



KIMLUN CORPORATION BERHAD

Registration No. 200901023978 (867077-X)
(Incorporated in Malaysia under the Companies Act, 1965)



**A VISIONARY FOR
A BETTER SUCCESS**

ANNUAL REPORT 2024



KIMLUN

Kimlun Group is an engineering and construction services provider specialising in infrastructure and building construction, project management, industrial building systems (IBS) and manufacture of concrete products.

Ancillary to our core business, we also involve in property development and trading in construction and building materials.

We have the ability to act as a one-stop engineering services provider, capable of providing a comprehensive and integrated range of concrete products and engineering and construction services to our customers.

OUR VISION

“We aspire to be a reliable, innovative and profitable provider of full range construction services and products in the South East Asia region”.

OUR MISSION

“We aim to continuously improve, promote and provide construction activities and services to the society in which we operate. By providing one stop construction design and build services, we aim to add value to our clients that in turn will be beneficial to the society at large. We will treat all partners including suppliers, subcontractors and consultants with trust, honesty and fairness in all business dealings.

Towards our employees, we balance our focus on their personal skills development while taking care of their welfare.

While seeking for the maximisation of shareholders' wealth, we strive to maintain harmony with the interest of the society to enhance our corporation's sustainability”.

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INTEGRITY



MORAL



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Pang Tin @ Pang Yon Tin
Executive Chairman

Sim Tian Liang
Chief Executive Officer and
Executive Director

Chin Lian Hing
Executive Director

Yam Tai Fong
Executive Director

Pang Khang Hau
Executive Director

Datuk Woon See Chin
Independent Non-Executive
Director

Johar Salim Bin Yahaya
Independent Non-Executive
Director

Anita Chew Cheng Im
Independent Non-Executive
Director

**Bhupendar Singh A/L
Sewa Singh**
Independent Non-Executive
Director

Dato' Ir. Fong Tian Yong
Independent Non-Executive
Director

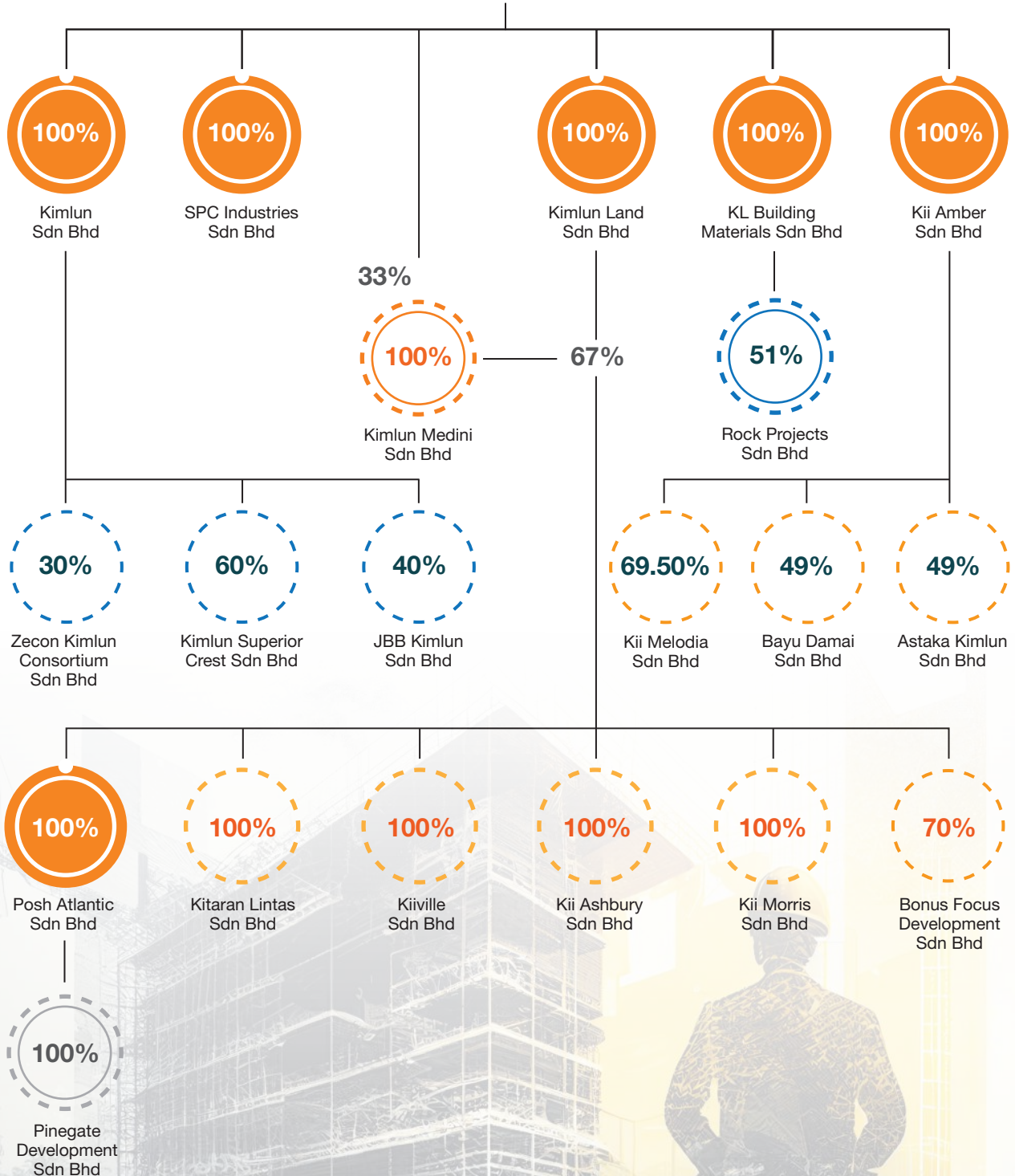
AUDIT AND RISK MANAGEMENT COMMITTEE	NOMINATION COMMITTEE	REGISTERED OFFICE
<p>Chairperson</p> <ul style="list-style-type: none"> Anita Chew Cheng Im Independent Non-Executive Director <p>Members</p> <ul style="list-style-type: none"> Datuk Woon See Chin Independent Non-Executive Director Bhupendar Singh A/L Sewa Singh Independent Non-Executive Director Dato' Ir. Fong Tian Yong Independent Non-Executive Director 	<p>Chairman</p> <ul style="list-style-type: none"> Johar Salim Bin Yahaya Independent Non-Executive Director <p>Members</p> <ul style="list-style-type: none"> Anita Chew Cheng Im Independent Non-Executive Director Bhupendar Singh A/L Sewa Singh Independent Non-Executive Director 	<p>Office Suite No. 603 Block C, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor, Malaysia</p> <p>Telephone No. : (+603) 7890 0238</p>
REMUNERATION COMMITTEE	COMPANY SECRETARIES	REGISTRAR
<p>Chairman</p> <ul style="list-style-type: none"> Datuk Woon See Chin Independent Non-Executive Director <p>Members</p> <ul style="list-style-type: none"> Johar Salim Bin Yahaya Independent Non-Executive Director Dato' Ir. Fong Tian Yong Independent Non-Executive Director 	<p>Yeng Shi Mei (MAICSA 7059759)(SSM PC No. 202008001282)</p> <p>Tay Lee Shya (MIA 16982)(SSM PC No. 202008002274)</p> <p>Rebecca Kong Say Tsui (MAICSA 7039304)(SSM PC No. 202008001003)</p>	<p>Tricor Investor & Issuing House Services Sdn. Bhd.</p> <p>Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur</p> <p>Telephone No. : (+603) 2783 9299</p> <p>Facsimile No. : (+603) 2783 9222</p> <p>E-mail : is.enquiry@vistra.com</p>
	HEAD OFFICE	AUDITOR
	<p>Suite 19.06, Level 19, Johor Bahru City Square, 106-108, Jalan Wong Ah Fook, 80000 Johor Bahru, Johor Darul Takzim</p> <p>Telephone No. : (+607) 222 8080</p> <p>Facsimile No. : (+607) 223 8282</p> <p>E-mail : info@kimlun.com</p> <p>Web-site : www.kimlun.com</p>	<p>Ernst & Young PLT</p> <p>202006000003 (LLP0022760-LCA) & AF 0039</p> <p>B-15, Medini 9, Persiaran Medini Sentral 1, Bandar Medini Iskandar, 79250 Iskandar Puteri, Johor</p> <p>Telephone No. : (+607) 288 3111</p> <p>Facsimile No. : (+607) 288 3112</p>

CORPORATE STRUCTURE



KIMLUN CORPORATION BERHAD

Registration No. 200901023978 (867077-X)
 (Incorporated in Malaysia under the Companies Act, 1965)



CORPORATE MILESTONES

1977 - 2003

1977

- Our humble beginnings started when Kimlun Earthworks Sdn Bhd was incorporated.

1994

- Kimlun Earthworks Sdn Bhd changed its name to Kimlun Sdn Bhd ("KLSB").

1997 - 2002

- KLSB involved in building construction and infrastructure projects with contract value less than RM20.0 million each in Johor, Malaysia.

2002

- SPC Industries Sdn Bhd ("SPC") commenced its pre-cast concrete business.

2003

- KLSB secured its first contract with a value exceeding RM20.0 million for the construction of apartments and townhouses.
- SPC was accredited with ISO 9001:2000 Quality Management.

2004 - 2008

2004

- SPC supplied concrete sewerage tunnel segments to Pantai Trunk Sewerage Bored Tunnel project in Kuala Lumpur.

2005

- KLSB ventured into specialised infrastructure construction by constructing the Tanjung Puteri flyover in Johor Bahru.
- KLSB ventured into Klang Valley with the construction of 70 units of semi detached houses.
- SPC secured its first sales contract for the supply of concrete tunnel lining segments to Singapore MRT project.

2006

- KLSB secured specialised infrastructure construction project for the upgrading works of the Perling Interchange in Johor Bahru.

2007

- KLSB was accredited the "ISO 9001:2000, Quality Management System" certification.

2008

- KLSB secured the project for the construction of the elevated interchange along Johor Bahru Inner Ring Road – Package 3B Jalan Abu Bakar Interchange with a contract value exceeding RM100 million.
- KLSB formed IBS Department to promote IBS construction methods.

2009 - 2012

2009

- KLSB secured its first Industrial Building System ("IBS") building project from Iskandar Regional Development Authority at a contract value of RM142.81 million.
- Kimlun Corporation Berhad was incorporated as an investment holding company.

2010

- Kimlun Corporation Berhad acquired KLSB, SPC and IBT in conjunction with its proposed initial public offering exercise.
- Kimlun Corporation Berhad was successfully listed on the Main Market of Bursa Malaysia Securities Berhad on 29 June 2010.
- Kimlun Corporation Berhad incorporated a subsidiary namely, Kimlun Land Sdn Bhd ("KLLSB").

2011

- Kimlun Group ventured into property development with its first development land in Cyberjaya, Selangor.

2012

- SPC was appointed by Mass Rapid Transit Corporation Sdn Bhd as the designated supplier for the supply of segmental box girders ("SBG") to certain packages of the Projek Mass Rapid Transit Lembah Kelang: Jajaran Sungai Buloh-Kajang for RM223.18 million.
- KLSB secured more than RM400 million worth of IBS projects during 2012.

CORPORATE MILESTONES

2013 - 2016

2013

- Kimlun Group launched its first property development project, the Hyve SOHO and Offices in Cyberjaya, Selangor.
- KLSB secured its first contract with a value exceeding RM290 million for the construction of service apartments and ancillary buildings.
- SPC set up a new precast concrete products manufacturing plant on a piece of land measuring approximately 130 acres in Negeri Sembilan, and commenced production during the year.

2015

- Kimlun Corporation Berhad incorporated a subsidiary, KL Building Materials Sdn Bhd ("KBMSB"). The principal activities of KBMSB are manufacturing and trading of building and construction materials, and provision of quarry services and machinery rental services.

2016

- Kimlun Group's joint venture company, Zecon Kimlun Consortium Sdn Bhd, was awarded a work package contract for the Proposed Development and Upgrading of the Pan Borneo Highway in Sarawak for a contract sum of RM1.46 billion. This signifies the Group's geographical diversification to East Malaysia, and expansion of its construction services to highway project. The Project is the single largest contract which the Group won in its history.
- SPC won SBG and tunnel lining segments supply contracts in relation to Projek Mass Rapid Transit Lembah Kelang: Jajaran Sungai Buloh-Putrajaya Line, with aggregate contract value of RM252 million.

2017 - 2020

2017

- KLSB subscribed for equity interest in JBB Kimlun Sdn Bhd ("JKSB"), thereby JKSB became a joint venture company of KLSB. The principal activity of JKSB is building and infrastructure contractor.
- KLLSB incorporated three subsidiaries, Kiiville Sdn Bhd ("KVSB"), Kii Ashbury Sdn Bhd ("KASB") and Kii Morris Sdn Bhd ("KMSB"). The principal activities of KVSB, KASB and KMSB are property investment and property development.
- Kimlun Group commenced premix production in Sarawak and Johor.

2020

- KLSB successfully registered with CIDB for additional specialisation to construct hospital building.
- Kimlun Corporation Berhad incorporated a subsidiary, Kii Amber Sdn Bhd ("KABSB"). The principal activities of KABSB are investment holding, property investment and development.
- KABSB subscribed for equity interest in Bayu Damai Sdn Bhd ("BDSB"), thereby BDSB became a subsidiary of KABSB. The principal activity of BDSB is property development.
- KABSB incorporated a subsidiary, Kii Melodia Sdn Bhd ("KMLDSB"). The principal activities of KMLDSB are property investment and property development.

2021 - 2024

2024

- KLLSB acquired equity interest in Posh Atlantic Sdn Bhd ("PASB") and Bonus Focus Development Sdn Bhd ("BFDSB"), thereby PASB and BFDSB became subsidiaries of KLLSB. The principal activities of PASB and BFDSB are property investment and property development.
- KABSB subscribed for equity interest in Astaka Kimlun Sdn Bhd ("AKSB"), thereby AKSB became an associate company of KABSB. The principal activities of AKSB are property investment and property development.

PROFILE OF DIRECTORS

PANG TIN @ PANG YON TIN

Executive Chairman

Date of Appointment
24 October 2009



AGE:
77

Pang Tin @ Pang Yon Tin ("Mr Pang Tin"), a Malaysian aged 77, male, was appointed to the Board as Executive Chairman of Kimlun Corporation Berhad on 24 October 2009 and is responsible for overseeing the management of our Group.

Mr Pang Tin completed Senior Middle Three at Foon Yew High School in Johor Bahru, Johor, in 1966. He commenced his career in the construction industry in 1966 by assisting his late father in his construction business. He, together with Phang Piow @ Pang Choo Ing, incorporated Kimlun Sdn. Bhd. in 1977 to continue their venture in the construction industry. With the experience gained in the construction industry, he ventured into quarry business in 1970s and into property development in 1980s.

Mr Pang Tin has more than 45 years of experience in various sectors, encompassing property development, property investment, construction, quarrying, manufacturing and hotel management. He also sits on the Board of several private limited companies.

