KIA LIM BERHAD

1st Floor, Wisma Ng Hoo Tee
No. 79, Jalan Muar
83500 Parit Sulong, Batu Pahat
Johor Darul Takzim, Malaysia
Tel : 607-418 7100 / 418 6230
Fax : 607-418 8900
www.kialim.com.my

KIA LIM BERHAD Reg. No. 199501013667 (342868-P) ANNUAL REPORT 2025

KIA LIM

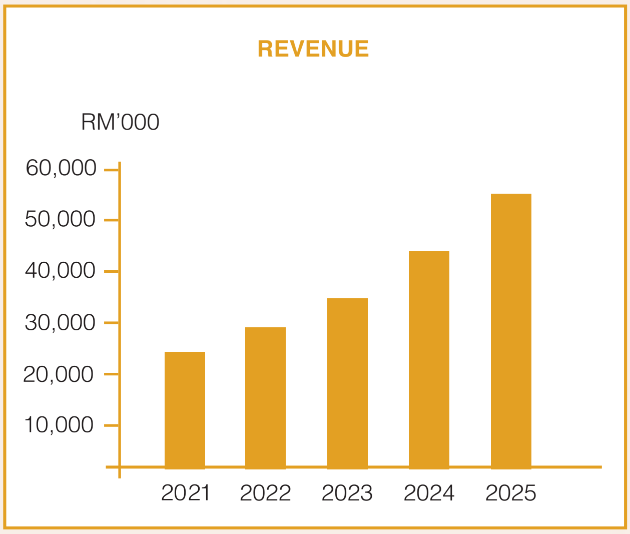
KIA LIM BERHAD

Reg. No. 199501013667 (342868-P)

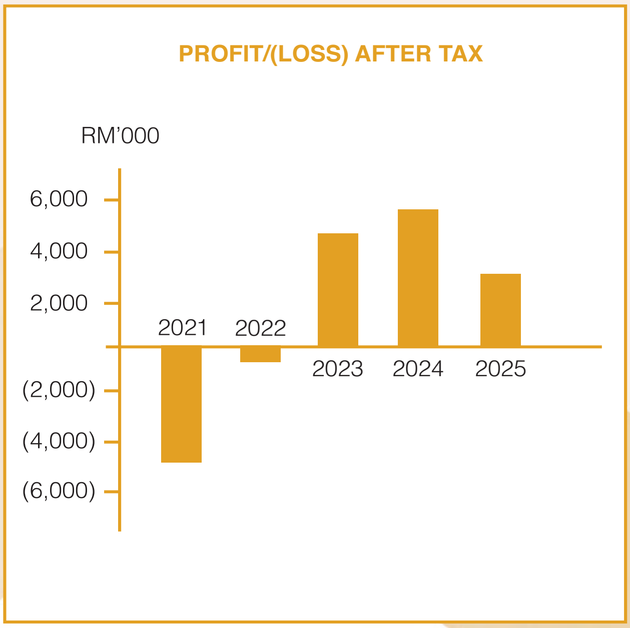
2025 ANNUAL REPORT

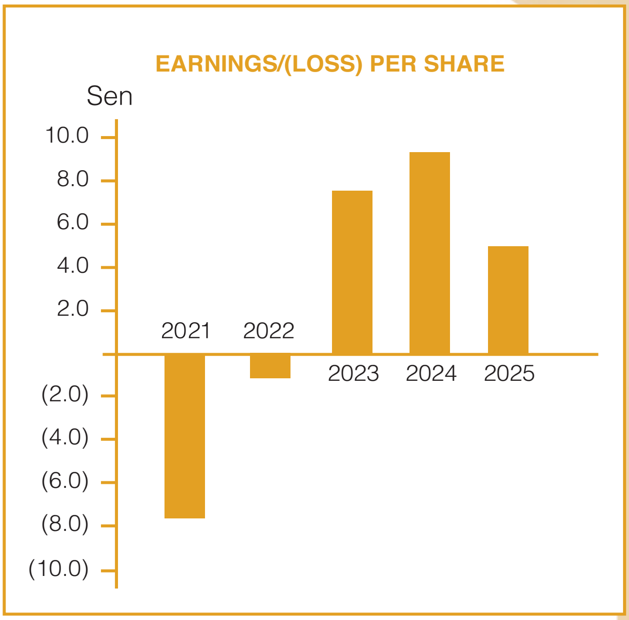
Contents

GROUP FINANCIAL HIGHLIGHTS



Financial Year Ended 31 December	Revenue RM'000	Profit/ (Loss) After Tax RM'000	Earnings/ (Loss) Per Share Sen
2021	22,329	(4,831)	(7.8)
2022	29,236	(734)	(1.2)
2023	36,258	4,874	7.9
2024	44,158	5,698	9.2
2025	55,904	2,955	4.8





Vision

To be a leading clay brick manufacturer
in Southeast Asia with a strong
brand name and strong regional
market penetration

Mission

To provide a comprehensive range of
quality products to meet customers' needs
and create value for stakeholders

NOTICE IS HEREBY GIVEN THAT the Thirty-First Annual General Meeting ("31st AGM") of Kia Lim Berhad will be held at The Katerina Hotel, 8, Jalan Zabedah, 83000 Batu Pahat, Johor Darul Takzim on Thursday, 28 May 2026 at 12.00 noon to transact the following businesses.

Agenda

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended 31 December 2025 together with the Directors' and Auditors' Report thereon. — *Refer to Note (a)*

2. To approve the payment of Directors' fees of up to RM153,000.00 for the Directors of the Company and its subsidiaries in respect of the financial year ending 31 December 2026 and until the conclusion of the next Annual General Meeting ("AGM") of the Company to be held in 2027. — ORDINARY RESOLUTION 1 *Refer to Note (b)*

3. To approve the proposed payment of Non-Executive Directors' ("NEDs") benefits of up to RM19,200.00 from 28 May 2026 up to the conclusion of the next AGM of the Company to be held in 2027. — ORDINARY RESOLUTION 2 *Refer to Note (b)*

4. To re-elect the following Directors who retire in accordance with Article 90 and Article 97 of the Company's Constitution and being eligible, offer themselves for re-election:

   (a) Mr Ng Chin Kang (Article 90) — ORDINARY RESOLUTION 3 *Refer to Note (c)*

   (b) Puan Haryanti Binti Othman (Article 90) — ORDINARY RESOLUTION 4 *Refer to Note (c)*

   (c) Mr Trevor Lawrence Richards (Article 97) — ORDINARY RESOLUTION 5 *Refer to Note (d)*

5. To re-appoint Messrs Ernst & Young PLT as Auditors of the Company and authorise the Directors to fix their remuneration. — ORDINARY RESOLUTION 6 *Refer to Note (e)*

AS SPECIAL BUSINESS

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

6. Proposed authority to issue and allot shares by the Directors pursuant to Sections 75 and 76 of the Companies Act 2016 ("CA 2016") and waiver of pre-emptive rights pursuant to the CA 2016. — ORDINARY RESOLUTION 7 *Refer to Note (f)*

   "THAT pursuant to Sections 75 and 76 of the CA 2016, the Directors be and are hereby authorised to issue and allot shares in the Company at any time, at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company at the time of issue AND THAT the Directors be and are also authorised to obtain the approval of Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing of and quotation for the additional shares so issued AND THAT such authority conferred by this ordinary resolution shall commence upon passing this ordinary resolution until:

   (a) the conclusion of the annual general meeting held next after the approval was given;

   or

   (b) the expiry of the period within which the next annual general meeting is required to be held after the approval was given,

   whichever occurs first.

   THAT in connection with the above, pursuant to Section 85 of the CA 2016 to be read together with Article 9 of the Constitution of the Company, the shareholders do hereby waive the statutory pre-emptive rights of the offered shares in proportion of their holdings at such price and at such terms to be offered arising from any issuance of the new shares above by the Company.

   AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution which may be declared, made or paid before the date of allotment of such new shares."

7. To transact any other business appropriate to an AGM, due notice of which shall have been previously given in accordance with the CA 2016 and the Company's Constitution.

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143) (SSM PC No. 202008001023)
SANTHI A/P SAMINATHAN (MAICSA 7069709) (SSM PC No. 201908002933)

Company Secretaries

Johor Bahru
29 April 2026

NOTES:

Only depositor whose name appears in the Record of Depositors as at 21 May 2026 shall be regarded as member of the Company entitled to participate, speak and vote at this Meeting or appoint proxy or proxies to participate, speak and vote in his stead.

1. A member entitled to participate and vote at the Meeting is entitled to appoint a proxy or proxies to participate and vote in his stead. The proxy need not be a Member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to participate and vote at a meeting of a company shall have the same rights as the member to speak at the meeting.
2. A member shall be entitled to appoint more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) to participate and vote at the same meeting.
3. Where a member appoints more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
4. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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 accounts it holds. Where a member is an authorised nominee as defined under SICDA, it may appoint one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation under its common seal or the hand of its attorney.
6. The instrument appointing a proxy must be deposited at Suite 9D, Level 9, Menara Ansar, 65 Jalan Trus, 80888 IIBD, Johor not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof. The latest date and time for lodgement of Proxy Form(s) is Tuesday, 26 May 2026 at 12:00 noon.

Personal Data Privacy:
By submitting the duly executed Proxy Form(s), the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 31st AGM of the Company and any adjournment thereof.

EXPLANATORY NOTES ON ORDINARY BUSINESS:

(a) This Agenda item is meant for discussion only as the provision of Section 340(1) (a) of the CA 2016 does not require a formal approval of the shareholders and hence, it is not put forward for voting.

(b) Directors' fees and benefits

Directors' remuneration

Section 230(1) of the CA 2016 provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at 31st AGM on the Directors' remuneration tabled in Resolutions 1 and 2.

Directors' fees

The detailed Directors' fees for financial year ended 31 December 2025 are contained in page 24 of Corporate Governance Overview Statement in the Annual Report.

Benefits payable to Directors

The benefits payable to Directors comprised the allowance and other emoluments payable to the Chairman and members of the Board of the Company and its subsidiaries.

The Directors' fees and benefit payable for financial year ended 31 December 2025 and financial year ending 31 December 2026 are detailed as below:

Remuneration for Directors of the Company	2025 Amount (RM)	2026 Proposed Amount (RM)
Directors' Fee		
Fee for Chairman	37,000	38,000
Fee for each Independent Non-Executive Director	22,000	23,000
Fee for each Executive Director	20,000	20,000
Fee for each Executive Director of subsidiary company	1,200	1,500
Benefit Payable		
Meeting Allowance (per meeting per person)*	800	800

* Only for NEDs

Payment of benefits to the Directors will be made by the Company as and when incurred, after they have discharged their responsibilities and rendered their services to the Company for the financial year ending 31 December 2026, based on the proposed benefits, if the proposed Resolution 2 is passed at the 31st AGM.

EXPLANATORY NOTES ON ORDINARY BUSINESS (CONT'D):

(c) Re-election of Directors who retire in accordance with Article 90 of the Company's Constitution.

Article 90 of the Company's Constitution provides that one third (1/3) of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 31st AGM, the Nomination Committee ("NC") has considered the following:

(1) The assessment of the individual Director's level of contribution to the Board through each of their skills, experience and strength in qualities, fit and proper criteria assessment; and

(2) The level of independence demonstrated by each of the NEDs, and their ability to act in the best interests of the Company in decision-making, to ensure that they are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company.

In line with the Malaysian Code on Corporate Governance 2021 ("MCCG 2021") and Paragraph 2.20A of the Main Market Listing Requirements ("MMLR"), the Board had, through the NC, conducted an assessment of independence of the NEDs, and also other criteria i.e. character, integrity, competence, experience and time commitment in effectively discharging their respective roles as Directors of the Company. The Directors were assessed based on performance criteria set in the areas of Board dynamics and participation, competency and capability, independence and objectivity, probity and personal integrity, contribution and performance together with their ability to make analytical inquiries and offer advice and guidance. Each of the NEDs has also provided his/her annual declaration/confirmation of independence bi-annually of 2025.

The Board accepted the NC's recommendation that the Directors who retire in accordance with Article 90 of the Company's Constitution are eligible to stand for re-election. All these retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant Board meeting.

(d) Re-election of Directors who retire in accordance with Article 97 of the Company's Constitution.

Article 97 of the Company's Constitution expressly states that any Director appointed to fill a casual vacancy shall hold office only until the next following AGM and shall be eligible for re-election.

Pursuant to Article 97, Mr Trevor Lawrence Richards who was appointed on 30 May 2025 to fill the casual vacancy is standing for re-election at the forthcoming 31st AGM. The NC has assessed the fit and proper criteria of Mr Trevor Lawrence Richards and based on his satisfactory results, the NC recommended him for re-election at the forthcoming 31st AGM as per Ordinary Resolution 5.

The Board had accepted the NC's recommendation that the Director who retire in accordance with Article 97 of the Company's Constitution is eligible to stand for re-election. The retiring Director had abstained from deliberations and decisions on his own eligibility to stand for re-election at the relevant Board meeting.

(e) Re-appointment of Auditors

Pursuant to Section 273(b) of the CA 2016, the term of office of the present Auditors, Messrs Ernst & Young PLT, shall lapse at the conclusion of this AGM unless they are re-appointed by the shareholders to continue in office. Messrs Ernst & Young PLT have indicated their willingness to continue their service until the conclusion of next AGM. The re-appointment of Messrs Ernst & Young PLT as Auditors has met the relevant criteria prescribed by Paragraph 15.21 of the MMLR. This proposed Resolution 6, if passed, will also give the Directors of the Company, the authority to determine the remuneration of the Auditors.

EXPLANATORY NOTES ON SPECIAL BUSINESS:

(f) Proposed authority to issue and allot shares by the Directors pursuant to Sections 75 and 76 of the CA 2016 and waiver of pre-emptive rights pursuant to the CA 2016

The Proposed authority to issue shares, Ordinary Resolution 7, if passed, will give the Directors of the Company, from the date of the 31st AGM, authority to issue not more than ten percent (10%) of the total number of issued shares of the Company for such purposes as they consider would be in the best interest of the Company without having to convene separate general meetings. Such issuance of shares will still be subject to the approvals of the Securities Commission and Bursa Securities. This authority, unless revoked or varied at a General Meeting, will expire at the conclusion of the next AGM of the Company.

The waiver of pre-emptive rights pursuant to Section 85 of the CA 2016 to be read together with Article 9 of the Constitution of the Company will allow the Directors of the Company to issue new shares of the Company which will rank equally to existing issued shares of the Company, to any person without having to offer new shares to all the existing shareholders of the Company prior to issuance of new shares in the Company under the general mandate.

The rationale for this resolution is to eliminate the need to convene general meeting(s) from time to time to seek shareholders' approval as and when the Company issues new shares and thereby reducing administrative time and cost associated with the convening of such meeting(s).

1. Details of individuals who are standing for election as director (excluding directors standing for re-election)

   No individual is seeking election as Director of the Company at the Thirty-First (31st) Annual General Meeting except for the following Directors standing for re-election as follows:

(i) Mr Ng Chin Kang;	-	RESOLUTION 3
(ii) Pn Haryanti Binti Othman; and	-	RESOLUTION 4
(iii) Mr Trevor Lawrence Richards	-	RESOLUTION 5

   The profile of the Directors standing for re-election is set out in the Board of Directors' Profile on the pages 8 to 9 of the Annual Report 2025.

   The shareholdings in the Company and its subsidiaries of the Directors standing for re-election are set out in the Directors' Report and/or Analysis of Shareholdings on the page 96 of the Annual Report 2025.

   The Nomination and Remuneration Committee of the Company has assessed the performance, contribution and effectiveness of each Director including the fit and proper criteria of the Directors, their relevant skill sets, and experience and the valuable insights they bring to the Board. Based on the satisfactory assessment outcome, the Board recommended the retiring Directors to be re-elected according to the resolutions put forth in the forthcoming AGM.

   The Directors standing for re-election have abstained from deliberation and participation of their own recommendation for re-election in the relevant Nomination and Remuneration Committee and Board meetings.

2. General mandate for issue of securities in accordance with paragraph 6.03(3) of Bursa Malaysia Securities Berhad Main Market Listing Requirements

   Details of the general mandate/authority for Directors to allot and issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in the Explanatory Notes of the Notice of Annual General Meeting in the Annual Report 2025.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Loh Chee Kan - Chairman
Non-Independent Non-Executive Director
Mr Ng Chin Kang - Chief Executive Officer
Executive Director
Mdm Ng Hwe Cheng
Executive Director
Mr Vincent Wong Soon Choy [1]
Independent Non-Executive Director
Ms Sam Ming Chia
Independent Non-Executive Director
Pn Haryanti Binti Othman
Independent Non-Executive Director
Mr Trevor Lawrence Richards [2]
Independent Non-Executive Director

AUDIT COMMITTEE

Mr Vincent Wong Soon Choy (Chairman) [1]
Ms Sam Ming Chia (Chairman) [2]
Pn Haryanti Binti Othman
Mr Trevor Lawrence Richards [2]

RISK MANAGEMENT COMMITTEE

Pn Haryanti Binti Othman (Chairman)
Mr Ng Chin Kang
Mr Vincent Wong Soon Choy [1]
Mr Trevor Lawrence Richards [2]

NOMINATION COMMITTEE

Ms Sam Ming Chia (Chairman)
Mr Vincent Wong Soon Choy [1]
Pn Haryanti Binti Othman
Mr Trevor Lawrence Richards [2]

REMUNERATION COMMITTEE

Mr Vincent Wong Soon Choy (Chairman) [1]
Pn Haryanti Binti Othman (Chairman) [2]
Ms Sam Ming Chia
Mr Trevor Lawrence Richards [2]

AUDITORS

Ernst & Young PLT (Chartered Accountants)
B-15, Menara IIB
Persiaran Medini Sentral 1
Bandar Medini Iskandar Malaysia
79250 Iskandar Puteri
Johor Darul Takzim

COMPANY SECRETARIES

Ms Tai Yit Chan
(MAICSA No.: 7009143)
(SSM PC No.: 202008001023)
Ms Santhi A/P Saminathan
(MAICSA No.: 7069709)
(SSM PC No.: 201908002933)

REGISTERED OFFICE

Boardroom Corporate Services Sdn Bhd
Registration Number: 196001000110 (3775-X)
Suite 9D, Level 9
Menara Ansar
65, Jalan Trus
80888 IIBD
Johor Darul Takzim
Tel : 07-224 1035
Fax : 07-221 0891
Email : boardroom-kl@boardroomlimited.com

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
Registration Number: 199601006647 (378993-D)
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : 03-7890 4700
Fax : 03-7890 4670
Website : www.boardroomlimited.com
Email : bsr.helpdesk@boardroomlimited.com

PRINCIPAL PLACE OF BUSINESS

Wisma Ng Hoo Tee
79, Jalan Muar
83500 Parit Sulong
Batu Pahat
Johor Darul Takzim
Tel : 07-418 7100 / 418 6230
Fax : 07-418 8900
Website : www.kialim.com.my

PRINCIPAL BANKERS

RHB Bank Berhad
CIMB Islamic Bank Berhad

STOCK EXCHANGE

Main Market of the Bursa Malaysia Securities Berhad
Stock Code : 6211
Stock Name : KIA LIM

Notes:

[1] Resigned on 30 May 2025
[2] Appointed on 30 May 2025

MR LOH CHEE KAN, aged 71, male, Malaysian, was appointed as an Independent Non-Executive Director of Kia Lim Berhad ("KLB") on 5 March 1996 and redesignated as Independent Non-Executive Chairman of the Company on 1 March 2011. Subsequently, on 4 April 2023, he was redesignated as Non-Independent Non-Executive Chairman of the Company.

He obtained his Bachelor of Science (Honours) Degree in Management Sciences from the University of Warwick in the United Kingdom in 1978. His career experience includes a twelve (12) years attachment with an international audit and consultancy practice, and later with Juan Kuang (M) Industrial Bhd where he stayed for two (2) years. He was currently with the JK Capital Sdn Bhd group of companies which he helped established since 1998.

Mr Loh Chee Kan has no shareholding in the Company or in any of its subsidiaries; no family relationship with any Director and/or major shareholder of the Company; no conflict of interest with the Company; has no conviction for any offence within the past five (5) years other than traffic offences, if any and has no public sanction or penalty imposed by the relevant regulatory bodies during the financial year. He attended five (5) out of five (5) Board Meetings for the financial year ended 2025.

MR NG CHIN KANG, aged 55, male, Malaysian, was appointed as an Executive Director of KLB on 26 November 2001. On 28 March 2024, Mr Ng was redesignated as Chief Executive Officer of the Company. Presently, he is also a member of the Risk Management Committee. He graduated with a Bachelor of Commerce with Honours degree from University of Western Australia and ASIA Graduate Diploma from Security Institute of Australia. He also holds a MBA from Sydney University and Master of Arts in Business Research from Macquarie University, Australia.

He worked with Medical Benefits Funds of Australia Limited in the senior executive management team from 1999 to March 2002. Prior to that, he had served as senior officer in the investment banking arm of Commonwealth Bank of Australia for approximately five (5) years. He is also a Director of several other private limited companies.

Mr Ng Chin Kang is the cousin of Mdm Ng Hwe Cheng, the Director of the Company. He has no conflict of interest with the Company; has no conviction for any offence within the past five (5) years other than traffic offences, if any and has no public sanction or penalty imposed by the relevant regulatory bodies during the financial year. He attended five (5) out of five (5) Board Meetings and one (1) out of one (1) Risk Management Committee Meeting for the financial year ended 2025.

MDM NG HWE CHENG, aged 54, female, Malaysian, was appointed as an Executive Director of KLB on 1 June 2024.

Mdm Ng obtained her Bachelor of Arts (Honours) Degree in Economics from Carleton University, Canada in 1997. She started her career with E.S. Ng Holdings Sdn Bhd, a family owned company in its battery business division as a Business Manager. Later in 2004, she joined Innovacion Contenedor Sdn Bhd, an ISO tank solutions company that offers logistics services for food, chemicals, gases, and cryogenics. She is currently the Executive Director of the Company.

Mdm Ng has over twenty-nine (29) years of extensive experience in financial management, business development and strategic planning. She also sits on the board of several other private limited companies.

Mdm Ng Hwe Cheng is the daughter of the late Datuk Ng Eng Sos@ Bak Chik, the founder of KLB. She is also the cousin of Mr Ng Chin Kang, the Director of the Company. She has no conflict of interest with the Company; has no conviction for any offence within the past five (5) years other than traffic offences, if any and has no public sanction or penalty imposed by the relevant regulatory bodies during the financial year. She attended five (5) out of five (5) Board Meetings for the financial year ended 2025.

MS SAM MING CHIA, aged 54, female, Malaysian, was appointed as an Independent Non-Executive Director of KLB on 31 December 2021. Presently, she is the Chairman of Nomination Committee, and also a member of the Audit Committee and Remuneration Committee of the Company. She graduated in 1997 with a Bachelor of Commerce with Majoring in Accounting from Curtin University of Technology, Perth, Western Australia. She is presently a member of Malaysian Institute of Accountants and Certified Practising Accountants Australia.

Upon graduation, she joined the Ernst & Young PLT, as an Assistant Manager, from years 2004 to 2008, she was the Group Accountant of Yick Hoe Metal Industries Sdn Bhd, and later, she was with Moore Stephens Associates & Co., which subsequently changed its name to BP Associates, as an Audit Director where she stayed for fourteen (14) years. Currently, she is an Audit Manager of Koo & Co, an audit firm in Johor Bahru.

Ms Sam Ming Chia has no family relationship with any Director and/or major shareholder of the Company; no conflict of interest with the Company; has no conviction for any offence within the past five (5) years other than traffic offences, if any and has no public sanction or penalty imposed by the relevant regulatory bodies during the financial year. She attended five (5) out of five (5) Board Meetings, five (5) out of five (5) Audit Committee Meetings, two (2) out of two (2) Nomination Committee Meetings, one (1) out of one (1) Remuneration Committee Meeting and one (1) out of one (1) Risk Management Committee Meeting.

PN HARYANTI BINTI OTHMAN, aged 49, female, Malaysian, was appointed as an Independent Non-Executive Director of KLB on 31 December 2021. Presently, she is the Chairman of Risk Management Committee, and also a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company.

She obtained her Bachelor of Law (Honours) Degree from Universiti Kebangsaan Malaysia (UKM) in 2000. Since graduation, she has been practicing as a legal assistant in several law firms before setting up her own legal firm, Messrs Haryanti Othman Associates with her partner in 2013. She is a Syariah Practitioner since 2006 and has attended various Islamic Banking Courses.

Pn Haryanti Binti Othman has no family relationship with any Director and/or major shareholder of the Company; no conflict of interest with the Company; has no conviction for any offence within the past five (5) years other than traffic offences, if any and has no public sanction or penalty imposed by the relevant regulatory bodies during the financial year. She attended five (5) out of five (5) Board Meetings, five (5) out of five (5) Audit Committee Meetings, two (2) out of two (2) Nomination Committee Meetings, one (1) out of one (1) Remuneration Committee Meeting and one (1) out of one (1) Risk Management Committee Meeting.

MR TREVOR LAWRENCE RICHARDS, aged 68, male, New Zealand, was appointed as an Independent Non-Executive Director of KLB on 30 May 2025. Presently, he is a member of the Audit Committee, Remuneration Committee, Nomination Committee and also the Risk Management Committee of the Company.

Mr Trevor Lawrence Richards is an experienced business leader and consultant specializing in sustainable biomass, renewable energy, and agricultural projects across Southeast Asia and New Zealand. He has worked in regional advisory roles for technology startups such as Singapore based WasteX Pte Ltd and as a freelance engineering consultant role in project and contract management. Currently, he serves as a Director at Synergy Materials & Biomass Products Sdn Bhd in Malaysia, where he manages company operations, business development, and regional projects, including the deployment of a kiln technology license agreement and a joint venture for a charcoal production facility. He is also the Managing Director of Biomass Carbon Service Ltd, a New Zealand-based consultancy providing expertise in environmental management, carbon solutions, and waste-to-energy systems. He is a Director and principal shareholder of Aranui Farming Ltd, a dairy sheep farming business where he leads industry development initiatives.

Mr Trevor Lawrence Richards has no family relationship with any Director and/or major shareholder of the Company; no conflict of interest with the Company; has no conviction for any offence within the past five (5) years other than traffic offences, if any and has no public sanction or penalty imposed by the relevant regulatory bodies during the financial year. He attended two (2) out of two (2) Board Meetings and two (2) out of two (2) Audit Committee Meetings.

Note:
Please refer to page 97 of this Annual Report for Directors' shareholdings.

The Management team is headed by the Chief Executive Officer, Mr Ng Chin Kang, Mr Ng is assisted by the Executive Director, Ms Ng Hwe Cheng; and the following key senior management team:

DATUK NG YENG KENG @ NG KA HIAT

Executive Director of the Company's Subsidiaries
Nationality : Malaysian
Age / Gender : 80 / Male

Experience :
Datuk Ng, the former CEO of the Company. On 1 November 2024, he resigned from the Board but remained as Executive Director of the Company's subsidiaries for financial year ended 2025. He removed as Director of the Company's subsidiaries on 14 January 2026.

He has more than fifty-two (52) years of experience in the manufacturing of clay bricks, building and civil engineering works. He was an Executive Director of Syarikat Kayu Wangi Berhad from 1981 to 2005. He also sits on the Board of several other private limited companies.

