4,780,851	(426,447)	177,373	400,525,370	485,448,468	6,574,206	492,022,674	

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

	Share capital RM	Non- distributable Asset revaluation reserve RM	Distributable Retained profits RM	Total equity RM
Company				
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
At 1 January 2025	101,883,643	900,716	179,607,702	282,392,061
Total comprehensive income	–	–	(634,207)	(634,207)
Dividend on ordinary shares, representing total transaction with owners (Note 33)	–	–	(2,780,988)	(2,780,988)
At 31 December 2025	101,883,643	900,716	176,192,507	278,976,866

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 2025

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from operating activities				
Profit/(Loss) before tax	28,760,518	32,462,060	(595,411)	1,961,212
Adjustments for:				
Depreciation	4,857,710	6,306,651	17,023	17,024
Dividend income from:				
- short term investments	(610,262)	(291,455)	(6,110)	(7,704)
- subsidiaries	-	-	-	(2,500,000)
Fair value gain on investment properties, net	(250,000)	(596,163)	-	(297,160)
Fair value gain on long/short term investments	(2,759,918)	(2,504,171)	(41,485)	(75,084)
Final distribution of capital repayment from subsidiary upon winding up	-	-	-	(2,800)
Gain on disposal of:				
- investment properties	(387,243)	-	(387,243)	-
- property, plant and equipment, net	(109,499)	(1,101,651)	-	-
Gain on lease modification adjustment	-	(1)	-	-
Interest expense	1,140,972	1,468,803	-	-
Interest income	(1,379,714)	(1,721,413)	(77,500)	(82,821)
Inventories written down to net realisable value, net	444,321	4,073,148	-	-
Inventories written off	-	77,913	-	-
Property, plant and equipment written off	1,283	238,966	-	-
Property, plant and equipment expensed off	33,500	4,565	-	-
Unrealised loss on foreign exchange, net	456,956	167,016	200,793	73,101
(Reversal of)/Allowance for impairment losses on:				
- property, plant and equipment	(2,143,325)	(3,697,677)	-	-
- trade and other receivables, net	1,787,800	(3,856,482)	-	-
Net monetary gain	(127,905)	(771,972)	-	-
Operating cash flows before changes in working capital	29,715,194	30,258,137	(889,933)	(914,232)
Changes in working capital:				
Inventories	(10,315,489)	(305,339)	-	-
Receivables	(8,314,824)	22,996,689	(127,007)	623
Revolving credit	10,500,000	-	-	-
Payables	11,014,459	(2,182,142)	159,011	2,768
Cash flows from/(used in) operations	32,599,340	50,767,345	(857,929)	(910,841)
Interest paid	(102,468)	(1,009)	-	-
Interest received	673,245	967,674	-	196
Taxes paid	(5,631,413)	(6,828,853)	(109,172)	(321,377)
Net cash flows from/(used in) operating activities	27,538,704	44,905,157	(967,101)	(1,232,022)

STATEMENTS OF CASH FLOWS (CONT'D)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from investing activities				
Final distribution of capital repayment from subsidiary upon winding up	–	–	–	2,800
Interest received	281,204	173,550	79,890	78,712
Inventories	(9,203,465)	(2,537,493)	–	–
Net dividend received from:				
- short term investments	610,262	291,455	6,110	7,704
- subsidiaries	–	–	–	2,500,000
Placement of deposits with maturity period of more than 3 months	(1,928,576)	(1,808,622)	(71,072)	(69,634)
Proceeds from disposal of:				
- investment properties	4,252,008	–	4,252,008	–
- property, plant and equipment	109,500	1,932,696	–	–
- short term investments	48,762,138	46,410,000	3,550,000	3,580,000
Purchase of:				
- investment properties	–	(143,837)	–	(2,840)
- property, plant and equipment	(2,024,992)	(3,005,569)	–	–
- shares in subsidiaries	–	–	(140,000)	(2,000,000)
- short term investments	(81,654,114)	(61,249,401)	(3,954,644)	(5,855)
Withdrawal of deposits with maturity period of more than 3 months	511,504	276,115	–	–
Net cash flows (used in)/from investing activities	(40,284,531)	(19,661,106)	3,722,292	4,090,887
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	(414,380)	(275,825)	–	–
Drawdown of term loan	8,000,000	–	–	–
Interest paid	(908,757)	(1,207,389)	–	–
Proceeds from issuance of shares to non-controlling interest in a subsidiary	60,000	–	–	–
Repayment of hire purchase liabilities	(673,240)	(736,361)	–	–
Repayment of principal portion of lease liabilities	(94,823)	(89,869)	–	–
Repayment of term loan	(5,000,004)	(5,000,004)	–	–
Net cash flows used in financing activities	(1,812,192)	(10,090,436)	(2,780,988)	(2,780,988)
Net (decrease)/increase in cash and cash equivalents	(14,558,019)	15,153,615	(25,797)	77,877
Effect of exchange rate differences	(427,543)	(105,424)	(28,388)	(24,471)
Cash and cash equivalents at 1 January	47,393,971	32,345,780	423,798	370,392
Cash and cash equivalents at 31 December	32,408,409	47,393,971	369,613	423,798

STATEMENTS OF CASH FLOWS (CONT'D)

(a) Cash and cash equivalents comprise:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	23,968,136	26,549,110	106,495	144,630
Deposits with licensed banks	14,607,743	26,289,005	1,990,471	2,107,854
	38,575,879	52,838,115	2,096,966	2,252,484
Bank overdrafts	–	(186,483)	–	–
	38,575,879	52,651,632	2,096,966	2,252,484
Less: Deposits with maturity periods of more than 3 months	(6,167,470)	(5,257,661)	(1,727,353)	(1,828,686)
	32,408,409	47,393,971	369,613	423,798

(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 2025				
At 1 January 2025	18,583,289	833,443	518,731	19,935,463
Cash flows	2,144,072	(697,111)	(123,785)	1,323,176
Other payables	(13,205)	–	–	(13,205)
Foreign exchange movement	–	–	(2,604)	(2,604)
New leases	–	75,900	–	75,900
Interest expense	869,129	23,871	28,962	921,962
Hyperinflationary adjustment	–	–	(53)	(53)
At 31 December 2025	21,583,285	236,103	421,251	22,240,639
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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

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 17 April 2026.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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)

During the reporting period, the Group reassessed the inflationary status of Lao PDR based on the most recent available information. The International Monetary Fund ("IMF") World Economic Outlook ("WEO") reported a 3-year cumulative inflation rate of 102% as of December 2024, with forecasted 3-year cumulative inflation rates of 52% and 30% for 2025 and 2026, respectively. In addition, the Lao Statistics Bureau reported significantly lower 3-year and 12-month cumulative inflation rates of 60% and 5%, respectively, as of September 2025. These indicators demonstrate that the highly inflationary conditions experienced in 2022 and 2023 are no longer present and both the annual rate and forecast rate of inflation have come down consistently.

Based on the above assessment, management believes that Lao PDR no longer qualifies as a hyperinflationary economy under MFRS 129, with effect from 30 September 2025. Accordingly, the Group discontinued the application of hyperinflationary accounting for its Lao PDR subsidiary from the period in which the economy is assessed to have ceased being hyperinflationary. The financial statements of the subsidiary will thereafter be prepared and translated in accordance with MFRS 121: The Effects of Changes in Foreign Exchange Rates, with the carrying amounts at the end of the last hyperinflationary reporting period treated as the deemed cost for subsequent accounting purposes.

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

Date	Index	Conversion factor
30 September 2025	256.90	1.000
31 December 2024	243.52	1.055

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 2025, the Group and the Company adopted the following new and amended MFRS mandatory for annual financial periods beginning on or after the date stated below:

Description	Effective for annual financial periods beginning on or after
Lack of Exchangeability (Amendments to MFRS 121)	1 January 2025

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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
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
Translation to a Hyperinflationary Presentation Currency (Amendments to MFRS 121)	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:

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

2.4 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.

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 2.5(i) for the accounting policy.

2.5 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 2.9.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

2.5 Leases (cont'd)

As lessee (cont'd)

(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.

2.6 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

2.6 Inventories (cont'd)

(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.

2.7 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.

2.8 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

2.8 Subsidiaries and basis of consolidation (cont'd)

(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.

2.9 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.

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.

2.10 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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

2.10 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

2.11 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.

2.12 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.

2.13 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 2.6(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 2.14.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

2.13 Revenue from contracts with customers (cont'd)

(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.

2.14 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.

2.15 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

2.16 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets is substantially ready for their intended use or sale.

The capitalisation of borrowing costs commences when expenditure for the assets is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.17 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

2.17 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.

Revenue is recognised net of amount of SST billed as it is payable to the taxation authority. SST payable to the taxation authority is included as part of payables in the statement of financial position.

(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.

2.18 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.

2.19 Contingencies

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

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

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 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 2025, 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.

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.

Quarry segment

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 6-year period. The pre-tax discount rate applied to the cash flow projections is 20.7% (2024 : 20.0%). 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 margin is estimated at 31% for year 2026 and is expected to remain constant towards the end of the projection period. A decrease in demand can lead to a decline in the gross margin.

A decrease in the gross margin by 19.0% would result in an impairment of approximately RM2,078,420.

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)

Quarry segment (cont'd)

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 88.3% (i.e., +67.6%) would result in an impairment of approximately RM299,244.

Utilities segment

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 17-year period. The pre-tax discount rate applied to these cash flow projections is 19.5% (2024 : 19.5%). As a result of this analysis, a reversal of impairment loss of RM2,143,325 (2024 : RM3,697,677) was made in the current financial year.

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 34% in financial year 2026 to 28% in financial year 2032 and to remain constant towards the end of the projection period as the older pipes are progressively identified and replaced by SDWS 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 RM597,000.

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 RM1,151,000.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

3.2 Key sources of estimation uncertainty (cont'd)

(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 1.37% (2024 : 0.81%) and 0.24% (2024 : 0.08%) 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 2025. 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.

(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).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

3.2 Key sources of estimation uncertainty (cont'd)

(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 RM2.5 million (2024 : RM1.6 million) and RM3.1 million (2024 : RM1.9 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 2025 was RM238,873,357 (2024 : RM238,733,357).