SIM TIAN LIANG

Chief Executive Officer &
Executive Director

Date of Appointment
24 October 2009



AGE:
70

Sim Tian Liang ("Mr Sim"), a Malaysian aged 70, male, was appointed to the Board as Chief Executive Officer of Kimlun Corporation Berhad on 24 October 2009 and is responsible for strategic planning and for the overall management of the Group.

Mr Sim graduated from Universiti Teknologi Malaysia in 1978, obtaining a Bachelor's Degree (Honours) in Engineering. He is the Past Chairman of the Institution of Engineers Malaysia Southern Branch and Past President of Johor Master Builders Association. He is also a member of the Chartered Institution of Highway and Transportations of the UK, a Honorary Member of Asean Federation of Engineering Organisation and a Fellow of Construction Industry Development Board Malaysia.

Mr Sim is a professional engineer registered with the Board of Engineers Malaysia, and has been in the construction industry since 1978 where he commenced work as a civil engineer with the Malaysian Government. He joined Pang Hock Constructions Sdn. Bhd. (now known as Tebrau Bay Constructions Sdn. Bhd.) towards the end of 1996 and was appointed as its Project Director in 1997 where his responsibilities included overseeing, monitoring and management of building and infrastructure construction projects. In 2003, he left Pang Hock Constructions Sdn. Bhd. and joined Kimlun Sdn. Bhd. as Chief Executive Officer. His primary role is to oversee to the execution of corporate objectives, as well as to provide the strategic direction of the company.

PROFILE OF DIRECTORS

CHIN LIAN HING

Executive Director

Date of Appointment
24 October 2009



AGE:
60

Chin Lian Hing (“Mr Chin”), a Malaysian aged 60, male, was appointed to the Board as Executive Director of Kimlun Corporation Berhad on 24 October 2009 and is responsible for the operations and business development activities of our construction business.

Mr Chin graduated from Tunku Abdul Rahman College, Malaysia, in 1988, obtaining a Diploma in Technology (Building). He holds a Bachelor’s Degree of Applied Science (Constructions Management and Economics) from Curtin University of Technology, Australia.

Mr Chin has been in the construction industry since 1988 where he commenced work as an Assistant Quantity Surveyor in Rukumas Sdn. Bhd., leaving in 1989 to join AJ Construction Sdn. Bhd. as a Quantity Surveyor. In 1990, he joined Hoon Lay Kien Construction, also as a Quantity Surveyor. Thereafter, he joined Chin Kek Ling Transport in mid-1990 before leaving to join Pang Hock Constructions Sdn. Bhd. (now known as Tebrau Bay Constructions Sdn. Bhd.) in January 1992. During his time at Pang Hock Constructions Sdn. Bhd., his last held position was General Manager (Operations and Contracts) and he was responsible for overseeing the tendering of building and infrastructure construction projects, and project implementation. He left Pang Hock Constructions Sdn. Bhd. in 2002 to join Kimlun Sdn. Bhd., where he is responsible for the operations and business development activities of the company.

YAM TAI FONG

Executive Director

Date of Appointment
24 October 2009



AGE:
57

Yam Tai Fong (“Ms Yam”), a Malaysian aged 57, female, was appointed to the Board as Executive Director of Kimlun Corporation Berhad on 24 October 2009 and is responsible for all financial matters concerning our Group.

Ms Yam graduated from Monash University, Australia, in 1990, obtaining a Bachelor’s Degree in Economics. Since 1994, she has been a member of the Malaysian Institute of Accountants.

Ms Yam commenced her career at Ernst & Young, Malaysia, in 1991, with responsibilities for audit, taxation and corporate advisory matters, leaving in 1994 to join Pang Hock Constructions Sdn. Bhd. (now known as Tebrau Bay Constructions Sdn. Bhd.). Whilst at Pang Hock Constructions Sdn. Bhd., she was responsible for the financial management and management reporting of its affairs. She left Pang Hock Constructions Sdn. Bhd. in 2003 to join Kimlun Sdn. Bhd. to assume similar responsibilities.

PROFILE OF DIRECTORS

PANG KHANG HAU

Executive Director

Date of Appointment
24 October 2009



AGE:
43

Pang Khang Hau (“Mr Pang”), a Malaysian aged 43, male, was appointed to the Board as Executive Director of Kimlun Corporation Berhad on 24 October 2009 and is responsible for the corporate affairs of our Group, including business development activities, human resource, administration and management.

Mr Pang graduated from the University of Western Australia in 2005, obtaining a Bachelor’s Degree in Civil Engineering. He completed a Master of Business Administration degree at the University of Liverpool, UK, in 2010. He commenced his career in the construction industry in 2006 with his appointment as a Director of Kimlun Sdn. Bhd. where he is responsible for business development activities, human resource, administration and management of our Group.

DATUK WOON SEE CHIN

Independent Non-Executive Director

Date of Appointment
1 October 2020



AGE:
81

Datuk Woon See Chin (“Datuk Woon”), a Malaysian aged 81, male, was appointed to the Board as Independent Non-Executive Director of Kimlun Corporation Berhad on 1 October 2020. He is the Chairperson of the Remuneration Committee and a member of the Audit and Risk Management Committee.

Datuk Woon graduated from the law school of University of Singapore and is an advocate and solicitor by profession and has been in legal practice in Johor Bahru for more than 49 years.

Datuk Woon was an Independent Non-Executive Director of Focal Aims Holdings Bhd (now known as Eco World Development Group Bhd) for more than 9 years until his resignation on 28 November 2013. He was a Johor State Assembly member in 1982 and was elected as a Member of Parliament of Malaysia from 1986 to 1995. He served as a Deputy Minister of Education of Malaysia for four (4) years from 1986 to 1990.

PROFILE OF DIRECTORS

JOHAR SALIM BIN YAHAYA Independent Non-Executive Director

Date of Appointment
1 December 2021



AGE:
71

Johar Salim Bin Yahaya (“Encik Johar”), a Malaysian aged 71, male, was appointed to the Board as Independent Non-Executive Director of Kimlun Corporation Berhad on 1 December 2021. He is the Chairperson of the Nomination Committee and a member of the Remuneration Committee.

Encik Johar graduated with a Bachelor of Economics (Hons.) Degree from University of Malaya. He started his career with Bank of America in 1974 and later moved to Malaysian French Bank in 1983. He joined Kumpulan Prasarana Rakyat Johor as Chief Operating Officer from 1997 to 2003 and rose to become the Chief Executive Officer until 2013. He was also the Chief Executive Officer of Tebrau Teguh Berhad from 2004 to 2012 and Executive Chairman of PLS Plantation Bhd from 2000 to 2013.

Encik Johar is currently the Chairman of Selia Ekuiti Sdn. Bhd.

ANITA CHEW CHENG IM Independent Non-Executive Director

Date of Appointment
1 December 2021



AGE:
58

Anita Chew Cheng Im (“Anita”), a Malaysian aged 58, female, was appointed to the Board as an Independent Non-Executive Director of Kimlun Corporation Berhad on 1 December 2021. She is the Chairperson of the Audit and Risk Management Committee and a member of the Nomination Committee.

Anita graduated from Monash University, Australia with a Bachelor of Economics Degree, majoring in Accounting in April 1990.

Anita started her career as an audit assistant at KPMG, Melbourne in 1990. She left KPMG in September 1991 to return to Malaysia. While in KPMG, she was engaged in the audit of the media, retail and mining industries.

In 1992, Anita joined the Corporate Finance department of Bumiputra Merchant Bankers Berhad (now known as Alliance Investment Bank Berhad after merging with Amanah Investment Bank Berhad) and was with the investment bank for approximately 5 years. From 2003 to 2007, she worked at Hwang DBS Investment Bank Berhad as Senior Vice President, Equity Capital Market. Prior to that, she was a Director, Corporate Finance at Alliance Investment Bank Berhad from 1997 to 2003.

Anita was involved in most related areas of corporate finance work during her tenure in the various investment banks, having advised clients on numerous IPO, fund raising, both equity and debt, mergers and acquisitions; and corporate and debt restructuring exercises.

Since Anita left the investment banking industry in 2007, she has been sitting on various corporate boards. She is currently an Independent Non-Executive Director of Plytec Holding Berhad, K-One Technology Berhad, SKP Resources Berhad and Kuchai Development Berhad, companies listed on Bursa Securities Malaysia Berhad. She also sits on Fortress Minerals Ltd, a company listed on the Singapore Exchange (SGX) as an Independent Non-Executive Director.

PROFILE OF DIRECTORS

BHUPENDAR SINGH A/L SEWA SINGH Independent Non-Executive Director

Date of Appointment
1 December 2021



AGE:
67

Bhupendar Singh A/L Sewa Singh (“Mr Bhupendar”), a Malaysian aged 67, male, was appointed to the Board as Independent Non-Executive Director of Kimlun Corporation Berhad on 1 December 2021. He is a member of the Audit and Risk Management Committee and Nomination Committee.

Mr Bhupendar holds a Bachelor’s Degree (Honours) in Accounting from Universiti Malaya. He is a member of the Malaysian Institute of Accountants and an Associate Member of the Chartered Tax Institute of Malaysia.

Mr Bhupendar commenced his career with Hanafiah, Raslan & Mohammad in 1983 with the taxation unit and the firm merged with Arthur Andersen & Co in April 1990. He became a Tax Partner in 1996 and moved to the firm of Ernst & Young in 2002. He was a senior tax partner with the firm until October 2010 when he left to join Petronas as the Head of Group Tax Department. He became a Vice President in 2016 and retired from Petronas in March 2020. He was responsible for setting up and growing the Tax Department of Petronas to be able to manage all the tax affairs of the Group in an effective manner.

Mr Bhupendar is currently running his own tax consultancy and advisory firm providing such services to clients in various industries.

DATO’ IR. FONG TIAN YONG Independent Non-Executive Director

Date of Appointment
1 December 2021



AGE:
76

Dato’ Ir. Fong Tian Yong (“Dato’ Ir. Fong”), a Malaysian aged 76, male, was appointed to the Board as Independent Non-Executive Director of Kimlun Corporation Berhad on 1 December 2021. He is a member of the Audit and Risk Management Committee and the Remuneration Committee.

Dato’ Ir. Fong holds a Bachelor’s Degree in Civil Engineering from Singapore University. Upon graduation in 1974, he joined the Public Works Department as Executive Engineer and rose to become the Deputy Director General of Local Government Department of the Ministry of Housing & Local Government (KPKT) until his retirement from government service in 2007. He was thereafter appointed to serve as Technical Advisor to four Ministers of KPKT until 2012 when he joined Malaysia-China Business Council as its Executive Director until 2021.

In KPKT, Dato’ Ir. Fong oversaw the development of Chinese New Village Master Plan, the amendments of Street, Drainage and Building Act, Uniform Building Bylaws and several policy matters. He co-authored the Book, Malaysian Chinese New Villages.

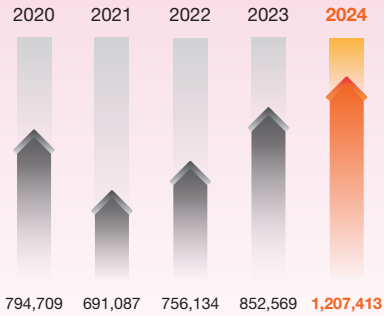
On the corporate side, Dato’ Ir Fong is a director of Malaysia-China Business Council, a not-for-profit company limited by guarantee as well as the Editor of the Board of Engineers Malaysia. He was the past President of the Technological Association Malaysia.

Notes to Directors’ Profile :

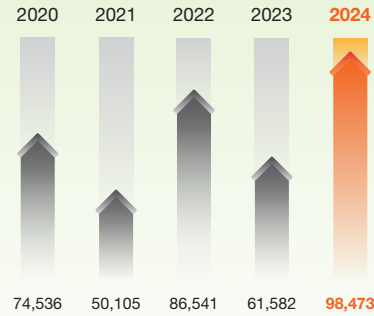
1. Pang Tin @ Pang Yon Tin is the father of Pang Khang Hau. Save as disclosed, none of the directors have any family relationship with any other director and/or major shareholder of the Company.
2. Save for Pang Tin @ Pang Yon Tin and Pang Khang Hau, who have interest in recurrent related party transactions as disclosed under Note 31 to the financial statements contained in this Annual Report, none of the directors have any conflict of interest or potential conflict of interest with the Company or its subsidiaries.
3. None of the directors have convicted any offences within the past five (5) years and being imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2024, other than traffic offences, if any.

GROUP FINANCIAL HIGHLIGHTS

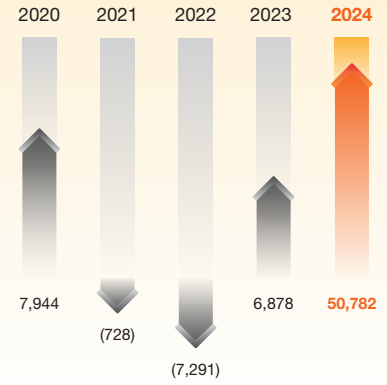
REVENUE (RM'000)



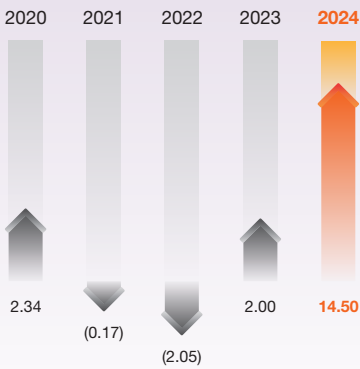
GROSS PROFIT (RM'000)



PROFIT/(LOSS) AFTER TAX (PAT) (RM'000)



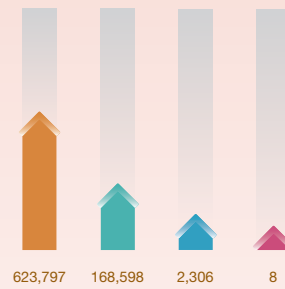
BASIC EARNINGS/(LOSS) PER SHARE (SEN)



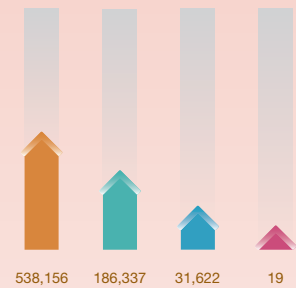
REVENUE BY SEGMENT (RM'000)

- Construction
- Property Development
- Manufacturing
- Investment

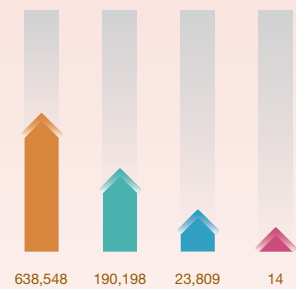
2020



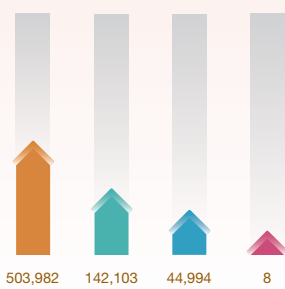
2022



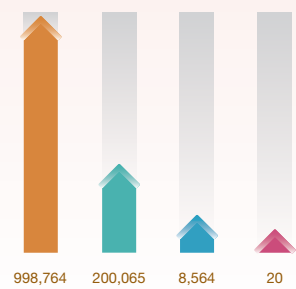
2023



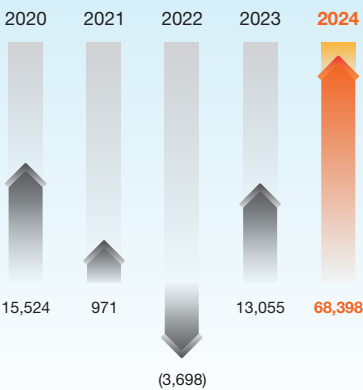
2021



2024



PROFIT/(LOSS) BEFORE TAX (PBT) (RM'000)



CHAIRMAN'S STATEMENT

“ DEAR SHAREHOLDERS,

ON BEHALF OF THE BOARD OF DIRECTORS (“THE BOARD”), I AM PLEASED TO PRESENT THE ANNUAL REPORT OF KIMLUN CORPORATION BERHAD (“OUR COMPANY”) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (“FY2024”).

