NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2025

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of Preparation

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with MFRS 134, "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad. This interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024.

A2. Adoption of Revised Financial Reporting

The accounting policies and presentation adopted for the interim financial statements are consistent with those adopted for the annual financial statements for the year ended 31 December 2024, except for the adoption of the following Amendments and Annual improvement to Standards that came into effect for periods beginning on or after 1 January 2025:-

Amendments to MFRS 121: Lack of Exchangeability

The initial adoption of the above does not have any material financial impact to the financial statements of the Group.

The following Standards have been issued but not yet effective and have not been adopted by the Group:

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

A3. Auditors' Report on Preceding Annual Financial Statements

The preceding annual financial statements of the Group were reported on without any qualification.

A4. Comments about Seasonal or Cyclical Factors

The business of the Group is not affected by any significant seasonal or cyclical factors.

A5. Changes in Estimates

There was no significant change in estimates of amounts reported in prior financial years which have a material effect in the current quarter and year ended 31 December 2025.

A6. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flow during the current quarter and year ended 31 December 2025 other than as described under B1 (page 6).

A7. Dividend

No dividend has been declared or paid during the current quarter and year ended 31 December 2025.

A8. Valuation of Property, Plant and Equipment

The Group did not revalue any of its property, plant and equipment for the current quarter and year ended 31 December 2025.

A9. Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity security during the current quarter and year ended 31 December 2025.

A10. Segmental Information

The Group operates primarily in the semiconductor industry. Geographical segmental information is as follows:

Current Year Year-To-Date 31 December 2025	Asia RM'000	Europe RM'000	North America RM'000	Others RM'000	Group RM'000
Revenue	689,458	242,009	58,153	77	989,697
Segment assets	1,385,375	88,346	2,013	-	1,475,734
Capital expenditure	30,632	-	8	-	30,640

Preceding Year Year-To-Date 31 December 2024	Asia RM'000	Europe RM'000	North America RM'000	Others RM'000	Group RM'000
Revenue	701,788	292,636	78,187	3,552	1,076,163
Segment assets	1,734,498	86,751	2,481	-	1,823,730
Capital expenditure	130,093	12	8	-	130,113

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter and year ended 31 December 2025.

A12. Capital Commitments

As at 31 December 2025, the Group has the following capital commitments:

	As at 31 December 2025 RM'000
Property, plant and equipment	
Approved and contracted for	14,370

A13. Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets as at 31 December 2025.

A14. Significant Events During the Reporting Period

There was no significant event during the current quarter and year ended 31 December 2025 except for:

Incorporation of a subsidiary, DH Automotive Electronics Sdn. Bhd.

Dominant Electronics Sdn. Bhd. ("DESB"), a 93.20%-owned subsidiary of the Company, has incorporated a 51%-owned subsidiary, DH Automotive Electronics Sdn. Bhd. ("DHAE"), on 26 March 2025. The remaining 49% equity in DHAE is held by Jing Wei Hirain Automotive Electronics Malaysia Sdn. Bhd. ("Hirain").

The incorporation of DHAE will enable the Group to strengthen its technical expertise in automotive module development and manufacturing. Both parties will leverage their respective expertise to drive the growth of DHAE, with contributions as follows:

i) Hirain will provide technical support and access to sales channels;
ii) DESB will oversee overall operations, including production, local research and development, and sales activities.

Dissolution of a joint venture company, Domi-Star Optoelectronics Corporation

Dormant joint venture company of Dominant Opto Technologies Sdn Bhd ("DOT"), namely Domi-Star Optoelectronics Corporation ("Domi-Star") was approved for dissolution by Ministry of Economic Affairs, Taiwan, Republic of China ("MOE") on 27 May 2025.

Domi-Star is a joint venture company with DOT holding 51% shareholding (DOT being a 90% subsidiary of the Company) and Lighting Investment Corporation ("LIC") holding 49% shareholding, where LIC is a wholly-owned subsidiary of Epistar Corporation.

A15. Significant Event After the Reporting Period

There was no significant event subsequent to the end of the financial period reported up to 20 February 2026.

A16. Significant Related Party Transaction

The Group carried out the following significant transactions with related parties during the current quarter and year ended 31 December 2025.