Based on the Company's impairment review, no impairment loss was recognised (2024 : RMNil) in the current financial year for investments in subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. REVENUE

Segment Group	For the year ended 31 December 2025						Total RM
	Investment RM	Construction RM	Quarry RM	Property development RM	Utilities RM		
Type of goods or services							
Construction contracts	–	25,987,110	–	4,158,352	–	–	30,145,462
Sale of development properties	–	–	–	2,982,803	–	–	2,982,803
Sale of goods and services	10,490	11,651	117,924,866	236,476	8,165,570	–	126,349,053
Revenue from contracts with customers	10,490	25,998,761	117,924,866	7,377,631	8,165,570	–	159,477,318
Rental income from investment properties	6,471,939	–	–	–	–	–	6,471,939
	6,482,429	25,998,761	117,924,866	7,377,631	8,165,570	–	165,949,257
Geographical markets							
Malaysia	10,490	25,998,761	117,924,866	7,377,631	–	–	151,311,748
Lao People's Democratic Republic	–	–	–	–	8,165,570	–	8,165,570
	10,490	25,998,761	117,924,866	7,377,631	8,165,570	–	159,477,318
Timing of transfer of goods or services							
At a point in time	10,490	11,651	117,924,866	–	8,165,570	–	126,112,577
Over time	–	25,987,110	–	7,377,631	–	–	33,364,741
	10,490	25,998,761	117,924,866	7,377,631	8,165,570	–	159,477,318

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. REVENUE (CONT'D)

Segment Group	For the year ended 31 December 2024						Total RM
	Investment RM	Construction RM	Quarry RM	Property development RM	Utilities RM		
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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. REVENUE (CONT'D)

	2025 RM	2024 RM
Company		
Type of goods or services		
Dividend income	–	2,500,000
Rental income from investment properties	494,800	526,600
	494,800	3,026,600

5. OTHER INCOME

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Included in other income are:				
Dividend income from short term investments	610,262	291,455	6,110	7,704
Fair value gain on investment properties	250,000	856,163	–	297,160
Fair value gain on long/short term investments	2,759,918	2,504,171	41,485	75,084
Final distribution of capital repayment from subsidiary upon winding up	–	–	–	2,800
Gain on disposal of:				
- investment properties	387,243	–	387,243	–
- property, plant and equipment	109,499	1,101,651	–	–
Gain on lease modification adjustment	–	1	–	–
Hire of motor vehicles	–	900	–	–
Interest income from:				
- accretion of interest	300,487	371,993	–	–
- debts instruments at amortised cost	4,780	194,191	–	–
- discounting on retention sum payable	37,678	157,852	–	–
- short-term money market deposit	641,921	640,328	–	196
- short-term deposits	368,304	223,894	77,500	82,625
- others	26,544	133,155	–	–
Inventories – properties held for sale and others written back to net realisable value (Note 16(c))	19,600	20,400	–	–
Realised gain on foreign exchange	–	20,299	–	–
Rental income from building	240,320	150,000	–	–
Reversal of impairment losses on:				
- property, plant and equipment (Note 14)	2,143,325	3,697,677	–	–
- trade and other receivables (Note 38(b))	2,383,110	6,551,303	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. COST OF SALES IN RESPECT OF PROPERTY DEVELOPMENT

	Group	
	2025 RM	2024 RM
Property development costs (Note 16(b))	2,387,253	5,920,762
Cost of completed properties sold	(3,840)	1,004,478
Costs directly charged out after completion of property	5,504	3,478
Cost of services rendered	231,407	220,169
	2,620,324	7,148,887

7. DIRECT EXPENSES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Direct operating expenses of investment properties				
- revenue generating during the year	2,099,286	1,920,235	147,505	148,915
- non-revenue generating during the year	54,600	54,530	54,600	54,530
	2,153,886	1,974,765	202,105	203,445

Included in direct expenses are:

Agent fee	162,309	24,754	-	-
Assessment and quit rent	473,934	473,214	70,702	69,982
Electricity and water charges	409,887	451,689	56,272	63,071
Service charges	147,973	138,766	-	-
Sewerage charges	108,729	105,600	-	-
Short-term lease expense (Note 30)	37,200	31,455	5,640	6,840
Sundry wages	444,600	336,000	-	-
Upkeep of equipment and machinery	136,293	182,593	4,382	3,824

The direct expenses are in relation to investment properties.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. OTHER EXPENSES

	Group	
	2025 RM	2024 RM
Included in other expenses are:		
Diesel and lubricant	7,219,620	7,146,998
Earth royalty	1,090,254	1,548,238
Electricity charges	1,946,588	1,962,121
Gas	287,908	474,105
Hire of motor vehicles	1,100	43,355
Hire of plant and machinery	177,989	49,214
Short term lease expenses (Note 30)	24,000	7,998
Subcontractor wages	12,227,750	13,984,114
Transportation charges	8,142,454	7,042,378
Tribute fee	3,380,027	2,849,968

9. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
(a) Staff costs				
Salaries, wages, allowances and overtime	9,861,049	9,901,384	-	-
Contributions to defined contribution plan	1,001,604	969,440	-	-
Social security contributions	165,496	163,186	-	-
Employment insurance system contributions	13,349	13,024	-	-
Human resource development fund contribution	73,988	76,980	-	-
Total staff costs	11,115,486	11,124,014	-	-

Employee benefits expense for the year of RM1,882,102 (2024 : RM2,016,361) have been capitalised in construction contract costs as disclosed in Note 21.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. EMPLOYEE BENEFITS EXPENSE (CONT'D)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
(b) Directors' remuneration				
Directors of the Company:*				
Executive:				
Salaries and other emoluments	1,751,320	1,430,940	440,000	315,000
Contributions to defined contribution plan	282,280	239,060	69,740	47,915
Social security contributions	7,685	7,543	3,106	2,575
Employment insurance system contributions	547	492	261	243
Estimated monetary value of benefits-in-kind	30,700	30,700	-	-
	2,072,532	1,708,735	513,107	365,733
Non-executive:				
Fees	219,500	222,000	219,500	222,000
Other emoluments	4,800	4,500	4,800	4,500
	224,300	226,500	224,300	226,500
Director of subsidiary company:				
Salaries and other emoluments	896,520	828,240	-	-
Contributions to defined contribution plan	109,425	109,052	-	-
Social security contributions	4,127	3,963	-	-
Employment insurance system contributions	143	125	-	-
Estimated monetary value of benefits-in-kind	4,650	4,000	-	-
	1,014,865	945,380	-	-
Total directors' remuneration	3,311,697	2,880,615	737,407	592,233
Total directors' remuneration excluding benefits-in-kind	3,276,347	2,845,915	737,407	592,233
Total employee benefits expense, excluding benefits-in-kind	14,391,833	13,969,929	737,407	592,233

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. EMPLOYEE BENEFITS EXPENSE (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	
	2025	2024
Executive directors:		
RM200,001 to RM300,000	–	2
RM400,001 to RM500,000	2	–
RM500,001 to RM600,000	1	1
RM600,001 to RM700,000	–	1
RM700,001 to RM800,000	1	–
	4	4
Non-executive directors:		
RM50,000 and below	3	3
RM50,001 to RM100,000	2	2
	5	5

10. ADMINISTRATIVE EXPENSES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Included in administrative expenses are:				
Allowance for impairment losses on trade and other receivables (Note 38(b))	4,170,910	2,694,821	–	–
Auditors' remuneration:				
- statutory audit	364,306	322,253	97,000	85,000
- non-audit fees				
- non-assurance related services	10,000	11,000	–	–
- tax and other non-audit services	6,000	5,500	6,000	5,500
Direct operating expenses of investment properties:				
- non-revenue generating during the year	5,858	4,775	–	–
Fair value loss on investment properties	–	260,000	–	–
Inventories – land held for future development written down to net realisable value (Note 16(a))	463,921	4,093,548	–	–
Inventories written off	–	77,913	–	–
Loss on foreign exchange:				
- realised	115,750	17,077	5	1
- unrealised	456,956	167,016	200,793	73,101
Low-value assets lease expense (Note 30)	8,448	8,715	–	–
Property, plant and equipment written off	1,283	238,966	–	–
Security guard	115,097	263,649	–	–
Short term lease expenses (Note 30)	83,494	78,945	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. INTEREST EXPENSE

	Group	
	2025 RM	2024 RM
Interest expense on:		
- bank overdrafts	837	1,009
- discounting on long term receivables	-	165,631
- lease liabilities		
- hire purchase	23,871	44,514
- other lease liabilities (Note 30)	28,962	34,100
- unwinding of discount	129,439	118,240
- revolving credits	127,518	-
- term loans	869,129	1,105,309
	1,179,756	1,468,803
Less: Interest expense capitalised:		
Land held for property development*	(38,784)	-
	1,140,972	1,468,803

* Borrowing cost incurred during the period to bring the assets to the stage of its intended use are capitalised.