OUR OPERATING ENVIRONMENT

The Malaysia construction industry has achieved a remarkable double-digit growth in 2024, after rebounding strongly from the challenges of the COVID-19 pandemic. Robust growth was achieved by the residential, non-residential and special trade subsectors.

There were marked increase in tender invitations and project awards to us during FY2024, and we secured a record high of RM2.17 billion worth of new construction projects during FY2024, which is about 67% higher than the new construction projects secured in FY2023. Amongst the new projects secured were high-rise residential projects in Johor Bahru and Klang Valley, and upgrading of Senai-Desaru Expressway.

The Singapore construction industry has also recorded a higher construction demand in 2024. Our pre-cast concrete products manufacturing division (“PCPD”) benefited from the steady flow of opportunities from Singapore public sector projects, and has secured a number of pre-cast concrete products sales orders in relation to the Singapore MRT projects during FY2024.

Total new sales orders secured by the PCPD in FY2024 from Malaysia and Singapore market was RM0.2 billion.

With higher projects and orders in hand, our revenue rebounded strongly to RM1.21 billion.



CHAIRMAN'S STATEMENT

OUR BUSINESS PERFORMANCE

Our revenue increased from RM852.57 million in FY2023 to RM1.21 billion in FY2024, mainly attributable to higher revenue generated by the construction and manufacturing and trading ("M&T") divisions.

Our gross profit ("GP") increased from RM61.58 million in FY2023 to RM98.47 million in FY2024, on the back of higher revenue and better GP margin of 8.2% against 7.2% of FY2023.

Administration expenses increased from RM38.18 million in FY2023 to RM57.13 million in FY2024 mainly due to higher human resources costs and foreign exchange loss.

Other operating income increased from RM8.37 million in FY2023 to RM52.06 million in FY2024 due to the full reversal of allowance of impairment on trade receivable and contract asset aggregating RM43.52 million in relation to a construction project, as the amount had been collected.

We generated a stronger profit before tax and profit after tax of RM68.40 million and RM50.78 million respectively in FY2024.

Please refer to the Financial Review section under the Management Discussion And Analysis for further details on our performance.

OUTLOOK

We have an estimated construction and manufacturing balance order book of approximately RM3.1 billion and RM0.3 billion respectively as at 31 December 2024, from a diversified clientele. The balance order book is expected to keep us busy for the next 2 to 3 years.

We believe the construction sector of Malaysia and Singapore will remain robust in 2025 with stronger property market sentiment and the expected roll out of further public sector projects, thus offer order book replenishment prospects.

In our home base, Johor, developers are upbeat with the improvement in the property market sentiment given the Johor Bahru-Singapore RTS project is progressing well, and significant foreign direct investment with data centers and the Johor-Singapore Special Economic Zone (JS-SEZ) as key drivers.

We will continue to bid for projects and sales orders in order to replenish our order book and contribute positively to our result in 2025 and beyond. Our track record in the industries we operate in, and extensive experience in our businesses, coupled with the support from bankers, are good supporting factors for the Group to bid for and execute future projects.



REWARD TO SHAREHOLDERS – DIVIDEND

While we do not adopt a formal dividend policy, our Company has been declaring dividends every year since its listing on the Main Market of Bursa Malaysia Securities Berhad in 2010. In respect of FY2024, the Board recommends a single tier dividend of 2.0 sen per share. The recommended final dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

Our Company is always mindful to reward our loyal shareholders who have supported our growth over the years while trying to strike a balance with the funding needs at our different development phases.



ACKNOWLEDGEMENT

On behalf of the Board, I would like to extend my heartfelt gratitude to our shareholders, bankers, customers, business partners and regulatory authorities for their continued support, guidance and assistance. Your Board would like to express our appreciation to our management team and employees for their hard work and dedication.

Pang Tin @ Pang Yon Tin
Chairman

主席文告

“
敬爱的股东，

本人谨代表董事局提呈金轮企业有限公司（“本公司”）截至2024年12月31日财政年（“2024财政年”）的年度报告。

”

我们的运营环境

马来西亚建筑业在从COVID-19疫情相关的挑战中强劲反弹后，在2024年取得了双位数的增长。

在2024年，我们受邀参加的建筑招标项目显著增加，并在该年获得颁发了总值21.7亿令吉的新建筑项目，比2023年获得的新建筑项目飙升约67%，且是我们历来最高的年度得标总值。这些新项目包括位于柔佛州新山和巴生谷的高层住宅项目，以及提升士乃-迪沙鲁高速公路的项目。

新加坡建筑业在2024年的建筑需求也有所增长。我们的预制混凝土产品制造部门（“PCPD”）在该年获得了与新加坡捷运项目相关的多项预制混凝土产品销售订单。PCPD从新加坡和马来西亚市场获得的新销售订单总额为2亿令吉。

随着项目和订单的增加，我们的收入强劲反弹至12亿741万令吉。



主席文告

我们的业务表现

我们的营业额从2023财政年的8亿5257万令吉增加到2024财政年的12亿741万令吉，主要归功于建筑及制造业部门的营业额走高。

我们的毛利润从2023财政年的6158万令吉增加到2024财政年的9847万令吉，得益于更高的营业额和较高的利润率。

行政开支从2023财政年的3818万令吉增加到2024财政年的5713万令吉，主要是由于人力资源成本上升和外汇损失。

其他营业收入从2023财政年的837万令吉增加到2024财政年的5206万令吉，归功于我们成功收回一笔总额4352万令吉的呆账及合同资产。

总体而言，我们在2024财政年的税前利润及税后利润大副增长各达6840万令吉及5078万令吉。

请参阅2024财政年年度报告的第21至22页，以了解有关我们业绩的更多详细信息。

展望

截至2024年12月31日，我们的建筑和制造部门的余额订单分别约为31亿令吉和3亿令吉。预计余额订单将让我们在未来2到3年内保持忙碌。

有鉴于房地产市场情绪的改善以及多项公共领域工程项目有望推出，我们相信马来西亚和新加坡的建筑业将在2025年保持强劲，並为我们提供商机。

我们将继续积极地竞标项目和销售订单，以补充我们的订单，并为我们在2025年及以后的业绩做出贡献。我们良好的业绩记录，丰富的经验及银行家的支持，为我们垫下了竞标和执行未来项目的优势。

股东回馈一股息

虽然本公司没有实行正规的股息政策，但是本公司自2010年在马来西亚证券交易所主板上市以来，每年都派发股息回馈股东。

董事局建议派发每股2仙的终期单层股息，惟需在来临的股东常年大会上获得股东批准。



致谢

我谨代表董事会，衷心感谢我们的股东、来往银行、客户、业务伙伴以及有关监管当局对我们的持续支持，指导以及协助。董事会谨借此机会感谢我们的管理层以及员工的辛勤工作以及奉献精神。

彭廷
主席

MANAGEMENT DISCUSSION AND ANALYSIS




CORPORATE VALUES

VISION

We aspire to be a reliable, innovative and profitable provider of full range construction services and products in the South East Asia region.


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MISSION

We aim to continuously improve, promote and provide construction activities and services to the society in which we operate. By providing one stop construction design and build services, we aim to add value to our clients that in turn will be beneficial to the society at large. We will treat all partners including suppliers, subcontractors and consultants with trust, honesty and fairness in all business dealings.

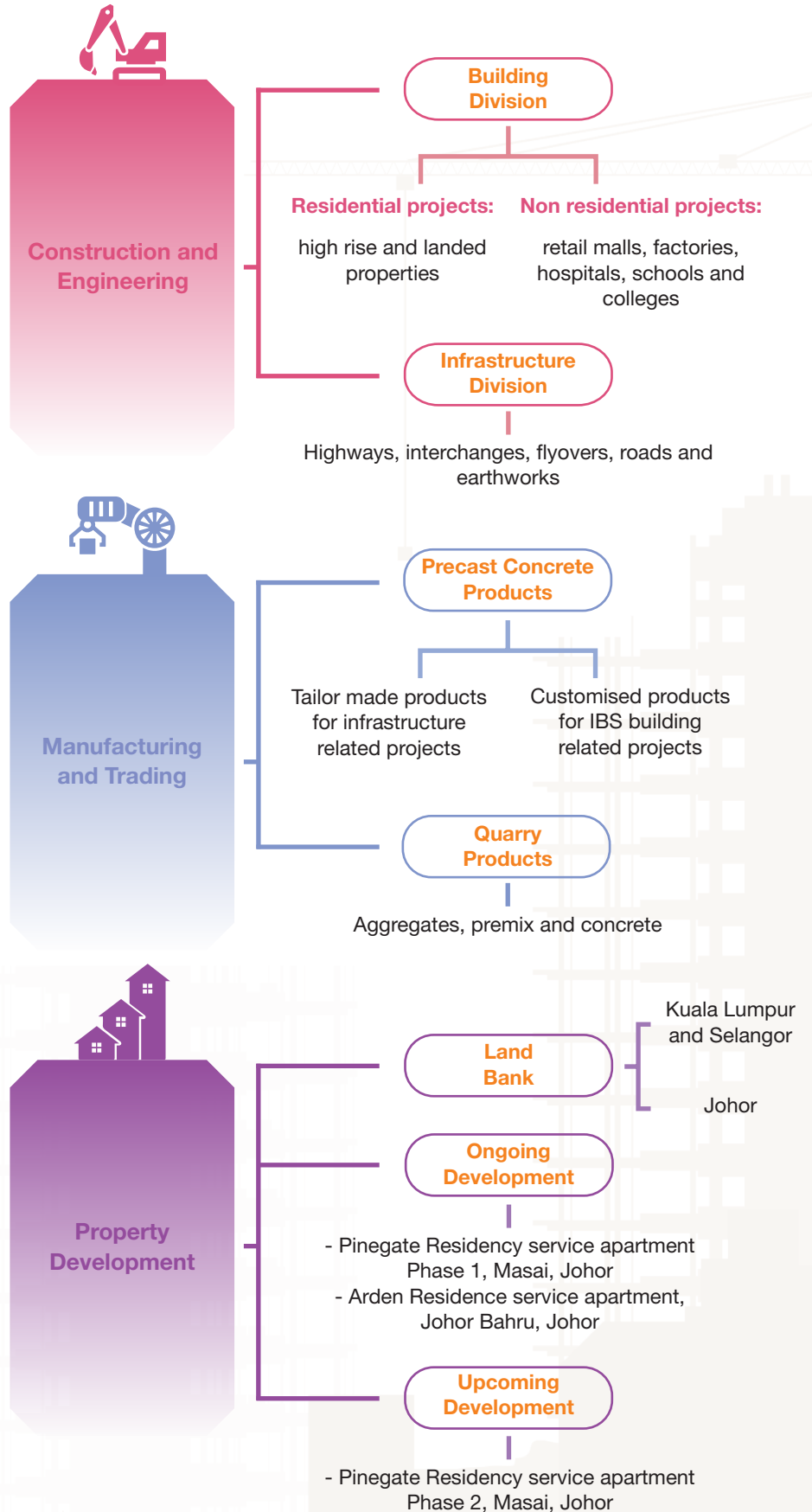
Towards our employees, we balance our focus on their personal skills development while taking care of their welfare.

While seeking to maximise shareholders' wealth, we strive to maintain harmony with the interest of the society to enhance our corporation's sustainability.

MANAGEMENT DISCUSSION AND ANALYSIS

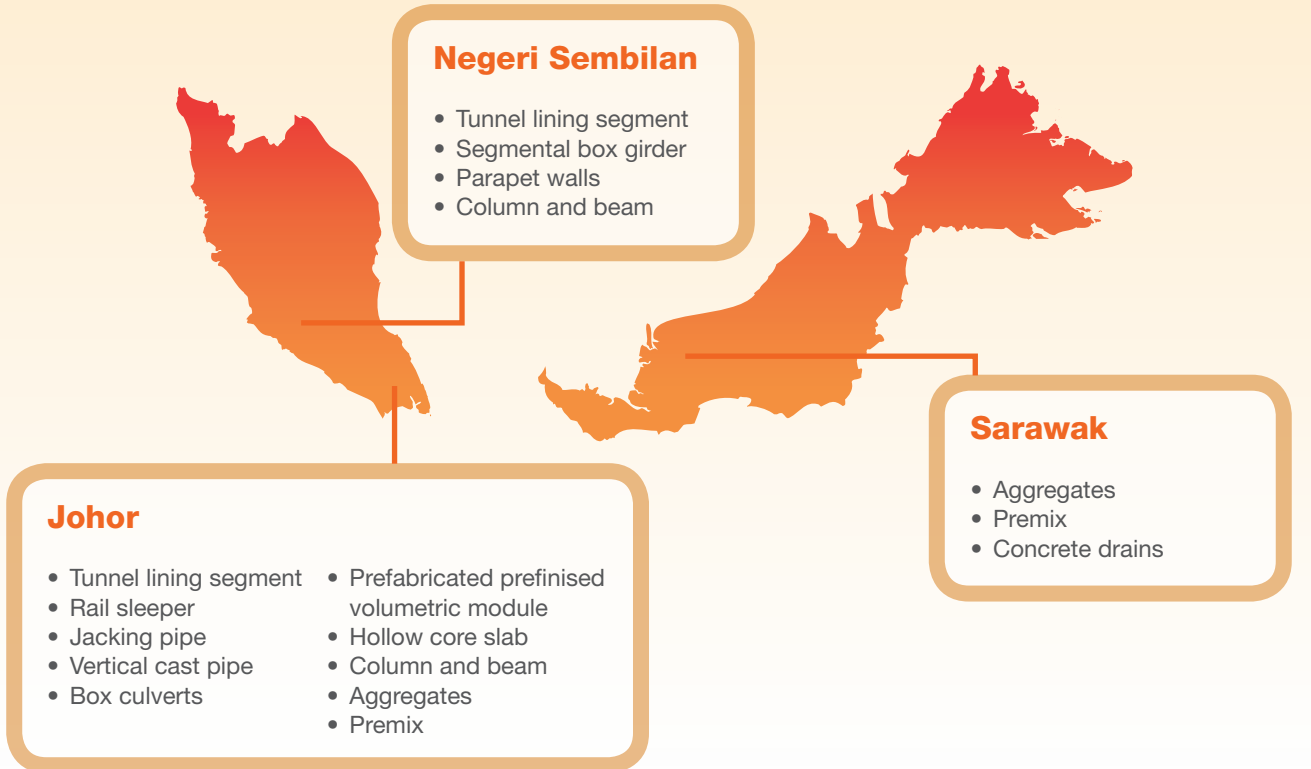
OVERVIEW OF OUR BUSINESSES AND OPERATIONS