Datuk Ng Yeng Keng is the father of Mr Ng Cheng Yew, and the uncle of Mr Ng Chin Kang and Mdm Ng Hwe Cheng, the Director and/or major shareholder of the Company. He has no conflict of interest with the Company; has no conviction for any offence within the past five (5) years other than traffic offences, if any and has no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

MR ONG YU HOCK

Group General Manager
Nationality : Malaysian
Age / Gender : 54 / Male
Date of appointment : 10 November 2003

Qualification(s) :
1. Fellow of the Association of Chartered Certified Accountants, United Kingdom
2. Chartered Accountant of the Malaysian Institute of Accountants

Experience :
Mr Ong started his career with Ernst & Young in Assurance and Advisory Business Services in year 1998. In year 2002, he joined the glass containers division of a public listed company before joining KLB as Group Accountant in year 2003. In year 2006, he was promoted to the position of Assistant General Manager and subsequently promoted to the position of General Manager in year 2013. He was then promoted as Group General Manager in year 2023, and he holds this position until present. He was formerly a member of the Board of Governors of an International School.

Mr Ong has no family relationship with any Director and/or Substantial Shareholder of the Company. He has no conflict of interest with the Company and has not been convicted of any offence within the past five (5) years other than traffic offences, if any.

MR NG CHENG YEW

General Manager (Operations)
Nationality : Malaysian
Age / Gender : 47 / Male
Date of appointment : 11 July 2001

Qualification(s) :
Bachelor of Computer Science with Honours Degree from the University of Coventry in the United Kingdom.

Experience :
Mr Ng joined KLB in 2001 and worked as I.T. Officer. He managed to convert the existing manual operations into computerised environment to speed up Group work flows. He was then promoted and joined Management as Business Development Assistant Manager in 2004. He was entrusted to analyse, resolve and improve operational matters during this time. In year 2008, he was then promoted as Manufacturing Manager and appointed to be in charge of Production Department. This included changing the existing production management model into functional cross-management model. Performance based evaluation was implemented. In year 2013, he was then promoted as General Manager (Operations) to be in charge of all operational matters in KLB.

Mr Ng is the son of Datuk Ng, and cousin of Mr Ng Chin Kang and Ms Ng Hwe Cheng, the Directors and/or Substantial Shareholders of the Company. He has no conflict of interest with the Company and has not been convicted of any offence within the past five (5) years other than traffic offences, if any.

MR TEO LAI HEYONG

Factory Manager
Nationality : Malaysian
Age / Gender : 67 / Male
Date of appointment : 1 July 1992

Qualification(s) :
Bachelor of Commerce Degree from the Soochow University, Taiwan.

Experience :
Mr Teo joined Syarikat Kia Lim Kilang Batu Bata Sdn Bhd, the wholly owned subsidiary of KLB in year 1992 and is responsible for the production, planning and control as well as maintenance aspect of the factory and he holds this position until present.

Mr Teo has no family relationship with any Director and/or Substantial Shareholder of the Company. He has no conflict of interest with the Company and has not been convicted of any offence within the past five (5) years other than traffic offences, if any.

The Board of Directors of Kia Lim Berhad ("Kia Lim" or "the Company") and its subsidiaries("the Group") fully supports the Malaysian Code on Corporate Governance ("MCCG" or "the Code"), and is committed to ensure that the Principle and Recommended Practices are observed and practised throughout the Group so that the affairs of the Group are conducted with professionalism, accountability and integrity with the objective of safeguarding and enhancing shareholders' value and financial performance of the Group.

The Corporate Governance Overview Statement ("Statement") is made pursuant to Paragraph 15.25 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and guidance was drawn from the Key Corporate Governance principles as set out in the MCCG.

This Statement is prepared in compliance with MMLR and is to be read together with the Corporate Governance Report 2025 ("CG Report") which was announced together with Annual Report to Bursa Securities.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

Part I – Board Leadership and Effectiveness

1. Board Leadership on Objectives and Goals

1.1 Strategic Aim, Value and Standards

The Company is led and managed by experienced Board comprising members with a wide range of experience and expertise in relevant fields. The Board has overall responsibility for corporate governance, strategic direction, overseeing the conduct of the Group's business and its management, reviewing the adequacy and the integrity of the Group's internal control systems. It is the ultimate body in decision making for outlining and implementation of corporate objectives and directions.

All decisions of the Board are based on decision of the majority and no single Board member can make any decision on behalf of the Board, unless duly authorised by the Board. As such, no individual or a group of individuals dominate the decision-making process. This enables the Board to effectively discharge its principal responsibility as set out in the Code.

Having recognised the importance of an effective and dynamic Board, the Board has established and adopted a Board Charter to ensure that all Board members are aware of the Board's fiduciary and leadership functions. The Board also facilitates its principal responsibilities which include reviewing and adopting a strategic plan, overseeing the conduct of business, risk management, succession planning, developing and implementing investor relations and reviewing internal controls. The Board has established the following Board Committees to assist and advise the Board in fulfilling its duties and responsibilities:

- Audit Committee ("AC")
- Risk Management Committee ("RMC")
- Nominating Committee ("NC")
- Remuneration Committee ("RC")

Each Board Committee's role has been spelt out in its own specific terms of reference as approved by the Board. The powers and authority delegated to these Board Committees are also set out in the terms of reference of each of the Committees and are available on the Company's website.

1.2 The Chairman

The appointment of a capable Chairman to lead the Board is crucial for the creation of a good governance culture and fostering trust which supplement the Board structure and formal governance regulations vis-à-vis embedding high standards of governance in the Company.

The Board is headed by Mr Loh Chee Kan, a Non-Independent Non-Executive Chairman. As Chairman, he plays a vital role in leading and guiding the Board, and also serves as the communication point between the Board and the Chief Executive Officer ("CEO").

1.3 Chairman and Chief Executive Officer

The roles of the Chairman of the Board and the CEO of the Company are held by separate individuals, ensuring a clear division of responsibilities to promote a balance of power and enhance accountability. The Chairman, Mr Loh Chee Kan, provides leadership to the Board and ensures that all Directors receive sufficient and relevant information on financial and non-financial matters, enabling them to participate actively in Board's deliberations. The CEO, Mr Ng Chin Kang, is responsible for the overall day-to-day business operations of the Group and oversees the implementation of strategies directed by the Board.

This separation of roles facilitates a clear segregation of duties between the Chairman and the CEO, maintaining a balance of power and authority as outlined in the Board Charter.

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

Part I – Board Leadership and Effectiveness (Cont'd)

1. Board Leadership on Objectives and Goals (Cont'd)

1.4 The Chairman of the Board Should Not Be A Member of Board Committees

In line with the recommendation of Practice 1.4 of the MCCG, the Chairman of the Board is not a member of the Board Committees.

1.5 Qualified and Competent Company Secretaries

The Company is supported by two qualified and experienced Company Secretaries, Ms. Tai Yit Chan (MAICSA 7009143) and Ms. Santhi A/P Saminathan (MAICSA 7069709) who are members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA).

The Company Secretaries play an advisory role to the Board, particularly with regards to the Board policies and procedures, corporate disclosure obligations, compliance with statutory and regulatory requirements as well as adoption of corporate governance best practices. The Company Secretaries also ensure that all Board and Board Committees meetings are properly convened and that accurate and proper records of the proceedings and resolutions passed are taken and maintained in the statutory records and registers of the Company.

The Company Secretaries attended the 30th Annual General Meeting ("AGM") held on 29 May 2025 and all Board and Board Committees meetings during the financial year ended 31 December 2025. The Company Secretaries ensures that all deliberations at the AGM and all Board and Board Committees meetings including the action plans to be communicated to Management are properly minuted.

The Company Secretaries constantly keep themselves abreast on matters concerning company law, the capital markets, corporate governance, and other pertinent matters through continuous training and industry updates.

The Board is satisfied with the performance and support rendered by the Company Secretaries who play a vital role to the Board in discharging its function and duties.

1.6 Access to Information and Advice

The Board of Directors will receive the meeting materials including notice of agenda, meeting materials and other supporting documents at least seven days prior to the meeting. The minutes of meeting accurately minuted the deliberations including any dissenting views if any directors had abstained from deliberation or voting on any matters discussed at the meeting.

The Board is kept updated on the Company's financial performance activities and operations as well as other performance factors on quarterly basis. The Chairman of each of the Board Committees are responsible to update the Board at Board meetings on any salient matters discussed by the Board Committees and which may require the Board's approval.

All Directors have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretaries on any updates relating to new statutory and regulatory requirements pertaining to the duties and responsibilities of Directors, and promptly disseminates communications received from Bursa Securities.

The senior management staff, external advisers and professionals may be invited to attend the Board meeting whenever required, to brief the Board on relevant agenda items and to provide clarification on any issues that may be raised by the Board.

In addition, the Board has put in place a procedure for Directors, to have access to all information within the Company and to take independent advice where necessary, in the furtherance of their duties at the Company's expense.

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

Part I – Board Leadership and Effectiveness (Cont'd)

2. Board Responsibilities

2.1 Board Charter

The Board is guided by a Board Charter for the effective discharge of its fiduciary duties. The Board Charter serves as a framework for the Board which sets out the Board's strategic intent, roles and responsibilities of the Board and Board Committees, composition of the Board and process and procedures for convening Board meetings.

Any amendment to the Board Charter must be reviewed and approved by the Board. The Board Charter is reviewed periodically which may be amended from time to time to ensure its relevance, effectiveness and consistency with the Company's objective, its practices, and current laws. The Board Charter was last reviewed and approved by the Board on 26 August 2025. The Board Charter is published and made available at the Company's website at www.kialim.com.my.

Besides the Board Charter, the Board also established Operating Procedures on Directors' Duties and Responsibilities to provide the Board of Directors of Kia Lim Berhad and its subsidiaries a clear understanding of their roles and responsibilities and a standard set of policies and procedures with which to achieve individual office bearer's goal. The Operating Procedures on Directors' Duties and Responsibilities are published and made available on the Company's website, www.kialim.com.my.

3. Good Business Conduct and Corporate Culture

3.1 Directors' and Employees' Code of Conduct & Ethics

The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness. The Board has established the Directors' Code of Conduct & Ethics ("DCCE") and Employees' Code of Conduct & Ethics ("ECCE") for the Company.

The DCCE was established for all Directors of the Company to codify a standard conduct, protect the business interest of the Company, maintain the Company's reputation for integrity and foster compliance with applicable legal and regulatory obligations. The DCCE is periodically reviewed and assessed to ensure the adequacy of the code and make appropriate amendments when deemed appropriate.

The DCCE is published and made available on the Company's website www.kialim.com.my.

The ECCE was established to set out principles and guide standard of behaviour and business conduct when employees deal with third party. Third party refers to any individual or organisation the employees comes into contact during the course of his/her work, and includes actual and potential customers, competitors, supp liers, contractors, distributors, business contacts/partners, agents, advisers, regulators, government and public bodies and officials, shareholders, investors and the community in which Kia Lim Group operates.

All employees are required to strictly adhere to the ECCE. Any non-compliance with the ECCE is to be reported to the Heads of Department or Human Resources and Administration Department for further deliberation and decision.

The ECCE is published and made available on the Company's website www.kialim.com.my.

3.2 Whistleblowing Policy

The Board has developed a Whistleblowing Policy which is in line with the Board's effort to encourage provide an avenue for all employees, directors and members of the public to report genuine concerns in relation to breach of a legal obligation (including negligence, criminal activity, breach of contract and breach of law), miscarriage of justice, danger to health and safety or to the environment and any improper conduct or action which could be harmful to the reputation of the Company and/or compromise the interest of the stakeholder. There was no whistleblowing case reported during the financial year ended 31 December 2025.

The Board will periodically review the Whistleblowing Policy to ensure its relevance and effectiveness. The present Whistleblowing Policy was reviewed and approved by the Board on 30 May 2023. The Whistleblowing Policy is published and made available on the Company's website, www.kialim.com.my.

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

Part I – Board Leadership and Effectiveness (Cont'd)

3. Good Business Conduct and Corporate Culture (Cont'd)

3.3 Directors' Fit and Proper Policy

The Board had on 24 May 2022 adopted the Directors' Fit and Proper Policy in line with the requirement of the MMLR to ensure a formal, rigorous and transparent process for appointment and re-election of Directors of the Group. This is to ensure a person to be appointed or re-elected as a director of the Company possesses the necessary quality and character as well as integrity, competency and commitment.

The Policy will be reviewed periodically by the Board to ensure that it is effective in accordance with any new regulations and disclosure obligations and practices. The present Policy was last reviewed and adopted by the Board on 26 August 2025.

The Directors' Fit and Proper Policy is published and made available on the Company's website, www.kialim.com.my.

3.4 Anti-Bribery and Anti-Corruption Policy

In line with the Group's core value on "Integrity", the Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") has been established to promote the growth of Kia Lim's business activities to be free from bribery and corruption practices. The ABAC Policy serves as a guide for the Directors and employees, providing information and guidance on conducting business ethically and transparently while strictly avoiding all forms of bribery and corruption of in the Group's daily operations.

Kia Lim adopts a **ZERO TOLERANCE** policy against all forms of bribery and corruption in its actions and decisions, both internally and externally.

The ABAC Policy is periodically reviewed to ensure that it is effective in accordance with any new regulations on the disclosure obligations and practices. The present ABAC Policy was last reviewed and adopted by the Board on 30 May 2023.

The ABAC Policy is published and made available on the Company's website, www.kialim.com.my.

3.5 Conflict of Interest Policy

The Group recognises and is committed to maintaining, observing and practicing high ethical standards of professionalism and integrity at all times in respect of its business and operations. A Conflict of Interest Policy ("COI Policy") has been established on 28 November 2023 to ensure that actual, potential and perceived conflicts of interest are identified and managed effectively. The COI Policy is aimed to provide an avenue for the Directors and Key Senior Management of the Group to understand the policies and procedures that need to be adhered to in a Related Party Trasaction to ensure compliance with the Listing Requirements of Bursa Malaysia Securities Berhad and other applicable laws. During the FY2025, all Directors and Key Senior Management have declared that there is no new or potential COI.

The COI Policy is published and made available on the Company's website, www.kialim.com.my.

4. Sustainability Leadership

4.1 Setting Company's Sustainability Strategies, Priorities and Targets

The Board views the commitment to promote sustainability strategies in the economic, environment, social and governance aspects as part of its broader responsibility to all its various stakeholders and the communities in which it operates. The Company strives to achieve a sustainable long-term balance between meeting its business goals, preserving the environment to sustain the ecosystem and improving the welfare of its employees and the communities in which it operates.

4.2 Sustainability Strategies, Priorities and Targets are Communicated to Internal and External Stakeholders

The Company's efforts on sustainability matters have been set out in the Sustainability Statement on page 33 in this Annual Report and it serves as the main communication tool of the Company's sustainability matters to the internal and external stakeholders.

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

Part I – Board Leadership and Effectiveness (Cont'd)

4. Sustainability Leadership (Cont'd)

4.3 Action Taken to Ensure Sustainability Targets

In view to gain a better understanding of the sustainability issues relevant to Kia Lim and its business, the Board members have attended training on sustainability issues as follows:

- Investing Responsibly: Understanding ESG Opportunities in Malaysia's 2025 Budget
- The Changing Landscape of ESG and Sustainability Compliance in Malaysia – What to Expect in 2025 and Beyond?
- Navigating Climate Risks: Tools, Scenarios and Strategic Insights
- Board Simulation – Balancing Risks and Opportunity in Sustainability Leadership
- Climate Adaptation and Resilience Conference 2025

4.4 Review of Performance of Sustainability Targets

The Board and Senior Management play an important role in addressing material sustainability risks and opportunities. The annual performance evaluations of the Board not only focus on financial performance but also include non-financial performance including sustainability questionnaires.

The annual performance evaluation exercise undertaken by the NC in relation to the effectiveness of the Board includes assessment of proper governance and management of sustainability matters.

4.5 Designated Person to Manage Sustainability Target

The Company has established a Sustainability Working Group ("SWG"), comprising key members of Management from the Group.

The roles of the SWG include:

- To observe and comply with all relevant legislation, regulations and code of practice;
- To consider sustainability issues and integrate these considerations into Kim Lim's business decisions;
- To promote and ensure all employees are aware of, and are committed to, implementing and measuring sustainability activities as part of the Group's strategy, taking into consideration economic, environment and social aspects; and
- To improve Kia Lim's sustainability performance.

In addition to the above, the Board has identified and appointed a designated person as the Company's Chief Sustainability Officer who provides dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the Group. The Chief Sustainability Officer reports to the CEO on sustainability matters.

Part II – Board Composition

5. Diverse Perspective and Insights

5.1 Annual Evaluation

The Nominating Committee ("NC") conducts an annual evaluation of the Board, including a review of the Board's composition, to ensure an appropriate balance of responsibilities, skills, experience, independence, and diversity. Directors who are subject to retirement by rotation are evaluated based on their performance, contributions to the Board, and continued compliance with the fit and proper criteria, prior to the NC making recommendations for their re-election at the Annual General Meeting.

5.2 Composition of the Board

The Board currently consists of six (6) members, comprising the Chairman, who is a Non-Independent Non-Executive Director ("NINED"), three (3) Independent Non-Executive Directors ("INED"), two (2) Executive Directors. The current composition of the Board complies with the MCCG practice which recommends at least half of the Board must comprise of Independent Directors.

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

Part II – Board Composition (Cont'd)

5. Diverse Perspective and Insights (Cont'd)

5.2 Composition of the Board (Cont'd)

The current composition of the Board is also in compliance with Paragraph 15.02, Chapter 15 of the MMLR of Bursa Securities, which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, are Independent Directors. In the event of any vacancy in the Board, resulting in non-compliance with the aforesaid, the Company must fill the vacancy within three (3) months from the event.

Current composition of the Board:

Designation	No. of Director	Percentage (%)
Executive Director	2	33.33
Independent Non-Executive Director	3	50.00
Non-Independent Non-Executive Director	1	16.67
Total	6	100.00

5.3 Tenure of Independent Director

The Board has limited the tenure of INEDs shall not exceed a cumulative term of nine (9) years from the date of his/her first appointment. As at the date of this Statement, none of the INEDs have served the Board for a cumulative term of nine (9) years. During the FY2025, the NC has assessed the independence of its INEDs through the annual evaluation form and is satisfied with the level of independence demonstrated by the INEDs and their ability to act in the best interest of the Company.

5.4 Policy of Independent Director's Tenure

The Board noted the MMLR limits the tenure of an Independent Director not exceeding a cumulative term of twelve (12) years. However, the Board to further elevate its commitment to higher corporate governance, the Board has established an Independent Directors' Tenure Policy which limits the tenure of INEDs to a cumulative term of nine (9) years which is in accordance with MCCG. Upon reaching a cumulative term of nine (9) years, the INED shall resign from the Board unless he/she is re-designated as NINE Director. The Independent Directors' Tenure Policy is published and made available on the Company's website, www.kialim.com.my.

5.5 Diverse Board and Senior Management Team

In the process of selecting and evaluating candidates for the Board and Senior Management team, the NC takes into consideration Board composition, suitability for the role, mix of skills, experience, knowledge and other qualities as well as diversity in terms of gender, age, ethnicity and cultural background.

NC is responsible for recommending to the Board on appointment of new directors to ensure multiple facets of diversity will be taken into consideration in nominating quality candidates to be appointed to the Board. The qualified candidates are required to complete the fit and proper criteria assessment for NC's review before recommending him/her to the Board. The Directors appointed are expected to confirm that they are able to devote the required time to serve the Board effectively. The Board would consider the existing board positions held by a director, including directorship of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the Company would be avoided.

Selection of Senior Management is also based on objective criteria and merit, with due regard to diversity in skills, experience, age and background.

A formal Diversity Policy on Board and Senior Management was established to drive the benefits of diverse workforce across the business which is an essential element in maintaining a competitive advantage. The present Diversity Policy will be reviewed periodically as and when required by the Board. The Diversity Policy is published and made available on the Company's website, www.kialim.com.my.

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

Part II – Board Composition (Cont'd)

5. Diverse Perspective and Insights (Cont'd)

5.6 New Candidates for Board Appointment

In relation to the appointment of Directors, the Company adopts a clear and transparent nomination process. Potential candidates are sourced from a wide range of external and independent channels, where practicable, to broaden the search and ensure that the selection process is not limited to individuals recommended by current Board members.

The shortlisted candidates, will be interviewed by the NC prior to presentation to the Board for approval. The Board has established Board's Procedures for Appointment of New Directors and is published and made available on the Company's website, www.kialim.com.my. The Board's Procedures for Appointment of New Directors was reviewed and approved by the Board on 24 February 2023.

The appointment of candidates as Directors involves the following steps:
Step 1: Needs Analysis and Profile Development
Step 2: Search from potential sources
Step 3: Selection from the short list
Step 4: Final deliberation by the NC
Step 5: Board approval and issue of Letter of Appointment

The proposed candidate must fulfil the criteria set in the Directors' Fit and Proper Policy which is available on the Company's website at www.kialim.com.my and it entails among others, the following criteria:

- Probity, personal integrity and reputation;
- Experience, competence and time commitment; and
- Financial integrity.

The proposed candidate must fulfil the criteria set in the Directors' Fit and Proper Policy which is available on the Company's website and it entails among others, the following criteria:

- Probity, personal integrity and reputation;
- Experience, competence and time commitment; and
- Financial integrity.

The Company Secretaries play a key governance role in ensuring that all appointments are properly and formally effected, that all requisite information is obtained, and that the Company fully complies with all applicable legal, regulatory, and corporate governance requirements.

All new appointees to the Board are given an introduction to familiarise themselves with the Group's operations so as to assist them in discharging their duties and responsibilities. They are required to attend the Mandatory Accreditation Programme ("MAP") Part I and Part II required by MMLR of Bursa Securities and thereafter to continually upgrade their knowledge and exposure through training programmes as well as seminars.

During the FY2025, there was no new appointment of Director's to the Board.

5.7 Information on the Appointment and Re-appointment of a Director

The Board will ensure shareholders have the information they require to make an informed decision on the appointment and re-appointment of a Director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole.

The appointment and re-appointment of a Director is a critical aspect of Corporate Governance, which has an impact on the leadership of the Company. As such, the Board will provide a statement on NC's review of the evaluation of the individual Director's level of contribution to the Board through each of their skills, experience and strength in qualities, fit and proper criteria assessment. Based on the assessment and the ability of the new individual Director to act in the best interest of the Company, the NC would recommend to the Board for approval. This justification on re-election of a Director will be disclosed in the explanatory notes to the ordinary resolution in the notice of AGM.

The Constitution of the Company provides that re-election of Directors shall take place each year and, at the AGM, one-third (1/3) of the Directors for the time being or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election.

All the Directors shall retire from office at least once in three (3) years but shall be eligible for re-election. The Directors to retire in each year shall be those who have been longest in office since their appointment or reappointment.

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

Part II – Board Composition (Cont'd)

5. Diverse Perspective and Insights (Cont'd)

5.7 Information on the Appointment and Re-appointment of a Director (Cont'd)

Article 97 of the Company's Constitution provides that the Board shall have power at any time, and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but the number of Directors shall not at any time exceed the number fixed in accordance with the Constitution. Any Director so appointed shall hold office only until the next AGM, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are retire by rotation at the meeting.

The Directors' due for re-election pursuant to Constitution of the Company are tabled for shareholders approval at the forthcoming AGM and the justification for their re-election are disclosed in the explanatory notes in the notice of AGM included in the Annual Report 2025.

5.8 Nomination Committee

The NC is chaired by an Independent Director.

The duties and responsibilities of the NC are as follows:

- Lead the procedures for the selection and appointment of Directors, ensuring that the most suitable candidates for Board position are selected;
- Lead the annual Board effectiveness evaluation, ensuring that the performance of each individual Director and Chairman of the Board is independently assessed; and
- Lead the succession planning for Directors, and other Senior Management Executives, ensuring the continued ability of the organisation to compete effectively in the marketplace

The NC comprises solely of INEDs as set out below:

Ms Sam Ming Chia	Chairman
Pn Haryanti Binti Othman	Member
Mr Trevor Lawrence Richards (Appointed on 30 May 2025)	Member
Mr Vincent Wong Soon Choy (Resigned on 30 May 2025)	Member

The NC met twice during the FY2025.

The NC carried out the following duties in accordance with its Terms of Reference for FY2025:

- Reviewed and assessed the effectiveness of the Board as a whole and the Board Committees;
- Reviewed and assessed the mix of skills, experiences and competencies of each individual Director;
- Reviewed and assessed the effectiveness of the AC and each of its members;
- Reviewed and assessed the independence of the Independent Non-Executive Directors based on criteria set out in MMLR of Bursa Securities; and
- Reviewed and assessed the fit and proper criteria for re-election of Directors and recommended to the Board for approval to table the re-election at the forthcoming AGM of the Company for shareholders' approval.

The Terms of Reference of the NC is published and made available on the Company's website, www.kialim.com.my.

5.9 Gender Diversity

The Board recognises the benefits of having gender diversity in the boardroom as well as throughout the business. The Board acknowledges that having a mix-gendered Board would offer different viewpoints, ideas and market insights which enable better decision making and gain competitive advantage in serving an increasingly diverse customer base than the Boardroom that dominated by one gender.

Currently, Kia Lim has three (3) women Directors among the six (6) Directors. This is in line with the MCCG 2021's aspiration that all boards should comprise at least 30% women directors. Kia Lim also believes that, the participation of women in decision-making positions should not be focused on Board positions alone but should be broadened to include Senior Management as the same benefits will apply.

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

Part II – Board Composition (Cont'd)

5. Diverse Perspective and Insights (Cont'd)

5.10 Gender Diversity Policy

Kia Lim recognises the benefit of diversity in the broadest sense in boardroom as well as throughout the business. Diversity on the Board and in the Senior Management enables wider perspectives which encourage more effective discussions and better decision-making. Diversity encompasses not only gender and ethnicity but diversity of skills, cultural background, knowledge, international and industry experience and other qualities.

The Board is of the view that, while it is important to promote Boardroom diversity in terms of gender, age, ethnicity, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board should remain priority. Thus, the Board has established a Diversity Policy which is published and made available at Company's website, www.kialim.com.my.

6. Overall Board Effectiveness

6.1 Board Effectiveness Evaluation

During the financial year, the NC had carried out an annual Board Effectiveness Evaluation as an effort to determine and monitor the level of effectiveness of the Board, the AC as well as the Board members. The evaluation process also involved a peer assessment, where Directors will assess the performance of their fellow Directors. These assessments and comments by all Directors were summarised and discussed at the NC meeting which were then reported to the Board at the Board meeting held thereafter. The assessment enables the Board to ensure that each of the Board members has the character, experience, integrity, competence and time to effectively discharge their respective roles. Based on the annual evaluation, there were no exceptions noted.

The Board meets at least five (5) times a year, with additional meetings for particular matters convened as and when required. Meetings are scheduled at the start of each financial year to enable the Board members to plan their schedules ahead.