12. INCOME TAX EXPENSE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Malaysia income tax:				
Current income tax	7,777,217	6,386,467	-	59,727
Under/(Over) provision in prior year	33,100	95,321	72	(893)
Foreign tax:				
Current income tax	634,438	531,113	-	-
	8,444,755	7,012,901	72	58,834
Deferred tax (Note 23):				
Relating to origination and reversal of temporary differences	(2,280,311)	(303,367)	(53,681)	29,716
Over provision in prior year	(47,409)	(3,676,046)	-	-
	(2,327,720)	(3,979,413)	(53,681)	29,716
Real Property Gains Tax	92,405	12,640	92,405	-
Withholding tax	52,786	193,267	-	-
Income tax expense recognised in profit or loss	6,262,226	3,239,395	38,796	88,550

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. INCOME TAX EXPENSE (CONT'D)

Current income tax is calculated at the Malaysian corporate statutory tax rate of 24% (2024 : 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	
	2025 RM	2024 RM
Profit before tax	28,760,518	32,462,060
Taxation at applicable tax rates	6,902,524	7,790,894
Income not subject to tax	(1,320,776)	(2,342,073)
Expenses not deductible for tax purposes	752,706	1,438,889
Expenses for special deduction for tax purposes	(101,147)	(103,357)
Difference in tax rate of foreign subsidiary	(192,315)	(305,762)
Deferred tax assets not recognised	13,724	-
Deferred tax on fair value adjustments	1,038	27,534
Deferred tax on undistributed earnings from foreign subsidiary	(52,821)	42,204
Hyperinflationary adjustment	6,452	65,928
Real Property Gains Tax	92,405	12,640
Taxable on foreign source income recognised in prior year	121,959	-
Withholding tax	52,786	193,267
Utilisation of previously unrecognised deferred tax assets	-	(44)
Under provision of current tax in prior year	33,100	95,321
Over provision of deferred tax in prior year	(47,409)	(3,676,046)
Income tax expense recognised in profit or loss	6,262,226	3,239,395
	Company	
	2025 RM	2024 RM
(Loss)/Profit before tax	(595,411)	1,961,212
Taxation at applicable tax rate	(142,899)	470,691
Income not subject to tax	(121,494)	(709,840)
Expenses not deductible for tax purposes	264,393	298,920
Deferred tax on fair value adjustment	(53,681)	29,716
Utilisation of previously unrecognised deferred tax assets	-	(44)
Under/(Over) provision of current tax in prior year	72	(893)
Real Property Gains Tax	92,405	-
Income tax expense recognised in profit or loss	38,796	88,550

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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:

	2025 RM	2024 RM
Profit attributable to ordinary equity holders of the Company	21,283,423	27,957,884
<hr/>		
Number of ordinary shares in issue	92,699,600	92,699,600
<hr/>		
	Sen	Sen
Basic earnings per share for the year	22.96	30.16

(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 2025					
Cost					
At 1 January 2025	33,684,153	123,811,476	6,149,406	14,179,703	177,824,738
Additions	–	1,571,755	349,510	179,627	2,100,892
Disposals	–	(281,500)	–	(196,370)	(477,870)
Written off	–	(4,800)	(559,318)	–	(564,118)
Transfers	–	(43,084)	43,084	–	–
Expensed off	–	(33,500)	–	–	(33,500)
Exchange adjustments	(226,621)	(6,156,207)	(81,215)	(61,550)	(6,525,593)
Hyperinflationary adjustments	132,318	3,581,129	46,454	34,201	3,794,102
<hr/>					
At 31 December 2025	33,589,850	122,445,269	5,947,921	14,135,611	176,118,651

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 2025 (cont'd)					
Accumulated depreciation and impairment losses					
At 1 January 2025					
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
Charge for the year:					
Recognised in profit or loss	228,296	3,492,479	476,442	418,307	4,615,524
Capitalised in construction contract costs (Note 21)	–	132,967	–	5,500	138,467
	228,296	3,625,446	476,442	423,807	4,753,991
Reversal of impairment loss for the year	–	(2,143,325)	–	–	(2,143,325)
Disposals	–	(281,499)	–	(196,370)	(477,869)
Written off	–	(4,800)	(558,035)	–	(562,835)
Exchange adjustments	(222,918)	(4,141,515)	(70,892)	(49,219)	(4,484,544)
Hyperinflationary adjustments	130,090	2,393,846	40,661	27,787	2,592,384
At 31 December 2025	8,294,387	88,158,514	4,717,834	12,484,015	113,654,750
Analysed as:					
Accumulated depreciation	8,259,174	74,983,817	4,717,834	12,484,015	100,444,840
Accumulated impairment losses	35,213	13,174,697	–	–	13,209,910
	8,294,387	88,158,514	4,717,834	12,484,015	113,654,750
Net carrying amount	25,295,463	34,286,755	1,230,087	1,651,596	62,463,901

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					
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	479,920	–	–	514,933
Hyperinflationary restatement to 1 January 2024:	7,127,653	55,410,629	3,859,650	12,908,674	79,306,606
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

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)					
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
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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

* Land and buildings

	Freehold land RM	Long term leasehold land [#] RM	Buildings RM	Total RM
Group				
At 31 December 2025				
Cost				
At 1 January 2025	16,666,265	7,008,384	10,009,504	33,684,153
Exchange adjustments	–	–	(226,621)	(226,621)
Hyperinflationary adjustments	–	–	132,318	132,318
At 31 December 2025	16,666,265	7,008,384	9,915,201	33,589,850
Accumulated depreciation and impairment losses				
At 1 January 2025				
Accumulated depreciation	2,287,888	1,203,339	4,632,479	8,123,706
Accumulated impairment losses	35,213	–	–	35,213
Charge for the year	2,323,101	1,203,339	4,632,479	8,158,919
Exchange adjustments	–	83,298	144,998	228,296
Hyperinflationary adjustments	–	–	(222,918)	(222,918)
	–	–	130,090	130,090
At 31 December 2025	2,323,101	1,286,637	4,684,649	8,294,387
Analysed as:				
Accumulated depreciation	2,287,888	1,286,637	4,684,649	8,259,174
Accumulated impairment losses	35,213	–	–	35,213
	2,323,101	1,286,637	4,684,649	8,294,387
Net carrying amount	14,343,164	5,721,747	5,230,552	25,295,463

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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				
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
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
Hyperinflationary restatement to 1 January 2024	2,323,101	1,270,798	3,533,754	7,127,653
Accumulated depreciation	–	–	770,133	770,133
At 1 January 2024, restated	2,287,888	1,270,798	4,303,887	7,862,573
Accumulated depreciation	35,213	–	–	35,213
Accumulated impairment losses	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

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 2025			
Cost			
At 1 January 2025	121,749,840	2,061,636	123,811,476
Additions	299,498	1,272,257	1,571,755
Disposals	(281,500)	–	(281,500)
Written off	(4,800)	–	(4,800)
Transfers	274,299	(317,383)	(43,084)
Expensed off	–	(33,500)	(33,500)
Exchange adjustments	(5,962,839)	193,368	(6,156,207)
Hyperinflationary adjustments	3,480,677	100,452	3,581,129
At 31 December 2025	119,555,175	2,890,094	122,445,269
Accumulated depreciation and impairment losses			
At 1 January 2025			
Accumulated depreciation	72,901,104	–	72,901,104
Accumulated impairment losses	15,809,257	–	15,809,257
	88,710,361	–	88,710,361
Charge for the year:			
Recognised in profit or loss	3,492,479	–	3,492,479
Capitalised in construction costs	132,967	–	132,967
	3,625,446	–	3,625,446
Reversal of impairment loss for the year	(2,143,325)	–	(2,143,325)
Disposals	(281,499)	–	(281,499)
Written off	(4,800)	–	(4,800)
Exchange adjustments	(4,141,515)	–	(4,141,515)
Hyperinflationary adjustments	2,393,846	–	2,393,846
At 31 December 2025	88,158,514	–	88,158,514
Analysed as:			
Accumulated depreciation	74,983,817	–	74,983,817
Accumulated impairment losses	13,174,697	–	13,174,697
	88,158,514	–	88,158,514
Net carrying amount	31,396,661	2,890,094	34,286,755

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			
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)

*** 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 2025			
Cost			
At 1 January 2025	4,662,456	1,486,950	6,149,406
Additions	349,510	–	349,510
Written off	(401,692)	(157,626)	(559,318)
Transfers	–	43,084	43,084
Exchange adjustments	(53,554)	(27,661)	(81,215)
Hyperinflationary adjustments	30,936	15,518	46,454
At 31 December 2025	4,587,656	1,360,265	5,947,921
Accumulated depreciation			
At 1 January 2025	3,590,190	1,239,468	4,829,658
Charge for the year	397,378	79,064	476,442
Written off	(400,409)	(157,626)	(558,035)
Exchange adjustments	(47,869)	(23,023)	(70,892)
Hyperinflationary adjustments	27,290	13,371	40,661
At 31 December 2025	3,566,580	1,151,254	4,717,834
Net carrying amount	1,021,076	209,011	1,230,087

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 2025				
Cost				
At 1 January 2025 and 31 December 2025	731,516	8,719	14,200	754,435
Accumulated depreciation				
At 1 January 2025	216,569	5,232	7,678	229,479
Charge for the year	14,731	872	1,420	17,023
At 31 December 2025	231,300	6,104	9,098	246,502
Net carrying amount	500,216	2,615	5,102	507,933
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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash payments	2,024,992	3,005,569	-	-
Hire purchase financing	75,900	512,500	-	-
	2,100,892	3,518,069	-	-

- (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				
2025				
Motor vehicle	685,799	115,301	570,498	83,970
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

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") were 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 RM2,143,325 (2024 : RM3,697,677) 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% (2024 : 19.5%). The net carrying value of the affected property, plant and equipment as at 31 December 2025 of the Group was RM23,805,778 (2024 : RM23,210,544).

- (d) The title deeds to certain of the Group's land and building with net carrying amount of RM2,280,872 (2024 : RM2,312,322) 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 (2024 : 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

	2025 RM	Group 2024 RM
Cost		
As at 1 January	731,875	691,527
Hyperinflationary restatement to 1 January	–	34,830
At 1 January, restated	731,875	726,357
Lease modification adjustment	–	4
Exchange adjustments	(6,683)	(5,363)
Hyperinflationary adjustments	3,902	10,877
As at 31 December	729,094	731,875
Accumulated depreciation		
As at 1 January	201,527	89,839
Hyperinflationary restatement to 1 January	–	6,854
At 1 January, restated	201,527	96,693
Depreciation expense (Note 30)	103,719	103,750
Lease modification adjustment	–	1
Exchange adjustments	(1,655)	(1,054)
Hyperinflationary adjustments	920	2,137
As at 31 December	304,511	201,527
Net carrying amount	424,583	530,348

16. INVENTORIES

	2025 RM	Group 2024 RM
Non-current		
At cost:		
Land held for property development	90,270,879	83,678,274
At net realisable value:		
Land held for property development	4,398,157	2,972,060
Total land held for property development (Note a)	94,669,036	86,650,334

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

16. INVENTORIES (CONT'D)

	2025	Group
	RM	2024
		RM
Current		
At cost:		
Property development costs (Note b)	35,525,329	24,631,167
Properties held for sale and others (Note c)	25,150,435	25,018,918
At net realisable value:		
Properties held for sale and others (Note c)	475,000	455,400
	61,150,764	50,105,485
Total inventories (current and non-current)	155,819,800	136,755,819

The cost of inventories recognised as an expense during the financial year of the Group amounted to RM52,819,837 (2024 : RM55,959,515).

The following inventories have been charged to a bank to partially secure the borrowings.

	2025	Group
	RM	2024
		RM
Land held for property development	52,174,015	43,552,432

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.