	Current Year Quarter Ended 31 December 2025 RM'000	Preceding Year Quarter Ended 31 December 2024 RM'000	Current Year Ended 31 December 2025 RM'000	Preceding Year Ended 31 December 2024 RM'000
Purchases	42,777	43,076	204,294	267,337
Rental	47	47	186	186

PART B: ADDITIONAL DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS

B1. Operating Segment review

4Q Year-on-Year Earnings Performance Review

	Current Year Quarter Ended 31 December 2025 (RM mil)	Preceding Year Quarter Ended 31 December 2024 (RM mil)	% Change
Revenue			
- Automotive	238.31	254.95	-6.5%
- Non-Automotive	9.80	6.94	41.2%
	248.11	**261.89**	**-5.3%**
Gross Profit	39.45	52.29	-24.6%
Gross margin	***15.9%***	***20.0%***	
Distribution expenses	(3.48)	(4.14)	-15.9%
Administrative expenses	(14.45)	(18.10)	-20.2%
R&D expenses	(7.39)	(8.41)	-12.1%
Normalised EBIT	**14.13**	**21.64**	**-34.7%**
Net other expense	(50.75)	(13.08)	288%
Share of results of Joint Venture	#	#	
Reported EBIT	**(36.62)**	**8.56**	**-527%**
Finance costs	(4.13)	(5.10)	-19.0%
(LBT)/PBT	**(40.75)**	**3.46**	**-1277%**
Income Tax	(26.17)	(1.13)	2215%
Net (Loss)/Profit	**(66.92)**	**2.33**	**-2972%**
# - Amount less than RM10,000			
Significant other (expense)/income items			
Loss on foreign exchange	(1.48)	(9.47)	-84%
Gain on derivatives	2.29	2.89	-21%
Interest income	1.13	1.19	-5%
Inventory impairment/adjustments	(47.20)	(5.06)	833%
Customer compensation	(4.73)	0.40	-1283%
ESOS expenses	-	(0.91)	-
Amortisation	(2.11)	(1.26)	67%

For the quarter ended 31 December 2025, the Group recorded revenue of RM248.11 million (USD56.4 million equivalent), representing a 5.3% decrease compared with RM261.89 million (USD57.4 million equivalent) in the corresponding quarter of the previous year. The decline was primarily attributable to foreign exchange translation movements during the quarter, which resulted in lower translated revenue despite stable shipment volumes.

Gross profit declined to RM39.5 million, with gross margin reducing to 15.9% from 20.0% in the same quarter of the previous year. The lower margin was mainly due to lower production utilisation rate.

Distribution expenses, research and development expenses, and finance costs reduced by 15.9%, 12.1%, and 19.0%, respectively, reflecting continued cost containment measures and disciplined expenditure management.

B1. Operating Segment review

4Q Year-on-Year Earnings Performance Review (Cont'd)

Normalised Earnings before interest and tax ("EBIT") amounted to RM14.1 million in the current quarter (4Q2024: RM21.6 million) with operating cost remained controlled.

Net other expenses increased to RM50.8 million (4Q2024: RM13.1 million), mainly due to a one-off net non-cash inventory costing adjustment amounted to RM47.2 million. This arose mainly from the Group's reassessment of its standard unit costs relating to materials, direct labour, and manufacturing overheads to align with actual operating conditions.

Consequently, the Group recorded a loss before tax of RM40.8 million, compared with a profit before tax of RM3.5 million in the corresponding quarter of the previous year. After tax effects of RM26.2 million, net loss for the quarter amounted to RM66.9 million, compared with a net profit of RM2.3 million in the corresponding quarter.

12 months Year-on-Year Earnings Performance Review

	Current Year Ended 31 December 2025 (RM mil)	Preceding Year Ended 31 December 2024 (RM mil)	% Change
Revenue			
- Automotive	959.3	1,052.11	-8.8%
- Non-Automotive	30.4	24.05	26.4%
	989.70	**1,076.16**	**-8.0%**
Gross Profit	160.19	216.63	-26.1%
Gross margin	***16.2%***	***20.2%***	
Distribution expenses	(14.66)	(19.57)	-25.1%
Administrative expenses	(61.01)	(66.99)	-8.9%
R&D expenses	(31.79)	(34.72)	-8.4%
Normalised EBIT	**52.73**	**95.35**	**-44.7%**
Net other expense	(320.90)	(27.30)	1076%
Share of results of Joint Venture	#	#	
Reported EBIT	**(268.17)**	**68.05**	**-494%**
Finance costs	(19.18)	(22.38)	-14.3%
(LBT)/PBT	**(287.35)**	**45.67**	**-729%**
Income Tax	33.07	(2.89)	-1244%
Net (Loss)/Profit	**(254.28)**	**42.78**	**-694%**