There were a total of five (5) Board meetings held during the financial year ended 31 December 2025. All Directors attended all the Board meetings held in FY2025. Details of attendance are as follows:

Directors	Status	Number of Meeting Attended
Mr Loh Chee Kan	Chairman & Non-Independent Non-Executive Director	5/5
Mr Ng Chin Kang	Chief Executive Officer	5/5
Mdm Ng Hwe Cheng	Executive Director	5/5
Ms Sam Ming Chia	Independent Non-Executive Director	5/5
Pn Haryanti Binti Othman	Independent Non-Executive Director	5/5
Mr Vincent Wong Soon Choy *	Independent Non-Executive Director	3/3
Mr Trevor Lawrence Richards #	Independent Non-Executive Director	2/2

* Resigned on 30 May 2025
# Appointed on 30 May 2025

The following are the records of attendance for Board Committees' meeting held during the financial year ended 31 December 2025:

Audit Committee

Directors	Status	Number of Meeting Attended
Mr Vincent Wong Soon Choy *	Chairman	3/3
Ms Sam Ming Chia ^	Chairman	5/5
Pn Haryanti Binti Othman	Member	5/5
Mr Trevor Lawrence Richards #	Member	2/2

* Resigned on 30 May 2025
^ Redesignated on 30 May 2025
# Appointed on 30 May 2025

There were a total of five (5) AC meetings held during the financial year ended 31 December 2025, 27 February 2025, 28 March 2025, 29 May 2025, 26 August 2025 and 27 November 2025.

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

Part II – Board Composition (Cont'd)

6. Overall Board Effectiveness (Cont'd)

6.1 Board Effectiveness Evaluation (Cont'd)

Risk Management Committee

Directors	Status	Number of Meeting Attended
Pn Haryanti Binti Othman	Chairman	1/1
Mr Ng Chin Kang	Member	1/1
Mr Vincent Wong Soon Choy*	Member	1/1
Mr Trevor Lawrence Richards #	Member	0/0

* Resigned on 30 May 2025
# Appointed on 30 May 2025

The RMC held one (1) meeting during the financial year ended 31 December 2025 on 27 February 2025.

Nomination Committee

Directors	Status	Number of Meeting Attended
Ms Sam Ming Chia	Chairman	2/2
Pn Haryanti Binti Othman	Member	2/2
Mr Vincent Wong Soon Choy*	Member	1/1
Mr Trevor Lawrence Richards #	Member	1/1

* Resigned on 30 May 2025
# Appointed on 30 May 2025

The NC held two (2) meetings during the financial year ended 31 December 2025 on 27 February and 29 May 2025.

Remuneration Committee

Directors	Status	Number of Meeting Attended
Mr Vincent Wong Soon Choy*	Chairman	1/1
Pn Haryanti Binti Othman^	Chairman	1/1
Ms Sam Ming Chia	Member	1/1
Mr Trevor Lawrence Richards #	Member	0/0

* Resigned on 30 May 2025
^ Redesignated on 30 May 2025
# Appointed on 30 May 2025

The RC held one (1) meeting during the financial year ended 31 December 2025 on 27 February 2025.

The Board is satisfied with the time commitment given by the Directors. All of the Directors do not hold more than five (5) directorships as stated under Paragraph 15.06 of the MMLR. The Directors will update the Board immediately if there is any new directorship for the Company to update its statutory records. Any Independent Director of the Company is, while holding office, at liberty to accept other board appointments as long as the appointment is not in conflict with the business and does not affect his performance as an Independent Director. Independent Directors are expected to advise the Chairman immediately if they believe that they may no longer be independent.

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

Part II – Board Composition (Cont'd)

6. Overall Board Effectiveness (Cont'd)

6.1 Board Effectiveness Evaluation (Cont'd)

All existing Directors have attended MAP Part I and five (5) of the Directors have attended MAP Part II prescribed by the MMLR of Bursa Securities. The training programmes or seminars attended by all of the Directors for the financial year ended 31 December 2025 are as follows:

Name of Director	Training Programmes Attended	Date Attended
Mr Ng Chin Kang	• Preparing for 2025: Key Tax, Accounting and Legal Highlights on E-invoicing and Finance Act 2024 for Malaysia Businesses • Investing Responsibly: Understanding ESG Opportunities in Malaysia's 2025 Budget • The Changing Landscape of ESG and Sustainability Compliance in Malaysia – What to Expect in 2025 and beyond? • Comprehending the Johor-Singapore SEZ Incentives and Corporate Governance Trends in Malaysia • Safeguarding Your Brand: Anti-Counterfeiting Strategies for Malaysia Exports • Navigating Climate Risks: Tools, Scenarios and Strategic Insights • Board Simulation – Balancing Risks and Opportunity in Sustainability Leadership • Climate Adaptation and Resilience Conference 2025	16.01.2025 22.01.2025 13.03.2025 20.03.2025 24.06.2025 26.06.2025 09.09.2025 14.10.2025
Mdm Ng Hwe Cheng	• Investing Responsibly: Understanding ESG Opportunities in Malaysia's 2025 Budget • Navigating Climate Risks: Tools, Scenarios and Strategic Insights • Section 17A Malaysian Anti-Corruption Commission Act 2009 and Adequate Procedures	22.01.2025 26.06.2025 18.09.2025
Mr Loh Chee Kan	• Investing Responsibly: Understanding ESG Opportunities in Malaysia's 2025 Budget • Navigating Climate Risks: Tools, Scenarios and Strategic Insights • SSM X LHDNM : E-Invoice Implementation in Malaysia and Navigating the MyInvoice Portal • Employment Act, Labour Laws, Domestic Inquiry and Industrial Relations	22.01.2025 26.06.2025 17.11.2025 24.11.2025 to 25.11.2025
Pn Haryanti Binti Othman	• Investing Responsibly: Understanding ESG Opportunities in Malaysia's 2025 Budget	22.01.2025
Ms Sam Ming Chia	• Preparing for 2025: Key Tax, Accounting and Legal Highlights on E-invoicing and Finance Act 2024 for Malaysia Businesses. • Investing Responsibly: Understanding ESG Opportunities in Malaysia's 2025 Budget • Navigating Climate Risks: Tools, Scenarios and Strategic Insights	16.01.2025 22.01.2025 26.06.2025
Mr Vincent Wong Soon Choy	• Investing Responsibly: Understanding ESG Opportunities in Malaysia's 2025 Budget	22.01.2025
Mr Trevor Lawrence Richards	• Navigating Climate Risks: Tools, Scenarios and Strategic Insights • Mandatory Accreditation Programme Part I	26.06.2025 10.09.2025 to 11.09.2025

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

Part II – Board Composition (Cont'd)

6. Overall Board Effectiveness (Cont'd)

6.1 Board Effectiveness Evaluation (Cont'd)

The Directors will continue to attend trainings and seminars to enhance their skills and knowledge so as to keep them abreast with relevant developments in the business and regulatory environment on a continuous basis in compliance with Paragraph 15.08 of MMLR of Bursa Securities.

Part III – Remuneration

7. Level and Composition of Remuneration

7.1 Remuneration Policy

The Board has adopted a Remuneration Policy for the Directors and Senior Management to support and drive business strategy and long-term objectives of the Group.

In this regard, the RC is responsible to implement the policies and procedures on the remuneration for the EDs, INEDs and Senior Management whilst the Board is responsible for approving the policies and procedures which govern the remuneration of the employees including EDs, INEDs and Senior Management of the Company to ensure the same remain competitive, appropriate and in alignment with the prevalent market practices and that the Company attracts, retains and motivates the Directors and Senior Management who are with strong credentials, high caliber and astute insights to run the business successfully.

The Remuneration Policy is published and made available on the Company's website, www.kialim.com.my.

7.2 Remuneration Committee

The RC is responsible for assisting the Board in assessing the remuneration packages of the Directors of the Group. The Board will decide on the remuneration packages after considering the recommendations made by the Committee.

The RC comprises solely INEDs, as set out below:

Mr Vincent Wong Soon Choy *	Chairman
Pn Haryanti Binti Othman ^	Chairman
Ms Sam Ming Chia	Member
Mr Trevor Lawrence Richards #	Member

* Resigned on 30 May 2025
^ Redesignated on 30 May 2025
\# Appointed on 30 May 2025

The RC has written Terms of Reference which deals with its authority and duties, and the Terms of Reference is published and made available on the Company's website, www.kialim.com.my.

8. Remuneration of Directors and Senior Management

8.1 Detail of Directors' Remuneration

The remuneration payable in respect of Directors' fees and benefits for years 2025 and 2026 are categorised as follows:

Directors' Fees and Benefits of the Company	2025 Amount RM	2026 Proposed Amount RM
Fee for Chairman	37,000	38,000
Fee for each Independent Non-Executive Director	22,000	23,000
Fee for each Executive Director	20,000	20,000
Fee for each Executive Director of subsidiary company	1,200	1,500
Meeting Allowance per meeting *	800	800

* Only for NEDs and a total of five (5) meetings are scheduled for year 2026.

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

Part III – Remuneration (Cont'd)

8. Remuneration of Directors and Senior Management (Cont'd)

8.1 Detail of Directors' Remuneration (Cont'd)

The Directors' fees and benefits are subject to the approval of shareholders of the Company. The Directors' fees and benefits for FYE2026 will be tabled to shareholders at the forthcoming AGM for shareholders' approval.

The remuneration of the Directors of the Company for year 2025 is as follows:

	Fees RM	Salaries RM	Meeting Allowance RM	Benefits-In -Kind RM	Others Emoluments RM	Total RM
Non-Independent Non-Executive Director						
Mr Loh Chee Kan	37,000	-	4,000	-	-	41,000
Independent Non-Executive Director						
Pn Haryanti Binti Othman	22,000	-	4,000	-	-	26,000
Ms Sam Ming Chia	22,000	-	4,000	-	-	26,000
Mr Trevor Lawrence Richards	12,833	-	1,600	-	-	14,433
Mr Vincent Wong Soon Choy	9,167	-	2,400	-	-	11,567
Subtotal	66,000	-	12,000	-	-	78,000
Executive Director						
Mr Ng Chin Kang	22,400	443,333	-	22,106	84,472	572,311
Mdm Ng Hwe Cheng	22,400	338,333	-	12,176	64,522	437,431
Subtotal	44,800	781,666	-	34,282	148,994	1,009,742
Total	147,800	781,666	16,000	34,282	148,994	1,128,742

8.2 Remuneration of Key Senior Management

The Board is of the opinion that the disclosure of the Senior Management's remuneration on a named basis and the various remuneration components (salary, bonus, benefits-in-kind and other emoluments) would not be in the best interest of the Group due to confidentiality and security concerns, and would likely to have adverse effect on the Group's talent retention. In fact, the Senior Management has indicated their concern over their safety and confidentiality pertaining to the disclosure.

However, the disclosure of the compensation of Senior Management has been made in Note 23(b) on page 91 of this Annual Report.

The Board ensures that the remuneration of Senior Management is commensurate with the performance of the Group, with due consideration to attract, retain and motivate Senior Management to lead and run the Group successfully.

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

Part I – Audit Committee

9. Effective and Independent Audit Committee

9.1 The Chairman of the Audit Committee is not the Chairman of the Board

The AC is established by the Board and comprises three (3) INEDs. The Chairman of the AC is appointed by the Board and is an INED. The Chairman of AC is and not the Chairman of the Board. Most of the members of the AC have the relevant accounting or related experience and expertise in the financial services industry.

The main roles of AC are to review the integrity of the financial reporting and to oversee the independence of external auditors.

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

Part I – Audit Committee (Cont'd)

9. Effective and Independent Audit Committee (Cont'd)

9.1 The Chairman of the Audit Committee is not the Chairman of the Board (Cont'd)

The Board aims to present a balanced and understandable assessment of the Group's position and prospect. Thus, the Board has undertaken the responsibilities to ensure that the financial statements prepared are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 2016. In presenting the financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates.

The quarterly financial results and Annual Report were reviewed and recommended by the AC and thereafter, approved by the Board before releasing to Bursa Securities.

The duties and responsibilities of the AC are outlined in the Terms of Reference of the AC which is available on the Company's website at www.kialim.com.my.

During the financial year, the AC has conducted the following activities in accordance with its existing Terms of Reference:

- Reviewed and recommended for the Board's approval the quarterly financial results for public announcement;
- Reviewed with the external auditors their audit plan prior to the commencement of the audit activities;
- Discussed the annual audited financial statements with the external auditors and ensured that the financial reporting and disclosure requirements are complied with the relevant authorities, as well as their findings and recommendations;
- Discussed with the external auditors to ensure that internal control system is adequate and functioning and any weaknesses identified are properly remedied;
- Reviewed the independence, objectivity and effectiveness of the external auditors and the services provided, including non-audit services and corresponding fees;
- Reviewed and recommended the re-appointment of external auditors and the audit fees to the Board for its approval;
- Reviewed related party transactions and conflict of interest that arose, persist or may arise within the Company or the Group, including any transaction, procedure or course of conduct that raises questions of integrity and the measures taken to resolve, eliminate, or mitigate such conflicts;
- Discussed and reviewed the updates of new developments on accounting standards issued by the Malaysian Accounting Standards Board;
- Received and reviewed the internal audit reports; and
- Reviewed the Corporate Governance Overview Statement, the AC Report and the Statement on Risk Management and Internal Control to be published in the Annual Report.

9.2 Cooling-off Period

The AC has a policy that requires a former key audit partner of the external auditors to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC. This is included in the External Auditor Policy and Procedure which is published and made available on the Company's website, www.kialim.com.my.

The cooling-off period safeguards the independence of the audit by avoiding the potential threats which may arise when a former key audit partner of the external auditors is in a position to exert significant influence over the audit and preparation of the Company's financial statements. For the year under review, none of the AC members were former key audit partners of the Company's external auditors.

9.3 Policies and Procedures for External Auditor

The AC has established policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statement.

The external auditors, Messrs Ernst & Young PLT have continued to report to members of the Board on their findings which are included as part of the Company's financial reports with respect to each year's audit on the statutory financial statements. The Board has established a formal and transparent arrangement for the achievement of objectives and maintenance of professional relationship with the external auditors. The external auditors have access to the books and records of the Group at all times and highlight to the AC and Board on matters that require the Board's attention.

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

Part I – Audit Committee (Cont'd)

9. Effective and Independent Audit Committee (Cont'd)

9.3 Policies and Procedures for External Auditor (Cont'd)

The Board has private sessions and dialogues through the AC with the external auditors, in the absence of the EDs and the Management. For the year under review, there were two (2) separate dialogue sessions with the external auditors where there was an exchange of views in relation to the financial reporting of the Group and other issues needing attention.

In terms of appointing the external auditors for non-audit services, due care is taken to ensure that the appointment does not impede on the independence, quality and conduct of the statutory audit. The AC has to be satisfied that the nature and extent of the non-audit services rendered by the external auditors are reasonable for them to maintain objectivity, and that the level of non-audit fees is appropriate as not to impede the external auditors' independence, before recommending the proposed engagement to the Board for approval.

The AC reviewed the independence of its external auditors. It noted the independence policy of external auditors which includes its own rotation of audit partners once every five (5) years. The external auditors have confirmed via its report to the AC that they are and have been independent throughout the conduct of audit engagement in according with terms of relevant professional and regulatory requirements.

Annual assessment on the performance of the external auditors will be performed through the External Auditors evaluation form and the result of the assessment and recommendation by the AC will be presented to the Board for consideration. Upon due consideration, re-appointment of the external auditors and the authority to fix their remuneration would be recommended by the Board for seeking shareholders' approval in the AGM.

The Board has established an External Auditor Policy and Procedure which is published and made available on the Company's website, www.kialim.com.my.

9.4 Audit Committee Members are Independent Directors

The AC consists of three (3) members of which all are INEDs.

The members of the Committee are as follows:

Mr Vincent Wong Soon Choy *	Chairman
Ms Sam Ming Chia ^	Chairman
Pn Haryanti Binti Othman	Member
Mr Trevor Lawrence Richards #	Member

* Resigned on 30 May 2025
^ Redesignated on 30 May 2025
# Appointed on 30 May 2025

9.5 Audit Committee Members should be Financially Literate, Competent and Undertake Continuous Professional Development

The AC member possesses a wide range of necessary skills to discharge their duties. Most of the members of the AC are financially literate, whilst the Chairman of the AC is a member of MIA, and thus, fulfilling paragraph 15.09(1) (c) of MMLR, which calls for one member of the AC to be a member of a professional accountancy body.

All members, except for the newly appointed member of the AC have attended relevant training programmes to assist in discharging their duties effectively and the details of which are as disclosed in this on page 22 of this Annual Report.

Part II – Risk Management and Internal Control Framework

10. Risk Management and Internal Control Framework

10.1 Effective Risk Management and Internal Control Framework

Relevant risk management and internal control systems are implemented for the day-to-day operations of the Group. The internal auditors are authorised to conduct independent audits of all the departments and offices within the Group and report the findings to the AC.

The risk management and internal control systems are designed to manage and mitigate rather than eliminate the risk of failure in achieving the Company's corporate objectives and safeguarding the Company's assets as well as investors' interests.

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

Part II – Risk Management and Internal Control Framework (Cont'd)

10. Risk Management and Internal Control Framework (Cont'd)

10.2 Disclosure of Risk Management and Control Framework

The Board has put in place a policy to ensure disclosure of information is in accordance with the disclosure requirements under the MMLR and other applicable laws.

The Board exercises close monitoring of all price sensitive information potentially required to be released to Bursa Securities and makes material announcements to Bursa Securities in a timely manner as required. In line with best practices, the Board strives to disclose price sensitive information to the public as soon as practicable through the website of Bursa Securities, the media and the Company's website.

Price sensitive information is defined as any information that on becoming generally available would tend to have a material effect on the market price of the Company's listed securities. The Company Secretaries are responsible to compile such information for the approval of the Board soonest possible and release such information to the market as stipulated in MMLR of Bursa Securities.

Apart from the provisions relating to the "closed period" for dealing in the Company's shares, the Directors and Senior Management privy to price sensitive information are prohibited from dealing in the shares of the Company until such information is publicly available. The AC reviews, deliberates and decides on the next course of action and evaluates the effectiveness and efficiency of the risk management and internal control systems in the organisation.

The AC has access to the internal auditors and is able to discuss internal audit matters in private, if required. The information on the Company's internal control is presented in the Statement on Risk Management and Internal Control on pages 54 to 58 of this Annual Report.

10.3 Establish of Risk Management Committee

RMC comprises a majority of Independent directors and plays the role to ensure that a risk management structure is embedded throughout the Group and risk management policies are consistently adopted.

The members of the Committee are as follows:

Pn Haryanti Binti Othman	Chairman
Mr Ng Chin Kang	Member
Mr Vincent Wong Soon Choy *	Member
Mr Trevor Lawrence Richards #	Member

* Resigned on 30 May 2025
\# Appointed on 30 May 2025

11. Effective Governance, Risk Management and Internal Control Framework

11.1 Ensure Effectiveness and independence of Internal Audit Function

Reviewing the internal audit function's effectiveness and independence is part of AC's oversight responsibilities.

The AC is aware of the fact that an independent and adequately resourced internal audit function is essential to assist in obtaining the assurance it requires regarding the effectiveness of the system of internal controls. Thus, the Board has outsourced its internal audit function to an independent professional consulting firm, Messrs Wensen Consulting Asia (M) Sdn Bhd ("Wensen").

The internal audit function is free from any relationship or conflicts of interest which could impair their objectivity and independence. Wensen has no relationship with the Group and is independent from Management, employees, Directors and substantial shareholders. The AC is of the opinion that Wensen is independent and objective in carrying out its internal audit function.

Annual assessment on internal auditors' performance had been conducted in financial year ended 31 December 2025 to ensure that the internal audit function is effective.

11.2 Disclosure of Information

During the financial year under review, internal auditors had conducted audit on key activities of the Group and the details of which are as disclosed in the AC Report on page 32 of this Annual Report.

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

Part I – Engagement with Stakeholders

12. Effective, Transparent and Regular Communication between Company and Stakeholders

Recognising the importance of timely dissemination of information to shareholders and other stakeholders, the Board is committed to ensure that they are well informed of major developments of the Company. The information is communicated to them through the issuance of Annual Report, Circular to Shareholders and announcements made to the Bursa Securities including quarterly results. Shareholders and other stakeholders could also obtain general information of the Company through the website of Bursa Securities and the Company. Our website, www.kialim.com.my is available for access of information by shareholders and the public. Information posted on the website is updated periodically.

For any feedbacks or enquiries, shareholders can direct them to the Company's designated email address ir- enquiries@kialim.com.my or directly to the Chairman, Mr Loh Chee Kan at his designated email address chairman@kialim.com.my.

In view of the size of the Company, Mr Ong Yu Hock is entrusted to assist Mr Loh with investor relation functions of the Company for the time being.

Part II – Conduct of General Meetings

13. Encourage Shareholder's Participation at General Meetings

13.1 Notice of General Meeting

Given the significance of general meetings, the notice of meeting together with the Annual Report is sent to the shareholders at least twenty-eight (28) days prior to the AGM, so as to maximise their attendance and to provide sufficient time to consider the resolutions that will be discussed and decided at the general meeting.

In this respect, the notice of AGM for year 2025 held on 29 May 2025 was served on 28 April 2025.

Concurrently, the notice of AGM is advertised in a nationally circulated English daily newspaper. In order to facilitate informed decision by the shareholders, notice of meeting is also accompanied by explanatory notes on the items of business to further explain the nature of business of the meeting.

13.2 Attendance of Directors at General Meeting

The AGM is the principal forum for dialogue with shareholders. Shareholders are provided with an opportunity to participate in the question and answer session in which shareholders may raise questions pertaining to the business activities of the Company. To encourage participation of shareholders at general meetings, the Chairman invites questions from shareholders for every agenda item of the meeting.

Board members and Senior Management team are available to respond to all queries and undertake to provide sufficient clarification on issues and concerns raised by the shareholders. The external auditors are also present to provide their professional and independent clarification on queries raised by shareholders.

All Directors attended the AGM held on 29 May 2025.

13.3 Deployment of Technology to Facilitate the Conduct of General Meeting

The Company has a relatively small base of shareholders and hence the feasibility of leveraging technology to facilitate voting in absentia and remote shareholders' participation at general meetings is relatively more costly to the Company than physical meetings. Therefore, the Company held its AGM physically in 2025. Kia Lim's 30th AGM was held at The Katerina Hotel on 29 May 2025 at 12.00 noon.

Shareholders are given sufficient time of twenty-eight (28) days from the date of notice of AGM to make their arrangements to attend the AGM. Shareholders who are unable to attend the AGM in person are entitled to appoint representative of proxy/Chairman to vote on their behalf in their absence.

13.4 Ensure Meaningful Engagement of General Meeting

The Chairman of the Board would ensure that the AGM supports meaningful engagement between the Board, Senior Management and shareholders. The engagement should be interactive and include robust discussion on among others the Company's financial and non-financial performance as well as the Company's long-term strategies. Shareholders would also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

The Company encourages shareholders to attend and participate in the AGM. The location of the AGM is near Batu Pahat town and readily accessible.

13.5 Circulation of Minutes of General Meetings

Minutes of the general meeting will be uploaded onto the Company's website no later than thirty (30) business days after the general meeting.

ADDITIONAL COMPLIANCE INFORMATION

a) Utilisation of Proceeds

No proceeds were raised by the company from any corporate exercise during the financial year.

b) Audit and Non-Audit Fees

During the financial year ended 31 December 2025, the amount of audit and non-audit fees paid/payable to the external auditors by the Group and the Company respectively were as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Statutory audit fees paid/payable to:				
- Ernst & Young PLT, Malaysia	175,000	157,000	52,000	43,000
Non-audit fees paid/payable to:				
- Ernst & Young PLT, Malaysia	10,000	8,000	10,000	8,000

c) Material Contracts

The Directors and major shareholders do not have any material contracts with the Company and/or its subsidiaries during the financial year.

d) Related Party Transactions

A list of significant related party transactions between the Company and its subsidiaries, and between the Group and other related parties including relevant Key Management personnel for the 12-month financial period ended 31 December 2025 is set out on page 90 of this Annual Report.

e) Disclosure of Financial Data for Shariah Screening

Pursuant to Paragraph 9.25A of the MMLR, 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 Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

		Group	
Total Income	Remarks	2025 RM	2024 RM
Revenue		55,903,875	44,157,914
Other income		793,937	772,685
Interest/Finance income		61,303	58,478
Share of (loss)/profit of associates		(5,587)	2,726
Total		56,753,528	44,991,803
Total Assets		83,658,302	78,488,524

(b) Business Activities

		Group	
Shariah Non-Compliant Activities	Remarks	2025 RM	2024 RM
Interest income	Conventional	15,513	32,793

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

e) Disclosure of Financial Data for Shariah Screening (Cont'd)

(c) Component of Financial Postion

(i) Cash Component

Islamic Account/Instruments	Remarks	Group 2025 RM	Group 2024 RM
Cash at bank		3,741	-
Deposits with licensed bank		1,549,484	1,503,154
Total Cash		1,553,225	1,503,154

Conventional Account/Instruments	Remarks	Group 2025 RM	Group 2024 RM
Cash at bank		1,364,112	67,369
Deposits with licensed bank		2,603,532	1,275,896
Total Cash		3,967,644	1,343,265

(ii) Debt Component

Islamic Financing	Remarks	Group 2025 RM	Group 2024 RM
Current			
Banker's acceptances		1,002,928	-
Non-Current		-	-
Total Financing		1,002,928	-

Conventional Borrowing	Remarks	Group 2025 RM	Group 2024 RM
Current			
Bank overdrafts		-	239,365
Banker's acceptances		217,243	304,717
Hire purchase payables		455,746	217,293
Non-Current			
Hire purchase payables		2,106,493	1,070,078
Total Debt		2,779,482	1,831,453

The Board shall remain committed to attaining the highest possible standards through the continuous adoption of the principles and best practices of the MCCG and all other applicable laws. The explanations on the departures are supplemented with a description on the alternative measures that seek to achieve the Intended Outcome of the departed Practices, measures that the Company has taken or intends to take to adopt the departed Practices as well as the timeframe for adoption of the departed Practices. Further details on the application of each individual Practice of MCCG are available in the CG Report.

The Board has reviewed and approved this statement on 2 April 2026.

MEMBERS

Ms Sam Ming Chia
- Chairman, Independent Non-Executive Director

Pn Haryanti Binti Othman
- Member, Independent Non-Executive Director

Mr Trevor Lawrence Richards
- Member, Independent Non-Executive Director

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year, the Audit Committee ("AC") has conducted its activities in accordance with its existing Terms of Reference. The activities are as follows:

- Reviewed and recommended for the Board's approval the quarterly financial results for public announcement;
- Reviewed with the external auditors their audit plan prior to the commencement of the audit activities;
- Discussed the annual audited financial statements with the external auditors and ensured that the financial reporting and disclosure requirements are complied with the relevant authorities, as well as their findings and recommendations;
- Discussed with the external auditors to ensure that internal control system is adequate and functioning and any weaknesses identified are properly remedied;
- Reviewed the independence, objectivity and effectiveness of the external auditors and the services provided, including non-audit services and corresponding fees;
- Reviewed and recommended the re-appointment of external auditors and the audit fees to the Board for its approval;
- Reviewed and ascertained related party transactions are conducted at arm's length and in the best interest of the Group;
- Reviewed and appraised potential conflicts of interest involving Directors and Senior Management. Ensure proper disclosure of conflicts of interest in the Annual Report;
- Reviewed whistleblowing reports or complaints related to conflicts of interest and ensure appropriate action is taken;
- Discussed and reviewed the updates of new developments on accounting standards issued by the Malaysian Accounting Standards Board;
- Received and reviewed the internal audit reports; and
- Reviewed the Corporate Governance Overview Statement, the AC Report and the Statement on Risk Management and Internal Control to be published in the Annual Report.