	2025	Group
	RM	2024
		RM
In Malaysia:		
Property development costs	1,055,923	1,230,471
Properties held for sale and others	3,383,031	3,363,431
Outside Malaysia:		
Properties held for sale and others	13,532,098	13,532,098
	17,971,052	18,126,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 2025				
Cost				
At 1 January 2025	3,826,660	57,329,012	25,494,662	86,650,334
Costs incurred during the year	63,203	8,621,583	557,463	9,242,249
Write-back/(Write-down) during the year	199,968	–	(663,889)	(463,921)
Transferred to property development costs (Note 16(b))	(263,091)	–	(496,535)	(759,626)
At 31 December 2025	3,826,740	65,950,595	24,891,701	94,669,036
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

- (i) During the current financial year, the Group recognised a write-down of RM463,921 (2024: RM4,093,548) 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 2025				
Cumulative property development costs				
At 1 January 2025	2,809,727	18,924,919	6,958,255	28,692,901
Costs incurred during the year	–	31,354	12,490,435	12,521,789
Transferred from land held for property development (Note 16(a))	263,091	–	496,535	759,626
At 31 December 2025	3,072,818	18,956,273	19,945,225	41,974,316
Cumulative costs recognised in profit or loss				
At 1 January 2025	(1,579,256)	–	(2,482,478)	(4,061,734)
Recognised during the year (Note 6)	(437,639)	(284,137)	(1,665,477)	(2,387,253)
At 31 December 2025	(2,016,895)	(284,137)	(4,147,955)	(6,448,987)
Property development costs at 31 December 2025	1,055,923	18,672,136	15,797,270	35,525,329
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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 2024 (cont'd)				
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

(c) Properties held for sale and others

	2025 RM	Group 2024 RM
At cost:		
Consumables	1,544,507	1,462,689
Properties held for sale	19,506,606	19,506,606
Raw materials	2,146,713	2,001,234
Spare parts	779,135	737,888
Work-in-progress – quarry products	1,173,474	1,310,501
	25,150,435	25,018,918
At net realisable value:		
Properties held for sale	475,000	455,400
	25,625,435	25,474,318

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 RM19,600 (2024 : RM20,400) 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 2025 of the Group was RM475,000 (2024 : RM455,400).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

17. INVESTMENT PROPERTIES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
At 1 January	129,050,000	128,310,000	40,960,000	40,660,000
Additions	–	143,837	–	2,840
Disposals	(3,864,765)	–	(3,864,765)	–
Fair value gain, net	250,000	596,163	–	297,160
At 31 December	125,435,235	129,050,000	37,095,235	40,960,000

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 RM90,900,000 (2024 : RM90,700,000) are mortgaged to secure the Group's term loans (Note 28).

The following investment properties are held under lease terms:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Leasehold land	11,400,000	11,400,000	11,400,000	11,400,000
Buildings	93,600,000	93,400,000	2,700,000	2,700,000
	105,000,000	104,800,000	14,100,000	14,100,000

The title deeds to certain of the Group's leasehold land and building with carrying amounts of RM90,900,000 (2024 : RM90,700,000) 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 properties are disclosed in Note 37.

Description of valuation technique used and key inputs to valuation of investment properties:

	Valuation technique	Significant unobservable inputs	Range	
			2025	2024
Office properties	Income capitalisation method	Estimates average rental value per square feet per month	RM5.90 to RM7.70	RM5.00 to RM7.50
		Estimated average outgoing per square feet per month	RM1.40 to RM2.22	RM1.10 to RM1.40
		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	-25% to 20%	-40% to 5%

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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.

The management believes that any reasonably possible change in any of the above key assumptions would result in an increase/a decrease in its fair value. 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 a decrease in fair value of approximately RM1,197,000. If the estimated average outgoing per square feet per month increases by 1% and all other variables were held constant, this would result in a decrease in fair value of approximately RM288,000. If the market yield rate (current term) increases by 1% and all other variables were held constant, this would result in a decrease in fair value of approximately RM60,000. If the market yield rate (reversionary term) increases by 1% and all other variables were held constant, this would result in a decrease in fair value of approximately RM12,835,000.

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	
	2025 RM	2024 RM
Unquoted shares, at cost	238,873,357	238,733,357

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 (2024 : RM Nil) was recognised in the financial statements.

The key assumptions used in the income capitalisation method calculations are presented in Note 17.

Utilities segment

The Company has reassessed the expected recoverable amount of its investment in subsidiary and no impairment loss (2024 : RMNil) 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 18.4% (2024 : 18.3%).

The key assumptions used in the value in use method calculations are presented below:

- (i) Non-revenue water ("NRW") ranging from 28% to 34%
- (ii) Discount rate (pre-tax) of 18.4%

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 10.0% would result in an impairment loss of approximately RM159,000. A rise in the pre-tax discount rate to 23.7% (i.e. +5.3%) would result in an impairment loss of RM415,000.

Details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	% of ownership interest held by the Group*		Principal activities
		2025	2024	
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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (cont'd)

Name of company	Country of incorporation/ Principal place of business	% of ownership interest held by the Group*		Principal activities
		2025	2024	
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%	To carry out activities as head office, providing administrative, management and technical support services
DKLS Quarry & Premix (North) Sdn. Bhd.	Malaysia	100%	100%	Quarry master and sale of related products
DKLS Resources (M) Sdn. Bhd.	Malaysia	70%	–	Wholesale of petrol, diesel and lubricants
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 2.8(ii)).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (a) 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.
- (b) Summarised financial information of Savan-DKLS Water Supply Co Ltd which has material 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	
	2025 RM	2024 RM
% of ownership interest held by non-controlling interests*	30%	30%
Non-current assets	23,858,387	23,293,187
Current assets	6,592,699	5,638,081
Total assets	30,451,086	28,931,268
Non-current liabilities	7,027,595	7,068,197
Current liabilities	1,119,889	1,149,443
Total liabilities	8,147,484	8,217,640
Net assets	22,303,602	20,713,628
Equity attributable to:		
Owners of the Company	15,612,521	14,499,539
Non-controlling interests	6,691,081	6,214,089
	22,303,602	20,713,628

* Equals to the proportion of voting rights held.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) (ii) Summarised statement of comprehensive income

	Savan-DKLS Water Supply Co Ltd	
	2025	2024
	RM	RM
Revenue	8,165,570	7,843,462
Profit for the year	3,905,569	4,124,657
Dividend for the year	1,381,268	919,417
<hr/>		
Profit attributable to:		
Owners of the Company	2,733,898	2,887,260
Non-controlling interests	1,171,671	1,237,397
	<hr/>	<hr/>
	3,905,569	4,124,657
<hr/>		
Other comprehensive income attributable to:		
Owners of the Company	(654,028)	516,233
Non-controlling interests	(280,299)	221,243
	<hr/>	<hr/>
	(934,327)	737,476
<hr/>		
Total comprehensive income attributable to:		
Owners of the Company	2,079,870	3,403,493
Non-controlling interests	891,372	1,458,640
	<hr/>	<hr/>
	2,971,242	4,862,133
<hr/>		
Dividend paid to non-controlling interests	414,380	275,825

(iii) Summarised statement of cash flows

	Savan-DKLS Water Supply Co Ltd	
	2025	2024
	RM	RM
Net cash from/(used in):		
Operating activities	3,294,590	3,719,631
Investing activities	(2,124,760)	(1,839,326)
Financing activities	(1,384,053)	(922,386)
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(214,223)	957,919
Effects of exchange rate differences	(125,902)	(73,302)
Cash and cash equivalents at:		
Beginning of the year	1,741,121	856,504
	<hr/>	<hr/>
End of the year	1,400,996	1,741,121

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19. LONG TERM/SHORT TERM INVESTMENTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-current				
At fair value through profit or loss:				
Quoted in Malaysia				
- Equity instruments	19,867	28,754	-	-
<hr/>				
Current				
At fair value through profit or loss:				
Quoted in Malaysia				
- Unit Trust Fund	118,926,250	83,265,469	1,468,677	1,022,548
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20. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-current				
Other receivables				
Third party	686,070	634,369	-	-
<hr/>				
Current				
Trade receivables				
Third parties	28,911,365	28,017,429	-	-
Progress billings receivables	32,476,531	24,083,605	-	-
Retention sum on contracts (Note 21)	3,336,708	3,109,184	-	-
	64,724,604	55,210,218	-	-
Less: Allowance for impairment (Note 38(b))	(15,433,792)	(13,771,318)	-	-
Trade receivables, net	49,290,812	41,438,900	-	-
<hr/>				

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

20. TRADE AND OTHER RECEIVABLES (CONT'D)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current (cont'd)				
Other receivables				
Third parties	1,404,771	2,528,917	126,015	–
Deposits	1,397,197	1,483,586	31,290	31,290
Others	104,419	110,887	40,672	43,063
	2,906,387	4,123,390	197,977	74,353
Trade and other receivables (current)	52,197,199	45,562,290	197,977	74,353
Total trade and other receivables (current and non-current)	52,883,269	46,196,659	197,977	74,353
Add: Cash and bank balances (Note 24)	38,575,879	52,838,115	2,096,966	2,252,484
Total financial assets carried at amortised cost	91,459,148	99,034,774	2,294,943	2,326,837

Trade and other receivables at the reporting date are denominated in the following currencies:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	51,981,227	39,986,302	157,305	31,290
Lao Kip	863,023	806,219	2,059	2,185
United States Dollar	39,019	5,404,138	38,613	40,878
	52,883,269	46,196,659	197,977	74,353

(a) Other receivables (non-current)

The amount represents performance deposits given on contract. The amount is measured at amortised cost with an effective interest rate of 8.15% and shall be repaid within 3 years.