 # - Amount less than RM10,000

Significant other (expense)/income items			
Gain/(Loss) on foreign exchange	3.94	(1.53)	-358%
(Loss)/Gain on derivatives	(2.09)	3.05	-169%
Inventory impairment/adjustments	(304.89)	(15.59)	1856%
Interest income	4.97	6.85	-27%
Customer compensation	(15.81)	(9.73)	62.5%
ESOS expenses	-	(1.81)	-
Amortisation	(8.32)	(6.76)	23%

B1. Operating Segment review (Cont'd)

12 months Year-on-Year Earnings Performance Review (Cont'd)

For the financial year ended 31 December 2025, the Group recorded revenue of RM989.7 million, representing a 8.0% decline compared with RM1,076.2 million in the previous financial year.

Total shipment volume increased by 5.8% year-on-year, reflecting improved deliveries across key customer programmes. This is however negated by the adverse foreign exchange translation movements during the period, which resulted in the revenue decline.

Gross profit declined to RM160.2 million, with gross margin contracting to 16.2% from 20.2% in the previous financial year. The margin contraction was mainly attributable to lower production utilisation during certain periods of the year.

Normalised Earnings before interest and tax ("EBIT") amounted to RM52.7 million for the financial year. Operating expenses remained well managed, and normalised EBIT remained positive despite low production utilisation rate during certain periods of the year.

Net other expenses for the year amounted to RM320.9 million mainly attributable to a comprehensive review on inventory impairment and inventory costing reassessment exercise undertaken during the year. These adjustments are non-cash in nature and strengthen the alignment between inventory valuation, actual operating conditions and customer demand trends.

Consequently, the Group recorded a loss before tax of RM287.4 million, compared with a profit before tax of RM45.7 million in the previous financial year. Net loss for the year amounted to RM254.3 million, as compared with a net profit of RM42.8 million a year earlier.

Changes in key Balance Sheet items during the 12-months period

	As At 31 December 2025 (RM mil)	As At 31 December 2024 (RM mil)	Explanation
Non-Current Assets			
Property, Plant and Equipment	497.40	562.54	The reduction was mainly due to depreciation charges of RM89.3 million, partially offset by capital expenditure of RM30.6 million during the year. The lower level of capex reflects the Group's continued focus on prudent investment and cash flow management.
Current Assets			
Inventories	328.13	610.40	The lower inventory level at the end of 4Q2025 as compared to 4Q2024 was due to the inventories impairment as described above.
Trade Receivables	231.09	262.87	The reduction was attributed to improved collection efforts and lower sales in 4Q2025 as compared to 4Q2024.
Current Liabilities			
Trade Payables	224.02	296.88	The decrease in trade payables was due to lower purchase volume, in line with reduced production activity, and effective cost control over procurement and raw material spending.

B1. Operating Segment review (Cont'd)

Cash flow analysis for the year ended 31 December 2025

For the year ended 31 December 2025, the Group continued to demonstrate strong operational and financial discipline, generating RM68.03 million cashflows from operations. This performance reflects consistent earnings quality, effective cost control and efficient working-capital management.

Capital expenditure incurred during the period was RM30.64 million. This represents a 77% reduction compared to the same period last year, reflecting management's focus on strengthening the Group's cash flow position.

The Group continues to maintain a healthy liquidity position, with cash and cash equivalents of RM232.1 million and a net gearing ratio of 32% as at 31 December 2025. Management remains focused on cost discipline and financial sustainability, and positive cash flows are expected to improve in the coming quarters.