ATTENDANCE OF AUDIT COMMITTEE MEETINGS

Details of attendance at AC Meetings held in the financial year ended 31 December 2024 as follows:

Name of Audit Committee Members	Status	Number of Meetings Attended
Mr Vincent Wong Soon Choy *	Chairman	3/3
Ms Sam Ming Chia ^	Chairman	5/5
Pn Haryanti Binti Othman	Member	5/5
Mr Trevor Lawrence Richards #	Member	2/2

* Resigned on 30 May 2025
^ Redesignated on 30 May 2025
# Appointed on 30 May 2025

The Terms of Reference of the AC are available for reference on the Company's website at www.kialim.com.my.

The Group has an internal audit function which reports directly to the Committee.

The Group's internal and external auditors and certain members of the management team were invited to attend the Committee meetings. All participations in the Committee's meetings were strictly upon invitation.

The Committee also held two (2) separate dialogue sessions during the year under review with external auditors without the presence of the Management. The internal and external auditors have unfettered access to members of the AC including the Chairman anytime during the year.

Deliberations during the Committee meetings were minuted. The Chairman of the Committee reports the proceedings of the Committee to the Board after every Committee Meeting. Minutes of the meetings were circulated to all members of the Board and significant issues were brought up and discussed at Board meetings.

INTERNAL AUDIT FUNCTIONS

The AC is aware of the fact that an independent and adequately resourced internal audit function is essential to assist in obtaining the assurance it requires regarding the effectiveness of the system of internal controls. The Board has outsourced its internal audit function to an independent professional consulting firm.

The outsourced internal auditors had met with the AC to present their reports and to discuss their findings and the adequacy of the internal control system of the Group.

During the financial year under review, based on the risk-based audit programme drawn up, the Internal Audit function had conducted audit on key activities of the Group, including the areas of:

i) Sales Ordering, Invoicing and Collection Management;

ii) Credit Assessment and Control Management;

iii) Maintenance Management (Mechanical, Electrical and Electronic and Transport);

iv) Fixed Assets Management; and

v) Occupational Safety and Health Management.

The internal audit function also performed the status of follow-up audits on the Management's implementation of audit recommendations made for reporting to the AC.

In the course of auditing, the internal auditors have identified some internal control weaknesses which have been or are being addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Annual Report.

The cost incurred in maintaining the internal audit function for the financial year ended 31 December 2025 amounted to RM RM36,172.

INTRODUCTION

Kia Lim Berhad ("Kia Lim" or "the Company") and its subsidiaries ("the Group") are honoured to introduce our Annual Sustainability Statement for 2025. The Board of Directors recognises the importance of corporate sustainability as its commitment to grow its business in a sustainable path and response responsibly to the stakeholders, environment and society by maintaining the balance of ecosystem.

This Sustainability Statement ("the Statement") outlines the sustainability matters throughout the Group in the economic, environmental, social and governance issues of our business operations, approaches and activities, including our efforts at improving our practices to achieve our long-term goals.

We have identified issues that are material to our organisation from a sustainable perspective, and our best efforts and strategies to address them. Qualitative and quantitative data is provided wherever possible. We will strive to improve our disclosure in future reports and are committed to monitoring and measuring our progress in implementing sustainability throughout the Group.

REPORTING SCOPE AND PERIOD

This Statement covers the sustainability performance for the Company and its subsidiaries' current manufacturing of bricks and related products in Johor, Malaysia. This Statement covers the reporting period from 1 January 2025 to 31 December 2025, which historical data of the preceding years is included for comparison, where available and relevant.

REPORTING GUIDANCE AND SCOPE

This Statement is prepared in accordance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and with reference to the Sustainability Reporting Guide and Toolkits (3rd Edition) by Bursa Securities.

This Statement has been reviewed by the Management and approved by the Board. The Sustainability policies, initiatives and data published in this Statement have been internally collected, processed, verified and validated which are considered reasonably appropriate and acceptable. All of these have been verified by our respective heads of departments within the Group. We have not sought any external assurance for this Statement. The Group however acknowledges the verification credibility by third-party, and will consider to seek external assurance in the future as we continuously enhance our reporting processes.

ASSURANCE STATEMENT

An independent external assurance process has not been initiated for the Group's Sustainability Statement in Financial Year 2025 ("FY2025") but its contents have undergone a rigorous internal validation process led by division heads and data stewards. This ensures the integrity and reliability of all reported metrics to further enhance disclosure credibility. We remain committed to stakeholder transparency and are actively working toward aligning our reporting with the standards of accountability.

FEEDBACK

Our Sustainability Statement 2025 can be viewed and downloaded from Kia Lim's official website at www.kialim.com.my.

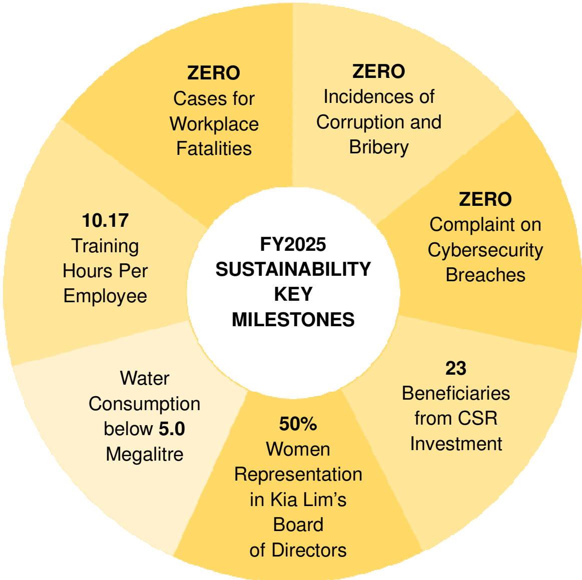
Kia Lim welcomes any input including feedbacks, questions, comments, or suggestions in order to improve our sustainability initiatives, reporting and overall sustainability performance. Our contact details are as below:

Office Telephone No.	:	07-418 6230 / 418 6249
Email	:	sustainability@kialim.com.my
Headquarters Address	:	Wisma Ng Hoo Tee, 79, Jalan Muar, 83500 Parit Sulong, Batu Pahat, Johor Darul Takzim, Malaysia.
Factory Address	:	Batu 1 1⁄4, Jalan Kangkar Senangar, Off Jalan Muar, 83500 Parit Sulong, Batu Pahat, Johor Darul Takzim, Malaysia.

In FY2025, Kia Lim has proudly accomplished several remarkable fulfilments of sustainability initiatives under our four (4) pillars of Economic, Environmental, Social and Governance ("ESG") to express our persistence in conserving our business operations in a sustainable way.

We are optimistic towards our ESG performance across our business activities, aligning with the global sustainability scorecard and contributing to a sustainable future.

ESG SCORECARD HIGHLIGHTS YEAR 2025



SUSTAINABILITY GOVERNANCE

The sustainability governance structure serves as the foundation for supporting the implementation of sustainability initiative, business performance, determine goals, improve the reporting process, strengthen interrelation with our stakeholders. The importance of sustaining governance is vital to prioritise the well-being of stakeholders in the present as well as in the future.

This objective is to ensure the overall accountability across the organisation with the sustainability measures. The sustainability in the Group is implemented on a top-down approach. The optimum responsibility of the Board is to oversee and promote the embedded sustainability to be aligned with the Group's business strategy. The Board is backed by the key management and has set up a Sustainability Working Group ("SWG") from diverse departments within the organisation to nourish the Group's inaugural sustainability disclosure.

Sustainability Governance Structure

The roles and responsibilities for the Board of Directors, SWG Chairman, Chief Sustainability Officer and SWG Members are listed as follows.

Board of Directors	**Sustainability Working Group Chairman**	**Chief Sustainability Officer**	**Sustainability Working Group Members**
Role Has overall responsibility for the Group's sustainability governance	**Role** Oversee the Group's implementation and performance on Sustainability	**Role** Develop and implement sustainability strategies and measures	**Role** Implement sustainability practices throughout the Group
Responsibilities • Govern the Group's overall sustainability agenda and strategy • Oversee the Group's sustainability initiatives • Responsible on final review on the sustainability matters arise from the Group	**Responsibilities** • SWG is chaired by the Chief Executive Officer • Supervise the Group's progress in sustainability programmes • Provide direction and endorse all decisions pertaining to sustainability • Ensure the Group's Sustainability in align with Bursa Securities' Listing Requirements	**Responsibilities** • Monitor Sustainability's objectives and action plans • Consolidate information into Sustainability Reporting and report to Chief Executive Officer • Collaborate with SWG members to integrate sustainability into overall business strategy	**Responsibilities** • Create sustainability awareness among employees • Report sustainability related performance • Manage sustainability related risk and opportunity

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is vital for the Group by actively collaborating with diverse stakeholders to ensure the viewpoints are considered and aligned for better decision making that in turn can impact our business activities. It also plays an important position in shaping Kia Lim's business strategies and operations, particularly during materiality analysis.

Kia Lim strives to provide long-term sustainable values to our stakeholders such as Board of Directors, shareholders, employees, customers, contractors/suppliers, communities and regulators and government bodies. These groups were identified based on their varying levels of influence and dependency on our business environment.

Kia Lim is committed to communicate with stakeholders to understand their needs and expectations while also addressing their concerns regarding our potential for both financial and non-financial value creation. Kia Lim endeavours to achieve the engagement through collaboration and regular interaction with the stakeholder groups. Below, we present a stakeholder engagement table that highlights the different types of engagement and their relationships with the Group.

Stakeholders	Engagement Channel	Areas of Concern
Board of Directors 	• Board meeting • Annual general meetings • Annual reports • Corporate website	• Ethical and sustainable policies • Return on investment • Succession planning • Corporate governance and compliance
Shareholders 	• Corporate announcements • Annual reports • Quarterly reporting	• Financial performance • Corporate governance • Risk management
Employees 	• Job introduction and orientation • Intranet portal (ISO Online) • Internal and external training • Corporate and community activities • Performance evaluation	• Compensation and benefits • Career development • Safety at work • Working environment • Ethics and disciplines
Customers 	• Customer satisfaction survey • Online enquiries via corporate website • Direct customer calls • Complaint handling and feedback	• Customer satisfaction • Quality of products • Price of products
Contractors/Suppliers 	• Anti-Bribery and Anti-Corruption declaration form • Personal Data Protection Act 2010 consent form • Regular interaction through tele-conversation, email and in-person	• Supply chain management • Payment term and lead time • Business conduct,integrity and ethics
Communities 	• Sponsorships and donations • Industry associations • Corporate social responsibility activities • Corporate website	• Job opportunities • Social responsibilities
Regulators and Government Bodies 	• Corporate announcements • Corporate website • Regular visits • Compliance efforts (eg. Report submissions to regulator)	• Compliance with laws and regulations • Labour practices • Occupation health and safety • Good governance

STAKEHOLDER PRIORITISATION

The focal point of the study centered on assessing the importance of eleven (11) sustainability matters. These matters were carefully managed to reflect the feedback received during stakeholder engagement sessions that in align with the current priorities.

This extensive approach to the materiality assessment survey indicates Kia Lim's adherence to inclusive stakeholder engagement and is committed to refine its sustainability strategy based on distinct and delegate feedbacks. The denoting enhancements in participation and methodology reflect the Group's proactive stance in addressing sustainability matters and ensuring that its business strategies align closely with stakeholder priorities and expectations.

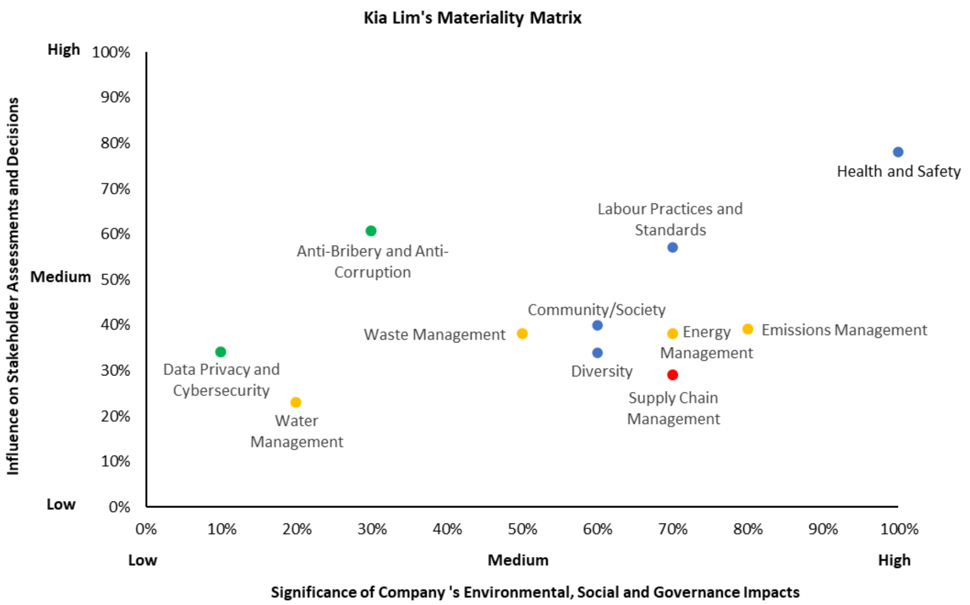
The Stakeholder Prioritisation Matrix is plotted by evaluation from each stakeholder group in determining their influence and dependency on Kia Lim.

MATERIALITY ASSESSMENT

Materiality assessment is a crucial process that business entity uses for sustainable practices and strategic decision making. By recognising and prioritising the most relevant ESG factors that could directly or indirectly influence the overall financial health, stakeholder interests, and sustainability challenges and opportunities, the Group has to ascertain the ability to allocate resources adequately towards achieving the strategic goals.

We outline the process of our materiality assessment as below.

Identification and Engagement	Prioritisation	Validation
A list of material matters was initially recognised as relevant to Bursa Securities' materiality framework. Our top key Senior Management was engaged to assess the overall business environment with the sustainability matters that might impact on Kia Lim.	Eleven (11) key material sustainability matters in total were prioritised as defined in our materiality matrix. The Stakeholder Prioritisation Matrix was initiated by assessing the influence level and dependency of each stakeholder on Kia Lim.	The outcome of the materiality prioritisation process and the materiality matrix was validated and refined accordingly before getting approval from the Board of Directors.



No.	Material Matters	No.	Material Matters
1	Health and Safety	7	Diversity
2	Emissions Management	8	Anti-Bribery and Anti-Corruption
3	Labour Practices and Standards	9	Waste Management
4	Energy Management	10	Data Privacy and Cybersecurity
5	Supply Chain Management	11	Water Management
6	Community/Society		

SUSTAINABILITY FRAMEWORK

In accordance with the Bursa Securities Sustainability Reporting Guide (3rd Edition), the Group has determined the sustainability matters of highest priority to both the Group and its stakeholders. Our sustainability framework prioritises economic, environmental, social and governance factors, which are integrated into our business strategy to serve stakeholder needs. We aim to deliver excellent services, minimise our environmental footprint, and engage with local communities. We are committed to addressing key challenges within these areas, implementing our sustainable strategy, and continuously improving our performance.

Kia Lim Sustainability Framework

Economic	Environmental	Social	Governance
Supply Chain Management	Energy Management	Health and Safety	Anti-Bribery and Anti-Corruption
	Water Management	Diversity	Data Privacy and Cybersecurity
	Waste Management	Labour Practices and Standards	
	Emission Management	Community/Society	

Risks and Opportunities

Modern business success hinges on navigating the intricate relationship between social responsibility and environmental sustainability. This report details our strategy by addressing these intertwined challenges, outlining both the potential risks and the significant opportunities for long-term growth and value creation for all stakeholders.

Materiality	Risk	Opportunity
Supply Chain Management	• Failure of suppliers and contractors to adhere to our Anti-Bribery and Anti-Corruption Policy poses a risk of supply chain interruptions.	• Ethical and well-organised procurement drives cost savings and ensures the Group remains competitive.
Energy Management	• Inefficient energy use can lead to higher operating costs and reduced profitability. • Investors are increasingly prioritising ESG factors, and companies with poor energy management practices may face difficulty in attracting capital.	• Improving energy efficiency can significantly reduce operating costs. • Investing in energy-efficient technologies and renewable energy sources can drive innovation and create new business opportunities.
Water Management	• Extreme weather events can damage infrastructure, disrupt supply chains, and cause financial losses. • Water quality degradation can lead to regulatory fines, increased treatment costs, and reputational damage.	• Implementing water recycling and reuse programmes can conserve resources and reduce wastewater discharge. • Investing in water treatment and purification technologies can address water quality challenges.
Waste Management	• Improper handling of hazardous waste can pose significant health and safety risks. • Stricter regulations on waste disposal, recycling, and hazardous waste management can lead to increased compliance costs and potential fines.	• Implementing waste reduction and recycling programs can significantly reduce disposal costs. • Optimising waste management processes can improve operational efficiency.
Emissions Management	• Failure to comply can result in fines, penalties, and legal. • Climate change-related events (e.g., extreme weather, sea-level rise) can disrupt operations, damage assets, and impact supply chains.	• Transitioning to renewable energy sources can provide long-term cost stability and reduce reliance on fossil fuels. • Adopting sustainable practices can differentiate a company from its competitors and create a competitive edge.
Health and Safety	• Workplace accidents and injuries can lead to production disruptions, downtime, increased costs and higher employee absenteeism and turnover. • Failure to comply with laws and regulations can result in fines, penalties, and legal action.	• A safe and healthy workplace can boost employee morale, engagement, and productivity. • Strong Health and Safety performance can enhance a company's reputation as a responsible and ethical employer.
Diversity	• Allegations of discrimination or lack of diversity can severely damage a company's reputation and brand image.	• A diverse and inclusive workplace can attract and retain top talent from all backgrounds.
Labour Practices and Standards	• Labour disputes and strikes can disrupt operations and lead to production losses. • Violations of labour laws, such as those related to wages, working hours, and worker safety, can result in fines, penalties, and legal action.	• Demonstrating a strong commitment to fair labour practices can enhance a company's reputation as a responsible and ethical employer. • A positive and supportive working environment can improve employee retention.
Community/Society	• Neglecting these social responsibilities risks damaging Kia Lim's public image and eroding customer loyalty.	• We build robust connections with local communities through ongoing engagement in our community impact programs.
Anti-Bribery and Anti-Corruption	• Loss of public trust and consumer confidence. • Loss of contracts and business • Significant legal costs and fines.	• Building trust with customers, investors, and other stakeholders. • Protecting the company from financial losses associated with corruption. • Stronger internal controls.
Data Privacy and Cybersecurity	• Data breaches can lead to significant financial losses due to fines, legal fees, and remediation costs. • Cyberattacks can disrupt operations and lead to production losses.	• Gaining a competitive advantage by being seen as a secure and reliable partner. • Reducing the risk of disruptions and downtime

ECONOMIC

Supply Chain Management

We collaborate with supply chain partners to ensure their operations are in line with our standards and expectations. All service providers and suppliers for the Group are required to declare and comply with Anti-Bribery and Anti-Corruption ("ABAC") Policy via the Declaration Form. All procurements are conducted in compliance with Manual of Authorisation & Spending Limits and Purchasing Policy.

Kia Lim joined Supplier Ethical Data Exchange ("SEDEX") on 2 April 2025. Sedex is a global membership organisation and centralised online platform that supports companies in managing, evaluating, and improving ethical and sustainable practices across their supply chains. It allows businesses to share and access information related to labour standards, health and safety, environmental performance, and business ethics, commonly through the use of the Sedex Members Ethical Trade Audit ("SMETA") audit framework. It supports businesses in identifying potential risks, meeting compliance requirements, and strengthening their corporate reputation.

We place great emphasis on supporting our local community, and one way we demonstrate this is by prioritising our procurement spending on local suppliers. By partnering with local suppliers, we aim to strengthen our local economy while also building lasting relationships that benefit all parties involved. Furthermore, we believe that sourcing goods and services locally helps to reduce our carbon footprint and supports sustainable business practices.

The table below presents the total allocation of spending for local and foreign markets from FY2023 to FY2025.

	FY2025	FY2024	FY2023
Local Suppliers' Expenditure	97.06 %	92.36%	94.63%

	FY2025	FY2024	FY2023
Foreign Suppliers' Expenditure	2.94 %	7.64%	5.37%

ENVIRONMENT

The major environmental challenges in business are climate change, scarcity of natural resources, pollution and waste. As such, the Group has initiated an environmental planning and policy that distinctly feature our commitment in ensuring that environmentally hazardous substances or wastes are well managed before discharging from our premises. To achieve this, we implemented various initiatives in energy, water, waste and emissions management for our business operations.

In alignment with Malaysia's National Sustainability Reporting Framework and the latest sustainability disclosure standards under IFRS S1 and IFRS S2, we are progressively strengthening our climate-related disclosures and refining our practices to comply with these updated requirements.

The Group maintains a comprehensive Environmental Policy, which is designed to align with the ISO 14001:2015 Environmental Management standard adopted in FY2024. Our Group's Environmental Policy consists of its own energy, water and waste management policies. Our ultimate goals commit to improve continuously with Go Green Initiatives, optimise the usage of water and energy during our business process and responsible to environmental preservation and pollution prevention.

Energy Management

The Group is strived to supervise and manage the energy management to optimise efficiency of production in order to reduce the unnecessary energy waste and carbon footprints. Due to the surging electricity prices in Malaysia driven by the increase of global fuel prices, we also aim to manage and optimise our energy consumption.

Total Electricity Consumption is based on the combination of electricity usage of the Group. In FY2025, the Group consumed 8,185 Megawatt of electricity in comparison to 6,985 Megawatt in FY2024 which reflected a 17% grow of annual energy consumption. The main reason is the Group resumed another production line in the beginning of FY2025 and we are running two production lines concurrently.

In energy management, we have engaged a Registered Electrical Energy Manager ("REEM") that recommended by Energy Commission to carry out Efficient Electrical Energy Reviews in our plants twice a year. Based on the electricity consumption data provided, we will have a full report on the energy saving measures and recommendations by the REEM.

In FY2025, we applied and successfully obtained approval from Energy Audit Conditional Grant ("EACG") which is an energy efficiency scheme under the 13th Malaysia Plan. The programme is supported by government and Energy Commission to provide financial assistance to conduct energy audit and also implementation of energy saving measures in our premises. The EACG will help us to reduce operational costs related to energy consumption, thereby minimising the demand for energy generation and ultimately lowering our carbon footprint.

ENVIRONMENT (CONT'D)

Energy Management (Cont'd)

Energy Management				
	Unit	FY2025	FY2024	FY2023
Total Electricity Consumption	Megawatt / hour	8,185	6,985	6,537

Water Management

The Group acknowledges the importance of conserving water resources and persistently exploring sustainable channels by reducing reliance on direct water usage from Ranhill SAJ.

Certain preventive measures have been conducted by the Group to prevent any unnecessary leaks or wastes in the infrastructure, and utilise rain water by harvesting at multiple points as alternative water sources. Harvested rain water is used mainly for cleaning purposes within the premises. Besides, the Group encourages all employees for water-saving practices, such as switching off water tap when is not in use and also promptly report to respective person in charge if any water leakage is found within the premises.

In FY2025, the Group reported the utilisation of water at 2.30 Megalitres in total. The Group has achieved its direct water consumption target below 5.0 Megalitres per annum. The low consumption of direct water resources indicates our commitment and obligation over sustainable water management and also our efforts in improving the water usage efficiency within the Group. The Group will constantly enforce water conservation measures by prioritising the usage of water responsibly.

Water Management				
	Unit	FY2025	FY2024	FY2023
Total Water Consumption	Megalitres	2.30	3.38	2.74

Waste Management

Inadequate processes on handling waste management carries substantial dangers to the surrounding of our premise such as adverse impacts on air and water quality, soil pollutions, increased risk of exposure to hazardous materials for our personnel and the local communities. To proactively minimise these potential risks, Kia Lim acknowledges that strict adherence to local waste rules and regulations is essential.

Kia Lim prioritises responsible waste management through a multi-faceted approach. In compliance with Environmental Quality (Scheduled Waste) Regulations 2005, the Group ensures scheduled wastes are collected safely, well-handled and dispose properly. Our internal team includes certified Competent Persons who ensure our waste management complies with the required environmental standards. We liaise with authorised external disposal specialists who adhere to strict protocols for proper waste disposal at certified facilities with their approved transportation arrangement from our premises to their facilities.

The Group discloses oil filter as diverted to disposal which falls under Scheduled Waste SW410 and engine oil as diverted from disposal which falls under SW305. Oil filters from vehicles were categorised under diverted to disposal as it was only given single usage and no longer to be re-used for second time. However, engine oils extracted from vehicles were collected and well stored in labelled drum with a designated area in the plant and being re-used as lubricant for machineries.

We actively monitor waste volume, with FY2025 showing an increase due to an additional production line resumed and running parallelly. We are committed to optimising processes to minimise wastages and ensuring all discharges meeting regulatory standards, safeguarding the environment and our community.

Waste Management				
	Unit	FY2025	FY2024	FY2023
Total Waste Diverted from Disposal	Kilogram	2,120	1,840	0
Total Waste Diverted to Disposal	Kilogram	336	586	264

ENVIRONMENT (CONT'D)

Emissions Management

Kia Lim is committed to reducing its carbon footprint through proactive emissions management, recognising this as both an ethical imperative and a crucial component of long-term business sustainability. By actively controlling emissions, we contribute to climate risk mitigation strategies and enhance our reputation as a responsible conservationist. This approach yields cost savings and strengthens our appeal to environmentally conscious stakeholders.

The Group will comply with Malaysia's newly introduced National Sustainability Reporting Framework. We are committed to proactive sustainability efforts and fully support this national initiative. As it also strengthens our resilience and support the transition to a low-carbon economy.

Scope 1 emissions are direct Greenhouse Gas ("GHG") emissions from sources that controlled by the Group. The Group's primary Scope 1 emissions sources are the direct consumption from diesel, petroleum coke and shaving dusts. These fuels were used for the Company vehicles and production lines during business operations. Emission factors for Scope 1 calculation are retrieved from UK Department for Energy Security and Net Zero 2023 ("UK DEFRA 2023"). Greenhouse Gas Reporting: Conversion Factors 2023

Scope 2 emissions are indirect GHG emissions arising from the generation of purchased electricity consumed. Scope 2 calculation is based on Energy Commission, Malaysia Energy Information Hub ("MEIH") in 2021.

For Scope 3 emissions, the Group only discloses at the minimum of 2 elements, such as Employee Commuting and Business Travel. Calculation for Scope 3 is referring to the guidelines from UK DEFRA 2023. For all the calculation and reporting of these emissions are based on the Greenhouse Gas Protocol to ensure the accuracy and transparency. In FY2025, our Group acquired its first fully electric vehicle ("EV") for employee commuting.

Emissions Management				
	Unit	FY2025	FY2024	FY2023
Scope 1	tCO2e	11,339.10	10,678.49	9,109.59
Scope 2	tCO2e	6,204.17	5,294.91	4,971.41
Scope 3	tCO2e	136.35	127.28	0.00
Total	tCO2e	17,679.62	16,100.68	14,081.00

SOCIAL

The Board acknowledges its responsibility to prioritise the safety and wellbeing of our employees, customers, and the communities in which we operate. The social pillar holds significant importance for us as we believe that people are at the core of our business. Hence, we consistently invest in ensuring the safety and health of our employees, deliver excellent customer service, and work towards the betterment of the communities we are committed to.