(b) Trade receivables (current)

Trade receivables are generally non-interest bearing and on cash to 90 days (2024 : cash to 90 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in trade receivables are amount of RM2,062,650 (2024 : RM2,219,719) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. DUE FROM/(TO) CUSTOMERS ON CONTRACTS

	2025 RM	Group 2024 RM
Construction contract costs incurred to date	40,744,888	56,435,882
Attributable profits	3,238,140	7,613,399
<hr/>		
Less: Progress billings	43,983,028 (52,796,829)	64,049,281 (64,705,059)
<hr/>		
	(8,813,801)	(655,778)
<hr/>		
Represented by:		
Contract assets (Note 22)	1,149,545	1,317,140
Contract liabilities (Note 32)	(9,963,346)	(1,972,918)
<hr/>		
	(8,813,801)	(655,778)
<hr/>		
Retention sum on contracts, included within trade receivables (Note 20)	3,336,708	3,109,184
<hr/>		

The costs incurred to date on construction contracts include the following charges made during the financial year:

	2025 RM	Group 2024 RM
Depreciation – property, plant and equipment (Note 14)	138,467	166,732
Hire of machinery and equipment	–	1,970
Short-term lease expense (Note 30)	95,160	42,155
Employee benefits expense (Note 9)	1,882,102	2,016,361
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Employee benefits expense comprise:		
Salaries, wages, allowances and overtime	1,727,152	1,848,893
Contributions to defined contribution plans	125,507	135,430
Social security contributions	18,023	19,320
Employment insurance system contributions	2,028	2,106
Human resource development fund contributions	9,392	10,612
<hr/>		
	1,882,102	2,016,361
<hr/>		

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

22. OTHER ASSETS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-current				
Prepayments	–	25,056	–	–
Current				
Contract assets in respect of property development costs	969,439	–	–	–
Contract assets in respect of construction contracts (Note 21)	1,149,545	1,317,140	–	–
Deferred expenses	10,635	–	–	–
Deposits	1,340,000	1,340,000	–	–
Prepayments	922,338	1,556,264	2,163	1,170
	4,391,957	4,213,404	2,163	1,170
Other assets (current and non-current)	4,391,957	4,238,460	2,163	1,170

The transaction price allocated to the unsatisfied performance obligations for property development contracts as at 31 December 2025 is RM8,733,739 (2024 : RM1,252,573). 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 2024 was RM17,395,021.

The transaction price allocated to the unsatisfied performance obligations for construction contracts as at 31 December 2025 is RM24,199,818 (2024 : RM52,757,400). 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 2024 was RM3,370,773.

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	
	2025 RM	2024 RM	2025 RM	2024 RM
At 1 January	(2,510,281)	1,021,351	1,033,434	1,003,718
Hyperinflationary restatement to 1 January	–	(161,852)	–	–
At 1 January, restated	(2,510,281)	859,499	1,033,434	1,003,718
Recognised in profit or loss (Note 12)	(2,327,720)	(3,979,413)	(53,681)	29,716
Exchange adjustments	(130,823)	(22,381)	–	–
Hyperinflationary adjustments	240,344	632,014	–	–
At 31 December	(4,728,480)	(2,510,281)	979,753	1,033,434

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Subject to income tax:				
Deferred tax assets	(11,085,722)	(8,983,407)	-	-
Deferred tax liabilities	5,040,420	5,135,623	-	-
	(6,045,302)	(3,847,784)	-	-
Subject to capital gain tax:				
Deferred tax liabilities	1,316,822	1,337,503	979,753	1,033,434
	(4,728,480)	(2,510,281)	979,753	1,033,434

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 2025	(374,343)	(4,163)	(7,343,961)	(7,722,467)
Recognised in profit or loss	(475,301)	(185,723)	(1,301,638)	(1,962,662)
Exchange adjustments	-	-	(130,823)	(130,823)
Hyperinflationary adjustments	-	-	240,344	240,344
At 31 December 2025	(849,644)	(189,886)	(8,536,078)	(9,575,608)
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)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 2025	2,079,270	3,132,916	5,212,186
Recognised in profit or loss	(350,386)	(14,672)	(365,058)
At 31 December 2025	1,728,884	3,118,244	4,847,128
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

Deferred tax liabilities of the Company:

	Investment properties 2025 RM	2024 RM
At 1 January	1,033,434	1,003,718
Recognised in profit or loss	(53,681)	29,716
At 31 December	979,753	1,033,434

Deferred tax asset has not been recognised in respect of the following item:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Unabsorbed capital allowances	(12,991)	(11,761)	(11,761)	(11,761)
Unutilised tax losses	(183,666)	(127,711)	-	-
	(196,657)	(139,472)	(11,761)	(11,761)
Potential deferred tax benefits at 24%	(47,197)	(33,473)	(2,823)	(2,823)

Deferred tax asset has not been recognised in respect of these items as it may not be probable that future taxable profits will be available against which the assets can be utilised.

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	
	2025 RM	2024 RM	2025 RM	2024 RM
Unutilised tax losses:				
2034	1,687,472	1,687,472	-	-
2035	2,036,374	-	-	-
	3,723,846	1,687,472	-	-

24. CASH AND BANK BALANCES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	23,968,136	26,549,110	106,495	144,630
Deposits with licensed banks	14,607,743	26,289,005	1,990,471	2,107,854
	38,575,879	52,838,115	2,096,966	2,252,484

Cash and bank balances at the reporting date are denominated in the following currencies:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Lao Kip	5,704,970	4,953,642	273,648	290,746
Ringgit Malaysia	26,456,326	44,351,074	71,318	105,845
Thai Baht	73,604	81,343	-	-
United States Dollar	6,340,979	3,452,056	1,752,000	1,855,893
	38,575,879	52,838,115	2,096,966	2,252,484

Included in the Group's cash and bank balances are:

- (i) amounts totalling RM8,888,060 (2024 : RM5,153,698) in current accounts which earn interest at floating rates based on daily bank deposit rates.
- (ii) amounts totalling RM1,083,862 (2024 : RM813,669) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24. CASH AND BANK BALANCES (CONT'D)

The deposits with licensed banks of the Group and of the Company represent deposits with maturity periods of 1 day to 365 days (2024 : 1 day to 365 days) and 90 days to 365 days (2024 : 90 days to 365 days) respectively and earn interests at the rates of 1.50% - 11.55% (2024 : 1.50% - 11.55%) and 3.20% - 4.10% (2024 : 3.20% - 4.10%) 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 RM6,167,470 (2024 : RM5,257,661) and RM1,727,353 (2024 : RM1,828,686) respectively.

25. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2025	2024	2025 RM	2024 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 2025 and 31 December 2024 under the single tier system.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

27. RESERVES

Group	Foreign currency translation reserve RM	Asset revaluation reserve RM	Charter capital reserve RM	Other reserve RM	Legal reserve RM	Total RM
At 31 December 2025						
At 1 January 2025	(21,767,740)	2,058,238	4,627,696	(426,447)	-	(15,508,253)
Other comprehensive income:						
Foreign currency translation	(2,332,396)	-	-	-	-	(2,332,396)
- subsidiary	-	-	218,793	-	-	218,793
Hyperinflationary adjustments	549,576	-	(65,638)	-	-	438,938
Less: Non-controlling interests	-	-	-	-	-	-
Transfer from retained profits	-	-	-	-	177,373	177,373
At 31 December 2025	(23,550,560)	2,058,238	4,780,851	(426,447)	177,373	(16,960,545)

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

27. RESERVES (CONT'D)

Group (cont'd)	Foreign currency translation reserve RM	Asset revaluation reserve RM	Charter capital reserve RM	Other reserve RM	Legal reserve RM	Total RM
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	(1,765,887)	-	-	-	-	(1,765,887)
- subsidiary	-	-	609,969	-	-	609,969
Hyperinflationary adjustments	386,329	-	(182,991)	-	-	203,338
Less: Non-controlling interests	(21,767,740)	2,058,238	4,627,696	(426,447)	-	(15,508,253)
At 31 December 2024						
Company						
At 31 December 2025						
At 1 January 2025 and 31 December 2025	-	900,716	-	-	-	900,716
At 31 December 2024						
At 1 January 2024 and 31 December 2024	-	900,716	-	-	-	900,716

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

27. RESERVES (CONT'D)

(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 2.8(ii).

(e) Legal reserve

Legal reserve represents ten percent (10%) of the net profit after deducting accumulated losses of one of the subsidiaries which was recorded in accordance with the Law on Enterprise No. 33/NA of Lao People's Democratic Republic.

28. LOANS AND BORROWINGS

	Maturity	2025 RM	Group 2024 RM
Non-current			
Secured:			
Lease liabilities:			
- Hire purchase liabilities (Note 29)	2027 - 2028	35,043	176,147
Term loan	2027 - 2032	16,583,281	13,583,285
		16,618,324	13,759,432
Unsecured:			
Lease liabilities:			
- Other lease liabilities (Note 30)	2027 - 2046	321,196	423,820
Total loans and borrowings (non-current)		16,939,520	14,183,252

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. LOANS AND BORROWINGS (CONT'D)

	Maturity	2025 RM	Group 2024 RM
Current			
Secured:			
Lease liabilities:			
- Hire purchase liabilities (Note 29)	2026	201,060	657,296
Revolving credit	2026	5,900,000	-
Term loan	2026	5,000,004	5,000,004
		11,101,064	5,657,300
Unsecured:			
Bank overdraft	On demand	-	186,483
Lease liabilities:			
- Other lease liabilities (Note 30)	2026	100,055	94,911
Revolving credit	2026	4,600,000	-
		4,700,055	281,394
Total loans and borrowings (current)		15,801,119	5,938,694
Total loans and borrowings			
Bank overdrafts		-	186,483
Lease liabilities:			
- Hire purchase liabilities (Note 29)		236,103	833,443
- Other lease liabilities (Note 30)		421,251	518,731
Revolving credit		10,500,000	-
Term loan		21,583,285	18,583,289
Total loans and borrowings		32,740,639	20,121,946

The remaining maturities of the loans and borrowings as at 31 December 2025 are as follows:

	2025 RM	Group 2024 RM
On demand or within 1 year	15,801,119	5,938,694
More than 1 year and less than 2 years	5,131,645	5,276,257
More than 2 years and less than 5 years	8,581,019	8,876,967
5 years or more	3,226,856	30,028
	32,740,639	20,121,946

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. LOANS AND BORROWINGS (CONT'D)

Loans and borrowings at the reporting date are denominated in the following currencies:

	2025 RM	Group 2024 RM
Ringgit Malaysia	32,713,710	20,091,884
Lao Kip	26,929	30,062
	32,740,639	20,121,946

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% - 4.62% (2024 : 2.43% - 2.60%) per annum.