B2. Material Changes In The Quarterly Result As Compared To The Result of The Preceding Quarter

	Current Year Quarter Ended 31 December 2025 (RM mil)	**Current Year Quarter Ended 30 September 2025 (RM mil)**	**% Change**
Revenue			
- Automotive	238.31	249.46	-4.5%
- Non-Automotive	9.80	7.06	38.8%
	248.11	**256.52**	**-3.3%**
Gross Profit	39.45	44.41	-33.1%
Gross margin	***15.9%***	***17.3%***	
Distribution expenses	(3.48)	(3.29)	5.8%
Administrative expenses	(14.45)	(16.17)	-10.6%
R&D expenses	(7.39)	(7.66)	-3.5%
Normalised EBIT	**14.13**	**17.29**	**-18.3%**
Net other expense	(50.75)	(260.15)	-84.2%
Share of results of Joint Venture	#	#	
Reported EBIT	**(36.62)**	**(242.86)**	**-84.9%**
Finance costs	(4.13)	(4.70)	-12.1%
LBT	**(40.75)**	**(247.56)**	**-83.5%**
Income Tax	(26.17)	59.43	-144%
Net Loss	**(66.92)**	**(188.13)**	**-64%**

 # - Amount less than RM10,000

Significant other income/(expense) items			
Loss on foreign exchange	(1.48)	(3.23)	-54%
Gain/(Loss) on derivatives	2.29	(0.10)	-2390%
Interest income	1.13	1.21	-7%
Inventory impairment/adjustments	(47.20)	(250.46)	-81%
Customer compensation	(4.73)	(4.66)	2%
Amortisation	(2.11)	(2.13)	-1%

B2. Material Changes In The Quarterly Result As Compared To The Result of The Preceding Quarter (Cont'd)

Revenue for the current quarter declined marginally by 3.3% to RM248.11 million compared to the previous quarter. Gross profit margin declined to 15.9% during the quarter mainly due to lower production utilisation rate.

Normalised Earnings before interest and tax ("EBIT") amounted to RM14.1 million as compared to RM17.3 million in the preceding quarter.

Net other expenses reduced to RM50.8 million from RM260.2 million in the preceding quarter. The reduction was mainly due to the lower inventory adjustments arising from standard costing reassessment in the current quarter (RM47.2 million) compared with the inventory impairment in the preceding quarter (RM250.5 million).

Accordingly, the Group's loss before tax narrowed to RM40.8 million, compared with a loss before tax of RM247.6 million in the preceding quarter.

B3. Commentary on Prospects

Global light vehicle (including passengers car) sales are projected to remain broadly stable entering 2026 at approximately 91.8 million units, based on industry estimates. Recent industry data indicate that global light vehicle sales remained in the 80-plus million unit range in the years prior to 2025, with 2023 sales projected at approximately 86 million units and 2025 expected to be the first year since 2019 to approach or exceed pre-pandemic levels. This suggests that the industry has only recently moved closer to the 90-million unit level before entering 2026 at approximately 91.8 million units (Source: S&P Global Automotive).

Recent premium carmakers launch indicate that next-generation EV platforms are targeting extended driving ranges in excess of 800 kilometres together with significantly enhanced fast-charging capabilities. As premium manufacturers introduce such performance benchmarks into the market, competitive standards across the EV segment continue to evolve. These advancements are expected to progressively address range and charging convenience considerations, which may support broader EV adoption over time. Nevertheless, there is no significant impact anticipated on Dominant's LED sales as the global demand for automotive LEDs is driven by the increasing LED density in new car designs, whether EVs, PHEVs or traditional vehicles, driven by the pursuit of enhanced safety features, aesthetic appeal and better driving experience.

The Group continues to monitor these technological developments and align its product and process capabilities with evolving customer requirements. Following the comprehensive review of inventory impairment policy and costing methodologies undertaken during 2025, the Group enters the new financial year with improved cost visibility and enhanced alignment between standard costing and actual operating conditions. Digitalisation initiatives implemented to strengthen yield monitoring and yield enhancement as well as production data accuracy are expected to support operational efficiency.

In addition, management has implemented several margin enhancement initiatives, including cost optimisation programmes, material procurement rationalisation, supplier diversification, yield improvement measures and increased production automation to strengthen manufacturing efficiency. These initiatives are expected to progressively enhance cost structure resilience and support margin recovery as production volumes normalise.

Looking ahead, the Group expects sales performance in 2026 to remain broadly stable, supported by encouraging design-in activity and secured design wins. Management will continue to emphasise operational discipline, selective capital allocation, and quality control, while focusing on yield enhancement, material utilisation efficiency, and unit cost optimisation.