Health and Safety

The Group's operating plants comprise of different range of machineries, whereby certain machineries are automated while certain other machineries are either semi-automated or even manual. For the automated machines, workers will only be required to monitor that the machines are functioning smoothly whereas for the semi–automated and the manual machines, constant attention is required at all times. Possibility of accidents occurring is considered high due to reasons of negligence by workers or safety measures and practices are not in place.

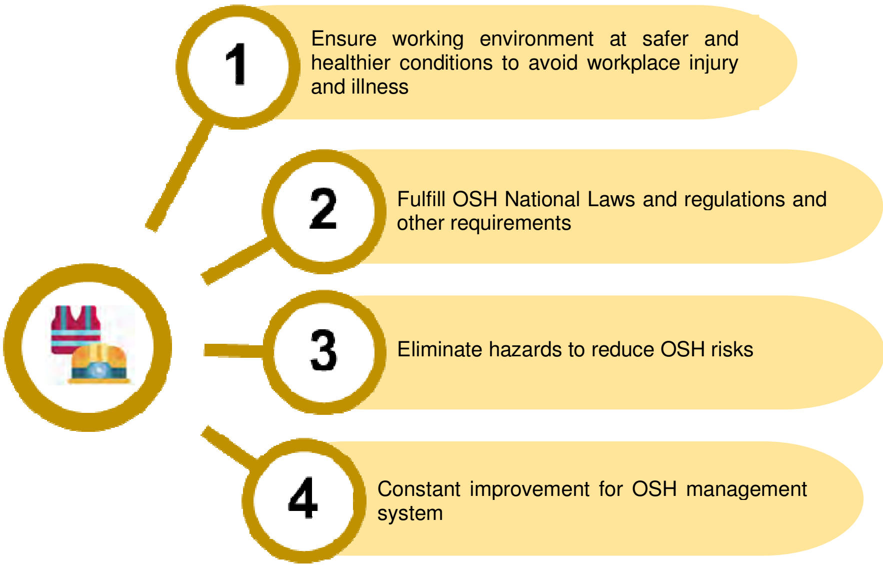
Further to that, lack of good health and safety practices and enforcement may lead to occurrences of industrial accidents and disruptions on machine operations. Based on regulations, the Group is susceptible to penalisation or Directors being brought to court by authorities and this will cause unwanted operational stoppage and eventually an adverse effect to the Group's profits. Managing and enforcing the health and safety practices at all operating plants is essential and being constantly emphasised and enforced.

The Group has reviewed the comprehensive Occupational Safety & Health ("OSH") Policy that in align with the implementation of ISO 45001:2018 Occupational Health and Safety Management in 2025. The highest priority of the Group is the health and safety of employees, customers, contractors, suppliers, visitors and local communities. Our OSH Policy highlights its commitment to provide a safe and healthy working environment and assure the safety and health in Kia Lim are committed in the planning and execution of the business activities, in compliance with all applicable OSH National Laws and Regulations. Besides, Kia Lim strives to prevent any occupational injuries and accidents and promote a working culture whereby all employees having the common awareness of preventing injuries at all cost.

SOCIAL (CONT'D)

Health and Safety (Cont'd)

Key commitments defined by the Group's top management:

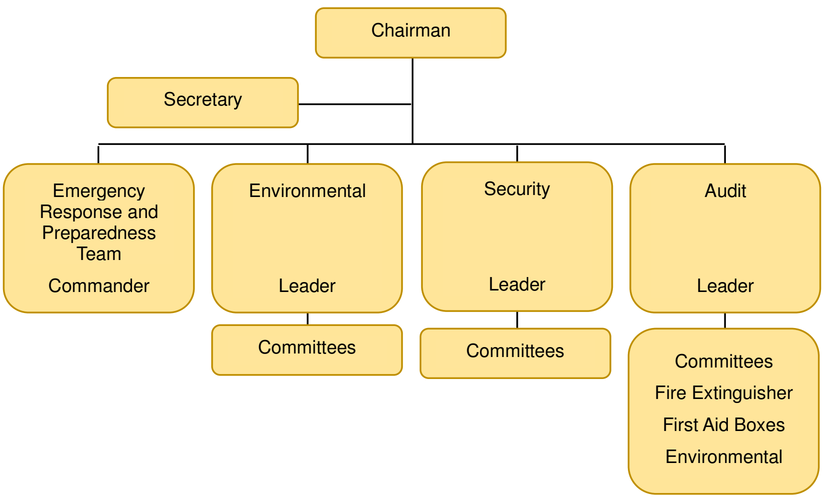


In addition to the OSH Policy, OSH Risk Assessments in workplaces were conducted by our Safety, Environmental and Security Committee ("SESC") members by evaluating working environments for different departments, particularly referring to those high-risk workplaces, and assuring those critical areas were monitored by the Group from time to time.

Various OSH initiatives were initiated by Kia Lim to reduce the occupational safety and health risks and hazards. Implementation of common practices to control the potential hazards such as providing necessary Personal Protective Equipment ("PPE") to respective employees, ensuring close supervision from line supervisors and managers and assigning the competent personnel to handle the right machinery and equipment.

To ensure compliance and a safe working environment, SESC is revamped and members are tasked to manage health and safety related issues at the operating plants. SESC members will conduct regular audits to check on the functionality of fire extinguishers, condition of the air compressors, first aid kits and also on the compliance of wearing PPE at the operating plants. SESC members also continuously review the system that is in place, and where necessary, new measures are introduced to improve the safety and hygienic working conditions and/or minimise workplace accidents. Besides, all SESC members are required to participate quarterly meeting that focus on the latest accident statistic data, measures for safety enhancement, health and safety information, knowledge and other health and safety related concerns.

Below is the organisational chart for our SESC:



SOCIAL (CONT'D)

Health and Safety (Cont'd)

In FY2025, a total of 138 employees were given health and safety related trainings and briefings and recorded a total of 283.50 training hours. The Group sustained the result achieved in FY2024 into FY2025.

	FY2025	FY2024	FY2023
Number of Employees Trained on Health and Safety Standards	138	102	26

Kia Lim's OSH performance is consistantly being monitored by top management as well as the SESC members and the details are shown below:

Kia Lim's OSH Performance			
	FY2025	FY2024	FY2023
Number of Cases for Work-Related Fatalities	0	0	0
Lost Time Incident Rate	3.4	1.7	0

**Lost Time Incident Rate ("LTIR") = (Number of lost time injuries in the reporting period/Total number of hours worked in the reporting period) * 200,000*

A minor rise in the Group's LTIR occurred this year, primarily attributable to the onboarding of new recruits who need additional training on our operational safety procedures.

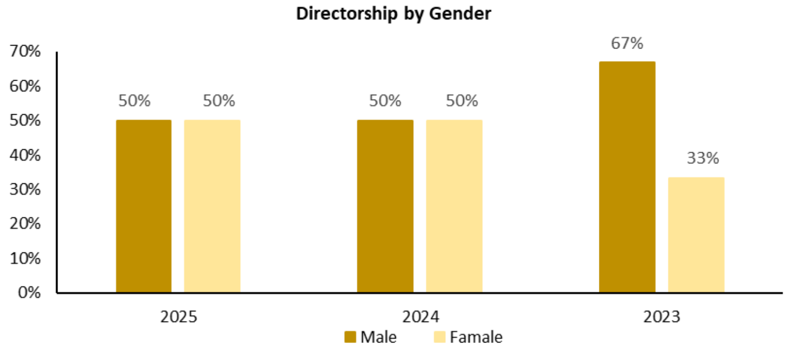
In November 2025, Kia Lim arranged a fire drill training in our factory that conducted by Fire Brigade from Yong Peng District and most of our workforces participated in this exciting hand-on training. The conductor was not only giving fire drill and evacuation briefing but also provided the hand-on training on putting out a fire with different scenarios at our Assembly Point.

SOCIAL (CONT'D)

Diversity

Kia Lim strives to cultivate a sustainable working environment that adopts diversity within the organisation. By accepting the diversity culture, it helps the organisation to contribute diverse ideas, creativity, and innovation and also accelerate problem solving, leading to business success.

The Board appreciates the benefits of having gender diversity in the boardroom as a mix-gendered board would offer different viewpoints, ideas and market insights which enable better problem solving than the boardroom that dominated by one gender. We continue to support the aspiration of Malaysian Code on Corporate Governance 2021 that all boards of listed issuers should comprise at least 30% women directors. In FY2025, we managed to maintain 50% of women directorship.



In FY2025, the Group employed a total of 193 employees, with the majority aged between 30 and 50, indicating a workforce largely comprised of experienced professionals in their mid-career stage. Female representation decreased marginally from 18.23% in FY2024 to 17.62% in FY2025, while continuing to reflect a reasonable level of gender diversity within the organisation. The workforce remains predominantly male, which is broadly aligned with the characteristics of the industries in which the Group operates. Nevertheless, the Group remains committed to promoting diversity, equality and inclusion, and will continue to strengthen initiatives aimed at fostering a more balanced and inclusive workplace.

Meanwhile, the tables below provide a summary of the Group's workforce diversity by age and gender for FY2023 to FY2025.

Employees (FY2025)					
Employee Category	**Gender**		**Gender**		
	Male	**Female**	**Under 30**	**30 - 50**	**Above 50**
Top Management	7.77%	3.63%	0.00%	3.11%	8.29%
Middle Management	4.15%	2.59%	0.52%	2.07%	4.15%
Frontline Management	11.92%	4.15%	0.00%	10.36%	5.70%
Non-managerial employees	58.55%	7.25%	9.84%	36.27%	19.69%
Total	82.38%	17.62%	10.36%	51.81%	37.82

Employees (FY2024)					
Employee Category	**Gender**		**Gender**		
	Male	**Female**	**Under 30**	**30 - 50**	**Above 50**
Top Management	8.33%	3.65%	0.00%	2.60%	9.38%
Middle Management	4.17%	2.08%	0.00%	2.08%	4.17%
Frontline Management	12.50%	3.65%	0.52%	9.38%	6.25%
Non-managerial employees	56.77%	8.85%	11.46%	36.46%	17.71%
Total	81.77%	18.23%	11.98%	50.52%	37.50%

Employees (FY2023)					
Employee Category	**Gender**		**Gender**		
	Male	**Female**	**Under 30**	**30 - 50**	**Above 50**
Top Management	8.60%	3.23%	0.00%	2.69%	9.14%
Middle Management	4.30%	1.61%	0.00%	3.76%	2.15%
Frontline Management	12.37%	2.15%	0.00%	8.60%	5.91%
Non-managerial employees	57.53%	10.22%	8.60%	39.25%	19.89%
Total	82.80%	17.20%	8.60%	54.30%	37.10%

SOCIAL (CONT'D)

Labour Practices and Standards

The Group is committed to contribute human capital investment in promoting sustainable growth across the Group by continuously providing its employees the space of learning and development through upskilling and the latest knowledge. The trainings provided to employees consist of e-learning module and physical class training programmes. These trainings offered to employees are based on voluntary and/or mandatory depending on the job performance reviewed by each head of department.

The Group recorded a total of 1,962.50 training hours in FY2025. Our target is to maintain at least 4 training hours per employee and in FY2025, we achieved 10.17 training hours per employee.

The table below shows the total training hours spent for employees from FY2023 to FY2025.

	FY2025	FY2024	FY2023
Total Training Hours	1,962.50	2,372.00	1,200.00

The Group complies with the local labour laws and regulations concerning the minimum wage policy to promote the welfare of its employees. The Group ensures all employees are offered with equal opportunities. The Group emphasises zero-tolerance for any form of discrimination, harassment and unfair treatment against race, religion, gender, age, disability and nationality, as introduced in Kia Lim's Code of Conduct and Ethics Policy. Our Human Resource personnel also conducted Sexual Harassment briefing to our workforces.

Over the past financial years, the Group's workforce has not been represented by any labour union, and industrial relations have remained stable, with no material disputes reported. In FY2025, the Group also recorded no substantiated complaints pertaining to human rights violations, reflecting its ongoing commitment to upholding fair, ethical, and responsible employment practices.

Types of Employee Benefits	Description
Healthcare Benefits	Group Hospitalisation & Surgical, Group Personal Accident, medical fee allowance
Paid Leave Entitlement	Annual leave, medical leave, marriage leave, maternity leave, paternity leave, hospitalisation leave, compassionate leave, special leave (for attending seminars/ courses/trainings/conventions)
Allowances	Outstation allowance, meal allowance, shift allowance (for production workers)
Fringe Benefit	Company car, petrol allowance

In addition, the Group also recorded a low turnover of 17 employees out of 193 in FY2025 translates to a turnover rate of approximately 8.8%. The table below shows the total number of employee turnover in Kia Lim from FY2023 to FY2025.

	FY2025	FY2024	FY2023
Total Number of Employee Turnover	17	13	16

We are trying our best to treat every personnel with dignity and respect within the workplace. Hence, we are committed to cultivate a positive and sustainable working culture where everyone can flourish and devote to our collective business growth and prosperity.

Community/Society

Kia Lim is deeply committed to impactful Corporate Social Responsibility ("CSR") programmes, focusing on enhancing community well-being and providing essential support to those in need. We believe this reflects our core responsibility as a caring corporate citizen.

Our CSR initiatives extend beyond community support, fostering a culture of volunteerism among our employees. We encourage participation in volunteer activities, instilling values of kindness and generosity. Employee volunteers are recognised and rewarded with approved token of appreciations. In FY2025, the Group's Human Resources Department arranged a Blood Donation Campaign and the participation from both internal employees and local communities were encouraged.

SOCIAL (CONT'D)

Labour Practices and Standards (Cont'd)

Our social investments are not only limited to financial assistance but also extending to non-financial assistance to local communities who are in need. In 2025, the Group contributed our key product, common clay bricks, to a local primary school, SJK (C) Sulong for their rebuilding purposes.

In FY2025, we increased our social contributions amounting to RM38,001.10 as compared to 34,001.46 in FY2024. In addition, we also allocated a special fund of RM10,000.00 for our employees to apply in the event of urgent needs.

We always strive to give something back to the neighbouring communities in which we operate. It is the Group's culture to encourage its Management and employees to be involved in welfare work and charity activities, and the spirit of caring and sharing has been amply demonstrated by them. Going forward, the Group will continue to support the community by undertaking CSR programmes that benefit underprivileged and less fortunate people.

Kia Lim's Community Investments

	FY2025	FY2024	FY2023
Total Amount of Social Investments - RM	38,001.10	34,001.46	15,234.10
Total Number of Beneficiaries	23	20	13

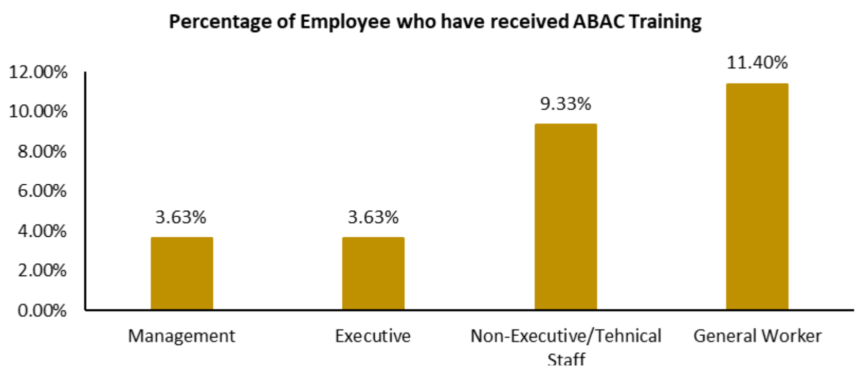
GOVERNANCE

Anti-Bribery and Anti-Corruption

A resilient governance structure underpins the success in a business landscape of our organisation. We commit to endorse ABAC practices by maintaining high standards of ethics.

Our stringent policies and procedures, coupled with periodic briefings and awareness campaigns, serve as a communication bridge to our employees on the importance of ethical conduct and our steadfast commitment to maintaining a culture of integrity.

ABAC awareness has been conducted in FY2025 by displaying posters in our workplaces. ABAC policy has been reviewed and available on our Kia Lim's website. Besides, ABAC short briefings were conducted in small group basis especially for our workforces in factory. In FY2025, we recorded a total of 54 employees who attended ABAC Training/Briefing.



The Group recorded ZERO case of bribery and corruption within our organisation in FY2025 whereby no employee was disciplined or dismissed due to non-compliance with the ABAC Policy.

Anti-Bribery and Anti-Corruption

	FY2025	FY2024	FY2023
Percentage of Operations Assessed for Corruption-Related Risks	100%	100%	100%
Number of Confirmed Corruption Incidents	0	0	0

GOVERNANCE (CONT'D)

Data Privacy and Cybersecurity

Cybersecurity is a surging issue of importance as the threats of data losses and data leakage can gravely affect the whole business ecosystem within our organisation. Hence, we are committed to safeguard the privacy and security of our customers' data.

The Group acknowledges that collection, use, processing and storage of sensitive personal data for our stakeholders and other third parties must comply with the laws and regulations. As such, the Group ensures business activities are in compliance with Personal Data Protection Act ("PDPA"). The Group has put in place a PDPA Policy and the policy is available on our internal shared folders as well as official website. PDPA awareness briefing is conducted for every employee especially for new joiner, and related training will be conducted once a year.

To prevent data losses, our Information Technology ("IT") department is responsible for performing regular checking on server and also implementing automatic data back-up internally with physical access restriction, except for authorised personnel. Moreover, to prevent data leakage or data damage from external parties, double layer of cybersecurity protection has implemented and being reviewed on a timely basis by IT department. Our IT department is responsible to monitor the Firewall system to avert the external cyber-attack in our organisation. Then, the department ensures all the systems and software including Antivirus Software are up-to-date and the licenses are genuine.

In FY2025, the Group recorded ZERO complaint concerning breaches of customer privacy and losses of customer data. The Group continuously monitors and reviews our systems to ensure that our customers' data is well protected, and we are dedicated to staying at the forefront of best practices in data privacy and security.

Data Privacy and Cybersecurity			
	FY2025	**FY2024**	**FY2023**
Number of Cases for Data Losses	0	0	0
Number of Complaints Concerning Cybersecurity Breaches	0	0	0

CONCLUSION

Kia Lim is committed to contribute and promote sustainability initiatives throughout our business operations in order to comply and develop an eco-friendly culture for our stakeholders. To achieve our ESG goals, we aim to diminish our carbon footprint, conserve scarce resources and mitigate business impacts. We will continuously monitor our ESG journey and ensure our business activities align parallelly, and that will lead us moving towards a more sustainable future in this industry.

KIA LIM BERHAD

BMLR Transition Period

Date & Time: 2026-04-09 16:53:55

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Anti-Bribery and Anti-Corruption (ABAC)	Percentage of employees who have received training on anti-corruption by employee category - Top Management	Percentage	3.63	—	No assurance	
Anti-Bribery and Anti-Corruption (ABAC)	Percentage of employees who have received training on anti-corruption by employee category - Middle Management	Percentage	3.63	—	No assurance	
Anti-Bribery and Anti-Corruption (ABAC)	Percentage of employees who have received training on anti-corruption by employee category - Frontline Management	Percentage	9.33	—	No assurance	
Anti-Bribery and Anti-Corruption (ABAC)	Percentage of employees who have received training on anti-corruption by employee category - Non-managerial employees	Percentage	11.40	—	No assurance	
Anti-Bribery and Anti-Corruption (ABAC)	Percentage of operations assessed for corruption--related risks	Percentage	100	—	No assurance	
Anti-Bribery and Anti-Corruption (ABAC)	Confirmed incidents of corruption and action taken	Number	0	—	No assurance	
Community/Society	Total amount invested in the community	Currency in MYR	38,001.10	At least 10% more than previously year.	No assurance	
Community/Society	Total number of beneficiaries of the investment in communities	Number	23	—	No assurance	
Diversity	Percentage of employee age group for Top Management Under 30	Percentage	0	—	No assurance	

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-09 16:53:55

Page 1 of 5

KIA LIM BERHAD
BMLR Transition Period

Date & Time: 2026-04-09_16:53:55
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Percentage of employee age group for Top Management Between 30-50	Percentage	3.11	—	No assurance	
Diversity	Percentage of employee age group for Top Management Above 50	Percentage	8.29	—	No assurance	
Diversity	Percentage of employee age group for Middle Management Under 30	Percentage	0.52	—	No assurance	
Diversity	Percentage of employee age group for Middle Management Between 30-50	Percentage	2.07	—	No assurance	
Diversity	Percentage of employee age group for Middle Management Above 50	Percentage	4.15	—	No assurance	
Diversity	Percentage of employee-age group for Frontline Management Under 30	Percentage	0	—	No assurance	
Diversity	Percentage of employee-age group for Frontline Management Between 30-50	Percentage	10.36	—	No assurance	
Diversity	Percentage of employee-age group for Frontline Management Above 50	Percentage	5.70	—	No assurance	
Diversity	Percentage of employee age group for Non-managerial employees Under 30	Percentage	9.84	—	No assurance	
Diversity	Percentage of employee age group for Non-managerial employees Between 30-50	Percentage	36.27	—	No assurance	
Diversity	Percentage of employee age group for Non-managerial employees Above 50	Percentage	19.69	—	No assurance	

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-09_16:53:55

Page 2 of 5

KIA LIM BERHAD
BMLR Transition Period

Date & Time: 2026-04-09 16:53:55
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Percentage of employee of Male Top Management	Percentage	7.77	—	No assurance	
Diversity	Percentage of employee of Female Top Management	Percentage	3.63	—	No assurance	
Diversity	Percentage of employee of Male Middle Management	Percentage	4.15	—	No assurance	
Diversity	Percentage of employee of Female Middle Management	Percentage	2.59	—	No assurance	
Diversity	Percentage of employee of Male Frontline Management	Percentage	11.92	—	No assurance	
Diversity	Percentage of employee of Female Frontline Management	Percentage	4.15	—	No assurance	
Diversity	Percentage of employee of Male Non-managerial employees	Percentage	58.55	—	No assurance	
Diversity	Percentage of employee of Female Non-managerial employees	Percentage	7.25	—	No assurance	
Diversity	Percentage of Male Directorship	Percentage	50	—	No assurance	
Diversity	Percentage of Female Directorship	Percentage	50	—	No assurance	
Diversity	Percentage of Directorship for Age Under 30	Percentage	0	—	No assurance	
Diversity	Percentage of Directorship for Age Between 30-50	Percentage	16.67	—	No assurance	
Diversity	Percentage of Directorship for Age Above 50	Percentage	83.33	—	No assurance	
Energy	Total energy consumption	Megawatt / Hour	8,185	—	No assurance	

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-09 16:53:55

KIA LIM BERHAD

BMLR Transition Period

Date & Time: 2026-04-09_16:53:55

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Health and Safety	Number of work-related fatalities	Number	0	—	No assurance	
Health and Safety	Lost time incident rate ("LTIR")	Rate	3.4	—	No assurance	
Health and Safety	Number of employees trained on health and safety standards	Number	138	—	No assurance	
Labour Practices and Standards	Total hours of training by Top Management	Hours	680.75	—	No assurance	
Labour Practices and Standards	Total hours of training by Middle Management	Hours	372.75	—	No assurance	
Labour Practices and Standards	Total hours of training by Frontline Management	Hours	542.75	—	No assurance	
Labour Practices and Standards	Total hours of training by Non-managerial employees	Hours	366.25	—	No assurance	
Labour Practices and Standards	Percentage of employees that are contractors or temporary staff	Percentage	0.52	—	No assurance	
Labour Practices and Standards	Total number of employee turnover by Top Management	Number	1	—	No assurance	
Labour Practices and Standards	Total number of employee turnover by Middle Management	Number	0	—	No assurance	
Labour Practices and Standards	Total number of employee turnover by Frontline Management	Number	1	—	No assurance	
Labour Practices and Standards	Total number of employee turnover by Non-managerial employees	Number	15	—	No assurance	
Labour Practices and Standards	Number of substantiated complaints concerning human rights violations	Number	0	—	No assurance	

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-09_16:53:55

Page 4 of 5

KIA LIM BERHAD

BMLR Transition Period

Date & Time: 2026-04-09 16:53:55

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Supply Chain Management	Proportion of spending on local suppliers	Percentage	97.06	Above 90% of local procurement	No assurance	
Data Privacy and Cybersecurity	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	—	No assurance	
Water Management	Total volume of water used	Megalitres	2.30	Below 5 Megalitres per annum	No assurance	
Waste Management	Total waste diverted from disposal	Kilogram	2,120	—	No assurance	
Waste Management	Total waste directed to disposal	Kilogram	336	—	No assurance	
Emissions Management	Scope 1 emissions in tonnes of CO2e	tCO2e	11,339.10	—	No assurance	
Emissions Management	Scope 2 emissions in tonnes of CO2e	tCO2e	6,204.17	—	No assurance	
Emissions Management	Scope 3 emissions in tonnes of CO2e	tCO2e	136.35	—	No assurance	At least for the categories of business travel and employee commuting

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-09 16:53:55

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO FINANCIAL STATEMENTS

The Directors are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the income statement and cash flows of the Group and of the Company for the financial year. The Statement by Directors pursuant to Section 251(2) of the Companies Act, 2016 is stated on page 64 of this Annual Report.

The Directors are of the view that, in preparing the financial statements of the Group and of the Company for the year ended 31 December 2025, the Company has adopted appropriate accounting policies that are consistently applied and supported by reasonable and prudent judgments and estimates. The Directors have also considered that all applicable accounting standards have been followed during the preparation of audited financial statements.

The Directors are responsible for ensuring that the Company keeps adequate accounting records that disclose with reasonable accuracy the financial position of the Group and of the Company to enable them to ensure that the financial statements comply with the requirements of the Companies Act, 2016.

The Directors have ensured timely release of quarterly and annual financial results of the Group and of the Company to Bursa Securities so that public and investors are informed of the Group's development.

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

INTRODUCTION

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of risk management and internal controls to safeguard shareholders' investments and the Group's assets. The Bursa Malaysia Securities Berhad's ("Bursa Securities") Listing Requirements require directors of public listed companies to include a statement in their annual reports on the state of their risk management and internal controls framework. The Bursa Securities' Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines") provides guidance for compliance with these requirements. Set out below is the Board's Statement on Risk Management and Internal Control, which has been prepared in accordance with the Guidelines.

BOARD RESPONSIBILITY

The Board of Directors ("Board") is responsible for the adequacy and effectiveness of the Group's Risk Management and Internal Control System. The Board recognises the importance of good corporate governance and is committed to maintaining a sound system of internal control and risk management. This includes the establishment of an appropriate control environment and risk management framework, processes and structures and continually reviewing the adequacy and integrity of the said systems to safeguard shareholders' investment and the Group's assets. The Board is pleased to provide the following statement, which outlines the nature and scope of risk management and internal control of the Group during the year.

The Board has set up a separate board committee, Risk Management Committee ("RMC"), to be responsible for the risk management function, the details of which can be found in Corporate Governance Overview Statement.

The system of risk management and internal control covers risk management, finance, operations, management information systems and compliance with relevant laws, both local and foreign, all other regulations, policies and procedures.

Whilst acknowledging its responsibilities, the Board is aware of the limitations that are inherent in any systems of internal control and risk management, such systems being designed to manage, rather than eliminate, the risk that may impede the achievement of the Group's business objectives. Accordingly, it can only provide a reasonable combination of preventive, detective and corrective measures but not absolute assurance against material misstatement or losses, fraud or breaches of laws or regulations.