Bank overdrafts

The unsecured bank overdraft in the previous financial year bore 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 loans

Term loans are secured by a charge over inventories of land held for property development (Note 16), investment properties (Note 17) of the Group and corporate guarantee given by the holding company. The term loan bears interest rates ranging from 4.45% to 5.38% (2024 : 5.26% to 5.34%) per annum.

Revolving credit

The revolving credit is secured by a charge over inventories of land held for property development (Note 16) and corporate guarantee given by the holding company. It bears interest rates ranging from 4.21% to 4.22% (2024 : Nil) per annum which are re-priced at intervals of 1 month.

The unsecured revolving credit is subject to interest rate of 4.74% to 4.99% (2024 : Nil) per annum which are re-priced at intervals of 1 month.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29. HIRE PURCHASE LIABILITIES

	Group	
	2025 RM	2024 RM
Future minimum payments:		
Payable within 1 year	206,291	679,007
Payable between 1 and 5 years	36,173	179,135
	242,464	858,142
Less: Finance charges	(6,361)	(24,699)
	236,103	833,443
Representing hire purchase liabilities:		
Due within 12 months (Note 28)	201,060	657,296
Due after 12 months (Note 28)	35,043	176,147
	236,103	833,443

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	
	2025 RM	2024 RM
As at 1 January	518,731	611,256
Lease interest (Note 11)	28,962	34,100
Lease payment	(123,785)	(123,969)
Lease modification adjustment	-	2
Exchange adjustments	(2,604)	(2,544)
Hyperinflationary adjustments	(53)	(114)
	421,251	518,731
Representing lease liabilities:		
Due within 12 months (Note 28)	100,055	94,911
Due after 12 months (Note 28)	321,196	423,820
	421,251	518,731

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30. OTHER LEASE LIABILITIES (CONT'D)

As lessee (cont'd)

The following are the amounts recognised in profit or loss:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Depreciation expense of right-of-use assets (Note 15)	103,719	103,750	-	-
Interest expense on lease liabilities (Note 11)	28,962	34,100	-	-
Expense relating to short-term lease:				
- included in direct expenses (Note 7)	37,200	31,455	5,640	6,840
- included in other expenses (Note 8)	24,000	7,998	-	-
- included in administrative expenses (Note 10)	83,494	78,945	-	-
- included in construction contract costs (Note 21)	95,160	42,155	-	-
Expense relating to lease of low-value assets included in administrative expenses (Note 10)	8,448	8,715	-	-
The amount recognised in profit or loss	380,983	307,118	5,640	6,840

The Group and the Company had total cash outflow of leases of RM372,087 (2024 : RM293,237) and RM5,640 (2024 : RM6,840) respectively.

31. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-current				
Other payables				
Other commitments	289,951	388,967	-	-
Current				
Trade payables				
Third parties	16,562,947	14,330,171	-	-
Related parties	315	380	-	-
	16,563,262	14,330,551	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31. TRADE AND OTHER PAYABLES (CONT'D)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current (cont'd)				
Other payables				
Third parties	670,035	507,824	179,780	33,600
Related party	4,044	4,611	4,044	4,508
Accruals	4,122,065	3,862,699	77,282	63,137
Deposits	3,136,565	2,870,368	91,400	92,250
Service tax/Value added tax payables	840,871	34,771	-	-
Other payables	47,095	27,000	-	-
Other commitments	518,428	528,007	-	-
	9,339,103	7,835,280	352,506	193,495
Total trade and other payables (current)	25,902,365	22,165,831	352,506	193,495
Total trade and other payables (current and non-current)	26,192,316	22,554,798	352,506	193,495
Less: Service tax/Value added tax payables	(840,871)	(34,771)	-	-
Other commitments (Note (a))	(808,379)	(916,974)	-	-
	24,543,066	21,603,053	352,506	193,495
Add: Loans and borrowings (Note 28)	32,740,639	20,121,946	-	-
Total financial liabilities carried at amortised cost	57,283,705	41,724,999	352,506	193,495

Trade and other payables at the reporting date are denominated in the following currencies:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	24,600,926	17,830,680	352,506	193,495
Lao Kip	1,502,048	1,788,036	-	-
United States Dollar	89,342	2,936,082	-	-
	26,192,316	22,554,798	352,506	193,495

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	
	2025	2024
	RM	RM
Non-current		
Outhoumphone loan	23,207	53,768
Songkhone loan	266,744	335,199
	289,951	388,967
Current		
Outhoumphone loan	25,880	31,508
Songkhone loan	492,548	496,499
	518,428	528,007
Total other commitments (current and non-current)	808,379	916,974

(b) Trade payables (current)

Third parties

These amounts are non-interest bearing. Trade payables are normally settled on 7 to 90 days (2024 : 7 to 90 days) terms.

The amounts due to third parties include retention sum on contracts of RM2,633,632 (2024 : RM3,252,918). These amounts shall be paid within 5 years. These amounts are measured at amortised cost at an effective interest rate of 5.20% (2024: 5.45%) per annum.

Related parties

The amounts due to related parties are non-interest bearing and with credit terms of 30 days (2024 : 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

32. OTHER CURRENT LIABILITIES

	Group	
	2025 RM	2024 RM
Contract liabilities in respect of property development costs	–	303,579
Contract liabilities in respect of construction contracts (Note 21)	9,963,346	1,972,918
Advance rental received	101,364	197,501
Deferred income	57,943	294,419
	<div style="display: flex; justify-content: space-between;"> 10,122,653 2,768,417 </div>	

The contract liabilities in respect of property development costs and construction contracts as at 1 January 2024 were RM263,342 and RM285,452 respectively.

The contract liabilities at the beginning of the year of RM2,276,497 (2024 : RM548,794) has been recognised as revenue during the year.

33. DIVIDEND

	Dividend in respect of year		Dividend recognised in year	
	2025	2024	2025	2024
	RM	RM	RM	RM
Company				
Recognised during the year:				
First and final single tier dividend for 2024 at 3 sen (2023 : at 3 sen) per share on 92,699,600 ordinary shares	–	–	2,780,988	2,780,988
	<div style="display: flex; justify-content: space-between;"> – – 2,780,988 2,780,988 </div>			

At the forthcoming Annual General Meeting, a first and final single tier dividend in respect of the financial year ended 31 December 2025, 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 2026.

34. COMMITMENTS

(a) Capital commitments

Approved capital expenditures as at the reporting date are as follows:

	Group	
	2025 RM	2024 RM
Approved and contracted for: Property, plant and equipment	1,340,000	1,432,700
	<div style="display: flex; justify-content: space-between;"> 1,340,000 1,432,700 </div>	

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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	
	2025 RM	2024 RM
Not later than 1 year	5,620,525	4,260,311
Later than 1 year but not later than 5 years	3,862,761	1,653,031
	9,483,286	5,913,342

35. CONTINGENT LIABILITIES (UNSECURED)

The Company has provided the following corporate guarantees at the reporting date:

	Company	
	2025 RM	2024 RM
Unsecured:		
Corporate guarantees given to banks for facilities granted to subsidiaries	40,004,728	32,923,264

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Transactions with subsidiaries:					
DKLS Construction Sdn. Bhd.	Dividend income	-	-	-	2,500,000
	Rental income	-	-	254,400	254,400
DKLS Premierhome Sdn Bhd	Rental income	-	-	75,600	75,600
DKLS Highlands Sdn. Bhd.	Final distribution	-	-	-	2,800
DKLS Resources (M) Sdn. Bhd.	Rental income	-	-	5,000	-
Transactions with related parties:					
Firm/Company in which Dato' Ding Poi Bor has substantial interest:					
DKLS Service Station	Purchase of consumables	(5,827)	(61,176)	-	-
Company in which Dato' Ding Poi Bor and Mr Sam Tuck Wah have substantial interests:					
Ipoh Tower Sdn. Bhd.	Supply of electricity	(57,124)	(63,883)	(57,124)	(63,883)
	Rental of car park	(8,300)	-	(2,700)	-
Aplikasi Budimas Sdn. Bhd.	Rental of car park	(8,140)	(17,440)	(2,940)	(6,840)
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	(457,118)	(795,160)	-	-

Information regarding outstanding balances arising from related party transactions as at 31 December 2025 are disclosed in Note 20 and Note 31.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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	
	2025 RM	2024 RM	2025 RM	2024 RM
Short term employee benefits	3,431,709	2,949,370	443,367	317,818
Post-employment benefits:				
Defined contribution plan	454,111	397,652	69,740	47,915
	3,885,820	3,347,022	513,107	365,733

Included in the remuneration of key management personnel are:

Executive directors' remuneration (excluding fees and benefits-in-kind)	2,041,832	1,678,035	513,107	365,733
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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 2025				
Non-financial assets:				
Investment properties (Note 17)	–	–	125,435,235	125,435,235
Financial assets:				
Long term/Short term investments (Note 19)				
- Equity instruments (quoted)	19,867	–	–	19,867
- Unit trust fund (quoted)	–	118,926,250	–	118,926,250

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 2025 (cont'd)				
Financial liabilities:				
Other commitments (Note 31)	–	808,379	–	808,379
<hr/>				
At 31 December 2024				
Non-financial assets:				
Investment properties (Note 17)	–	–	129,050,000	129,050,000
<hr/>				
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
<hr/>				
Financial liabilities:				
Other commitments (Note 31)	–	916,974	–	916,974
<hr/>				
Company				
At 31 December 2025				
Non-financial assets:				
Investment properties (Note 17)	–	–	37,095,235	37,095,235
<hr/>				
Financial assets:				
Short term investments (Note 19)				
- Unit trust fund (quoted)	–	1,468,677	–	1,468,677
<hr/>				

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 (cont'd)				
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

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 2025 and 31 December 2024.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

37. FAIR VALUE OF NON-FINANCIAL ASSETS AND FINANCIAL INSTRUMENTS (CONT'D)

(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% (2024 : 8.15%).

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.