While management remains prudent given ongoing uncertainties in global production cycles and macroeconomic conditions, the Group's diversified customer base, liquidity position, and strengthened operational framework provide a foundation to navigate near-term volatility and participate in longer-term industry developments.

B4. Profit Forecast or Profit Guarantee

The Group did not issue any profit forecast or profit guarantee.

B5. Income Tax Expense

	Current Year Quarter Ended 31 December 2025 RM'000	Preceding Year Quarter Ended 31 December 2024 RM'000	Current Year Ended 31 December 2025 RM'000	Preceding Year Ended 31 December 2024 RM'000
Current tax	(1,605)	3,666	5,295	6,288
Deferred tax	27,772	(3,511)	(38,416)	(3,963)
Withholding tax on dividend received	-	-	122	107
	26,167	155	(32,999)	2,432
Under/(Over) provision in prior year	-	972	(75)	453
	26,167	1,127	(33,074)	2,885

The effective tax rate for the current quarter and year ended 31 December 2025 was lower than the Malaysian statutory tax rate of 24% mainly due to the deferred tax assets recognised as a results of inventories impairment.

B6. Borrowings

The Group's borrowings are as follows:

	As at 31 December 2025 *(Unaudited)*				
	Denominated in				
	RM RM'000	USD RM'000	Euro RM'000	RMB RM'000	Total RM'000
Current					
Secured					
-Term loans	16,155	21,678	-	-	37,833
-Revolving credits	96,916	-	7,141	59,805	163,862
-Trade financing	8,357	-	9,270	131,217	148,844
-Hire purchase	160	-	-	-	160
Total current borrowings	121,588	21,678	16,411	191,022	350,699
Non-current					
Secured					
-Term loans	50,075	3,654	-	-	53,729
-Revolving credits	54,228	-	-	-	54,228
-Hire purchase	238	-	-	-	238
Total non-current borrowings	104,541	3,654	-	-	108,195
Total borrowings	226,129	25,332	16,411	191,022	458,894
*Exchange rate**	-	4.06	4.76	0.58	-

B6. Borrowings (Cont'd)

	As at 31 December 2024 *(Audited)* Denominated in				
	RM RM'000	USD RM'000	Euro RM'000	RMB RM'000	Total RM'000
Current					
Secured					
-Term loans	18,449	44,362	-	-	62,811
-Revolving credits	74,280	-	-	63,120	137,400
-Trade financing	48,719	-	9,366	74,489	132,574
-Hire purchase	160	-	-	-	160
Total current borrowings	141,608	44,362	9,366	137,609	332,945
Non-current					
Secured					
-Term loans	66,298	27,917	-	-	94,215
-Revolving credits	55,379	-	-	-	55,379
-Hire purchase	393	-	-	-	393
Total non-current borrowings	122,071	27,917	-	-	149,987
Total borrowings	263,679	72,279	9,366	137,609	482,932
*Exchange rate**	-	4.48	4.66	0.61	-

*The foreign exchange rate used is expressed on the basis of one unit of foreign currency to Ringgit Malaysia equivalent for the translation of the foreign currency balances at the end of the reporting period.

B7. Earnings per Share

1. *Basic*

	Current Year Quarter Ended 31 December 2025	Preceding Year Quarter Ended 31 December 2024	Current Year Ended 31 December 2025	Preceding Year Ended 31 December 2024
Continuing operations				
(Loss)/Profit after taxation (RM'000)	(66,922)	2,330	(254,281)	42,788
Non-controlling interests (RM'000)	6,817	(119)	26,129	(3,289)
(Loss)/Profit attributable to Owners of the Company (RM'000)	(60,105)	2,211	(228,152)	39,499
Dividend on ICPS (RM'000)	-	(1,131)	-	(2,262)
	(60,105)	1,080	(228,152)	37,237
Weighted average number of ordinary shares:-				
Issued ordinary shares at 1 January ('000)	1,239,484	1,238,291	1,239,484	1,238,291
Effect of new ordinary shares issued under ESOS ('000)	-	1,193	-	707
Weighted average number of ordinary shares for the period ('000)	1,239,484	1,239,484	1,239,484	1,238,998
Basic (loss)/earnings per share (sen)	(4.85)	0.09	(18.41)	3.01