The Group's risk management and internal control framework is an ongoing process, and is in place for identifying, evaluating and managing significant risks faced or potentially to be encountered by the Group throughout the financial year. The process is regularly reviewed by the Board.

The RMC is supported by the Risk Management Working Group ("RMWG") and Sustainability Working Group ("SWG"), both of which are headed by the Chief Executive Officer ("CEO") in overseeing the risk management efforts within the Group, and ensuring the effectiveness of the risk management policies and processes as well as key sustainability matters. These ongoing processes are coordinated by the Risk Management Officer and Chief Sustainability Officer in conjunction with all the RMWG members and SWG members within the Group that reports periodically to the CEO on key matters which in turn reports to the RMC for review and deliberation. Minutes of the RMC meetings which recorded these deliberations were presented to the Audit Committee ("AC") for approval and notation by the Board.

BOARD RESPONSIBILITY (CONT'D)

The diagram below provides an overview of the Group's governance structure for risk management.

* Please refer to Sustainability Statement for further details.

The implementation of the risk management and internal control system within the Group inclusive of design, operation, identification, assessment, mitigation and control of risks, are operated with the assistance of the Management throughout the period. The Board has received assurance from CEO, Executive Director and Group General Manager that the Group's risk management and internal control system is operating adequately and effectively in all material aspects, based on the risk management and internal control system of the Group.

The Group's internal audit and risk management function has been outsourced to an independent professional consulting firm, who reports directly to the AC and RMC. The internal auditors carried out periodic internal audits on the system of internal controls based on the key risk areas identified and defined in the scope of the 3-Years Internal Audit Plan reviewed and approved by the AC.

Risk Management Framework

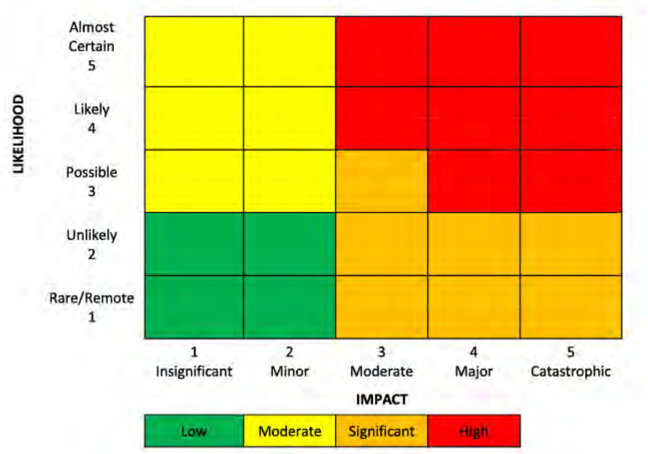
The Group has an embedded process for the identification, evaluation, reporting, treatment, monitoring and reviewing of the major strategic, business and operation risks within the Group. The AC, RMC and Board review the effectiveness of the risk management function and deliberate on the risk management and internal control frameworks, functions, processes and reports on a regular basis.

For the period under review, the Board is assisted by the internal auditors and the management to effectively embed risk management and controls into the corporate culture, processes and structures within the Group. The risk assessment from the business units are consolidated and updated into the Group Risk Register, highlighting the major risks and the existing key controls. They are then compiled into Group Risk Profile based on the impact and likelihood of occurring, for the Board attention in managing and monitoring these risks.

BOARD RESPONSIBILITY (CONT'D)

Risk Management Framework (Cont'd)

The Group's risk environment is established through a matrix-based evaluation of risks deemed acceptable in pursuit of its strategic objectives via the "Risk Map" as shown below:



The framework is continually monitored to ensure it is responsive to the changes in the business environment and clearly communicated to all levels.

Exceptions and improvement opportunities have been reported to the AC to enhance the effectiveness of the governance, risk management and internal control processes of the Group. The Board, with the assistance of the AC and the RMC, reviews the key risks identified and determines the nature and extent of risks that will be undertaken in achieving the Group's strategic, operational and compliance objectives.

The development and documentation of risk management processes will continue to be enhanced and the Board will report on the status of the said development in due course.

Key Elements of Internal Control

The following key elements of a system of internal control are present in the Group:

(i) Strategic Business Direction and Risk Management

The Group's business objectives are communicated through its business plan and regular interactions between the Executive Directors with management and other employees. Throughout the financial year under review, the Board has evaluated and managed the key principal risks faced by the Group through the monitoring of the Group's operations, performance and profitability at its Board meetings. The Board enlists the assistance of the internal audit function to further review and improve the existing risk management processes within the Group. These processes further sensitise all key employees and management on their responsibilities towards internal controls in managing and controlling risks.

(ii) Organisational Structure and Corporate Culture

The CEO plays the role as the channel of communication between the Board and the Management. The CEO, Executive Directors and Senior Management team are actively involved in managing the day-to-day affairs of the Group. They attend meetings, which are held at both management and operational levels to deliberate and resolve business and operational matters. The authority of the Directors is required for key treasury matters including changes to equity and loan financing, interest rates, cheque signatories, opening of the bank accounts and foreign operations.

BOARD RESPONSIBILITY (CONT'D)

Key Elements of Internal Control (Cont'd)

(iii) Definition of Employees' Roles and Responsibilities

The roles and responsibilities of key positions are clearly defined and specified in the job description manuals. In addition, training and development programmes are conducted to ensure that employees are equipped with the necessary knowledge, skills and competency required for them to perform effectively.

(iv) Reporting and Review

Adequate financial and operational information systems are in place to capture pertinent internal business information. Financial and operational reports are periodically prepared and presented to the Management and the AC/the Board for discussion and review on a timely basis.

(v) Procedures and Control Environment

Established control activities for day-to-day financial and operating activities are in place covering preventive controls, detective controls, corrective controls, manual controls, computer controls and management controls. These include top-level reviews of financial and operating performance, authorisations, verifications, reconciliation, physical controls over assets, segregation of duties and controls over information systems.

Clear and formalised standard operating policies, processes and procedures are in place to ensure compliance with internal controls and relevant laws and regulations. Internal policies and procedures cover the Management and all major operations of the Group are incorporated to the Company's Quality Management System which is based on the ISO standards. Regular reviews are conducted to ensure documentation and processes are updated to align with evolving business and operational needs. It is assessed and audited annually by an external independent ISO certification body to ensure that the Quality Management System ISO 9001:2015 is adequately implemented.

The Group operations involve manufacturing and distribution of brick products throughout the nation. These productions and distribution processes might cause hazardous and significant attention is focused on safety and health aspects of employees, customers, contractors and general public. Maintaining a safe and healthy workplace is integral to sustainable business operations. Therefore, the Group has ensured that safety, health and environmental regulations have been considered and complied with ISO 45001:2018 and ISO 14001:2015. The subsidiary companies have obtained ISO 45001:2018 and ISO 14001:2015 certificate for their operational processes. Internal procedures and standard operating procedures have been properly documented and surveillance audits are conducted yearly by assessors of the ISO certification body to ensure that the system is implemented as per ISO requirements.

(vi) Anti-Bribery and Anti-Corruption Policy

The Group adopts a **ZERO TOLERANCE** attitude against bribery and corruption in all its forms. The Anti-Bribery and Anti-Corruption ("ABAC") Policy was adopted by the Board on 26 May 2020 and remains a core pillar of the Group's internal control environment, reflecting its commitment to ethical, transparent and responsible business conduct. The Board and Management set and enforce a clear tone from the top, embedding a culture of integrity and ethical conduct across the Group and its business partners. All directors, officers and employees of the Group will be provided with regular anti-bribery and anti-corruption compliance training programmes to educate them about the requirements and obligations of anti-bribery and anti-corruption laws and this Policy.

(vii) Whistleblowing Policy

The Group has put in place a Whistleblowing Policy to provide whistleblowers with procedures and accessible channels for reporting suspected fraud, corruption, dishonest practices or other similar matters related to the Group. The policy also ensures independent investigation of such reports and appropriate follow-up action. This Whistleblowing Policy is periodically reviewed to promote fraud awareness and to encourage good faith reporting, assuring whistleblowers they will be treated fairly and protected from reprisals whenever possible. Whistleblowing Policy can be viewed on the Company's website at www.kialim.com.my.

BOARD RESPONSIBILITY (CONT'D)

Key Elements of Internal Control (Cont'd)

(viii) Audit Committee

The AC analyses the Group's current quarter and year-to-date performance compared to previous quarter, previous corresponding quarter and year-to-date and then reports to the Board. The Report of the AC is set out on page 31 of the Annual Report.

(ix) Internal Audit Function

The Board has outsourced its internal audit function to an independent professional consulting firm to assist the Group in achieving its objectives, systematically evaluating and improving the risk management, internal controls and corporate governance within the Group. The internal auditor provides periodic reports to the AC, reporting on issues relating to internal controls and the associated risks together with recommendations for appropriate actions to the AC. The internal auditors' responsibilities include planning and performing its internal audit activities to obtain assurance that controls implemented are adequate, relevant and in operation to manage key financial, operational and compliance risks. A summary of findings and recommendations are discussed at the Audit Committee meetings and the status of implementation of the actions agreed by Management is tracked and reported to the AC.

(x) Review of the Statement by External Auditors

As required by paragraph 15.23 of the Main Market Listing Requitements of Bursa Malaysia Securities Berhad, the External Auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with Audit & Assurance Practice Guide 3 ("AAPG3") : Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants. AAPG3 does not require the External Auditors to, and they did not, consider whether the Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk and control procedures. AAPG3 also does not require the External Auditors to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Integrated Annual Report will, in fact, remedy the problems.

Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement on Risk Management and Internal Control 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 is the Statement factually inaccurate.

The Board's Statement on Risk Management and Internal Control

The Directors have reviewed the adequacy, integrity and effectiveness of the systems of risk management and internal control in operation during the financial year through the monitoring processes set out above. Internal control weaknesses were identified during the year under review but none have resulted in any material losses, contingencies or uncertainties that would require mention in the Company's Annual Report. The Board remains committed towards operating a sound system of risk management and internal control and therefore recognises that the system must continuously evolve to support the growth and dynamics of the Group.

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of Kia Lim Berhad Group for the financial year ended 31 December 2025 together with the Management Discussion & Analysis ("MD&A'').

The following MD&A of the financial condition and operating performance of the Group for the twelve (12) months ended 31 December 2025 should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2025 and related notes thereto.

Financial Review

For the financial year ended 31 December 2025, the Group recorded revenue of RM55.9 million, representing a 26.5% increase as compared to RM44.2 million in the preceding year. The higher revenue was primarily driven by increased sales volume of brick products, supported by additional output from the production line that resumed operations in January 2025.

Despite the revenue growth, the Group however recorded lower profit before taxation of RM5.7 million for the current financial year ended 31 December 2025 as compared to RM8.0 million last year. The decline in profit before taxation for the current financial year was primarily due to higher production costs and lower average selling prices of the Group's brick products. Elevated administrative expenses further weighed on profitability, while increased sales volume coupled with higher logistic charges contributed to greater selling and distribution expenses.

Additionally, the decline in profit before taxation for the current financial year was also due to certain fixed production costs being unabsorbed by production units in the first and second quarters, as the newly resumed production line operated at a sub-optimal level in its early phase of production resumption.

As a result, earnings per share decreased from 9.20 sen in the prior year to 4.77 sen in the current year, representing a decline of approximately 48%.

Capital Resources and Liquidity

The Group's net assets stood at RM59.60 million in this financial year which was higher than the previous year's RM56.64 million. Correspondingly, the Group's net asset per share increased 5.5% to RM0.96 as at 31 December 2025 from RM0.91 last year. This was primarily due to the business profit as reported in the current financial year.

The Group's liquidity position strengthened further, underpinned by a positive net cash inflow of RM2.31 million from operating activities. This was complemented by a net cash inflow of RM2.40 million from investing activities, primarily driven by net withdrawals of fixed deposits amounting to RM2.29 million, alongside lower capital expenditure, which declined sharply from RM4.75 million in the prior year to RM0.46 million in the current financial year. Coupled with a net cash inflow of RM0.48 million from financing activities, the Group recorded a net increase of RM5.19 million in cash and cash equivalents. This marks a reversal from a net overdraft of RM0.17 million as at 31 December 2024 to a net cash position of RM5.01 million. The turnaround reflects improved working capital management and enhanced financial resilience.

Total capital plus net debt stood at RM75.48 million as at 31 December 2025, a marginal increase from RM75.20 million at 31 December 2024. With the net debt decreased by 14.4% to RM15.88 million from RM18.56 million, the Group's gearing ratio (calculated as net debt divided by total capital plus net debt) improved to 21.0% from 25.0% in the preceding year.

The Group's revenue, profit after tax and earnings per share for the past 5 years up to 31 December 2025, are disclosed in this Annual Report under the Group Financial Highlights in page 1.

Operational and Business Review

The Company remains primarily engaged in investment holding, while its subsidiaries continue to focus on the manufacturing and sale of clay bricks and related products. The sales of the Group's products are predominantly to the Malaysia and Singapore market. There have been no changes to the nature of these activities during the year under review.

Malaysia's economy recorded a strong growth of 5.2 per cent in 2025, surpassing the government's projection of between 4.0 and 4.8 per cent driven mainly by robust domestic demand and strong exports performance. Against this positive backdrop, the residential construction sector continued to hold up with strong demand for residential housing units, and thereby sustaining the robust demand for clay bricks. To meet the increasing demand, the Group had in the first quarter of the year commenced the resumption of a production line. In this regard, the resumption of this additional line has contributed to higher sales in the year under review.

The Group continued to prioritise efficiency improvements, balancing rising cost pressures with the need to ensure customer satisfaction through consistent product quality and timely deliveries. Key initiatives included reducing structural costs through higher yield and lower wastage, enhancing combustion efficiency, maintaining an optimum workforce size, and pursuing strategic sourcing and procurement of input materials. Prudent cash flow management remained a focus, with capital expenditure restricted to routine preventive maintenance of plant and machinery to ensure reliable operations.

Operational and Business Review (Cont'd)

In line with long-term strategy, the Group is progressively reducing reliance on foreign labour by further automating manufacturing processes. At present, foreign worker recruitment is limited to roles where local hiring remains challenging. Employee development continues to be emphasized through training, skill upgrades, and multi-tasking practices, supporting operational efficiency while maintaining adequate headcount.

The Group also reinforced accountability, transparency, and oversight across anti-corruption, occupational safety and health, talent management, supply chain reliability, energy efficiency, and other key Economic, Environmental, Social and Governance ("ESG") priorities. As part of the Group's ESG initiative, one of the subsidiaries has embarked on a solar photovoltaic ("PV") roof installation project. The Solar PV system, with a capacity of approximately 1.0 MW, is designed to supply renewable electricity directly to the production plants. This initiative demonstrates the Group's commitment to sustainability while delivering measurable operational and financial benefits. The Board remains committed to upholding the highest standards of corporate governance and sustainability, with further details provided in the Sustainability Statement of this Annual Report.

Recognising the inherent risks of operating in an uncertain and competitive environment, the Group has adopted strategies and mitigating measures to minimise potential impacts. Forward plans include strengthening internal control systems through an integrated management framework that combines ISO 9001, ISO 14001, and ISO 45001 procedures. This integrated approach will enhance risk management, operational resilience, and support the Group's sustainable growth.

Outlook and Prospect

Bank Negara Malaysia (BNM) projects Malaysia's economy to grow at 4.3% in 2026, underpinned by robust domestic demand.

BNM's accommodative monetary policy, together with government fiscal initiatives, is expected to sustain resilience in the Malaysian residential property market. While brick prices have softened slightly, the Group remains confident that robust housing project construction will continue to support demand for clay bricks and sustain healthy selling prices.

The Group continues to face escalating production costs, driven by higher raw material and energy prices as well as rising logistics expenses. The unsettled and prolonged Middle East conflict could heighten risks of energy supply constraints and price volatility, potentially disrupting supply chains and further increasing transportation costs. These sustained pressures on input and distribution expenses are compressing product margins and pose a significant threat to overall profitability.

Given the aforementioned scenario, the Group will continue to focus on its strategy and effort to contain the production costs, optimise its operational efficiency and product quality in order to stay competitive in the industry.

Directorate

The Board wishes to place on record its utmost gratitude to Mr Vincent Wong Soon Choy, who stepped down as Independent Non-Executive Director, for his invaluable contributions and dedicated service during his tenure.

At the same time, we are pleased to extend a warm welcome to Mr Trevor Lawrence Richards, newly appointed as Independent Non-Executive Director. The Board looks forward to working closely with him and has full confidence that his expertise and perspectives will contribute positively to the Group's continued growth and success.

Acknowledgement

On behalf of the Board of Directors, I wish to express our sincere gratitude to our customers, suppliers, and business associates, as well as the regulatory authorities, bankers, and advisors for their invaluable support in sustaining the well-being of the Group.

To our shareholders, I extend my heartfelt thanks for your patience and continued confidence in the Group. I also wish to record my deep appreciation to the management team and all employees for their dedication and sacrifices in ensuring the Group's continued success.

Lastly, I would like to convey my personal thanks to my fellow members of the Board for their steadfast commitment, counsel, and guidance throughout the year.

Loh Chee Kan
Chairman

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries and associate are as disclosed in Notes 14 and 15 to the financial statements.

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

RESULTS

	Group RM	Company RM
Profit/(Loss) net of tax	2,955,074	(1,193,227)
Attributable to:		
Equity holders of the Company	2,955,074	(1,193,227)

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.

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend the payment of any dividend for the current financial year.

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:

Loh Chee Kan	
Ng Chin Kang**	
Ng Hwe Cheng**	
Haryanti Binti Othman	
Sam Ming Chia	
Trevor Lawrence Richards	(Appointed on 30 May 2025)
Vincent Wong Soon Choy	(Resigned on 30 May 2025)

**These directors are also directors of the Company's subsidiaries.

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

Datuk Ng Yeng Keng @ Ng Ka Hiat	(Removed on 14 January 2026)
Ponnirah Binti Parion	

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 the 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 emoluments 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 23 to the financial statements.

DIRECTORS' BENEFITS (CONT'D)

The Directors' benefits are as follows:

	Group RM	Company RM
Fees	147,800	143,000
Other emoluments	946,660	16,000
Benefits in kind	34,281	-
	1,128,741	159,000

DIRECTORS AND OFFICERS INDEMNITY AND INSURANCE COST

During the financial year, the total maximum amount of indemnity coverage and insurance premium paid for directors and officers of the Company are RM3,000,000 and RM9,190 respectively.

DIRECTORS' INTERESTS

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

	Number of ordinary shares			
The Company	1 January 2025	Acquired	Sold	31 December 2025
Direct interest				
Ng Hwe Cheng	79,100	128,500	-	207,600
Deemed interest*				
Ng Chin Kang	12,361,734	-	-	12,361,734

* Deemed to have indirect interest through his shareholding in Kia Lim Timber Trading Sdn Bhd, Ban Dung Palm Oil Industries Sdn Bhd, Mersing Village Sdn Bhd and Sersen Tiles Sdn Bhd by virtue of Section 8(4) of the Companies Act 2016.

Ng Chin Kang, by virtue of his interest in the Company, is deemed interested in the shares of the subsidiary companies to the extent that the Company has an interest.

The other directors in office at the end of the financial year had no interest in shares in the Company or its related corporations during the financial year

Subsequent event

Detail of subsequent event is disclosed in Note 29 to the financial statements.

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 provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision 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) it necessary to write off any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent in respect of the financial statements of the Group and of the Company; and

  (ii) the values attributable 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.

OTHER STATUTORY INFORMATION (CONT'D)

(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 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.

AUDITORS

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

Auditors' remuneration is as follows:

	Group RM	Company RM
Ernst & Young PLT		
Statutory audit	175,000	52,000
Other services	10,000	10,000
	185,000	62,000

Signed on behalf of the Board in accordance with a resolution of the directors dated 2 April 2026.

Ng Chin Kang

Ng Hwe Cheng

We, Ng Chin Kang and Ng Hwe Cheng, being two of the directors of Kia Lim Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 68 to 95 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 2 April 2026.

Ng Chin Kang

Ng Hwe Cheng

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

I, Ng Chin Kang, being the director primarily responsible for the financial management of Kia Lim Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 68 to 95 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 Ng Chin Kang at Batu Pahat)
in the State of Johor Darul Ta'zim on 2 April 2026) Ng Chin Kang

Before me,

Ei Chai Ong
No. J 405
Commissioner for Oaths

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Kia Lim Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 68 to 95.

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 their cash flows for the year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

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

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), 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 year. The key audit matter for the audit of the financial statements of the Group and the Company is described below. These matters were addressed in the context of our audit of the financial statements of the Group and the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For 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 matter below, provide the basis of our audit opinion on the accompanying financial statements.

Impairment assessment of property, plant and equipment and investment in subsidiary
(Refer to Note 3.2(a), Note 3.2(d), Note 12 and Note 14 to the financial statements)

In accordance with MFRS136: Impairment of Assets, the Group and the Company are required to perform an impairment test of a cash generating unit ("CGU") whenever there is an indication that the CGU may be impaired by comparing the carrying amount with its recoverable amount.

A subsidiary of the Group, Kangkar Raya Batu Bata Sdn Bhd ("KRBB"), has recorded continuous losses for the past financial years. As at 31 December 2025, the carrying amount of KRBB's property, plant and equipment ("PPE") amounted to RM14,123,161, representing 17% of the Group's total assets, whereas the carrying amount of the Company's investment in this subsidiary amounted to RM15,213,509, representing 23% of the Company's total assets.

The history of continued losses and the depleting shareholders' fund reported by KRBB indicates that the carrying amounts of the subsidiary's PPE and the Company's investment in this subsidiary may be impaired.

The management engaged an independent valuer to determine the fair value of KRBB's land, buildings and plant & machinery, which was then used as the basis to estimate the recoverable amount of KRBB's PPE as well as the Company's investment in this subsidiary.

We considered this as an area of audit focus because the assessment process is based on assumptions that are judgmental.

Our audit procedures in assessing impairment based on fair values obtained from an independent valuer appointed by management comprise amongst others the following:

(i) Considered the competence, capabilities and objectivity of the valuer;

(ii) Obtained an understanding of the methodology adopted by the independent valuer in estimating the fair value and assessed whether such methodology is consistent with those used in the industry; and

(iii) Discussed the valuation with the independent valuer to obtain an understanding of the data used as input to the valuation models.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the Annual Report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditors' report, 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

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 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 skepticism throughout the planning and performance of the audit. We also:

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

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

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

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

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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company of 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.

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	Lee Ming Li
202006000003 (LLP0022760-LCA) & AF 0039	02983/03/2028 J
Chartered Accountants	Chartered Accountant

Johor Bahru, Malaysia
Date: 2 April 2026

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Revenue	4	55,903,875	44,157,914	-	9,000,000
Cost of sales		(37,413,862)	(26,930,442)	-	-
Gross profit		18,490,013	17,227,472	-	9,000,000
Other items of income					
Rental income		59,500	59,300	50,500	50,400
Other income	5	795,740	771,863	-	-
Other items of expense					
Other operating expense		(1,199,720)	(1,228,169)	-	-
Administrative expenses		(6,243,034)	(4,799,051)	(1,242,419)	(1,187,735)
Selling and distribution expenses		(5,993,716)	(3,887,444)	-	-
Finance costs	6	(199,036)	(177,609)	-	-
Share of results of associate	15	(5,587)	2,726	-	-
Profit/(loss) before tax	7	5,704,160	7,969,088	(1,191,919)	7,862,665
Income tax expense	10(a)	(2,749,086)	(2,270,957)	(1,308)	-
Profit/(loss) net of tax, representing total comprehensive income/(loss) for the year		2,955,074	5,698,131	(1,193,227)	7,862,665
Attributable to:					
Equity holders of the Company		2,955,074	5,698,131	(1,193,227)	7,862,665
Earnings per share attributable to equity holders of the Company (sen):					
Basic and diluted	11	4.8	9.2		

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

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Assets					
Non-current assets					
Property, plant and equipment	12	49,866,363	50,848,903	-	-
Investment property	13	252,082	279,744	252,082	279,744
Investment in subsidiaries	14	-	-	65,388,919	66,174,411
Investment in an associate	15	67,945	73,532	-	-
Investment in securities	16	5,037	5,037	-	-
Other receivables	18	-	-	-	60,000
		50,191,427	51,207,216	65,641,001	66,514,155
Current assets					
Inventories	17	16,782,231	15,533,563	-	-
Trade and other receivables	18	11,047,613	8,801,797	15,130	15,130
Prepayments		116,162	99,529	-	-
Cash and bank balances	19	5,520,869	2,846,419	21,073	3,264
		33,466,875	27,281,308	36,203	18,394
Total assets		83,658,302	78,488,524	65,677,204	66,532,549
Equity and liabilities					
Current liabilities					
Trade and other payables	20	17,619,135	19,570,804	1,088,020	750,138
Tax payables		7,587	171	-	-
Loans and borrowings	21	1,675,917	761,375	-	-
		19,302,639	20,332,350	1,088,020	750,138
Net current assets/(liabilities)		14,164,236	6,948,958	(1,051,817)	(731,744)
Non-current liabilities					
Deferred tax liabilities	10(b)	2,653,000	445,000	-	-
Loans and borrowings	21	2,106,493	1,070,078	-	-
		4,759,493	1,515,078	-	-
Total liabilities		24,062,132	21,847,428	1,088,020	750,138
Net assets		59,596,170	56,641,096	64,589,184	65,782,411
Equity attributable to equity holders of the Company					
Share capital	22	69,220,681	69,220,681	69,220,681	69,220,681
Accumulated losses		(9,624,511)	(12,579,585)	(4,631,497)	(3,438,270)
Total equity		59,596,170	56,641,096	64,589,184	65,782,411
Total equity and liabilities		83,658,302	78,488,524	65,677,204	66,532,549

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

	Non-distributable Share capital RM (Note 22)	Accumulated losses RM	Total RM
Group			
At 1 January 2024	69,220,681	(18,277,716)	50,942,965
Total comprehensive income for the year	-	5,698,131	5,698,131
At 31 December 2024	69,220,681	(12,579,585)	56,641,096
Total comprehensive income for the year	-	2,955,074	2,955,074
At 31 December 2025	69,220,681	(9,624,511)	59,596,170
Company			
At 1 January 2024	69,220,681	(11,300,935)	57,919,746
Total comprehensive income for the year	-	7,862,665	7,862,665
At 31 December 2024	69,220,681	(3,438,270)	65,782,411
Total comprehensive loss for the year	-	(1,193,227)	(1,193,227)
At 31 December 2025	69,220,681	(4,631,497)	64,589,184

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

	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Cash flows from operating activities				
Profit/(loss) before tax	5,704,160	7,969,088	(1,191,919)	7,862,665
Adjustments for:				
Allowance for diminution in value of investment in subsidiary	-	-	785,492	724,000
Allowance for slow moving inventories	1,475	-	-	-
Depreciation of investment property	27,662	27,662	27,662	27,662
Depreciation of property, plant and equipment	2,970,572	2,470,791	-	-
Dividend income	-	-	-	(9,000,000)
Gain on disposal of property, plant and equipment	(404,736)	(250,062)	-	-
Interest expense	199,036	177,609	-	-
Interest income	(61,303)	(58,478)	-	-
Inventories written off	128,908	-	-	-
Provision for doubtful debts	38,908	-	-	-
Share of loss/(profit) of an associate	5,587	(2,726)	-	-
Slow moving inventories written back	(2,880)	(291,816)	-	-
Unrealised foreign exchange loss/(gain)	12,236	(91,376)	-	-
Total adjustments	2,915,465	1,981,604	813,154	(8,248,338)
Operating cash flows before changes in working capital	8,619,625	9,950,692	(378,765)	(385,673)
Changes in working capital				
Inventories	(1,376,171)	(1,649,963)	-	-
Receivables	(2,275,175)	(132,813)	-	-
Prepayment	(16,633)	(445)	-	-
Payables	(1,959,860)	(81,178)	62,882	(48,294)
Total changes in working capital	(5,627,839)	(1,864,399)	62,882	(48,294)
Cash generated from/(used in) operations	2,991,786	8,086,293	(315,883)	(433,967)
Interest paid	(199,036)	(89,233)	-	-
Interest received	47,709	45,505	-	-
Income tax paid	(647,971)	(581,569)	(1,308)	-
Income tax refunded	114,301	-	-	-
Net cash generated from/(used in) operating activities	2,306,789	7,460,996	(317,191)	(433,967)
Cash flows from investing activities				
Dividend received	-	-	-	9,000,000
Withdrawal/(placement) of fixed deposits with maturity exceeding 3 months	2,285,131	(1,277,131)	-	-
Proceeds from disposal of property, plant and equipment	576,670	250,168	-	-
Purchase of property, plant and equipment	(460,366)	(4,747,891)	-	-
Advances from subsidiary	-	-	275,000	-
Repayment of advances from subsidiaries	-	-	60,000	433,014
Subscription of ordinary shares issued by a subsidiary	-	-	-	(9,000,000)
Net cash generated from/(used in) investing activities	2,401,435	(5,774,854)	335,000	433,014
Cash flows from financing activities				
Change in pledged deposit	(12,842)	(13,462)	-	-
Drawdown of bankers' acceptances	2,160,264	935,717	-	-
Repayment of bankers' acceptances	(1,244,810)	(1,257,000)	-	-
Repayment of obligations under hire purchase	(424,732)	(287,659)	-	-
Net cash generated from/(used in) financing activities	477,880	(622,404)	-	-
Net increase/(decrease) in cash and cash equivalents	5,186,104	1,063,738	17,809	(953)
Cash and cash equivalents at 1 January	(171,996)	(1,235,734)	3,264	4,217
Cash and cash equivalents at 31 December (Note 19)	5,014,108	(171,996)	21,073	3,264

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

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Suite 9D, Level 9, Menara Ansar, 65, Jalan Trus, 80888 IIBD, Johor Darul Ta'zim. The principal place of business of the Company is located at 79, Jalan Muar, 83500 Parit Sulong, Batu Pahat, Johor Darul Ta'zim.