(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.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 (2024 : 25) basis points lower/higher, with all other variables held constant, the Group's and the Company's profit would have been RM18,760 (2024 : RM33,717) higher/lower and RM4,976 (2024 : RM5,270) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(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.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2025 RM	2024 RM
Neither past due nor impaired	17,208,107	18,128,171
1 to 30 days past due not impaired	9,592,599	6,222,276
31 to 60 days past due not impaired	4,276,215	4,564,752
61 to 90 days past due not impaired	2,642,004	2,712,442
91 to 120 days past due not impaired	318,411	1,974,523
More than 120 days past due not impaired	15,253,476	7,836,736
Past due but not impaired	32,082,705	23,310,729
Impaired	15,433,792	13,771,318
	64,724,604	55,210,218

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Credit risk (cont'd)

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 2025	9,748,875	4,022,443	13,771,318
Charge for the year (Note 10)	4,046,379	124,531	4,170,910
Reversal of impairment losses (Note 5)	(8,919)	(2,374,191)	(2,383,110)
Write off of impairment losses	–	(96,506)	(96,506)
Exchange adjustment	(18,834)	(8,782)	(27,616)
Hyperinflationary adjustment	(1,540)	336	(1,204)
At 31 December 2025	13,765,961	1,667,831	15,433,792
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

- 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% (2024 : 32%) of the Group's trade and other receivables were due from a major customer of a subsidiary who is a property developer in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(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 2025				
Financial liabilities:				
Trade and other payables	23,236,370	2,387,252	357,762	25,981,384
Loans and borrowings	16,713,922	15,244,229	3,404,873	35,363,024
Total undiscounted financial liabilities	39,950,292	17,631,481	3,762,635	61,344,408
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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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
Company				
At 31 December 2025				
Financial liabilities:				
Trade and other payables, representing total undiscounted financial liabilities	352,506	–	–	352,506
<hr/>				
At 31 December 2024				
Financial liabilities:				
Trade and other payables, representing total undiscounted financial liabilities	193,495	–	–	193,495
<hr/>				

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(e) Foreign currency risk (cont'd)

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)		Increase/(Decrease)	
		Profit net of tax		Equity	
		2025	2024	2025	2024
		RM	RM	RM	RM
Group					
USD/RM	- strengthened 9% (2024 : 2%)	541,011	108,147	-	-
	- weakened 9% (2024 : 2%)	(541,011)	(108,147)	-	-
USD/LAK	- strengthened 1% (2024 : 6%)	33,193	8,698	-	-
	- weakened 1% (2024 : 6%)	(33,193)	(8,698)	-	-
THB/RM	- strengthened 2% (2024 : 3%)	-	15	-	-
	- weakened 2% (2024 : 3%)	-	(15)	-	-
LAK/RM	- strengthened 10% (2024 : 8%)	176,481	147,369	524,817	459,892
	- weakened 10% (2024 : 8%)	(176,481)	(147,369)	(524,817)	(459,892)
THB/LAK	- strengthened 9% (2024 : 2%)	6,625	1,617	-	-
	- weakened 9% (2024 : 2%)	(6,625)	(1,617)	-	-
Company					
USD/RM	- strengthened 9% (2024 : 2%)	161,160	37,931	-	-
	- weakened 9% (2024 : 2%)	(161,160)	(37,931)	-	-
LAK/RM	- strengthened 10% (2024 : 8%)	27,571	23,434	-	-
	- weakened 10% (2024 : 8%)	(27,571)	(23,434)	-	-

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 2024, 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 2025 and 31 December 2024 were as follows:-

	Note	2025 RM	Group 2024 RM
Loans and borrowings (current)	28	15,801,119	5,938,694
Trade and other payables (current)	31	25,902,365	22,165,831
Less: Short term investment	19	(118,926,250)	(83,265,469)
Less: Cash and bank balances	24	(38,575,879)	(52,838,115)
Net cash		(115,798,645)	(107,999,059)
Equity attributable to the owners of the Group		485,448,468	468,100,538
Capital and net cash		369,649,823	360,101,479
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 and petrol, diesel and lubricants, which constitutes a separate reportable segment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

40. SEGMENTAL INFORMATION (CONT'D)

(c) Geographical segments

(i) Analysis of revenue from external customers by geographical location

	2025	2024
	RM	RM
Malaysia	157,783,687	164,038,374
Lao People's Democratic Republic	8,165,570	15,661,697
	165,949,257	179,700,071

(ii) Analysis of non-current assets by geographical location

	2025	2024
	RM	RM
Malaysia	270,926,027	266,481,850
Lao People's Democratic Republic	23,858,387	23,268,208
	294,784,414	289,750,058

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 2025								
Revenue								
External sales	6,482,429	25,998,761	117,924,866	7,377,631	8,165,570	–	–	165,949,257
Inter-segment sales	335,000	1,292,143	575,908	–	–	4,037,636	(6,240,687)	–
Total revenue	6,817,429	27,290,904	118,500,774	7,377,631	8,165,570	4,037,636	(6,240,687)	165,949,257
Results								
Segment results	3,602,395	(4,546,979)	28,093,564	(2,326,690)	4,767,374	218,640	–	29,808,304
Interest expense	(881,222)	(129,439)	(49,201)	(33,894)	(2,309)	(44,907)	–	(1,140,972)
Net monetary gain	–	–	–	–	93,186	–	–	93,186
Profit/(Loss) before tax	2,721,173	(4,676,418)	28,044,363	(2,360,584)	4,858,251	173,733	–	28,760,518
Income tax expense	–	–	–	–	–	–	–	(6,262,226)
Profit for the year								22,498,292

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

40. SEGMENTAL INFORMATION (CONT'D)

Business segments (cont'd)

31 December 2025 (cont'd)	Investment RM	Construction RM	Quarry RM	Property development RM	Utilities RM	Others RM	Total RM
Assets and liabilities							
Segment assets	129,390,390	52,826,137	79,988,532	141,732,698	33,628,827	2,428,040	439,994,624
Unallocated corporate assets							130,795,877
Total assets							<u>570,790,501</u>
Segment liabilities	19,011,439	15,488,013	10,872,486	19,390,838	1,648,582	2,644,250	69,055,608
Unallocated corporate liabilities							9,712,219
Total liabilities							<u>78,767,827</u>
Other information							
Capital expenditure	-	107,218	925,765	103,925	963,984	-	2,100,892
Depreciation	96,866	367,701	2,628,415	72,178	1,650,697	41,853	4,857,710

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	Total RM
31 December 2025 (cont'd)							
Non-cash expenses/(income)							
Fair value gain of investment properties	(200,000)	-	(50,000)	-	-	-	(250,000)
Fair value gain on long/short term investments	(47,979)	(360,337)	(1,505,291)	(735,867)	(22,812)	(87,632)	(2,759,918)
Gain on disposal of property, plant and equipment, net	-	-	(109,499)	-	-	-	(109,499)
Gain on disposal of investment properties	(387,243)	-	-	-	-	-	(387,243)
Inventories written down to net realisable value, net	-	-	-	444,321	-	-	444,321
Net monetary gain	-	-	-	-	(93,186)	-	(93,186)
Property, plant and equipment written off	-	-	1,283	-	-	-	1,283
(Reversal of)/Allowance for impairment losses on: - trade and other receivables, net	-	3,914,133	(2,118,331)	-	(8,002)	-	1,787,800
- property, plant and equipment	-	-	-	-	(2,143,325)	-	(2,143,325)
Unrealised loss on foreign exchange, net	200,793	163,414	-	-	92,749	-	456,956

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

40. SEGMENTAL INFORMATION (CONT'D)

Business segments (cont'd)

31 December 2024	Investment RM	Construction RM	Quarry RM	Property development RM	Utilities RM	Others RM	Elimination RM	Total RM
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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

40. SEGMENTAL INFORMATION (CONT'D)

Business segments (cont'd)

31 December 2024 (cont'd)	Investment RM	Construction RM	Quarry RM	Property development RM	Utilities RM	Others RM	Total RM
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							<u>527,928,795</u>
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							<u>53,834,241</u>
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

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	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, net	-	-	-	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)/Allowance for 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)

Major customers

The following are the major customers which contribute revenue equal or more than 10% of the Group's total revenue:

	Revenue		Segment
	2025 RM	2024 RM	
Customer A	–	21,147,284	Construction
Customer B	16,801,174	–	Construction

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

- (a) 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.
- (b) The Middle East Conflict which started on 28 February 2026 and resulted in the closure of the Strait of Hormuz, has significantly disrupted many business operations around the world.

For the Group, the impact on its operations has not been a direct consequence of the conflict, but a result of the indirect effects globally, notably surging energy prices and supply chain bottlenecks through critical chokepoints through the Strait of Hormuz.

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(A) Group Total Income and Total Assets

Total Income	Remarks	Group	
		2025 RM	2024 RM
Revenue		165,949,257	179,700,071
Other income		9,557,945	16,451,490
Interest income		1,379,714	1,721,413
Dividend income		610,262	291,455
Total		177,497,178	198,164,429
Total Assets		570,790,501	527,928,795

(B) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2025 RM	2024 RM
Rental income received from tenant involved in Shariah non-compliant activities		1,797,140	1,782,514
Interest income		685,918	824,878
Gain from investment in conventional instruments	Dividend income and fair value gain	3,253,375	2,794,162
Insurance income	Insurance claim proceeds and commission income	197,037	335,462
Other Shariah non-compliant activities (please specify under the remarks column)	Credit card cash rebate	2,313	94
Total		5,935,783	5,737,110

(C) Component of Financial Position

(i) Cash Component

Islamic Account/Instruments	Remarks	Group	
		2025 RM	2024 RM
Cash in hand		124,049	132,901
Cash at bank (exclude cash in hand)		1,371,133	661,291
Cash held under Islamic Housing Development Accounts		492,796	488,177
Deposits with licensed bank		4,617,278	16,769,693
Unit trust funds		11,119,620	–
Total		17,724,876	18,052,062

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONT'D)

(C) Component of Financial Position (cont'd)

(i) Cash Component (cont'd)

Conventional Account/Instruments	Remarks	Group	
		2025 RM	2024 RM
Cash at bank (exclude cash in hand)		19,914,556	23,129,519
Cash held under Conventional Housing Development Accounts		591,066	325,492
Deposits with bank in foreign jurisdiction: non-interest-bearing	Laos	1,474,536	1,811,730
Deposits with bank in foreign jurisdiction: interest-bearing	Laos	6,430,588	5,523,405
Deposits with licensed bank		3,559,877	3,995,907
Unit trust funds		107,806,630	83,265,469
Total		139,777,253	118,051,522