B7. Earnings per Share (Cont'd)

2. *Diluted*

	Current Year Quarter Ended 31 December 2025	Preceding Year Quarter Ended 31 December 2024	Current Year Ended 31 December 2025	Preceding Year Ended 31 December 2024
Continuing operations				
(Loss)/Profit attributable to Owners of the Company (RM'000) (as above)	(60,105)	2,211	(228,152)	39,499
Weighted average number of ordinary shares for the period ('000) (as above)	1,239,484	1,239,484	1,239,484	1,238,998
Weighted average number of shares deemed to have been issued under ESOS at no consideration ('000)	-	-	-	-
Weighted average number of shares deemed to have been issued under ICPS at no consideration ('000)	377,074	377,074	377,074	377,074
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	1,616,558	1,616,558	1,616,558	1,616,072
Diluted (loss)/earnings per share (Sen)	(3.72)	0.14	(14.11)	2.44

The potential conversion of ESOS are anti-dilutive as their exercise prices are higher than the average market price of the Company's ordinary shares during the current reporting period. Accordingly, the exercise of ESOS has been ignored in the calculation of dilutive earnings per share.

B8. Detailed Disclosure for Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Current Year Quarter Ended 31 December 2025 RM'000	Preceding Year Quarter Ended 31 December 2024 RM'000	Current Year Ended 31 December 2025 RM'000	Preceding Year Ended 31 December 2024 RM'000
After crediting:				
Interest income	1,142	1,185	4,968	6,852
Reversal for impairment losses:				
-Trade receivables	554	2,560	554	2,560
Gain on disposal of property, plant and equipment	137	28	146	28
After debiting:				
Amortisation of intangible assets	2,108	1,263	8,318	6,759
Depreciation	22,496	21,660	89,258	82,653
Depreciation on right-of-use assets	397	250	1,938	1,000
Impairment losses:				
-Trade receivables	671	2,066	671	4,113
-Intangible assets	240	-	240	-
-Inventories	47,203	5,063	304,889	15,564
Interest expense	3,894	5,020	18,702	22,045
Interest expense on lease liabilities	21	14	95	48
Loss/(Gain) on foreign exchange	1,475	9,468	(3,936)	1,530
Fair value (gain)/loss on derivatives	(2,296)	(2,888)	2,092	(3,047)
Property, plant and equipment written off	-	-	70	-
Statement of Other Comprehensive Income				
Fair value loss/(gain) on quoted investment	4,997	(3,435)	1,066	6,226
Foreign exchange translation reserves	2,176	(1,830)	2,944	4,802

The company and the group do not have the following items for the respective period:

a) gain or loss on disposal of quoted investments; and
b) gain or loss on marketable securities

B9. Derivatives

As at 31 December 2025, the contract amount, fair value and maturity tenure of the outstanding forward foreign currency contracts are as follows:

	As At 31 December 2025	
	Contract/ Nominal Amount	**Fair Value of the Statement of Financial Position Asset/(Liability)**
	RM'000	**RM'000**
Forward Foreign Currency Contracts – Less than 1 year	4,232	171

The Group entered into forward foreign currency contracts to hedge against its future receipt of trade receivable denominated in Euro. The settlement dates of the outstanding forward foreign currency contracts at the end of the reporting period range between 1 and 6 months.

There is no significant change in the credit risk, market risk and liquidity risk associated with the derivatives, the cash requirements of the derivatives and the risk management objectives and policies on financial derivatives since the previous financial year ended 31 December 2024.

B10. Corporate Proposals

There was no corporate proposal announced before the end of period but not completed as at 20 February 2026, the latest practicable date which is not earlier than 7 days from the date of issue of these financial statements.

B11. Status of Utilisation of Proceeds

On 1 December 2021, Maybank Investment Bank Berhad, had on behalf of the Board announced that D&O had completed the Private Placement following the listing and quotation of 38,500,000 Placement Shares pursuant to Sections 75 and 76 of the Act on the Main Market of Bursa Securities on even date. The Private Placement raised total gross proceeds of RM216.37 million ("Placement Proceeds") earmarked for the construction of third manufacturing plant ("Plant 3").