KIMLUN GROUP'S CORE BUSINESSES



MANAGEMENT DISCUSSION AND ANALYSIS

PRODUCTION PLANT AND PRODUCTS

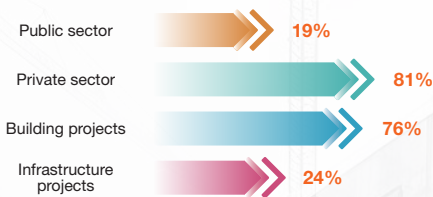


Construction Projects

Balance order book as at 31 Dec 2024:

RM3.1 billion

All projects in Malaysia



Notable completed projects include:

- Main building works for Marlborough College East, Johor
- Mall of Medini, Johor
- Granada Hotel, Johor
- Gleneagle Medini Hospital, Johor
- Pan Borneo Highway Sarawak

On-going projects include:

- Sarawak-Sabah Link Road
- Various apartment and landed properties projects in Selangor and Johor

Manufacturing Order

Balance order book as at 31 Dec 2024:

RM0.3 billion



Complete sales orders include:

- Segmental box girder ("SBG") and tunnel lining segment ("TLS") to Klang Valley MRT ("KVMRT") Line 1 and Line 2
- TLS to Singapore MRT Circle Line, Downtown Line and Thomson Line
- Precast Bathroom to Michael and Festival Hotel, Singapore

On-going sales orders include:

- TLS, rail sleepers and IBS for Singapore MRT projects
- Jacking pipes for Singapore Deep Tunnel Sewerage project
- IBS for Singapore Integrated Waste Management Facility

MANAGEMENT DISCUSSION AND ANALYSIS

PROPERTY DEVELOPMENT

Location / Land Area	Gross Development Value (RM)	Type of Land Usage / Plan Development
Selective Land Bank in Hand		
Bandar Seri Alam, Johor Bahru, Johor / 11.11 acres	#	Freehold commercial land / commercial development
Within Meridin East Township, Mukim Plentong Johor Bahru, Johor / 17.90 acres	#	Freehold commercial land / commercial development
Meridin Iskandar Malaysia, Johor / 5.31 acres	#	99-years lease on freehold commercial land / A combination of SOHO and retails properties
Iskandar Puteri, Johor Bahru, Johor / 19.84 acres	#	Freehold agriculture land / mixed development
Iskandar Puteri, Johor Bahru, Johor / 29.00 acres	#	Freehold agriculture land / commercial development
Situated next to Alam Damai, Cheras, Kuala Lumpur / 43.87 acres	#	10 pieces of freehold agriculture land / mixed development
Seksyen U10 Shah Alam, Selangor / 19.10 acres	#	72 units of 99-years leasehold vacant detached lots approved for bungalow development

Location	Gross Development Value (RM)	Launched Development / Planned Development
On-going Projects		
Phase 2 of Bukit Bayu, Seksyen U10 Shah Alam, Selangor	48 million	16 units of leasehold bungalows
Pinegate Residency Phase 1, Masai, Johor	300 million	896 service apartment units
Arden Residence, Johor Bahru, Johor	800 million	618 service apartment units and 4 commercial lots
Total	1,148 million	
Upcoming Project		
Development in Mukim Plentong, Johor Bahru, Johor	315 million	896 service apartment units

The gross development value cannot be ascertained as the development details have yet to be finalised.

DIVERSIFIED CLIENTELE

**We are not materially dependent on any single customer for business.
We have been securing projects from different clients. Our diversified clientele include:**

Private Sector

- Eco World Development Group Bhd
- Gamuda Bhd
- Mah Sing Group Bhd
- Samling Resources Sdn Bhd
- Sunway Construction Group Bhd

Government and Government Link Companies

- Mass Rapid Transit Corporation Sdn. Bhd.
- UEM Sunrise Bhd
- S P Setia Bhd
- JLG Land Berhad

International Contractors

- Taisei-Cscec JV
- Shanghai Tunnel Engineering Ltd
- SK Engineering & Construction
- Penta-Ocean Construction Co Ltd
- M+W Singapore Pte Ltd

MANAGEMENT DISCUSSION AND ANALYSIS

GROUP FINANCIAL HIGHLIGHTS

Year ended / As at 31 December	2020	2021	2022	2023	2024	
FINANCIAL RESULTS (RM' mil)						
Revenue	794.71	691.09	756.13	852.57	1,207.41	
Gross Profit	74.54	50.10	86.54	61.58	98.47	
Profit/(Loss) Before Taxation	15.52	0.97	(3.70)	13.06	68.40	
Profit/(Loss) After Taxation	7.94	(0.73)	(7.29)	6.88	50.78	
Profit/(Loss) Attributable to Owners of the Company	7.99	(0.59)	(7.23)	7.05	51.24	
FINANCIAL POSITION (RM' mil)						
Cash and Bank Balances	57.47	69.54	72.23	63.26	69.67	
Total Assets	1,476.98	1,326.44	1,300.77	1,532.81	2,065.64	
Total Borrowings	407.11	307.06	307.64	413.37	671.54	
Shareholders' Equity	725.91	721.28	710.40	713.84	761.60	
FINANCIAL RATIOS						
Gross Profit Margin	%	9.4	7.3	11.5	7.2	8.2
Basic Earnings per Share ("EPS")/Loss per Share	Sen	2.34	(0.17)	(2.05)	2.00	14.50
Dividend per Share	Sen	1.00	1.00	1.00	1.00	2.00
Dividend Yield (Note 1)	%	1.1	1.2	1.3	1.3	1.7
Net Assets per Share	RM	2.08	2.07	2.05	2.10	2.23
Net Gearing Ratio (Note 2)	times	0.32	0.25	0.25	0.32	0.43
CASH FLOW (RM' mil)						
Net cash flows generated from/(used in) operating activities		13.14	117.57	52.02	89.26	(29.59)
Net cash flows used in investing activities		(1.98)	(2.60)	(20.83)	(180.33)	(152.82)
Net cash flows generated from/(used in) financing activities		4.24	(103.44)	(17.16)	85.64	181.69
SHARES PERFORMANCE						
Share Price – Year Close	RM	0.895	0.81	0.77	0.78	1.20
Share Price – Year High	RM	1.26	1.01	0.835	0.865	1.77
Share Price – Year Low	RM	0.51	0.74	0.63	0.70	0.78
Trading volume (no of shares)	Mil	163	76	12	15	118
Market Capitalisation (Note 3)	RM' mil	316	286	272	276	424
Price Earnings Ratio (Note 4)	times	38.2	-	-	39.0	8.27

Note 1: Being dividend per share/share price – year close

Note 2: Being net debt/total equity plus net debt

Note 3: Market capitalisation as at the financial year end

Note 4: Being year close share price/EPS for the financial year

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Group Revenue and Profitability

The Group recorded revenue of RM1,207.41 million in FY2024, which was RM354.84 million (41.6%) higher compared to RM852.57 million recorded in FY2023. The growth in revenue was mainly attributable to the increase in external sales revenue ("external revenue") generated by the construction and manufacturing and trading ("M&T") divisions.

Gross profit ("GP") of FY2024 was higher at RM98.47 million compared to RM61.58 million of FY2023 on the back of higher revenue and better GP margin of 8.2% against 7.2% of FY2023.

The improvement in GP margin was due to better profitability achieved by the construction and M&T divisions.

Other operating income of FY2024 was multifold higher at RM52.06 million compared to RM8.37 million of FY2023 due to the full reversal of allowance of impairment on trade receivable and contract asset aggregating RM43.52 million in relation to a construction project, as the amount had been collected.

Administration expenses of FY2024 were higher at RM57.13 million compared to RM38.18 million of FY2023 due to the following:

- (i) Higher human resources costs, in line with higher scale of operation; and
- (ii) The Group suffered foreign exchange loss of RM8.24 million in FY2024 resulted from the strengthening of Ringgit Malaysia against Singapore Dollar. In contrast, the Group recorded foreign exchange gains of RM4.14 million in FY2023.

Finance costs of FY2024 were higher at RM25.32 million compared to RM15.57 million of FY2023 mainly due to higher utilisation of bank facilities to finance higher scale of operation, and finance costs incurred by a subsidiary acquired during FY2024 ("New Subsidiary").

The effective tax rate of FY2024 was higher than the statutory rate applicable to the Group as certain expenses were disallowed for tax deduction under tax regulations and potential deferred tax benefit on unutilised tax losses, unabsorbed capital allowances and other temporary differences were not recognised on prudent basis.

Overall, the Group recorded profit before tax of RM68.40 million and profit after tax of RM50.78 million in FY2024 against profit before tax of RM13.06 million and profit after tax of RM6.88 million in FY2023.



MANAGEMENT DISCUSSION AND ANALYSIS

Segmental Revenue and Gross Profit*

*: The segmental revenue and gross profit stated in the commentary in relation to the respective segment were inclusive of inter-segment transactions.

	FY2024 RM'000	FY2023 RM'000	Changes	
			RM'000	%
Revenue				
Construction	1,104,477	679,704	424,773	62.5
M&T	279,424	249,999	29,425	11.8
Property Development	8,565	23,809	(15,244)	-64.0
Investment	9,957	8,908	1,049	11.8
Elimination	(195,010)	(109,851)	(85,159)	77.5
Consolidated revenue	1,207,413	852,569	354,844	41.6
GP				
Construction	62,909	25,055	37,854	151.1
M&T	56,520	37,013	19,507	52.7
Property Development	(125)	3,982	(4,107)	-103.1
Investment	9,957	8,908	1,050	11.8
Elimination	(30,788)	(13,376)	(17,412)	130.2
Consolidated GP	98,473	61,582	36,892	59.9
GP margin				
Construction	5.7%	3.7%		
M&T	20.2%	14.8%		
Property Development	-1.5%	16.7%		
Investment	100.0%	100.0%		
Consolidated GP margin	8.2%	7.2%		

The increase in construction revenue in FY2024 was mainly attributable to revenue contribution from new projects secured in FY2023 and FY2024, and higher revenue arose from the acceleration of construction progress of the Sarawak-Sabah Link Road Construction Project (Lawas-Long Lopeng Junction) ("SSLR Project").

The increase in M&T revenue in FY2024 was mainly attributable to higher sales of pre-cast concrete products and quarry products to external parties.

The decrease in property development revenue was mainly due to one of the on-going development projects was at tail end.

The construction and M&T divisions recorded higher GP in FY2024 on the back of higher revenue and better GP margin on economic of scale from higher level of operation.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Position

Shareholders' equity increased from RM713.84 million as at 31 December 2023 to RM761.60 million as at 31 December 2024, mainly contributed by total comprehensive income attributable to owners of the Company of RM51.29 million, partly offset by dividend of RM3.53 million paid during FY2024.

Non-current assets increased from RM508.29 million as at 31 December 2023 to RM651.59 million as at 31 December 2024, mainly due to the acquisition of properties, plant and equipment ("PPE") to meet the requirements of higher scale of operation.

Current assets increased from RM1.02 billion as at 31 December 2023 to RM1.41 billion as at 31 December 2024, mainly due to the increase in trade and other receivables and contract assets, in line with higher scale of operation.

Current liabilities increased from RM587.32 million as at 31 December 2023 to RM997.58 million as at 31 December 2024, mainly due to higher trade and other payables, and loans and borrowings, in line with higher scale of operation.

Non-current liabilities increased from RM205.12 million as at 31 December 2023 to RM280.14 million as at 31 December 2024 mainly due to loan of the New Subsidiary.

Net gearing ratio as at 31 December 2024 was at a manageable level of 0.43 times.



Cash Flow

For FY2024, net cash of RM29.59 million was used in operating activities, in line with higher scale of operation. Net cash of RM152.82 million was used in investing activities, mainly for the purchase of PPE. Net cash of RM181.69 million was generated from financing activities, mainly from drawdown of bank facilities and issuance of Sukuk to part finance the purchase of PPE and land held for property development, and working capital requirements. With the overall net decrease in cash and cash equivalents of RM0.72 million during FY2024, the Group's cash and cash equivalents was RM57.91 million as at 31 December 2024.



PROSPECTS AND OUTLOOK

The Group has an estimated construction and manufacturing balance order book of approximately RM3.1 billion and RM0.3 billion respectively as at 31 December 2024, contributed by numerous construction contracts and manufacturing orders. The balance order book is expected to keep the Group busy for the next 2 to 3 years.

As in any business, the Group is subject to various challenges and risks. Please refer to pages 70 to 72 of this Annual Report for nature of the key risks and the Group's control measures to mitigate the risks.

MANAGEMENT DISCUSSION AND ANALYSIS

Focus and Strategies for 2025

Construction Division:

- Execution of projects in hand
- Leverage on the diversified construction services track record to bid for new public and private sector projects
- Undertake in-house projects

Manufacturing Division:

- Bid for precast products order from Singapore and Malaysia markets, including those in relation to MRT line and rail line, and private sector IBS orders
- Complete the expansion of production line

Property Development Division:

- On-going development of Phase 2 of Bukit Bayu, Selangor
- Launching of 2 service apartment projects in Johor with total of GDV of RM1.1 billion
- Development planning of land bank in hand



Our on-going projects and sales orders comprise of contracts secured from, amongst other, Saraworks Sdn. Bhd., Eco World Development Group Berhad group, UEM Sunrise Berhad Group, S P Setia Berhad Group and China Communications Construction Company Ltd. Our on-going projects and sales orders include the following:

- the SSRL Project for a contract sum of RM0.78 billion;
- design and build project for 1 block of service apartment and amenities in Johor for a contract sum of RM98.85 million; and
- few sales orders for the supply of IBS components and tunnel lining segments ("TLS") to Singapore MRT project.

The Board is optimistic that the construction sector of Malaysia and Singapore will continue to be vibrant in 2025, thus offer order book replenishment prospects.

The Group will continue to bid for projects and sales orders in order to replenish the Group's order book and contribute positively to the Group's result in 2025 and beyond. The Group's track record in the industries that it operates in, and extensive experience in our business, coupled with the support from bankers, are good supporting factors for the Group to bid for and execute future projects.

Malaysia Construction Sector

The Group expects some tender opportunities from the following public sector projects in 2025:

- Highway projects in East Malaysia;
- Road upgrading works in Johor;
- Penang LRT projects; and
- Affordable housing projects

In the home base of the Group, Johor, developers are upbeat with the improvement in the property market sentiment given the Johor Bahru-Singapore RTS project is progressing on schedule, and significant foreign direct investment with data centers and the Johor-Singapore Special Economic Zone as key drivers.