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries and associate are as disclosed in Notes 14 and 15.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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.

The financial statements of the Group and of the Company have been prepared on the historical cost basis except as disclosed in the accounting policies below. The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM").

2.2 Changes in accounting policies

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

On 1 January 2025, the Group and the Company adopted the following Amendments mandatory for annual financial periods beginning on or after 1 January 2025:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 121: The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability	1 January 2025

The Amendments above did not have any material impact on the financial statements of the Group and of the Company in the year of initial adoption.

2.3 Standards, Amendments and Annual Improvements 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 of 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 periods beginning on or after
Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures	
- Classification and Measurement of Financial Instruments	1 January 2026
- Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11:	
- Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
- Amendments to MFRS 7 Financial Instruments: Disclosures	1 January 2026
- Amendments to MFRS 9 Financial Instruments	1 January 2026
- Amendments to MFRS 10 Consolidated Financial Statements	1 January 2026
- Amendments to MFRS 107 Statement of Cash Flows	1 January 2026
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates - Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.3 Standards, Amendments and Annual Improvements issued but not yet effective (Cont'd)

The directors expect that the adoption of the above Standards, Annual Improvements and Amendments, will have no material impact on the financial statements of the Group and of the Company in the period of initial application except for the changes in the presentation and disclosures of financial information arising from the adoption of the MFRS as discussed below:

(a) MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 will replace MFRS 101 Presentation of Financial Statements. It preserves the majority requirements of MFRS 101 while introducing additional requirements. In addition, narrow-scope amendments have been made to MFRS 107 Statement of Cash Flows and some requirements of MFRS 101 have been moved to MFRS 108 Basis of Preparation of Financial Statements.

MFRS 18 additional requirements are as follows:

(i) Statement of Profit or Loss and Other Comprehensive Income

MFRS 18 introduces newly defined "operating profit or loss" and "profit or loss before financing and income tax" subtotal which are to be presented in the statement of profit or loss, while the net profit or loss remains unchanged.

Statement of profit or loss to be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

(ii) Statement of Cash Flows

The standard modifies the starting point for calculating cash flows from operations using the indirect method, shifting from "profit or loss" to "operating profit or loss". It also provides guidance on classification of interest and dividend in statement of cash flows.

(iii) New Disclosures of Expenses by Nature

Entities are required to present expenses in the operating category by nature, function or a mix of both. MFRS 18 includes guidance for entities to assess and determine which approach is most appropriate based on the facts and circumstances.

(iv) Management-defined Performance Measures ("MPMs")

The standard requires disclosure of explanations of the entity's company-specific measures that are related to the statement of profit or loss, referred to MPMs. MPMs are required to be reconciled to the most similar specified subtotal in MFRS Accounting Standards.

(v) Enhanced Guidance on Aggregation and Disaggregation

MFRS 18 provides enhanced guidance on grouping items based on shared characteristics and requires disaggregation when items have dissimilar characteristics or when such disaggregation is material.

The Group and the Company are currently assessing the impact of MFRS 18, particularly with respect to the structure of the statements of profit or loss, the statements of cash flows and the additional disclosures required for MPMs. The Group and the Company are also assessing the impact on aggregation and disaggregation on how information is grouped in the financial statements.

2.4 Property, plant and equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and impairment loss. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	10 - 50 years
Plant and machinery	5 - 25 years
Motor vehicles	5 years
Other assets	5 - 10 years

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.5 Investment properties

Investment properties are properties that are held either to earn rental income or for capital appreciation or both, rather than for use in the production or supply goods or services, or for administrative purposes, or in the ordinary course of business.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

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

2.6 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at:

- Amortised cost (debt instruments)
- Fair value through other comprehensive income ("OCI") with recycling of cumulative gains and losses (debt instruments)
- Fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Fair value through profit or loss

- *Financial assets at amortised cost (debt instruments)*

  The Group's and the Company's financial assets at amortised cost comprises of its trade and other receivables and cash and bank balances.

- *Financial assets at fair value through profit or loss*

  The Group's financial assets at fair value through profit or loss includes unquoted and quoted equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on quoted equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

  The Group and the Company do not have any financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments) and financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).

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. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, 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 recognises 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.6 Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

The Group and the Company consider a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group and the Company may also 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.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities comprise of trade and other payables and loans and borrowings.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

- *Financial liabilities at fair value through profit or loss*

  The Group and the Company have not designated any financial liability as at fair value through profit or loss.

- *Financial liabilities at amortised cost*

  This category generally applies to the Group's and the Company's trade and other payables balances. Additionally, it applies to the Group's interest-bearing loans and borrowings.

2.7 Subsidiaries

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.8 Cash and bank balances

Cash and bank balances comprise short-term (not exceeding 3 months) placement in fixed deposit, cash at bank and on hand.

For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts, pledged deposit and fixed deposits with maturity exceeding 3 months.

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a weighted average basis.
- Indirect materials: purchase costs on a first-in first-out basis.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted-average basis.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.10 Revenue

Revenue is recognised when the Group and the Company satisfy a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Sale of bricks

The Group supplies brick and roofing tiles for consumers.

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied.

The amount of revenue recognised is based on the estimated transaction price, which comprises the contractual price, net of the discounts.

(b) Rental income

Rental income is recognised on accrual basis.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

(d) Interest income

Interest income is recognised using the effective interest method.

2.11 Taxes

(a) Current income 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 period.

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.

(b) 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, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

2.12 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Critical judgements made in applying accounting policies

In the process of applying the Group's accounting policies, there is no judgement which has a significant effect on the amounts recognised in the consolidated financial statements.

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

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Impairment assessment of property, plant and equipment

An entity shall assess at the end of each reporting period whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have increased.

Due to the existence of indicators of impairment as a result of continuous losses recorded by a subsidiary, the Group has performed an impairment assessment of the subsidiary's property, plant and equipment. The Group estimated the recoverable amount of the property, plant and equipment using fair value less cost to sell and based on a valuation undertaken by an independent valuer.

Based on the results of the impairment test, no additional or reversal of impairment was required for the current financial year.

Further details of the impairment assessment on the property, plant and equipment is disclosed in Note 12. The fair value hierarchy information for the fair value of the freehold land, building and machinery is disclosed in Note 25.

(b) Provision for slow moving or obsolete inventory

The Group carries a substantial volume of consumables within its inventory. The assessment of any provision for slow-moving or obsolete items requires significant judgement, particularly in evaluating the usability and physical condition of these consumables. As these assumptions are subject to changes in operational requirements and technological developments, the determination of whether a provision is required involves significant estimation uncertainty. For the financial year ended 31 December 2025, management has performed physical stock count and assessed the condition of the consumables, management concluded that no provision for slow-moving or obsolete inventory is required.

(c) Deferred tax assets

Deferred tax assets are recognised for unabsorbed capital allowances, unutilised reinvestment allowances, unutilised business losses and other deductible temporary differences to the extent that it is probable that taxable profits will be available against which the reinvestment allowances, business losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are disclosed in Note 10(b).

(d) Impairment of investment in subsidiaries

In previous financial years, the Company recognised impairment losses of RM42,122,298 in respect of its investment in a subsidiary, Kangkar Raya Batu Bata Sdn Bhd ("KRBB"). At the reporting date, due to the existence of impairment indicators as a result of continuous losses and depleting shareholders' fund reported by KRBB, the directors performed an impairment assessment of the investment in KRBB based on the adjusted net assets of KRBB. Based on the impairment assessment, an additional impairment loss of RM785,492 was recognised during the financial year. Further details are disclosed in Note 14.

4. REVENUE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Sales of bricks	55,903,875	44,157,914	-	-
Dividend income	-	-	-	9,000,000
	55,903,875	44,157,914	-	9,000,000

Revenue of the Group is recognised at a point in time. Revenue of the Company is recognised when the right to receive payment is established.

5. OTHER INCOME

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Finance income from fixed deposit with a licensed bank	61,303	58,478	-	-
Foreign exchange gain	200,010	373,132	-	-
Gain on disposal of property, plant and equipment	404,736	250,062	-	-
Miscellaneous income	68,510	45,109	-	-
Vehicle rental income	61,181	45,082	-	-
	795,740	771,863	-	-

6. FINANCE COSTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Interest expense on:				
- Bankers' acceptances and bank overdrafts	47,865	41,870	-	-
- Obligation under hire purchase	151,171	47,363	-	-
- Unwinding of discount on amount due to corporate shareholder	-	88,376	-	-
	199,036	177,609	-	-

7. PROFIT/(LOSS) BEFORE TAX

The following items have been included in arriving at profit/(loss) before tax:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Allowance for diminution in value of investment in subsidiary	-	-	785,492	724,000
Allowance for slow moving inventories	1,475	-	-	-
Auditors' remuneration				
- Statutory audit	175,000	157,000	52,000	43,000
- Other audit services	10,000	8,000	10,000	8,000
Depreciation of investment property (Note 13)	27,662	27,662	27,662	27,662
Depreciation of property, plant and equipment (Note 12)	2,970,572	2,470,791	-	-
Employee benefits expense (Note 8)	10,972,392	8,392,115	159,000	160,083
Foreign exchange (gain)/loss:				
- realised	(200,010)	(281,756)	-	-
- unrealised	12,236	(91,376)	-	-
Provision for doubtful debts (Note 18(a))	38,908	-	-	-
Inventories written off	128,908	-	-	-
Non-executive directors' remuneration (Note 9)	119,000	119,000	119,000	119,000
Rental of premises	113,400	113,400	-	-
Rental of motor vehicles	18,075	18,075	-	-
Rental income	(59,300)	(59,300)	(50,500)	(50,400)
Slow moving inventories written back	(2,880)	(291,816)	-	-

8. EMPLOYEE BENEFITS EXPENSE

	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Employee benefits expense (including directors):				
Wages and salaries	9,982,563	7,660,893	159,000	160,083
Defined contribution plan	858,868	628,945	-	-
Social security contributions	130,961	102,277	-	-
	10,972,392	8,392,115	159,000	160,083

9. DIRECTORS' REMUNERATION

The details of remuneration for directors of the Company during the year are as follows:

	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Executive:				
- Fees	44,800	46,883	40,000	41,083
- Other emoluments	930,660	646,580	-	-
- Benefits in kind	34,281	16,968	-	-
	1,009,741	710,431	40,000	41,083
Non-executive:				
- Fees	103,000	103,000	103,000	103,000
- Other emoluments	16,000	16,000	16,000	16,000
	119,000	119,000	119,000	119,000
Total directors' remuneration	1,128,741	829,431	159,000	160,083

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed as follows:

	Number of directors 2025	Number of directors 2024
Executive directors:		
RM100,001 - RM150,000	-	1
RM250,001 - RM300,000	-	1
RM350,001 - RM400,000	-	1
RM400,001 - RM450,000	1	-
RM550,001 - RM600,000	1	-
Non-executive directors:		
<RM50,000	5	4

10. INCOME TAX AND DEFERRED TAX LIABILITIES

(a) Income tax

Major components of income tax

The major components of income tax expense for the years ended 31 December 2025 and 2024 are:

	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Statement of comprehensive income:				
Current income tax:				
- Malaysian income tax	618,000	629,000	-	-
- (Over)/under provision in prior years	(76,914)	(43)	1,308	-
	541,086	628,957	1,308	-
Deferred tax (Note 10(b)):				
- Origination and reversal of temporary differences	2,025,000	1,662,000	-	-
- Under/(over)provision in prior years	183,000	(20,000)	-	-
	2,208,000	1,642,000	-	-
Income tax expense recognised in profit or loss	2,749,086	2,270,957	1,308	-

10. INCOME TAX AND DEFERRED TAX LIABILITIES (CONT'D)

(a) Income tax (Cont't)

Reconciliation between tax expense and accounting profit/(loss)

A reconciliation between tax expense and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the years ended 31 December 2025 and 2024 is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit/(loss) before tax	5,704,160	7,969,088	(1,191,919)	7,862,665
Taxation at Malaysian statutory tax rate of 24% (2024: 24%)	1,368,998	1,912,581	(286,061)	1,887,040
Expenses not deductible for tax purposes	293,199	295,785	286,061	272,960
Income non-taxable for tax purposes	-	-	-	(2,160,000)
Further deduction on employment of senior citizen	(101,661)	(90,580)	-	-
Deferred tax assets not recognised on unutilised business losses, reinvestment allowances and unabsorbed capital allowances	222,720	172,560	-	-
Derecognition of previously recognised reinvestment allowances	861,085	-	-	-
Share of (loss)/gain of an associate	(1,341)	654	-	-
(Over)/underprovision of income tax expenses in prior years	(76,914)	(43)	1,308	-
Under/(over)provision of deferred tax expenses in prior years	183,000	(20,000)	-	-
Income tax expense recognised in profit or loss	2,749,086	2,270,957	1,308	-

(b) Deferred tax liabilities

	2025 RM	2024 RM
Group		
At 1 January	445,000	(1,197,000)
Recognised in profit or loss (Note 10(a))	2,208,000	1,642,000
At 31 December	2,653,000	445,000

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax liabilities:

	Property, plant and equipment RM
Group	
At 1 January 2024	2,683,000
Recognised in profit or loss	134,000
At 31 December 2024/1 January 2025	2,817,000
Recognised in profit or loss	247,000
At 31 December 2025	3,064,000

10. INCOME TAX AND DEFERRED TAX LIABILITIES (CONT'D)

(b) Deferred tax liabilities (Cont'd)

Deferred tax assets:

	Unutilised reinvestment allowances RM	Unutilised business losses RM	Other deductible temporary differences RM	Total RM
Group				
At 1 January 2024	(3,638,000)	(39,000)	(203,000)	(3,880,000)
Recognised in profit or loss	1,471,000	39,000	(2,000)	1,508,000
At 31 December 2024/1 January 2025	(2,167,000)	-	(205,000)	(2,372,000)
Recognised in profit or loss	2,167,000	-	(206,000)	1,961,000
At 31 December 2025	-	-	(411,000)	(411,000)

Deferred tax assets have not been recognised on the following amounts due to uncertainty over their eventual realisation:

	Group 2025 RM	2024 RM
Unutilised business losses, expiring in:		
- 2028	13,610,000	13,610,000
- 2030	1,356,000	1,356,000
- 2031	2,356,000	2,356,000
- 2032	973,000	973,000
- 2033	853,000	853,000
- 2034	706,000	706,000
- 2035	1,092,000	-
Unabsorbed capital allowances	29,298,000	29,462,000

11. EARNINGS PER SHARE

Basic earnings per share amount is calculated by dividing profit net of tax attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

	Group 2025 RM	2024 RM
Profit attributable to ordinary equity holders of the Company	2,955,074	5,698,131
Weighted average number of ordinary shares in issue	61,937,451	61,937,451
	2025 sen	2024 sen
Basic and diluted earnings per share	4.8	9.2

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings RM	Plant and machinery RM	Motor vehicles RM	Other assets* RM	Total RM
Group					
Cost					
At 1 January 2024	44,764,191	138,462,378	10,149,999	3,944,164	197,320,732
Additions	1,078,580	1,937,311	2,273,865	459,235	5,748,991
Disposals	-	(36,160)	(2,048,917)	(6,000)	(2,091,077)
Written off	-	(8,300)	-	(67,493)	(75,793)
At 31 December 2024	45,842,771	140,355,229	10,374,947	4,329,906	200,902,853
Additions	238,370	963,799	783,379	174,418	2,159,966
Disposals	-	(36,589,587)	(97,442)	(1,273,501)	(37,960,530)
At 31 December 2025	46,081,141	104,729,441	11,060,884	3,230,823	165,102,289
Accumulated depreciation					
At 1 January 2024	11,019,499	120,457,608	9,323,213	2,614,884	143,415,204
Depreciation charge for the year (Note 7)	753,617	1,395,312	282,086	39,776	2,470,791
Disposals	-	(36,054)	(2,048,917)	(6,000)	(2,090,971)
Written off	-	(8,300)	-	(67,493)	(75,793)
At 31 December 2024	11,773,116	121,808,566	7,556,382	2,581,167	143,719,231
Depreciation charge for the year (Note 7)	844,544	1,373,928	675,337	76,763	2,970,572
Disposals	-	(32,444,882)	(90,508)	(14,251)	(32,549,641)
At 31 December 2025	12,617,660	90,737,612	8,141,211	2,643,679	114,140,162
Accumulated impairment loss					
At 1 January 2024 /31 December 2024/ 1 January 2025	-	6,334,719	-	-	6,334,719
Disposals	-	(5,238,955)	-	-	(5,238,955)
At 31 December 2025	-	1,095,764	-	-	1,095,764
Net carrying amount					
At 31 December 2025	33,463,481	12,896,065	2,919,673	587,144	49,866,363
At 31 December 2024	34,069,655	12,211,944	2,818,565	1,748,739	50,848,903

*Other assets consist of furniture, fittings and office equipments.

	Other asset 2025 RM	2024 RM
Company		
Cost		
At 1 January/31 December	10,287	10,287
Accumulated depreciation		
At 1 January/31 December	10,287	10,287
Net carrying amount		
At 31 December	-	-

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

(a) Assets held under hire purchase

During the financial year, the Group acquired property, plant and equipment at an aggregate cost of RM2,159,966 (2024: RM5,748,991) of which RM1,699,600 (2024: RM1,001,100) was acquired by means of hire purchase arrangement. Net carrying amounts of property, plant and equipment held under hire purchase are as follows:

	Group 2025 RM	2024 RM
Motor vehicles	2,551,052	1,323,786

Leased assets are pledged as security for the related hire purchase liabilities.

(b) Assets pledged as security

Net carrying amounts of property, plant and equipment pledged to secure the Group's bank borrowings as disclosed in Note 21 are as follows:

	Group 2025 RM	2024 RM
Land and buildings	19,817,316	34,069,655
Plant and machinery	12,740,330	12,211,944
Motor vehicles	179,414	1,494,779
Other assets	576,568	1,748,739
	33,313,628	49,525,117

(c) Impairment assessment for property, plant and equipment

Due to the existence of indicators of impairment during the current financial year as a result of continuous losses recorded by a subsidiary, Kangkar Raya Batu Bata Sdn Bhd ("KRBB"), the Group carried out a review of the recoverable amounts of the cash-generating unit to which its property, plant, and equipment are allocated.

The Group estimated the recoverable amount based on the fair value less costs of disposal, by engaging the independent valuer to perform valuation of the freehold land, buildings, and plant and machinery. This represents the directors' estimation of fair value less costs of disposal for the property, plant and equipment.

Based on the results of the impairment assessment, no additional or reversal of impairment was required for the current financial year.

Description of valuation techniques used and key inputs to valuation on freehold land, building and machinery are as follows:

	Valuation technique	Significant unobservable inputs
Freehold land	Comparison Method of Valuation	Comparing the property with comparable properties which have been sold and making adjustments for factors which affect value such as location and layer, market conditions, size, zoning and restrictions if any, built-up area building construction, finishes and services, age and condition of building and other relevant characteristics.
Building	Depreciated Replacement Cost Method	Aggregated amount of gross replacement cost of the building and other site works, from which appropriate deductions may then be made for the age, condition, economic or functional obsolescence and environmental factors.
Machinery	Depreciated Replacement Cost Method	Aggregated amount of gross replacement cost of the machinery, from which appropriate depreciation deduction may then be made for age, wear and tear, condition and obsolescence.

13. INVESTMENT PROPERTY

	Group and Company 2025 RM	2024 RM
Statement of financial position:		
Cost		
At 1 January/31 December	750,000	750,000
Accumulated depreciation		
At 1 January	470,256	442,594
Depreciation charge for the year (Note 7)	27,662	27,662
At 31 December	497,918	470,256
Net carrying amount		
At 31 December	252,082	279,744
Fair value of investment property	1,024,000	1,024,000
Statement of comprehensive income:		
Rental income from investment property		
- Minimum lease receivable	50,500	50,400
Direct operating expenses (including repairs and maintenance) arising from:		
- Rental generating properties	43,600	43,600

The Group and the Company have no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

14. INVESTMENT IN SUBSIDIARIES

	Company 2025 RM	2024 RM
Unquoted redeemable convertible preference shares, at cost	51,680,000	51,680,000
Unquoted shares, at cost	56,616,709	56,616,709
	108,296,709	108,296,709
Impairment losses	(42,907,790)	(42,122,298)
	65,388,919	66,174,411

Details of the subsidiaries are as follows:

Name	Place of business/ Country of incorporation	Principal activities	Proportion (%) of ownership interest 2025	2024
Kangkar Raya Batu Bata Sdn Bhd ("KRBB")	Malaysia	Manufacturing of bricks and roofing tiles	100	100
Syarikat Kia Lim Kilang Batu Bata Sdn Bhd ("SKL")	Malaysia	Manufacturing of bricks	100	100

Both subsidiaries are audited by Ernst & Young PLT, Malaysia.

14. INVESTMENT IN SUBSIDIARIES (CONT'D)

Impairment assessment of KRBB

In previous financial years, the Company recognised impairment losses of RM42,122,298 in respect of its investment in KRBB. At the reporting date, due to the existence of impairment indicators mentioned in Note 3.2(d), the directors performed an impairment assessment of the investment in KRBB based on the adjusted net assets of KRBB. Based on the impairment assessment, an additional impairment loss of RM785,492 (2024: RM724,000) was recognised during the financial year.

Subscription of ordinary shares in KRBB

In previous financial year, the Company subscribed for a further 9,000,000 ordinary shares in KRBB for a total cash consideration of RM9,000,000 for working capital purpose.

15. INVESTMENT IN AN ASSOCIATE

	Group 2025 RM	2024 RM
Unquoted shares at cost	54,000	54,000
Share of post-acquisition reserves	13,945	19,532
	67,945	73,532

Details of the associate which has a financial year end of 31 August, are as follows:

Name of associate	Place of business/ Country of incorporation	Principal activities	Proportion (%) of ownership interest 2025	2024
Sersen Tiles Sdn Bhd	Malaysia	Property owner	27	27

The results of associate is based on the audited financial statements for the financial year ended 31 August 2025.

The Group's share of summarised financial information of the associate is as follows:

	2025 RM	2024 RM
Current assets	2,221	2,055
Non-current assets	321,422	334,652
Current liabilities	(89,415)	(81,786)
Equity attributable to shareholders	234,228	254,921
Equity attributable to the Group	63,241	68,828
Goodwill on acquisition	4,704	4,704
	67,945	73,532
Net (loss)/profit for the year	(20,693)	10,097
Group's share of (loss)/profit for the year	(5,587)	2,726

16. INVESTMENT IN SECURITIES

	Group 2025 RM	2024 RM
At fair value through profit or loss		
Equity security in Malaysia		
- Quoted	5,036	5,036
- Unquoted	1	1
	5,037	5,037

17. INVENTORIES

	Group 2025 RM	Group 2024 RM
Statement of financial position:		
At cost		
- Raw materials	2,341,681	2,090,654
- Consumables	13,041,198	12,493,946
- Work-in-progress	427,185	394,965
- Finished products	972,163	553,994
	16,782,227	15,533,559
At net realisable value		
- Finished products	4	4
Total inventories	16,782,231	15,533,563
Statement of comprehensive income:		
Cost of inventories recognised as an expense in cost of sales	37,413,862	26,930,442

18. TRADE AND OTHER RECEIVABLES

	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Current				
Trade receivables				
Third parties	10,420,480	8,419,573	-	-
Less: Provision for doubtful debts	(115,314)	(76,406)	-	-
	10,305,166	8,343,167	-	-
Other receivables				
Deposits	102,927	102,927	15,130	15,130
Related parties	401	1,172	-	-
Sundry receivables	639,119	354,531	-	-
	742,447	458,630	15,130	15,130
Total trade and other receivables (current)	11,047,613	8,801,797	15,130	15,130
Non-current				
Other receivables				
Amount due from subsidiary				
- Non-interest bearing	-	-	-	60,000
Total trade and other receivables (current and non-current)	11,047,613	8,801,797	15,130	75,130
Add: Cash and bank balances (Note 19)	5,520,869	2,846,419	21,073	3,264
Total financial assets carried at amortised cost	16,568,482	11,648,216	36,203	78,394

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2024: 30 to 90 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

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

	Group 2025 RM	Group 2024 RM
Neither past due nor impaired	8,344,534	6,211,035
1 to 30 days past due not impaired	1,938,296	2,058,498
31 to 60 days past due not impaired	22,336	32,160
More than 61 days past due not impaired	-	41,474
	1,960,632	2,132,132
Impaired	115,314	76,406
	10,420,480	8,419,573

18. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (Cont'd)

Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of these balances have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM1,960,632 (2024: RM2,132,132) that are past due at the reporting date but not impaired.