On 27 May 2024, the Board had announced that the Company had resolved to extend the timeframe for the utilisation of RM213.12 million out of RM214.01 million of the Placement Proceeds that had been earmarked for Plant 3 of the D&O Group for another 3 years to 7 years.

The proceeds have been utilised in the following manner as at 31 December 2025:

Details	**Proposed Utilisation RM'000**	**Proposed Utilisation (Revised) RM'000 (Note 1)**	**Actual Utilisation RM'000**	**Unutilised Proceeds RM'000**	**Intended timeframe of utilisation from the listing date of the Placement Shares (1.12.2021)**
1. Capital expenditure	202,985	214,008	1,036	212,972	Within 7 years
2. Estimated expenses relating to the Proposed Private Placement	2,220	2,362	2,362	-	
	205,205	216,370	3,398	212,972	

<u>(Note 1)</u>
Revised following the actual receipt of proceeds of RM216,370,000

The unutilised funds have been placed in interest bearing deposits with licensed financial institution and short-term money market instruments.

B11. Status of Utilisation of Proceeds (Cont'd)

On 15 January 2026, D&O announced that it proposes to undertake the Proposed Variation as follows:

Details	Original Utilisation	Actual Utilisation	Balance Proceeds	Intended Timeframe of Proposed Utilisation from the Completion of the Placement	Revised Timeframe for Utilisation of Balance Proceeds which was announced on 27 May 2024	Proposed Variation	Revised Utilisation After the Proposed Variation	Intended Timeframe of Proposed Variation
	(RM'000)	(RM'000)	(RM'000)			(RM'000)	(RM'000)	
Capital expenditure (Plant 3)[(1)]	214,008	1,036	212,972	Within 4 years (by 1 December 2025)	Within 7 years (by 1 December 2028)	(212,972)	-	-
Defray expenses relating to the Placement	2,362	2,362	-	Within 2 months	-	-	-	Fully Utilised
Capital expenditure (machineries and equipment) [(2)]	-	-	-	-	-	85,972	85,972	By 1 December 2028
Repayment of Borrowings[(3)]	-	-	-	-	-	127,000	127,000	Within 12 Months
Total	**216,370**	**3,398**	**212,972**			**-**	**212,972**	

Notes:

(1) An 8-storey new manufacturing plant with an overall floor space of approximately 60,000 square meters, situated between the D&O Group's two existing manufacturing plants in Batu Berendam Free Trade Zone, Melaka.

(2) The proposed targeted capital expenditure will be directed towards enhancing and modernising existing machineries and equipment (including purchases of new machineries and/or equipment) to improve product quality, production efficiency, and operational reliability. These investments are intended to support continuous technological advancement and optimise the use of existing production facilities. Collectively, these initiatives are expected to strengthen operational efficiency, reinforce capital discipline, and support the Group's long-term competitiveness.

The expected utilisation of the targeted capital expenditure are as follows:

Estimated targeted capital expenditure	(RM'000)
Assembly line machineries and equipment	60,180
Testing line machineries and equipment	25,792
	85,972

B11. Status of Utilisation of Proceeds (Cont'd)

(3) At 31 December 2025, total borrowings of the Group stood at approximately RM458.5 million. The Company intends to use the unutilised Balance Proceeds to pare down existing borrowings as follows:

Type of borrowings	Outstanding amount as at 31.12.2025	Proposed repayment amount	Interest rate per annum
	(RM'000)	(RM'000)	(RM'000)
Term Loans	91,562	(20,000)	4.15% to 4.84%
Revolving Credits	218,090	(97,000)	2.85% to 4.54%
Trade Financing	148,844	(10,000)	2.08% to 3.31%
	458,496	**(127,000)**	

The Company proposes to vary the utilisation of the Balance Proceeds of up to RM212.97 million, as set out above, which was originally for the construction of Plant 3. The revised utilisation comprises allocation towards targeted capital expenditure of RM85.97 million and repayment of borrowings amounting to RM127.0 million.

The resolution set out in the Notice of the Extraordinary General Meeting held on 23 February 2026, were duly passed by the shareholders by way of poll.

B12. Material Litigation

The Group is not involved in any material litigation as at the date of this report.

B13. Authorisation for Issue

The interim financial statements were approved for issuance pursuant to a resolution of Board of Directors dated 27 February 2026.