There were marked increase in tender invitations and project awarded to the Group since year 2023. The Group secured RM2.17 billion worth of construction projects in year 2024.

Other than projects from external parties, the Group's construction arm will undertake construction works for in-house property development projects as detailed in the ensuing section of this report.



MANAGEMENT DISCUSSION AND ANALYSIS

Singapore Construction Sector

The Building and Construction Authority (BCA) projects the total construction demand, i.e. the value of construction contracts to be awarded, to range between S\$47 billion and S\$53 billion in nominal terms in 2025.

The strong demand is underpinned by the expected award of contracts for several large-scale developments, such as Changi Airport Terminal 5 (T5) and the expansion of the Marina Bay Sands Integrated Resort, alongside public housing development and upgrading works. Other contributors include high-specification industrial buildings, educational developments, healthcare facilities, Mechanical and Engineering contracts for the Thomson-East Coast Line Extension (TEL) and Cross Island Line (CRL), and infrastructure works for the Woodlands Checkpoint extension and the Tuas Port.

Over the medium-term, BCA expects the total construction demand to reach an average of between S\$39 billion and S\$46 billion per year from 2026 to 2029.

Our subsidiary SPC Industries Sdn. Bhd. ("SPC") has very strong track record in the supply of precast components including TLS, concrete rail sleepers and jacking pipes to large public sector infrastructure projects in Singapore including Singapore MRT projects, Deep Tunnel Sewerage System Phase 2 and Singapore Power's underground cable tunnel.

Further, SPC has been a frequent supplier of IBS components to various projects in Singapore.

With its strong track record in Singapore, SPC is well positioned to compete for further potential sales orders from Singapore.

Property Development Division

The Group began the sales of a service apartment development project in Masai, Johor, namely Pinegate Residency Phase 1, with estimated gross development value ("GDV") of approximately RM300 million, in January 2025.

Further, its associate company, Astaka Kimlun Sdn Bhd, launched a service apartment development project in Johor Bahru, Johor, namely Arden Residence, with estimated GDV of approximately RM800 million, in March 2025.

The developments receive encouraging response from the market and are expected to contribute positively to the Group's profit.

The Group expects to submit its development planning applications in relation to few of its land banks for the relevant authorities' approval this year.



DIVIDEND POLICY

While we do not adopt a formal dividend policy, our Company has been declaring dividends every year since its listing on the Main Market of Bursa Malaysia Securities Berhad in 2010. In respect of FY2024, the Board recommends a final single tier dividend of 2.0 sen per ordinary share. The recommended final dividend is subject to the shareholders' approval at the forthcoming Annual General Meeting.

Our Company is always mindful to reward our loyal shareholders who have supported our growth over the years while trying to strike a balance with the funding needs at our different development phases.

SUSTAINABILITY STATEMENT

“ ABOUT THIS REPORT

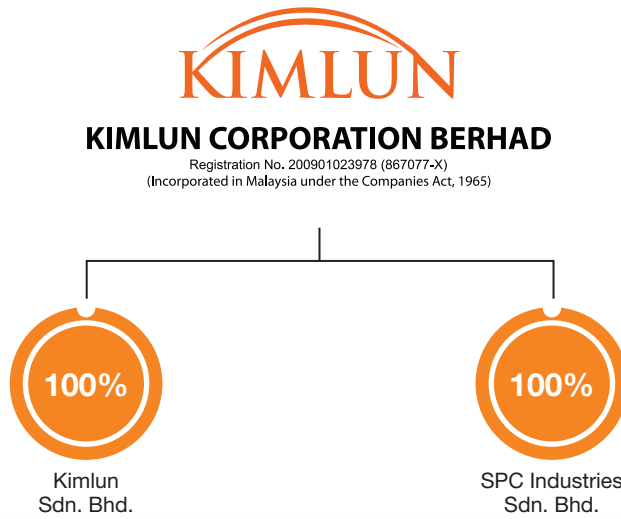
The Board of Directors (“Board”) of Kimlun Corporation Berhad (“Kimlun” or the “Company”) recognises the importance of embedding sustainability principles encompassing economic, environmental, social and governance factors into the long-term strategy and business direction of Kimlun and its subsidiaries (“Kimlun Group” or “the Group”). In line with this commitment, the Group is pleased to present its Annual Sustainability Statement (“SS 2024” or “this Statement”) for the financial year ended 31 December 2024 (“FY2024”).

”

SUSTAINABILITY STATEMENT

SCOPE OF REPORT

This Statement outlines Kimlun’s strategies, performance, priorities, and targets in addressing sustainability issues across economic, environmental, social, and governance aspects for the period from 1 January 2024 to 31 December 2024. The scope covers Kimlun Sdn. Bhd. (“KLSB”) and SPC Industries Sdn. Bhd. (“SPC”), which represent the Group’s Construction and Engineering division and pre-cast concrete manufacturing business respectively, unless stated otherwise. Together, these two companies contribute over 95% of the Kimlun Group’s total revenue.



Construction projects which are less than RM20 million or with completion rate of 90% and above as at 31 December 2024 are excluded, as our data collection efforts focused on projects with a more significant size and activities. The operations of the in-scope companies are carried out at our headquarters in Johor Bahru, 2 precast manufacturing factories, 4 offices, and various construction sites. For the reporting on community contributions and employee-related performance data including employee training, employee turnover, workforce profile and diversity, the coverage is on the entire Kimlun Group.

Additionally, this report also includes forward-looking statements. Stakeholders should be aware that information presented in SS 2024 regarding future plans, goals, and expectations is based on reasonable assumptions aligned with current business trajectories. However, actual results may vary as Kimlun continuously adapts its business strategies and operational decisions in response to emerging risks, opportunities, and evolving circumstances.

REPORTING FRAMEWORKS AND STANDARDS

This report has been produced in compliance with the latest amendments as released by Bursa Malaysia Securities Berhad’s Main Market Listing Requirements (“MMLR”) under Practice Notes 9 and 9A. The production of this Sustainability Statement is also guided by references made to the Sustainability Reporting Guide (3rd Edition) as released by Bursa Malaysia.

SUSTAINABILITY STATEMENT

SUSTAINABILITY GOVERNANCE

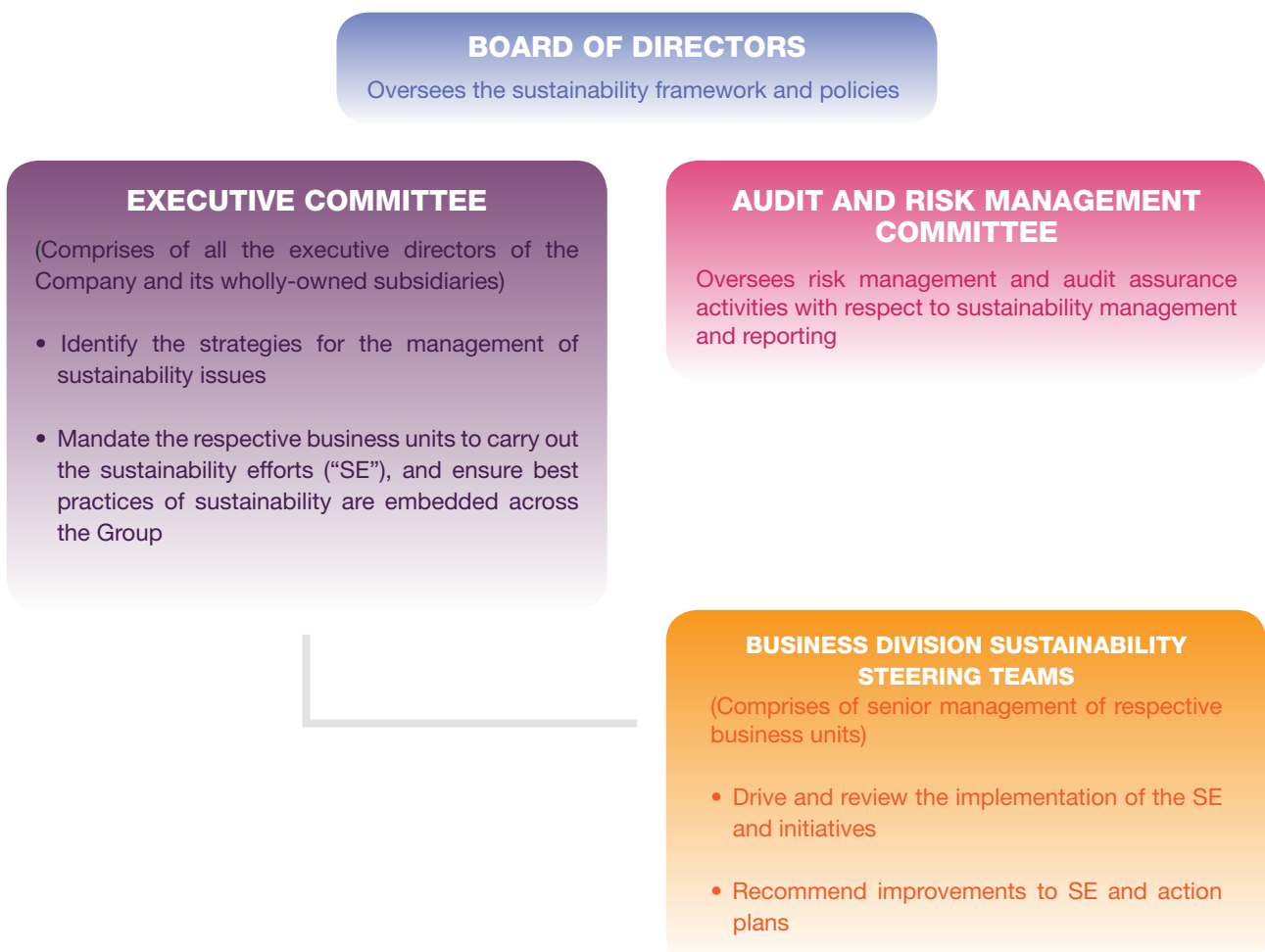
Kimlun is committed to embedding sustainability into its business strategies and governance framework. The Board of Kimlun holds ultimate responsibility for ensuring the integration of sustainability considerations across the Group's operations, including the management of climate-related risks and opportunities.

The Audit and Risk Management Committee ("ARMC") plays a crucial role in providing oversight for sustainability-related risk management activities. The ARMC also supports the Board in evaluating the adequacy and effectiveness of the Group's risk management and internal control systems, including sustainability assurance and reporting.

The Executive Committee, comprising all Executive Directors of the Company and its wholly-owned subsidiaries, leads the development and execution of sustainability strategies. The Committee plays a pivotal role in driving the Group's sustainability initiatives by setting and pursuing sustainability targets, overseeing the implementation of strategies, and measuring progress.

In addition to the leadership provided by the Executive Committee, in-scope businesses, namely the Construction and Engineering segment, as well as the pre-cast manufacturing business, have proactively established dedicated Business Division Sustainability Steering Teams. These teams, consisting of senior management from various business units, are responsible with driving and overseeing the implementation of sustainability initiatives. The teams are also tasked with monitoring progress and ensuring continuous improvement.

The roles and responsibilities of the Board of Kimlun, Executive Committee, ARMC and Business Division Sustainability Steering Teams can be summarised as follows:








SUSTAINABILITY STATEMENT


STAKEHOLDER ENGAGEMENT

Kimlun Group is committed to creating long-term value creation with all our stakeholders. The Group strives to foster closer relationships with our diverse stakeholders, ensuring their needs and concerns are incorporated into the development of Kimlun's sustainability initiatives and strategies.

Stakeholder engagement takes place through a range of communication methods, including online platforms, meetings, seminars and face-to-face interactions. Details of our key stakeholders and their engagement activities are presented in the stakeholder engagement table below. The table below outlines key engagement activities, expectations and their concerns for each group of stakeholders.

Stakeholders	Mode of Engagement	Frequency of Engagement	Key Sustainability Issues or Areas of Interest
Shareholders/ Investors 	• General Meeting	• Annually • Ad hoc	<ul style="list-style-type: none"> • Company performance • Dividends • Business strategy and plans • Corporate governance • Internal control and risk management
	• Annual report	• Annually	
	• Quarterly results announcement	• Quarterly	
	• Website with dedicated investor relations section	• Updated on a timely basis for announcements/ regularly for other sections	
	• Analyst briefings	• Ad hoc	
	• Media interviews and releases	• Ad hoc	
Customers 	• Technical presentation	• Ad hoc	<ul style="list-style-type: none"> • Increase visibility • Relationship management • Quality and reliability of products and services • Project management • Pricing • On-time delivery of projects
	• Direct engagements	• Regularly	
	• On-site meetings	• Regularly	
	• Quality management	• Regularly	
	• Participation in the bidding process	• Regularly	
Suppliers/ Contractors/ Consultants 	• Direct engagements	• Regularly	<ul style="list-style-type: none"> • Relationship management • Quality of products and services • Project management • Cost control • Occupational health and safety
	• On-site meetings and/or inspections	• Regularly	
	• Suppliers and contractors' performance evaluation	• Annually	
Government and regulatory authorities 	• Meetings and consultations	• Ad hoc	<ul style="list-style-type: none"> • Regulatory compliance • Approvals, permits or licences • Standard and certification
	• Training	• Periodically	
	• Standard operating procedures	• Daily	
Employees 	• Employee induction training	• Regularly	<ul style="list-style-type: none"> • Career development and enhancement • Fair employment practices • Workplace conduciveness • Safety, health and welfare
	• Training and development programmes	• Regularly	
	• Performance appraisals	• Annually	
	• Safety briefings	• Regularly	
	• Company activities	• Regularly	

SUSTAINABILITY STATEMENT

Stakeholders	Mode of Engagement	Frequency of Engagement	Key Sustainability Issues or Areas of Interest
Local Community 	<ul style="list-style-type: none"> Corporate social responsibility initiatives 	<ul style="list-style-type: none"> Regularly 	<ul style="list-style-type: none"> Corporate citizenship Contribution to the community
	<ul style="list-style-type: none"> Local hiring and sourcing 	<ul style="list-style-type: none"> Regularly 	

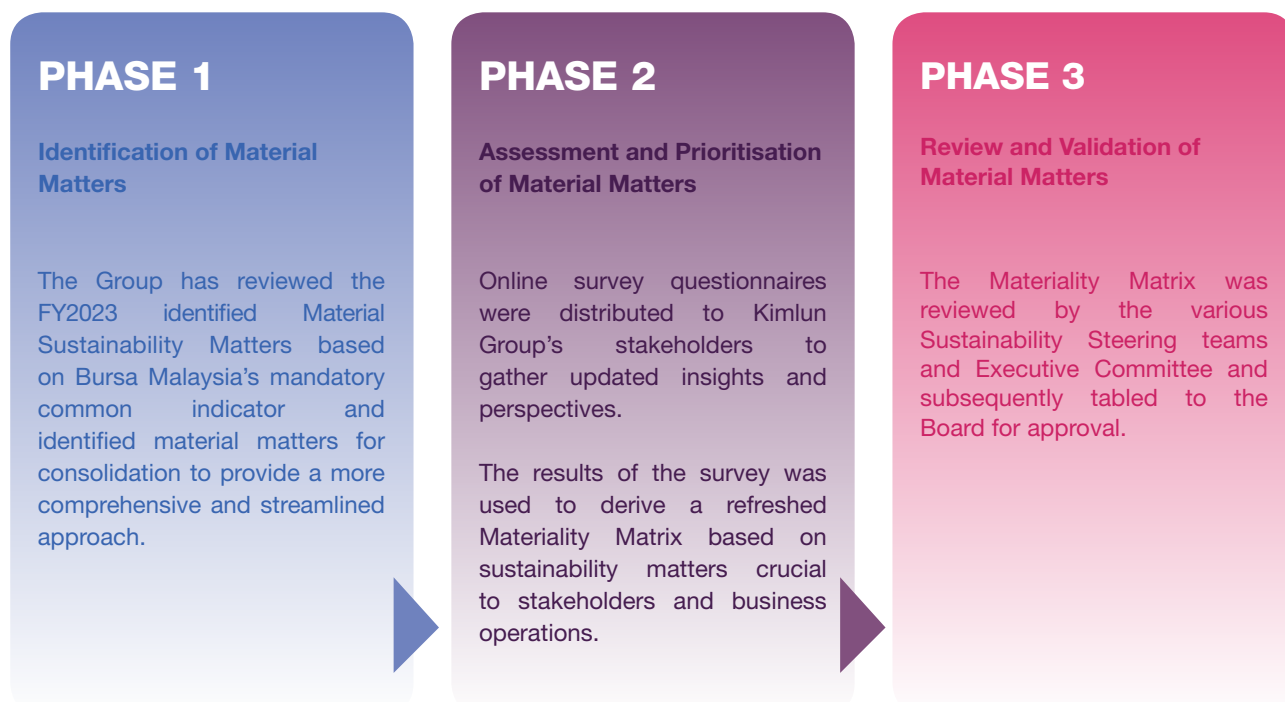
MATERIALITY ASSESSMENT

At Kimlun Group, we recognise that our key material matters significantly influence our ability to create lasting value for our stakeholders. The Company determines the materiality matters through a materiality assessment process performed at least once every two to three years.