Although these balances are unsecured in nature, they are mostly due from customers which have a long term relationship with the Group.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group 2025 RM	Group 2024 RM
At 1 January	76,406	76,406
Charge for the year (Note 7)	38,908	-
At 31 December	115,314	76,406

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Other receivables - current

These receivables (includes amount due from related parties) are generally unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

(c) Other receivables - non-current

The amounts due from subsidiary are unsecured, non-trade in nature, non-interest bearing and not expected to be repaid within the next 12 months.

19. CASH AND BANK BALANCES

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following at the reporting date:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash on hand and at banks	1,367,853	67,369	21,073	3,264
Fixed deposits	4,153,016	2,779,050	-	-
Cash and bank balances (Note 18)	5,520,869	2,846,419	21,073	3,264
Bank overdrafts (Note 21)	-	(239,365)	-	-
Less: Pledged deposit	(506,761)	(493,919)	-	-
Fixed deposits with maturity exceeding 3 months	-	(2,285,131)	-	-
Cash and cash equivalents	5,014,108	(171,996)	21,073	3,264

Fixed deposits bear interest of 1.75% to 3.45% (2024: 2.30% to 3.65%) per annum and mature in 12 months.

19. CASH AND BANK BALANCES (CONT'D)

Fixed deposit amounting to RM506,761 (2024: RM493,919) is pledged as security for banking facilities granted to the Group as disclosed in Note 21.

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current				
Trade payables				
Third parties	4,148,891	4,421,004	-	-
Related parties	259,351	293,399	-	-
Corporate shareholder	3,487,354	4,194,573	-	-
	7,895,596	8,908,976	-	-
Other payables				
Third parties	1,213,608	1,496,345	804,420	741,738
Related parties	1,161,000	1,244,200	-	-
Amount due to subsidiary	-	-	275,000	-
Corporate shareholder	5,203,770	6,020,906	-	-
Accruals	2,145,161	1,900,377	8,600	8,400
	9,723,539	10,661,828	1,088,020	750,138
Total trade and other payables	17,619,135	19,570,804	1,088,020	750,138
Add: Loan and borrowings (Note 21)	3,782,410	1,831,453	-	-
Total financial liabilities at amortised cost	21,401,545	21,402,257	1,088,020	750,138

(a) Trade payables - current

The trade payables of the Group are generally non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2024: 30 to 90 days).

(b) Other payables

Other payables (includes amount due to related parties, subsidiary and corporate shareholder) are generally unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

21. LOANS AND BORROWINGS

	Group	
	2025 RM	2024 RM
Current:		
Secured:		
Bank overdrafts (Note19)	-	239,365
Bankers' acceptances	1,220,171	304,717
Obligations under hire purchase (Note 24)	455,746	217,293
	1,675,917	761,375
Non-current:		
Secured:		
Obligations under hire purchase (Note 24)	2,106,493	1,070,078
Total loans and borrowings (Note 20)	3,782,410	1,831,453

21. LOANS AND BORROWINGS (CONT'D)

	Group 2025 RM	Group 2024 RM
Maturity of borrowings		
On demand or within one year	1,675,917	761,375
More than 1 year and less than 2 years	487,050	201,797
More than 2 years and less than 5 years	1,079,007	504,772
5 years or more	540,436	363,509
	3,782,410	1,831,453

The loans and borrowings bear interest at the following rates:

	2025 %	2024 %
Bank overdrafts	nil	8.95 - 9.95
Bankers' acceptances	4.35 - 4.78	5.68 - 6.25
Obligations under hire purchase	2.25 - 3.75	2.51 - 3.75

The loans and borrowings are secured by a fixed charge on certain property, plant and equipment and fixed deposit of the Group as disclosed in Note 12 and Note 19.

Movements in the borrowings were as follows:

	Group 2025 RM	Group 2024 RM
As 1 January	1,831,453	2,474,284
Drawdown:		
- Bankers' acceptances	2,160,264	935,717
- Hire purchase	1,699,600	1,001,100
Repayments:		
- Bankers' acceptances	(1,244,810)	(1,257,000)
- Hire purchase	(424,732)	(287,659)
Changes in bank overdrafts balance	(239,365)	(1,034,989)
At 31 December	3,782,410	1,831,453

22. SHARE CAPITAL

Ordinary share capital

	Group and Company Number of ordinary shares		Group and Company Amount	
	2025	2024	2025 RM	2024 RM
Issued and fully paid, at no par value:				
At 1 January/31 December	61,937,451	61,937,451	69,220,681	69,220,681

23. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Advances, 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:

	Group 2025 RM	Group 2024 RM
Purchase of property, plant and equipment from:		
Rengam Batu Bata Sdn Bhd (note v)	-	18,200
Rental payable to:		
Kia Lim Timber Trading Sdn Bhd (note i)	113,400	113,400
Sri Senanggar Batu Bata Sdn Bhd (note ii)	18,075	18,075
Repair and maintenance charges receivable from:		
Sri Senanggar Batu Bata Sdn Bhd (note ii)	49,136	20,840
Transport charges receivable from:		
Original Clay Industries Sdn Bhd (note iii)	-	1,172
Other charges payable to:		
Kia Lim Timber Trading Sdn Bhd (note i)	2,163	4,900
Rengam Batu Bata Sdn Bhd (note v)	497	-
Sri Senanggar Batu Bata Sdn Bhd (note ii)	-	1,683
Other charges receivable from:		
E.S. Ng Pembinaan Perniagaan Sdn Bhd (note iv)	5,462	1,332
Kia Lim Timber Trading Sdn Bhd (note i)	7,176	14,239
Original Clay Industries Sdn Bhd (note iii)	29,000	-
Rengam Batu Bata Sdn Bhd (note v)	1,918	1,807
Amount due from subsidiaries:		
Repayment of advances from subsidiaries	60,000	433,014

	Company 2025 RM	Company 2024 RM
Amount due to subsidiary:		
Advances from subsidiary	275,000	-

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are mutually agreed upon.

Related parties are those enterprises which are subject to the same source of influence as the Company through common directors and shareholders.

Notes:

(i) A director of the Company, namely Ng Chin Kang is a substantial shareholder of that company. Ng Chin Kang and Ng Hwe Cheng are also directors of that company.

(ii) Certain directors of the Company, namely Ng Chin Kang and Ng Hwe Cheng are also directors of that company.

(iii) A director of the Company, namely Ng Hwe Cheng and her family members are substantial shareholders of that company.

(iv) A director of the Company, namely Ng Hwe Cheng and her family members are directors and substantial shareholders of that company.

(v) A family member of a director of the Company, namely Ng Hwe Cheng is also a director of that company.

23. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(b) Compensation of key management personnel

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Salaries and other emoluments	1,566,080	1,269,054	40,000	41,083
Bonus	221,526	185,644	-	-
Defined contribution plan	232,771	127,267	-	-
Benefits-in-kind	177,008	44,436	-	-
	2,197,385	1,626,401	40,000	41,083
Included in compensation of key management personnel are directors' remuneration	1,009,741	710,431	40,000	41,083

24. COMMITMENTS

(a) Hire purchase commitments

The Group has hire purchase arrangements for certain motor vehicles. Future minimum lease payments under hire purchase together with the present value of the net minimum lease payments are as follows:

	Group	
	2025 RM	2024 RM
Future minimum lease payments:		
Not later than 1 year	588,672	283,080
Later than 1 year and not later than 2 years	588,672	253,980
Later than 2 years and not later than 5 years	1,221,494	588,785
Later than 5 years	576,345	395,795
Total future minimum lease payments	2,975,183	1,521,640
Less: Future finance charges	(412,944)	(234,269)
Present value of hire purchase liabilities	2,562,239	1,287,371
Analysis of present value of hire purchase liabilities:		
Not later than 1 year	455,746	217,293
Later than 1 year and not later than 2 years	487,050	201,797
Later than 2 years and not later than 5 years	1,079,007	504,772
Later than 5 years	540,436	363,509
	2,562,239	1,287,371
Less: Amount due within 12 months (Note 21)	(455,746)	(217,293)
Amount due after 12 months (Note 21)	2,106,493	1,070,078

(b) Operating lease commitments - as lessor

The Group and the Company have entered into a commercial property lease on its investment property. This non-cancellable lease has a remaining lease term of 35 months.

Future minimum rentals receivable under non-cancellable operating leases at the reporting date are as follows:

	2025 RM	2024 RM
Not later than 1 year	47,300	46,200

25. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's and the Company's assets:

Group and Company	Quoted price in active markets (Level 1) RM	Significant observable inputs (Level 2) RM	Significant unobservable inputs (Level 3) RM	Total RM
At 31 December 2025				
Assets measured at fair value				
Investment securities				
- Quoted investment	5,036	-	-	5,036
- Unquoted investment	-	-	1	1
	5,036	-	1	5,037
Assets for which fair values are disclosed				
Investment property	-	-	1,024,000	1,024,000
Assets for which recoverable amount is measured at fair value (For Group level only)				
- Freehold land	-	-	8,680,000	8,680,000
- Building	-	-	10,400,000	10,400,000
- Machinery	-	-	1,140,000	1,140,000
At 31 December 2024				
Assets measured at fair value				
Investment securities				
- Quoted investment	5,036	-	-	5,036
- Unquoted investment	-	-	1	1
	5,036	-	1	5,037
Assets for which fair values are disclosed				
Investment property	-	-	1,024,000	1,024,000
Assets for which recoverable amount is measured at fair value (For Group level only)				
- Freehold land	-	-	8,680,000	8,680,000
- Building	-	-	10,400,000	10,400,000
- Machinery	-	-	1,595,000	1,595,000

There were no transfers between the various levels of the fair value measurement hierarchy during year 2024 and 2025.

(b) Information about significant unobservable inputs used in Level 3 fair value measurements

For unquoted equity securities, a significant increase/(decrease) in the expected dividend yield would result in a significantly higher/(lower) fair value measurement. A significant increase/(decrease) in discount for lack of marketability would result in a significantly lower/(higher) fair value measurement.

For commercial investment properties, a significant increase/(decrease) in comparable prices would result in a significantly higher/(lower) fair value measurement.

25. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(c) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximations of fair value

The carrying amounts of these financial assets and liabilities are reasonable approximations 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.

	Note
Trade and other receivables (current)	18
Trade and other payables (current)	20
Loans and borrowings (current and non-current)	21

The fair values of borrowings are estimated by discounting expected future cash flows at the market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, and interest rate risk.

The directors review and agree on policies and procedures for the management of these risks, which are executed by the management team.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) 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 and the Company's exposure to credit risk arises primarily from trade and other receivables.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis.

Exposure to credit risk

At the reporting date, the Group'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

The Group does not have any significant concentration of credit risk in the form of receivables due from a single debtor or from group of debtors.

Financial assets that are neither past due nor impaired

Information on trade and other receivables that are neither past due nor impaired is disclosed in Note 18.

Financial assets that are either past due or impaired

Information on trade and other receivables that are either past due or impaired is disclosed in Note 18.

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

Financial guarantees

	Company 2025 RM	Company 2024 RM
Unsecured:		
Corporate guarantees to banks for credit facilities granted to subsidiaries	1,220,171	544,082

The Company is also exposed to credit risk arising from the financial guarantees it has given to certain banks for credit facilities granted to the subsidiaries. The fair value of the financial guarantees is determined by reference to the interest rate difference that would have been charged by the banks had these guarantees not been available. The directors have determined that the fair values of these guarantees are not significant to the Company's financial position and results.

(b) 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 and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities and bank overdrafts.

At the reporting date, approximately 43% (2024: 40%) of the Group's loans and borrowings will mature in less than one year based on the carrying amount reflected in the financial statements.

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted amounts.

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
31 December 2025				
Financial liabilities				
Group				
Trade and other payables	17,619,135	-	-	17,619,135
Loans and borrowings	1,808,843	1,810,166	576,345	4,195,354
	19,427,978	1,810,166	576,345	21,814,489
Financial liabilities				
Company				
Trade and other payables	1,088,020	-	-	1,088,020
31 December 2024				
Financial liabilities				
Group				
Trade and other payables	19,570,804	-	-	19,570,804
Loans and borrowings	827,162	842,765	395,795	2,065,722
	20,397,966	842,765	395,795	21,636,526
Financial liabilities				
Company				
Trade and other payables	750,138	-	-	750,138

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

(c) 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 exposure to interest rate risk arises primarily from its borrowings.

Sensitivity analysis for interest rate risk

During the financial year, if interest rates had been 50 basis points lower/higher, with all other variables held constant, the Group's net profit would have been approximately RM7,500 higher/lower (2024: RM7,200 higher/lower), arising mainly as a result of lower/higher interest expense on floating rate borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the current observable market environment.

27. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2025 and 31 December 2024.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises loans and borrowings, trade and other payables, less cash and bank balances whereas total capital comprises the equity attributable to equity holders of the Group.

	Note	Group 2025 RM	Group 2024 RM
Loans and borrowings	21	3,782,410	1,831,453
Trade and other payables	20	17,619,135	19,570,804
Less: Cash and bank balances	19	(5,520,869)	(2,846,419)
Net debt		15,880,676	18,555,838
Equity attributable to the equity holders of the Group, representing total capital		59,596,170	56,641,096
Capital and net debt		75,476,846	75,196,934
Gearing ratio		21%	25%

28. SEGMENT INFORMATION

Segmental disclosures are not applicable as the Group operates principally within one industry and one country.

29. SUBSEQUENT EVENT

The Middle East Conflict which started on 28 February 2026 and caused the closure of the Strait of Hormuz, has significantly disrupted many business operations around the world. For the Group, impact on business operations, if any, 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. The Group will continue to monitor the development of these events and will implement the necessary measures to mitigate the impact of conflict to the Group's business. The Middle East Conflict which started on 28 February 2026 is a non-adjusting event post balance sheet.

30. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the directors on 2 April 2026.

Total Number of Issued Shares : 61,937,451 ordinary shares

Voting rights : One vote for one ordinary share

ANALYSIS OF SHAREHOLDINGS

Holdings	Number of Holders	Total Holdings	Percentage of Holdings
Less than 100	8	236	0.00
100 - 1,000	540	488,890	0.79
1,001 - 10,000	625	2,887,287	4.66
10,001 to 100,000	310	9,881,574	15.95
100,001 to less than 5% of issued shares	73	31,791,276	51.33
5% and above of issued shares	3	16,888,188	27.27
	1,559	61,937,451	100.00

THIRTY LARGEST SHAREHOLDERS

Name of Shareholders	Number of Shares	Percentage of Shares
1. Kia Lim Realty Sdn Bhd	7,312,393	11.81
2. RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kia Lim Timber Trading Sdn Bhd	6,440,270	10.40
3. Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Hoo Tee Holdings Sdn Bhd	3,135,525	5.06
4. Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kia Lim Realty Sdn Bhd	2,931,600	4.73
5. Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kia Lim Timber Trading Sdn Bhd	2,764,800	4.46
6. Kia Lim Timber Trading Sdn Bhd	2,284,064	3.69
7. Ng Hoo Tee Holdings Sdn Bhd	2,037,548	3.29
8. Sutera Istimewa Sdn Bhd	1,875,000	3.03
9. Ng Yeng Keng @ Ng Ka Hiat	1,542,255	2.49
10. Maybank Bominees (Tempatan) Sdn Bhd Chua Eng Ho Wa'a @ Chua Eng Wah	1,084,400	1.75
11. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Sii Toh Ping	889,500	1.44
12. Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Sak Kam Wah	779,000	1.26
13. Nam Heng Oil Mill Company Sdn Berhad	748,888	1.21
14. Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Goh May Lee	717,000	1.16
15. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tee Kim Hew	679,800	1.10
16. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Pang Kim Hau	673,200	1.09
17. Mersing Village Sdn Bhd	666,000	1.08
18. Ng Khea Chuan	600,000	0.97
19. Chan Yew Fee	550,000	0.89
20. Ng Yan Kian	436,696	0.71
21. Yeo Ann Seck	398,200	0.64
22. Teh Bee Gaik	359,400	0.58
23. Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for On Chee Yeuan	340,900	0.55
24. Maybank Nominees (Tempatan) Sdn Bhd Ho Koh Leong	300,000	0.48
25. Tan Kuan Teck	292,600	0.47
26. Ng Yam Puan@Ng Ah Bah	280,143	0.45
27. On Chee Yeuan	253,500	0.41
28. Ho Peng Chong	252,600	0.41
29. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chen Pang	249,400	0.40
30. Kour Siok Leen	246,790	0.40

SUBSTANTIAL SHAREHOLDERS

According to the Register required to be kept under Section 144 of the Companies Act, 2016, the following are the substantial shareholders of the Company:

No.	Name	Direct Interest		Deemed Interest		Note
		Number of Shares	Percentage of Shares	Number of Shares	Percentage of Shares	
1	Kour Siok Leen	401,054	0.64	10,297,993	16.62	A
2	Kia Lim Realty Sdn Bhd	10,243,993	16.54	54,000	0.09	B
3	Kia Lim Timber Trading Sdn Bhd	11,516,734	18.59	845,000	1.36	C
4	Ng Hoo Tee Holdings Sdn Bhd	5,173,073	8.35	125,000	0.20	D
5	Datuk Ng Yeng Keng @ Ng Ka Hiat	1,542,255	2.49	27,949,498	45.13	E
6	Ng Chin Kang	-	-	12,361,734	19.96	F
7	Ng Yeng Keng Holdings Sdn Bhd	-	-	10,297,993	16.62	A
8	Ng Hwee Cheng	207,600	0.34	27,778,800	44.85	G

Notes:

A Deemed interest through her/its shareholdings in Kia Lim Realty Sdn Bhd and Sersen Tiles Sdn Bhd by virtue of Section 8 of the Companies Act, 2016.
B Deemed interest through its shareholdings in Sersen Tiles Sdn Bhd by virtue of Section 8 of the Companies Act, 2016.
C Deemed interest through its shareholdings in Sersen Tiles Sdn Bhd, Mersing Village Sdn Bhd and Ban Dung Palm Oil Industries Sdn Bhd by virtue of Section 8 of the Companies Act, 2016.
D Deemed interest through its shareholding in Ban Dung Palm Oil Industries Sdn Bhd by virtue of Section 8 of the Companies Act, 2016.
E Deemed interest through his shareholding in Kia Lim Realty Sdn Bhd, Kia Lim Timber Trading Sdn Bhd, Sersen Tiles Sdn Bhd, Ban Dung Palm Oil Industries Sdn Bhd, Mersing Village Sdn Bhd and Ng Hoo Tee Holdings Sdn Bhd by virtue of Section 8 and pursuant to Section 59 (11) (C) of the Companies Act, 2016.
F Deemed to have indirect interest through his shareholding in Kia Lim Timber Trading Sdn Bhd, Sersen Tiles Sdn Bhd, Mersing Village Sdn Bhd and Ban Dung Palm Oil Industries Sdn Bhd by virtue of Section 8 of the Companies Act, 2016.
G Deemed interest through her shareholding in Kia Lim Realty Sdn Bhd, Kia Lim Timber Trading Sdn Bhd, Sersen Tiles Sdn Bhd, Ban Dung Palm Oil Industries Sdn Bhd, Mersing Village Sdn Bhd and Ng Hoo Tee Holdings Sdn Bhd by virtue of Section 8 of the Companies Act, 2016.

DIRECTORS' SHAREHOLDINGS

According to the Register required to be kept under Section 59 of the Companies Act, 2016, the following are the shareholdings of the Directors of the Company:

No.	Name	Direct Interest		Deemed Interest		Note
		Number of Shares	Percentage of Shares	Number of Shares	Percentage of Shares	
1	Loh Chee Kan	-	-	-	-	
2	Ng Chin Kang	-	-	12,361,734	19.96	*
3	Ng Hwe Cheng	207,600	0.34	27,778,800	44.85	*
4	Sam Ming Chia	-	-	-	-	
5	Haryanti Binti Othman	-	-	-	-	
6	Trevor Lawrence Richards	-	-	-	-	

Notes:
* Deemed interest in ordinary shares of the Directors are of the same as disclosed under notes to the substantial shareholding.

Location of Properties	Description	Tenure/ Age of Buildings	Approximately Land Area/ (Built-up Area)	Net Book Value RM'000	Date of Acquisition/ Valuation
5 plots of land comprising Lot Nos : PT 5032, 5033 5034, 5035 and 5036 Mukim Sri Medan 18, Batu Pahat, Johor Darul Takzim.	Industrial land (with factory for brick making plant, office, store and workshop)	Freehold (Between 32 - 39 years)	23.2923 acres (68,988 sq.ft)	7,896	31.12.2007
2 plots of land Lot Nos : 25 and 26 Mukim Sri Medan 18, Batu Pahat, Johor Darul Takzim.	Industrial land (with 1 open-sided factory buidings for paver plants)	Freehold (Between 26 years)	5.8686 acres (159,375 sq.ft)	9,102	31.12.2007
2 plots of land comprising Lot Nos : PTD 6922 and 1186 Mukim Sri Medan 18, Batu Pahat, Johor Darul Takzim.	Extraction of clay	Freehold	24.3376 acres (N/A)	1,220	31.12.2007
4 plots of land comprising Lot Nos : 1187, 27, 24 and 20 Mukim Sri Medan 18, Batu Pahat, Johor Darul Takzim.	Agricultural land (reserve for clay extraction)	Freehold	18.3562 acres (N/A)	976	31.12.2007
Lot No : 1617 Mukim Simpang Kiri 4, Batu Pahat, Johor Darul Takzim.	Agricultural land (reserve for clay extraction)	Freehold	5.0812 acres (N/A)	180	31.12.2007
HS(M) 2918 MLO1699 Mukim Sri Medan, Batu Pahat, Johor Darul Takzim	Agricultural land (reserve for clay extraction)	Freehold	2.4875 acres	240	23.05.2014
HS(M) 641 MLO 1698 Mukim Sri Medan, Batu Pahat, Johor Darul Takzim.	Agricultural land (reserve for clay extraction)	Freehold	2.4875 acres	230	13.03.2015
Lot No : PTD 6920 Mukim Sri Medan 18, Batu Pahat, Johor Darul Takzim.	Industrial land (with 2 open-sided factory buildings for brick making plants)	Freehold (Between 39 years)	7.0000 acres (111,705 sq.ft)	3,867	31.12.2007
Lot Nos : PTD 6988 and PTD 6989 Mukim Sri Medan 18, Batu Pahat, Johor Darul Takzim.	Industrial land (with open-sided factory buildings for roofing tiles plants, office building cum store and laboratory)	Freehold (Between 28 years)	8.7810 acres (224,772 sq.ft)	7,583	31.12.2007
Lot No : PTD 6921 Mukim Sri Medan 18, Batu Pahat, Johor Darul Takzim.	Extraction of clay	Freehold	20.5597 acres (N/A)	1,030	31.12.2007
3 plots of land comprising Lot Nos : PTD 8029, 6642, and 809 Mukim Sri Medan 18, Batu Pahat, Johor Darul Takzim.	Agricultural land (reserve for clay extraction)	Freehold	22.9330 acres (N/A)	1,050	31.12.2007
EMR 3460 Lot 6641 Mukim Sri Medan 18, Batu Pahat, Johor Darul Takzim.	Agricultural land (reserve for clay extraction)	Freehold	1.6311 acres (N/A)	90	31.12.2007
EMR 3134 Lot 6625 Mukim Sri Medan 18, Batu Pahat, Johor Darul Takzim.	Agricultural land (reserve for clay extraction)	Freehold	4.0747 acres (N/A)	120	31.12.2007
Suite No 1604 Tower A Menara Atlas Plaza Pantai Kuala Lumpur.	Office building	Freehold (30 years)	2,360 sq.ft	252	31.12.2007

KIA LIM

KIA LIM BERHAD

Reg. No. 199501013667 (342868-P)
(Incorporated in Malaysia)

FORM OF PROXY

No. of shares held	
CDS account no.	

I/We ______________________________ *NRIC/ Passport / Company No. ____________
(FULL NAME IN BLOCK CAPITAL)

of ____
(FULL ADDRESS)

and telephone no./email address ______________________________ being *a shareholder/

shareholders of **Kia Lim Berhad (199501013667 (342868-P))** hereby appoint:

Full Name and Address (in Block Letters) (First Proxy)		NRIC/ Passport No.	No. of Share	% of Shareholding
Email:	Contact No.:			

*and/or

Full Name and Address (in Block Letters) (Second Proxy)		NRIC/ Passport No.	No. of Share	% of Shareholding
Email:	Contact No.:			

or failing *him/her the Chairman of the Meeting as *my/our proxy/proxies to participate, speak and vote for *me/us on *my/our behalf at the Thirty-Frist Annual General Meeting ("**31st AGM**") of Kia Lim Berhad ("**Company**") which will be held at The Katerina Hotel, 8, Jalan Zabedah, 83000 Batu Pahat, Johor Darul Takzim on Thursday, 28 May 2026 at 12:00 noon, or at any adjournment thereof.

*My/Our proxy is to vote as indicated by an "X" in the appropriate spaces below:

		First Proxy		Second Proxy	
Ordinary Resolution No.		For	Against	For	Against
ORDINARY BUSINESS					
1	To approve the payment of Directors' fees of up to RM153,000.00 for the Directors of the Company and its subsidiaries in respect of the financial year ending 31 December 2026 and until the conclusion of the next Annual General Meeting ("AGM") of the Company to be held in 2027.				
2	To approve the proposed payment of Non-Executive Directors' ("NEDs") benefits of up to RM19,200.00 from 28 May 2026 up to the conclusion of the next AGM of the Company to be held in 2027.				
	To re-elect the following Directors who retire in accordance with Article 90 and Article 97 of the Company's Constitution and being eligible, offer themselves for re-election:				
3	Re-election of Mr Ng Chin Kang – Article 90				
4	Re-election of Puan Haryanti Binti Othman – Article 90				
5	Re-election of Mr Trevor Lawrence Richards – Article 97				
6	To re-appoint Messrs Ernst & Young PLT as Auditors of the Company and authorise the Directors to fix their remuneration.				
SPECIAL BUSINESS					
7	Proposed authority to issue and allot shares by the Directors pursuant to Sections 75 and 76 of the Companies Act 2016 ("CA 2016") and waiver of pre-emptive rights pursuant to the CA 2016				

Subject to the above stated voting instructions, *my/our proxy(ies) may vote or abstain from voting on any resolutions as *he/she/they may think fit.

* Strike out whichever is not desired

____
Signature of Shareholder(s)/ Common Seal
Contact no:

Date:

NOTES:

1. A member entitled to participate and vote at the Meeting is entitled to appoint a proxy or proxies to participate and vote in his stead. The proxy need not be a Member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to participate and vote at a meeting of a company shall have the same rights as the member to speak at the meeting.
2. A member shall be entitled to appoint more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) to participate and vote at the same meeting.
3. Where a member appoints more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
4. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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 accounts it holds. Where a member is an authorised nominee as defined under SICDA, it may appoint one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation under its common seal or the hand of its attorney.
6. The instrument appointing a proxy must be deposited at Suite 9D, Level 9, Menara Ansar, 65 Jalan Trus, 80888 IIBD, Johor not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof. The latest date and time for lodgement of Proxy Form(s) is Tuesday, 26 May 2026 at 12:00 noon.

Personal Data Privacy:
By submitting the duly executed Proxy Form(s), the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 31st AGM of the Company and any adjournment thereof.

Fold Here

STAMP

The Company Secretary

KIA LIM BERHAD

Reg. No. 199501013667 (342868-P)

Suite 9D, Level 9,
Menara Ansar, 65, Jalan Trus,
80888 IIBD,
Johor Darul Takzim

Fold Here