(ii) Debt Component

Islamic Financing	Remarks	Group	
		2025 RM	2024 RM
Current			
Bank overdrafts		–	113,357
Islamic hire purchase payables		–	239,256
Total		–	352,613
Conventional Borrowing			
Current			
Hire purchase payables		201,060	418,040
Revolving credit and loans		10,500,000	–
Term loans		5,000,004	5,000,004
Bank overdrafts		–	73,126
Non-Current			
Hire purchase payables		35,043	176,147
Term loans		16,583,281	13,583,285
Total		32,319,388	19,250,602

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	117	5,400,000
15FO-15, 15 th Floor, 16FO-1, 16 th Floor, 17FPBS-1, 17 th 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	17	132,131 1,774,344 500,216
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)	19	14,100,000
Geran 408053, Lot 55090 (Formerly formed part of Geran 40432, Lot 2793), Mukim Lumut	Agricultural land	17.01.2011	0.192 hectares	Freehold	27	135,235
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	17	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, 17 th 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	17	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	16	476,900 61,414

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)	26	700,989
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)	26	846,596
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)	26	733,286
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)	18	645,588
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 4 th 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	85 61 52 88 85 88	2,348,923
Lots 2105, 2106, 2554, Mukim of Lumut, District of Manjung, located off the 4 th 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	87	1
Lots 2462, 2102, 2104, 2478, 2110, 2109, 2477 and 2101, Mukim of Lumut, District of Manjung, located off the 4 th 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	88	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	106	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	64	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	28 28 24 31	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)	36	199,287
Lot 9876, Mukim of Lumut, Perak Darul Ridzuan	Quarry land	02.11.2007	0.4833 hectares	Leasehold (60 years expiring on 27.01.2054)	31	89,214
Lot 6489, Mukim of Lumut, Perak Darul Ridzuan	Quarry land	02.11.2007	0.4319 hectares	Leasehold (60 years expiring on 07.02.2052)	33	77,604
Lot 3979, GM 2256, Mukim of Lumut, Perak Darul Ridzuan	Agricultural land (vacant)	02.01.2004	0.9105 hectares (2a.1r.00p)	Freehold	24	450,000
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	21	471,970
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	27	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	27	270,000

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)						
M-16, Block Daisi, Mutiara Perdana, Lengkok Kelicap, 11900 Bayan Lepas, Pulau Pinang	Apartment (vacant)	01.11.2012	89 sq. metres (built-up)	Freehold	14	320,000
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)	27	1,320,212
Lot 55005, GM 15188, Mukim Sitiawan, Manjung, Perak	Commercial land and office building	22.12.2015	4,415.00 sq. metres (land) 3,855.01 sq. metres (built-up)	Freehold	92	4,353,188
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)	27	1,542,048
DKLS QUARRY & PREMIX (NORTH) SDN BHD						
GM 3062, Lot 62260, H.S.(D) 6564, PT 5710, H.S.(D) 6565, PT 5711, H.S.(D) 6566, PT 5712, Daerah Pokok Sena	Agricultural land	14.09.2017	0.4067 hectares 0.3393 hectares 0.3818 hectares	Freehold	15	1,519,217
H.S.(M) 2825, PT 6088, H.S.(M) 2826, PT 6087, GM 3061, Lot 62259, Daerah Pokok Sena	Agricultural land	01.06.2018	0.3818 hectares 0.4073 hectares	Freehold	15 15	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)	18	90,900,000

+ Lot 4892 is a parcel of public burial ground which is not held under a land title.

ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2026

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	45	3.16	610	**
100 to 1,000	555	39.03	529,090	0.57
1,001 to 10,000	695	48.88	2,529,000	2.73
10,001 to 100,000	98	6.89	2,435,463	2.63
100,001 to 4,634,979	27	1.90	42,828,950	46.20
4,634,980* and above	2	0.14	44,376,487	47.87
	1,422	100.00	92,699,600	100.00

Notes:

* Denotes 5% of the issued capital.

** Negligible.

SUBSTANTIAL SHAREHOLDERS (EXCLUDING BARE TRUSTEES)

	Name of shareholders	Direct	No. of shares held		%
			%	Deemed	
1.	Dato' Ding Poi Bor	30,232,362	32.61	–	–
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.

DIRECTORS' SHAREHOLDINGS

	Name of Directors	Direct	No. of shares held		%
			%	Deemed	
1.	Dato' Ding Pei Chai	3,315,163 ^{*1}	3.58	1,767,841 ^{*2}	1.91
2.	Dato' Ding Poi Bor	30,232,362	32.61	–	–
3.	Ir Sam Tuck Wah	14,144,125	15.26	2,486,663 ^{*3}	2.68
4.	Ding Zhe Xin	–	–	–	–
5.	Ding Ju Shuen	–	–	–	–
6.	Ang Chan Moy	–	–	–	–
7.	Liew Li Ping	–	–	–	–
8.	Zulkifly bin Zakaria	–	–	–	–

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 (CONT'D)

THIRTY LARGEST SHAREHOLDERS

	Name of Shareholders	No. of shares held	%
1.	Ding Poi Bor	30,232,362	32.61
2.	Sam Tuck Wah	14,144,125	15.26
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	4.31
7.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ding Pei Chai	3,260,000	3.52
8.	Thian Peek Choo	3,114,000	3.36
9.	Soh Yoke Lee	2,903,200	3.13
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.	Soh Joon Hui	1,398,400	1.51
16.	Soh Yoke Moi	1,297,841	1.40
17.	CIMB Group Nominees (Asing) Sdn Bhd Exempt AN for DBS Bank Ltd (SFS)	954,800	1.03
18.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chek Ho Sing	500,300	0.54
19.	Bertam Indah (M) Sdn Bhd	500,000	0.54
20.	Isyoda (M) Sdn Bhd	470,000	0.51
21.	Ding Poi Kooi	424,452	0.46
22.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lai Weng Chee @ Lai Kok Chye	400,100	0.43
23.	MB Classics Sdn Bhd	203,000	0.22
24.	Lee Keng Fah	174,700	0.19
25.	Soh Joon Hang	141,900	0.15
26.	Sam Tuck Heng	140,000	0.15
27.	Ng Tee Hian	125,000	0.13
28.	Ablimo Corporation Sdn Bhd	111,600	0.12
29.	Low Hing Noi	102,000	0.11
30.	Tan Ai Leng	80,000	0.09
		87,285,437	94.16

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirtieth 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 Thursday, 28 May 2026 at 9.00 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 2025 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 2025. | 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 the following Directors who retire in accordance with Clause 19.3 of the Constitution: <ul style="list-style-type: none"> • Mr Ir Sam Tuck Wah • Ms Ang Chan Moy | Resolution 3
Resolution 4
[Explanatory Note 4] |
| 5. | To re-elect Encik Zulkifly Bin Zakaria who retires in accordance with Clause 19.10 of the Constitution. | Resolution 5
[Explanatory Note 4] |
| 6. | To re-appoint Messrs Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Directors to fix their remuneration. | Resolution 6
[Explanatory Note 5] |
| 7. | To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 (“ Act ”) and the Company’s Constitution. | |

By order of the Board

CHEAI WENG HOONG
SSM PC NO. 202008000575
(LS 0005624)

OUI WOUI KEAN
SSM PC NO. 202008001219
(MAICSA 7067254)
Company Secretaries

Ipoh
28 April 2026

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

NOTICE OF DIVIDEND ENTITLEMENT

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 2025 will be paid on 14 August 2026.

Notice is hereby given that the Register of Members of the Company will be closed on 31 July 2026, 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 2026 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. Only members of the Company whose names appear on the Record of Depositors as at 21 May 2026 will be entitled to attend and vote at the meeting.
- b. 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.
- c. 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.
- d. 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.
- e. 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.
- 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 2025

The audited financial statements under Agenda 1 are meant for discussion only, as the provision of Section 340(1)(a) of the Act 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 a first and final single tier dividend of 3 sen per share in respect of the financial year ended 31 December 2025 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 14 August 2026 in accordance with the requirements under Section 132(2) and (3) of the Act.

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 24 November 2025.

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, 4 and 5

Mr Ir Sam Tuck Wah and Ms Ang Chan Moy, who retire in accordance with Clause 19.3 of the Constitution and being eligible, have offered themselves for re-election. Encik Zulkifly Bin Zakaria who was appointed on 1 July 2025 is required to retire in accordance with Clause 19.10 of the Constitution and being eligible, has offered himself for re-election ("**Retiring Directors**").

The Board, through the Nomination and Remuneration Committee, has assessed the eligibility of the Retiring Directors to stand for re-election at their respective meetings held on 27 February 2026. The Board (with the exception of 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.

The profiles of the Directors standing for re-election are disclosed under Profile of Board of Directors on pages 5, 6 and 8 of the Annual Report 2025 and the details of their interest in the securities of the Company are disclosed under Analysis of Shareholdings on pages 221 and 222 of the Annual Report 2025.

5. Resolution 6

The external auditors, Messrs Ernst & Young PLT, have indicated their willingness to continue their services for the ensuing year.

The Board, through the Audit Committee, has considered the re-appointment of Messrs Ernst & Young PLT as the external auditors at their respective meetings held on 27 February 2026 and assessed among others, their performance suitability and independence. The Board is satisfied that they have met the relevant criteria prescribed under Paragraph 15.21 of the Listing Requirements, and recommended the re-appointment of Messrs Ernst & Young PLT as the external auditors of the Company at the AGM.

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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 Thirtieth 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 Thursday, 28 May 2026 at 9.00 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 Mr Ir Sam Tuck Wah		
4.	Re-election of Ms Ang Chan Moy		
5.	Re-election of Encik Zulkifly Bin Zakaria		
6.	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 thisday of2026
 Signature/Seal of Member

NOTES:

- Only members of the Company whose names appear on the Record of Depositors as at 21 May 2026 will be entitled to attend and vote at the meeting.
- 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.
- 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.
- 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.
- 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.
- 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.



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AFFIX
STAMP

The Company Secretaries
DKLS INDUSTRIES BERHAD
[Registration No.: 199501040269 (369472-P)]
No. 1 Jalan Lasam
30350 Ipoh, Perak Darul Ridzuan, Malaysia

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DKLS INDUSTRIES BERHAD

Registration No.: 199501040269 (369472-P)

16th Floor & Penthouse Ipoh Tower
Jalan Dato Seri Ahmad Said
30450 Ipoh, Perak