Based on the material assessment results from FY2023, the Management of Kimlun has decided to consolidate several matters into one for better management of such topics. These topics include Industrialised Building System, Sustainable Materials, Quality and Cost Management, Energy Management and Water Management. As a result of this review, we have streamlined our material matters into 10 key material topics. The Board has reviewed the refreshed material topics and subsequently approved the changes.

The comprehensive materiality assessment conducted in FY2023 has been revalidated in the current reporting year. Online survey questionnaires were distributed to Kimlun's stakeholders to gather updated insights and perspectives, ensuring that the Group's sustainability efforts continue to address the most pressing and impactful sustainability issues.

Kimlun Group's materiality assessment process is outlined here:



The results of the survey were then used to derive a refreshed Materiality Matrix, aligning the Company's sustainability strategy with evolving stakeholder expectations, industry developments and business requirements.

SUSTAINABILITY STATEMENT

The table below illustrates the result of the reclassification of the Group’s Materiality Matters following the revalidation exercise.

GOVERNANCE

- Bribery and Corruption
- Compliance with Laws and Regulations



SOCIAL

- Occupational Safety and Health
- Labour Practices ²
- Human Resource Management ³
- Customer Welfare
- Impact on Local Community



ENVIRONMENT

- Resource Management ¹
- Greenhouse Gas Emission
- Waste Management



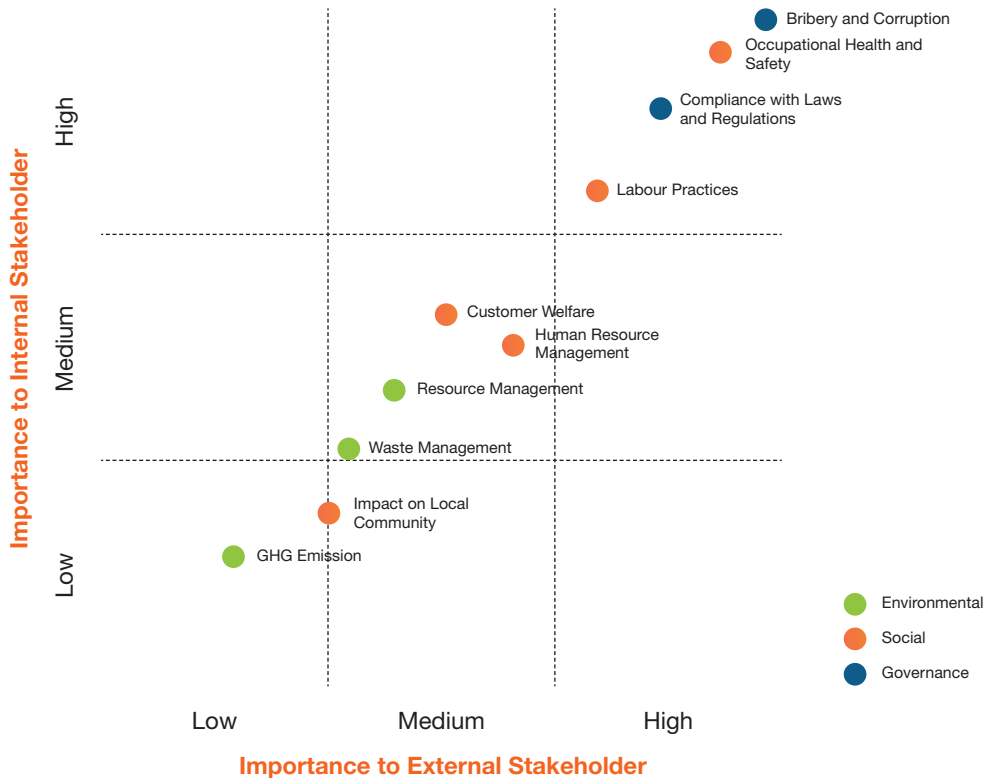
Note:

1. Material topics such as ‘Energy Consumption’ and ‘Water Management’ have been consolidated under the broader category of ‘Resource Management’ to provide a more comprehensive and streamlined approach.
2. ‘Labour Practices’ has been renamed from the material topic ‘Labour Conditions & Environmental Impact in Supply Chain’.
3. Topics such as ‘Diversity’ and ‘Employee Training & Development’ have been consolidated under the broader category of ‘Human Resource Management’ to provide a more comprehensive and streamlined approach.

To ensure alignment with our commitment to sustainability, strategic endeavours and transparent disclosure practices, we aim to carry out the next cycle of a comprehensive materiality assessment in FY2025.

MATERIALITY MATRIX

The Group’s Materiality Matrix for FY2024 is presented in the graph below:



SUSTAINABILITY STATEMENT

MATERIAL TOPICS

GOVERNANCE

BRIBERY AND CORRUPTION

Anti-Bribery and Anti-Corruption

At Kimlun Group, we are firmly committed to conducting business with integrity, transparency, and accountability. To uphold this commitment, the Board has established a comprehensive Anti-Bribery and Anti-Corruption Policy (“ABAC Policy”), which applies not only to our Directors and employees but also extends to business associates, including contractors, suppliers, consultants, agents, representatives, and service providers who perform services for or on behalf of the Group.

The ABAC Policy, which is available on Kimlun’s corporate website at www.kimlun.com, reinforces our zero-tolerance stance against bribery and corruption. It provides clear guidance on high-risk transactions and activities, including:

- Gifts, entertainment, and hospitality
- Donations and sponsorships
- Facilitation payments
- Dealing with public officials
- Conflict of interest situations

To ensure the effective management of corruption risks, we have established a dedicated anti-bribery and anti-corruption compliance function. This function oversees the anti-bribery management system and provides advice and guidance. We adopt a risk-based approach to anti-bribery and anti-corruption by conducting corruption risk assessments to identify and prioritize risk areas, which are also incorporated into the Group’s annual risk assessment process.

All business divisions within Kimlun Group have been assessed for corruption risks, and various risk mitigation controls are implemented based on the level of risk identified. The ABAC Policy is actively communicated to all our Board of Directors, employees, and selected business associates operating in high-risk areas. Additionally, anti-bribery and anti-corruption training is provided to individuals exposed to higher corruption risks, ensuring they are well-equipped to uphold ethical business practices.

Percentage of Employees Who Have Received Training on Anti-corruption by Employee Category		
Employee Category (Local employees only)	FY2024	FY2023
Senior Management	3.70%	100%
Management	20.69%	83.93%
Executive	0.29%	95.71%
Non-executive	13.39%	18.23%
Total	10.05%	44.61%

Kimlun remains committed to ethical business practices by mandating anti-bribery and corruption training for all new employees, as well as conducting refresher training whenever there are updates to Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act. A training session is already planned for FY2025 to ensure continued awareness and compliance.

Percentage of Operations Assessed for Corruption-related Risks		
	FY2024	FY2023
Percentage of operations assessed for corruption-related risks	100%	100%

SUSTAINABILITY STATEMENT

Number of Confirmed Incidents of Corruption and Action Taken

	FY2024	FY2023
Number of confirmed incidents	0	0

Whistleblowing

Kimlun Group has established a whistleblowing mechanism, formalized through the Whistle Blowing Policy & Procedures (“WBPP”), to facilitate the reporting of unethical behaviour, malpractices, illegal activities, or non-compliance with regulatory requirements.

The mechanism is designed to encourage transparency and accountability, allowing both employees and external parties to raise genuine concerns without fear of retaliation, victimization, or discrimination. It includes an independent reporting channel directly to the Chairman of the Audit and Risk Management Committee (“ARMC”), ensuring an objective and impartial review of reported matters.

For FY2024, there was no incidents of corruption reported through the Group’s Whistleblowing channels. The Group’s WBPP is available at www.kimlun.com.

COMPLIANCE WITH LAWS AND REGULATIONS

Data Privacy and Security

In today’s digital landscape, challenges surrounding cybersecurity threats and safeguarding personal data protection continue to evolve and become more sophisticated. Recognizing the importance of safeguarding our information technology (“IT”) infrastructure, business data, and sensitive information, Kimlun Group engaged third-party professional service providers to manage our IT systems and security and align with Kimlun’s IT security requirements.

Additionally, the Group has established internal policies and best practices to govern the handling, storage, and protection of sensitive information, including confidential business data, personal data, and intellectual property. Our Board of Directors and employees are required to adhere to corporate disclosure guidelines in compliance with the Main Market Listing Requirements and Personal Data Protection Act 2010 (“PDPA”), ensuring strict control over sensitive information and preventing the misuse of insider information for personal gain, such as insider trading. Employees are also guided by the KLSB’s Information Technology Policy, which outlines protocols for handling customer and personal data, responsible usage of IT systems, and maintaining cyber hygiene.

The Kimlun Group has thoroughly evaluated all its operations for corruption-related risks, demonstrating its dedication to preventing and identifying corruption as part of its continuous management practices. It remains committed to maintaining a 100% assessment of all operations throughout 2025. The Group is pleased to report that there are zero data privacy breaches to date.

Number of Confirmed Incidents of Breaches of Customer Privacy and Loss of Customer Data

	FY2024	FY2023
Number of confirmed incidents	0	0

Compliance

At Kimlun Group, we recognise both the value our businesses create and the potential risks associated with our industry. As a responsible corporate entity, we are committed to adhering to all applicable laws and regulations, including those governing environmental protection, workplace safety, and social responsibility. Through our commitment to sustainable and ethical practices, we strive to balance economic contributions with social and environmental accountability, ensuring that our projects benefit both the economy and communities in a responsible and sustainable manner.

Ethical Business Practices

The Board of Kimlun plays a pivotal role in setting and upholding the ethical standards that guide the Group’s businesses and operations. To reinforce this commitment, the Board has established the Corporate Code of Conduct (“Code”), which applies to all Directors and employees of the Group.

SUSTAINABILITY STATEMENT

The Code outlines the ethical principles and expectations in key areas, including:

- Avoiding or declaring conflicts of interest
- Safeguarding confidential information
- Ensuring fair, honest, objective, and integrity-driven dealings with stakeholders
- Upholding anti-corruption and anti-bribery principles
- Maintaining good employment practices, including:
 - o Non-discrimination
 - o Prohibition of harassment
 - o Respect for individuals' privacy rights

All Directors and employees are introduced to the Code upon their appointment or employment, ensuring that they understand and align with the work culture and ethical expectations that Kimlun Group strives to maintain. The Code is available on Kimlun's corporate website at www.kimlun.com.

SOCIAL

Kimlun Group recognizes that sustainability extends beyond environmental responsibility to include the well-being of our employees, communities, and stakeholders. Our social impact initiatives focus on fostering a safe, inclusive, and supportive workplace, enhancing community engagement, and upholding ethical business practices.

OCCUPATIONAL SAFETY AND HEALTH

Occupational safety and health remain a top priority in the construction industry and Kimlun Group is committed to ensuring a safe and healthy working environment for all employees. We actively promote awareness of safety, health, and environmental practices across all our business.

Kimlun Group adopts a structured risk management approach to occupational safety and health. Hazards and risks are systematically identified, assessed, and mitigated through established controls. Our safety and health policies are embedded within the Group's standard operating procedures, ensuring compliance and consistency across operations.

To safeguard our workforce, we provide appropriate personal protective equipment ("PPE") based on job requirements. Every construction site is equipped with essential safety measures such as safety nets to prevent falling or flying objects, ensuring the safety of people below or beyond the work area as well as fire extinguishers for firefighting purposes.

In line with the Occupational Safety and Health Act 1994 and the Occupational Safety and Health (Amendment) Act 2022, the Group established Occupational Safety and Health ("OSH") Committees to oversee safety and health across operations. These committees enforce safety policies, recommend improvements, and facilitate effective communication between management and ground-level employees. Periodic meetings are held to monitor safety performance, review incidents, and implement corrective actions when necessary.

Additionally, SPC is accredited with ISO 45001:2018 – Occupational Health and Safety Management System, which provides for a structured framework for hazard identification, risk assessment, and workplace safety management. The Group is also pleased to announce that KLSB has also attained ISO 45001:2018 in December 2024.

The OSH Committees play a vital role in maintaining workplace safety. Their responsibilities include:

- Identifying and assessing potential workplace hazards, summarized in a risk assessment report.
- Formulating emergency response plans.
- Recommending enhancements to safety practices and protection equipment when necessary.
- Conducting induction training for contractors entering project sites.
- Holding periodic toolbox briefings to reinforce safety procedures and PPE compliance.
- Performing workplace audits to ensure compliance, recording non-conformances, and following up on corrective actions.

SUSTAINABILITY STATEMENT

We also mandate all our contractors and sub-contractors comply with common workplace safety and health practices for their workers to align with Kimlun Group's standards.

Finally, both KLSB and SPC implement a reward and penalty system to encourage compliance and proactive safety behaviour. Employees demonstrating a strong safety culture and proactive engagement in safety matters receive tokens of appreciation during safety campaigns whereas employees failing to comply with safety requirements face penalties to reinforce accountability.

Health and Safety Training

In FY2024, a total of 248 employees participated in the following externally organised health and safety training programs covering topics such as:

- Large Tonnage Crane Operator Training
- Safety and Health Officer Enrichment Program
- Road Traffic Safety Management
- IMS ISO 9001, ISO 14001 & ISO 45001 Introduction
- Electrical Safety
- Basic Occupational First Aid, CPR & AED
- Integrated Management System ("IMS") ISO 9001, ISO 14001 & ISO 45001 Internal Auditing
- KHPT Occupational Safety, Health and Environment ("KOSHE") Seminar 2024
- 9th MBAM Seminar on Occupational Safety & Health ("OSH") Kuching Sarawak & Workshop on Introduction to Excavation Safety
- The Future of OSH: Trends and Transformation on Occupational Health ("OH")
- The 10th MBAM Seminar on Occupational Safety & Health (OSH), Johor & Workshop on Leadership in Construction Safety
- Seminar KKP Kebangsaan 2024: Empowering Occupational Safety and Health Through Technology and Legal Compliance
- OSH Train the Trainer Competency Based Programme
- Safety Induction Construction Workers ("SICW")
- Seminar Kerja Di Tempat Tinggi
- Forklift Safety Training 2D
- Trends & Transformation In Occupational Health
- Awareness CPR & AED
- EOTC-Overhead Crane Program
- Hearing Conservation Program
- Effective Internal Audit Technique for ISO 45001 & ISO 14001
- Emergency Response Training
- Ergonomics & Office Safety
- Incident Reporting Flow Process
- Working At Height Training
- Scheduled Waste & Chemical Handling Training
- Forklift Training
- Basic Electrical Safety Training
- Basic PPE Awareness Training
- Basic Welding Awareness Training
- Lifting Activity Training
- Safety Awareness Briefing To Transporters
- Hand Grinder And Hacker Machinery Training
- Bar Bending Machine Training
- Overhead and Gantry Crane Training

Health and Safety		
	FY2024	FY2023
Number of employees who attended health and safety training	248	266

In the effect to create a safer work environment, Kimlun Group now requires all new employees to attend health and safety trainings as a mandatory part of their orientation.

SUSTAINABILITY STATEMENT

Safety Performance

At Kimlun Group, we consistently monitor and record progress of key OHS performance indicators in its work environment to identify areas for improvement. The safety performance for our in-scope operations in FY2024 is summarized as follows.

Health and Safety		
Number of cases	FY2024	FY2023
Number of work-related fatalities	1	0
Number of work-related lost-time incidents	5	8
Lost-time incident rate ("LTIR")	0.10	0.23

Note: Lost Time Incident Rate ("LTIR") = Number of lost time injuries in the reporting period divides by Total number of hours worked in the reporting period and multiple by 200,000 .*

**The value of 200,000 represents a standardised value of the total amount of hours that 100 employees work weekly for 40 hours for a duration of 50 weeks (100 x 40 x 50 = 200,000).*

We deeply regret to report a work-related fatality resulted from lightning strike on a crane at one of the project sites. The incident was a significant loss for Kimlun Group and the loss had a deep impact on the families, friends and colleagues affected by this tragic incident. Following a thorough investigation, the Company has implemented enhanced safety measures, including the installation of lightning arrestor and detector at project site with elevated vulnerability to lightning strikes to prevent similar occurrences. Additionally, Kimlun has developed a Standard Operating Procedure ("SOP") for crane operations during lightning conditions, revised the method statement for roof slab and beam construction, and updated the Hazard Identification, Risk Assessment, and Determining Control ("HIRADC") for concreting works to enhance safety protocols. Apart from the reported fatality incident, the Group is pleased to report that there were no other serious accidents reported in the financial year.

The Group remains steadfast in its commitment to achieving a zero work-related fatality goal for employees and contractors each year. To support this objective, we continuously review our safety and health management systems and carry out updates and enhancements when required, adopting industry best practices and aligning them with the ISO 45001 Occupational Safety and Health Management System framework.

LABOUR PRACTICES

Kimlun Group is dedicated to fostering a fair and inclusive workplace, where every employee is treated with respect and equality, free from discrimination. We embrace diversity and recognize the value of different cultural backgrounds, experiences, and age groups in enriching our workforce. This commitment is deeply embedded in Kimlun's Corporate Code of Conduct, ensuring a work environment free from discrimination and harassment.

The Code is available on Kimlun's corporate website at www.kimlun.com.

Employee Welfare

We uphold equal employment opportunity practices, where hiring, promotions, and other employment decisions are based solely on business needs, skills, experience, competencies, and qualifications without discrimination based on gender, race, religion, or age.

Furthermore, we respect fundamental human rights and adhere to ethical labour practices in compliance with applicable laws and regulations, including providing proper accommodation for workers. We also uphold employees' rights to freedom of association and collective bargaining, in line with relevant laws and regulations.

SUSTAINABILITY STATEMENT

To support employee well-being, Kimlun offers a range of employee benefits, including:

- Hospital and surgical insurance and personal accident insurance for local employees.
- Workmen compensation insurance for foreign employees to ensure access to timely medical treatment.

Through these initiatives, Kimlun reinforces its commitment to a fair, safe, and supportive work environment for all employees.

Number of Substantiated Complaints Concerning Human Rights Violations		
Number of cases	FY2024	FY2023
Substantiated complaints concerning human rights violations	0	0

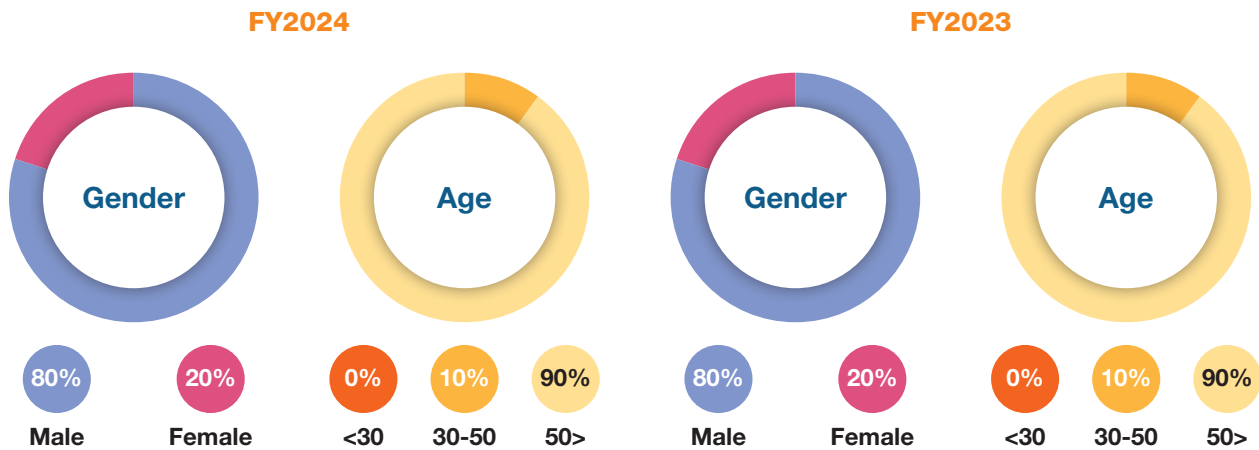
HUMAN RESOURCE MANAGEMENT

The construction industry is a key driver of economic growth and national development in Malaysia, providing employment opportunities for both skilled and unskilled workers. Beyond job creation, the industry empowers employees to contribute to the nation’s progress by developing essential infrastructure such as roads, tunnels, and railway tracks, which enhance connectivity and drive long-term development.

Diversity

Kimlun Group recognises the importance of diversity and inclusion in fostering a thriving workplace. While our industry remains predominantly male due to the physical nature of our operations, we are committed to providing equal opportunities for all employees, regardless of gender, background, or experience. Nonetheless, we are committed to creating an environment that offers equal opportunities for all employees, regardless of gender, background, or experience. Through fair hiring practices, professional development programs, and an inclusive work culture, the Group aims to build a diverse workforce, further reinforcing our commitment to social sustainability.

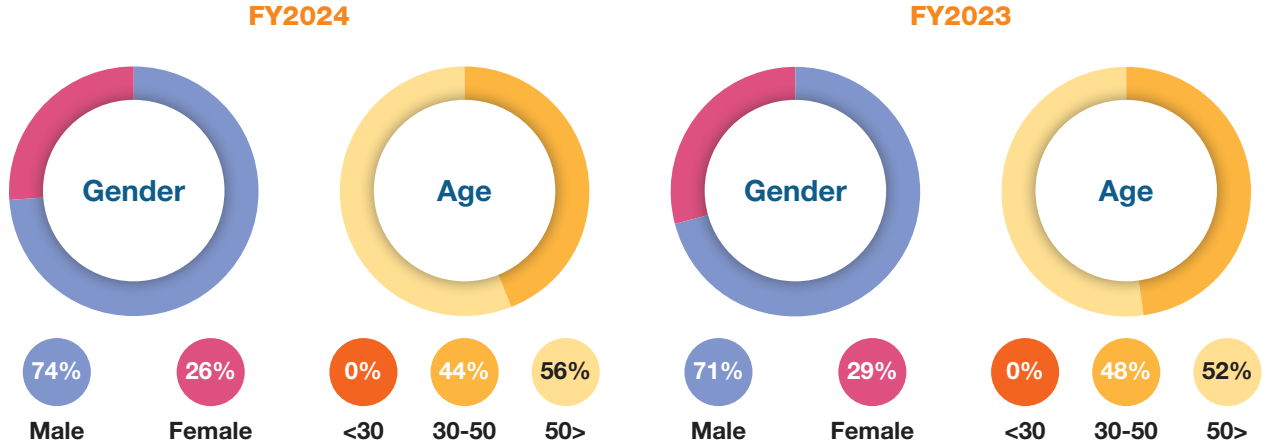
Kimlun Group Directors



SUSTAINABILITY STATEMENT

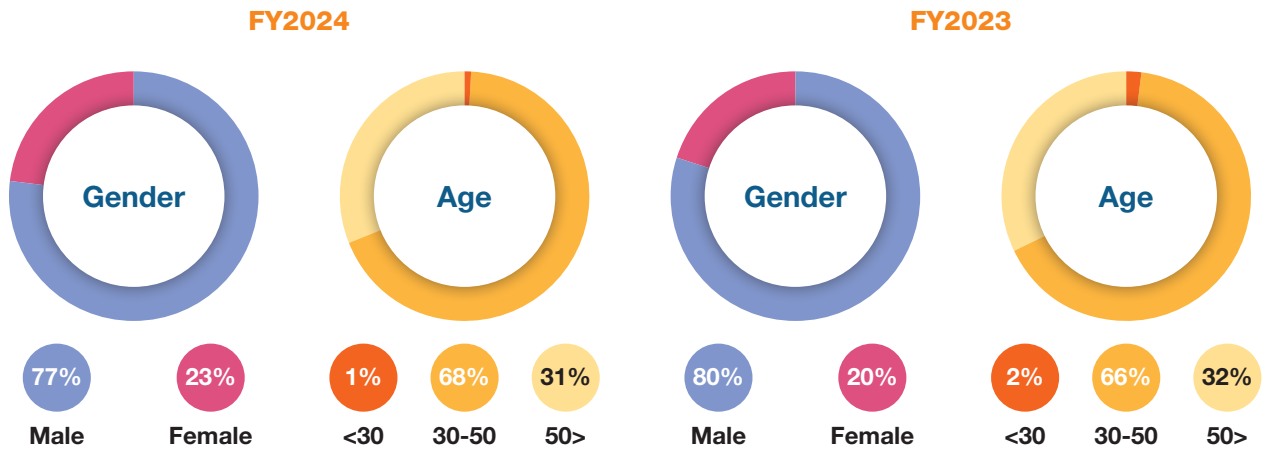
Workforce breakdown (Local employees only) Senior Management

(General Managers, Senior Manager, Head of Departments in key departments)

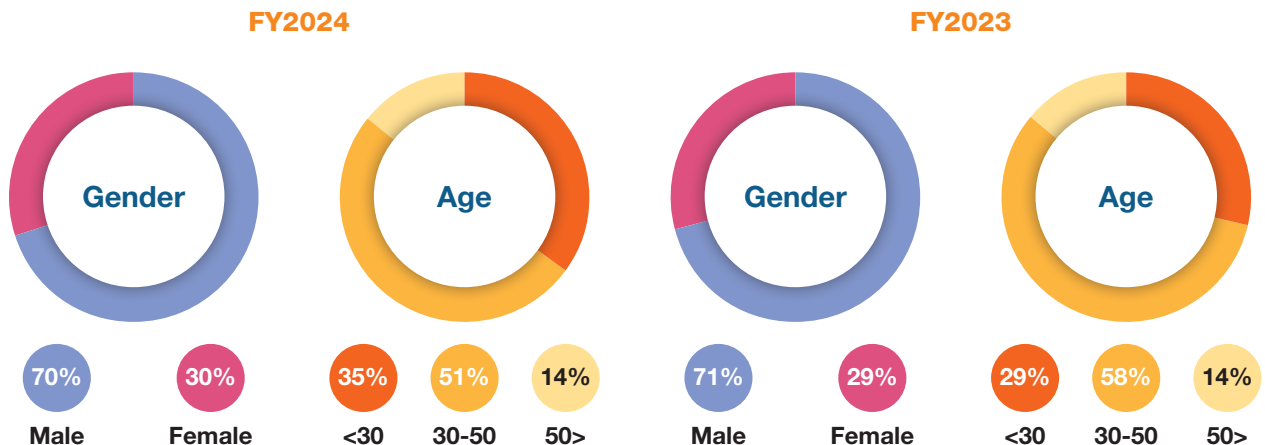


Management

(Managerial position excluded from Senior Management Category, Assistant Manager)

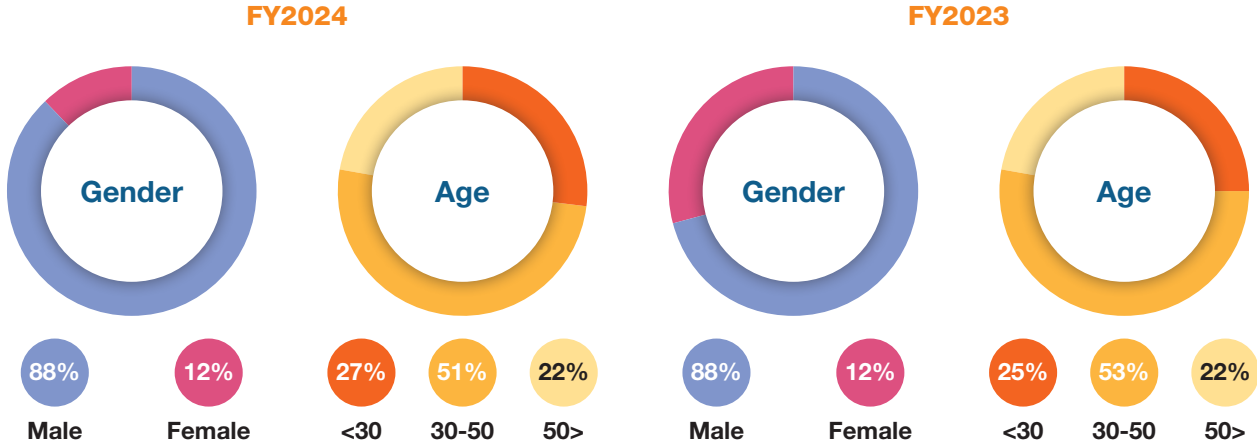


Executive

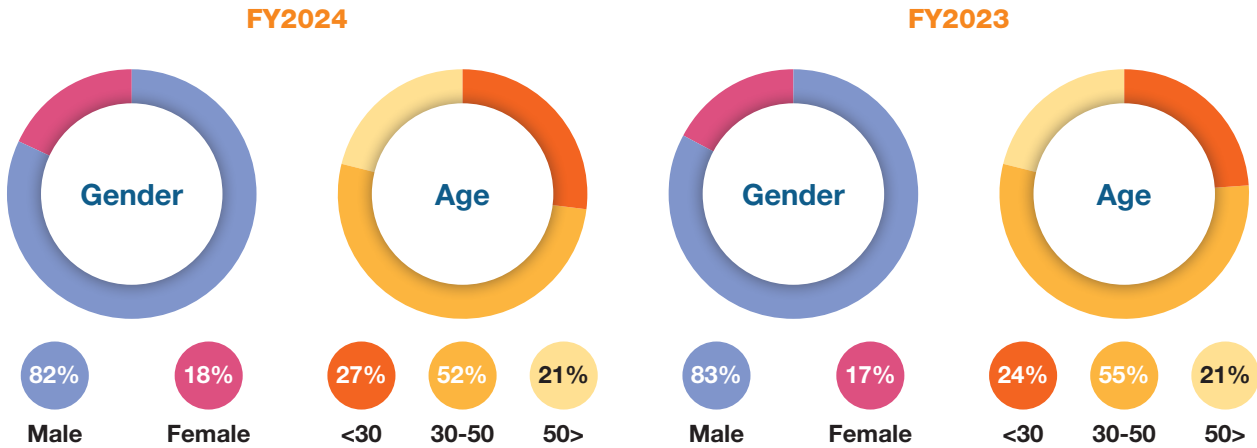


SUSTAINABILITY STATEMENT

Non-Executive



Total



Employee Training and Development

At Kimlun Group, training and development play a crucial role in managing human capital. Beyond equipping employees with the necessary skills and expertise to drive the Group’s business strategies, we actively support their personal and professional growth.

All employees undergo annual performance appraisals, where their performance is evaluated, and their training needs are identified. Additionally, our Human Resources Department conducts a training needs analysis to assess and determine relevant training programs for employees.

Training is delivered through internal programs and external courses, covering key topics such as:

- Occupational Health and Safety
- Procurement & Contract Management
- HR & Payroll Administration
- IBS for Sustainable Construction
- ESG Awareness
- Orientation Program for New Recruits

SUSTAINABILITY STATEMENT

The Group has set a target to provide 2730 hours of external training for executive-level employees and above, ensuring a minimum of 6 training hours per employee in FY2024. Employees below the executive level receive on-the-job training tailored to their roles.

For FY2024, we successfully achieved 8,539 training hours for executive-level employees and above, surpassing our target for two consecutive years. The details of this achievement are summarized as follows:

Total Hours of Training by Employee Category (External Training Only)		
Kimlun Group	FY2024	FY2023
	External Trainings Attended (Hours)	
Senior Management	565	670
Management	2,055	834
Executive	5,919	4,350
Total	8,539	5,855

Turnover

Recognising that employee turnover can impact productivity, operational efficiency, and knowledge retention, Kimlun Group is always taking proactive measures to address these challenges.

To mitigate the impact of employee turnover, we have implemented strategic hiring efforts, including:

- Targeted recruitment initiatives to attract skilled talent aligned with our business needs.
- Employee engagement programs to enhance job satisfaction and reduce voluntary turnover.
- Training and career development opportunities to foster growth and progression within the company.
- Compensation and benefits packages to retain key employees.

The employee turnover rate for Kimlun Group in FY2024 is summarized as follows:

Total Number of Employee Turnover		
Employee turnover	FY2024 (per headcount)	FY2023 (per headcount)
Senior Management	1	3
Management	8	13
Executive	60	33
Non-executive	210	228
Total	279	277

CUSTOMER WELFARE

Customer Satisfaction

As part of our commitment to delivering high-quality products and services, Kimlun Group conducts regular customer satisfaction surveys to assess and enhance our performance. These surveys provide valuable insights into customer experiences, expectations, and areas for improvement.

In the current financial year, we have reached out to our key customers to participate in our customer satisfaction survey for KLSB and we received positive results with an average satisfaction rate of 83%. This feedback enables us to refine our processes, strengthen client relationships, and uphold our commitment to excellence.

Moving forward, we will continue to engage with our customers to further improve satisfaction levels and ensure that our services meet industry standards and expectations. We are also looking forward to engaging with our customers serviced by other subsidiaries within our Group in a similar survey.

SUSTAINABILITY STATEMENT

IMPACT ON LOCAL COMMUNITY

Contribution to Society

At Kimlun Group, we are committed to making a meaningful impact beyond our business operations by actively contributing to the well-being of local communities. Our corporate social responsibility (“CSR”) initiatives include:

- donations to charitable foundations, including contributions to cancer foundations and financial aid for terminally ill and underprivileged patients.
- Provision of financial contributions to universities, religious institutions, local sports clubs, welfare societies and other fundraising events.
- Contributions to neighbouring villages as well as professional conferences.

Throughout the year, Kimlun Group contributed approximately RM120,900 to the above foundations or initiatives. While the exact number of individual beneficiaries remains difficult to determine given that some donations were made through foundations and fundraising organisations we directly supported 10 various organizations through monetary or asset contributions.

Moving forward, the Group will continuously seek out and support meaningful charitable initiatives to create a lasting and positive impact on the communities we serve.

Contribution to Society		
Percentage	FY2024 (RM)	FY2023 (RM)
Total amount invested in the community where the target beneficiaries are external to the listed issuer	120,900	198,000
Total number of beneficiaries of the investment in communities	10	16

Local Procurement

At Kimlun Group, we recognize the importance of promoting sustainability within the construction industry and across our value chain. As part of our commitment to responsible business practices, we actively engage with business partners, contractors, and subcontractors who share our values in ethical, environmental, and social responsibility.

When selecting key service providers, we conduct a comprehensive assessment that evaluates not only their business and operational capabilities such as experience, expertise, pricing, and timeliness of delivery but also their track record in regulatory compliance, particularly in environmental and social-related aspects. This ensures that our supply chain aligns with our sustainability objectives and adheres to industry best practices.

Kimlun Group prioritise local procurement, supporting local suppliers and vendors to contribute to the growth and advancement of the regional construction sector, where feasible. By sourcing locally, we help drive the adoption of innovative construction approaches and technologies within the industry.

For the financial year under review, 95% of our procurement expenditure for goods and services was directed toward local suppliers or vendors, reinforcing our commitment to sustainable and community-driven business practices.

Proportion of Spending on Local Suppliers		
	FY2024	FY2023
Percentage of spending on local suppliers	95%	96%

Kimlun Group aims to maintain the consistent percentage of at least 90% distribution throughout the year 2025.

SUSTAINABILITY STATEMENT

ENVIRONMENT

At Kimlun Group, our mission is to be the leading one-stop provider of sustainable construction design and build services. We recognise our vital role in fostering sustainable living by leveraging our construction and building materials expertise to create environments that promote long-term ecological balance and enhance community well-being.

At the core of its business, the Group is always looking to integrate eco-friendly solutions to minimize its environmental footprint through responsible waste management, reducing pollution, and managing resources such as raw materials, water and energy.

In an effort to underscore Kimlun's commitment to sustainability, the Group's Construction and Engineering Division, KLSB, was successfully accredited with ISO 14001:2015 Environmental Management System Certification in December 2024. This significant milestone complements the ISO 14001 certification already achieved by the pre-cast concrete and manufacturing arm, SPC.

Through these efforts, Kimlun Group remains steadfast in its commitment to building a more sustainable future.

RESOURCE MANAGEMENT

Guided by our sustainability values, Kimlun Group recognises the profound impact of climate change on our operations, value chain, and stakeholders. As part of our commitment to sustainability, we actively monitor and mitigate our environmental footprint through responsible resource management, energy efficiency, and eco-friendly practices.

Kimlun aims to drive long-term resilience and positive change by implementing the various initiatives below:

- **Industrialised Building System ("IBS")**

IBS is a key initiative which enhances efficiency and quality in construction. IBS involves manufacturing components in a controlled environment before assembling them on-site, offering several benefits over traditional methods, including:

- Higher quality and lower wastage due to factory-controlled prefabrication.
- Reduced pollution and resource-efficient processes through standardized manufacturing.
- Shorter construction time with prefabricated components.
- Less disruption to surrounding communities due to shorter project durations.
- Lower reliance on manual labour, reducing workforce-related risks and social issues.

Through IBS, Kimlun is able to deliver value to clients with high-quality, efficient, and more importantly, sustainable construction solutions.

- **Sustainable Materials**

Kimlun incorporates sustainable concrete mixes in its construction projects (e.g., using 20% Pulverised Fuel Ash ("PFA") to meet green building standards), subject to client requirement. At SPC's Precast Manufacturing Plant, PFA and ground granulated blast-furnace slag ("GGBS") are used as cement replacements for some precast products, aligning with client requirements in Singapore. These materials, sourced from repurposed industrial waste, help reduce overall energy consumption in our manufacturing processes and ultimately carbon emissions. SPC is certified by the Singapore Green Building Council for its Ready-Mix Concrete in precast production.

SUSTAINABILITY STATEMENT

Quality and Cost Management

Kimlun prioritizes consistent quality in its work and products through dedicated quality control teams that benchmark against industry standards like the Quality Assessment System in Construction (“QLASSIC”) in Malaysia and Construction Quality Assessment System (“CONQUAS”) in Singapore. Continuous improvement is a key focus, with ongoing identification of enhancement opportunities. We follow a rigorous supplier and contractor assessment process to ensure high-quality partnerships while maintaining financial efficiency.

Before each project execution, Kimlun develops detailed plans incorporating procurement and risk management. In precast manufacturing, pre-production planning and quality control minimize product rejection and optimize resources. SPC targets a product rejection rate of no more than 1% and our rejection rate for FY2024 is 0.66%.

ENERGY MANAGEMENT

Kimlun’s operations consume significant energy through vehicle fuel (diesel and petrol for operational vehicles), diesel for construction equipment and site generators, and electricity for headquarters, factories, project sites, and offices. In FY2023, the company has started estimating its energy consumption based on fuel purchases and electricity purchased from Tenaga Nasional Berhad (“TNB”) and Sarawak Energy Berhad (“SEB”).

The table below illustrates the total energy consumption for Kimlun.

Total Energy Consumption		
	FY2024	FY2023
	Energy Amount	Energy Amount
Purchased electricity	18,211	11,432
Diesel (used in Group-owned/controlled vehicles/equipment)	169,985	109,397
Gasoline (Petrol) (used in Group-owned/controlled vehicles/equipment)	7,164	6,918
Total Energy Consumption (GJ)	195,360	127,746

Note:

Total energy consumption is calculated using Methodology from Malaysia Energy Statistics Handbook 2022 (“MESH”) (Diesel: 1 Litre = 0.035 GJ), (Petrol: 1 Litre = 0.031 GJ) and total electricity consumption (1MWh = 1,000kWh; 1kWh = 0.0036 GJ)

*The energy consumption amount reported in FY2023 has been converted from (MWh) to GJ

WATER MANAGEMENT

At Kimlun Group, we recognise that water is a crucial resource for Kimlun’s operations, particularly in precast concrete manufacturing in Negeri Sembilan and Johor, hence it is in our interest that we prioritize water efficiency and aim to avoid excessive usage wherever possible in our processes even though our in-scope premises (i.e. headquarters, factories, and offices) are not located in water-stressed areas. Notwithstanding that, Kimlun has installed rainwater harvesting tanks to collect rainwater for miscellaneous use such as cleaning wheels and tires at some construction sites. As part of our journey to improve on our sustainability initiatives, we are currently optimizing our data collection methods for the recording of rainwater collection and consumption.

Additionally, to ensure that we minimise the environmental impact of our wastewater discharged, Kimlun’s Group implemented on-site treatment for wastewater, including sediment basins and silt traps, before discharge.

The Group’s estimated water consumption and discharge for FY2024 is summarized in the table below:

Total Volume of Water Used		
	FY2024	FY2023
Total Water Used (Megalitre)	477.74	264.96

SUSTAINABILITY STATEMENT

WASTE MANAGEMENT

The company primarily produces non-hazardous waste such as wood, steel, and concrete, which is segregated at construction sites for reuse, recycling, or sale to waste contractors. Hazardous waste is minimal and managed by licensed contractors approved by Malaysia's Department of Environment ("DOE"). Kimlun collaborates closely with contractors and subcontractors to ensure compliance with internal waste management standards.

To enhance waste management, Kimlun Group is developing data collection procedures and has implemented key measures at construction sites, including:

- Segregation of construction and non-construction waste.
- Silt traps for sediment collection.
- Wash troughs for vehicle tire cleaning by trapping soil and sediment at the construction sites including preventing chemical and hazardous material runoff.
- Road cleaning with high-power water jets to break up hardened deposits and remove debris, dust, and contaminants from road surfaces.
- Temporary earth drains to prevent pooling of water which can carry construction waste into public roads and storm drains. Earth drains collect loose materials like gravel, sand, and silt, preventing them from clogging municipal drainage systems.
- Sustainable Urban Drainage Systems ("SUDS") where relevant to manage stormwater and control water runoff quality.

Kimlun believes that through our IBS, we are able to provide a promising solution to our customers to control off-site production and effective management of resource utilisation. By producing components in a controlled factory environment, IBS enables precise material measurement and cutting, which significantly minimizes waste. Furthermore, standardized production processes ensure consistent quality and reduce errors, thereby cutting down on rework and scrap material. Overall, these efficiencies lead to lower material waste and a more sustainable construction process. Additionally, completing a significant portion of construction off-site minimizes on-site activities that typically generate dust, noise, and debris, thereby reducing pollution levels around the construction area.

GHG EMISSIONS

At present, Kimlun estimates and reports greenhouse gas ("GHG") emissions from fossil fuel consumption ("Scope 1") and purchased electricity consumption ("Scope 2"). Kimlun is committed to improving the accuracy and completeness of emissions estimation and plans to expand reporting to include Scope 3 after we have performed a thorough assessment on our Scope 3 category emissions for the Group.

The Group's total emission is summarized in the table below:

Emissions Management		
Energy source	FY2024 (tCO ₂ e) ¹	FY2023 (tCO ₂ e) ¹
Scope 1	13,316	8,809
Scope 2 ²	3,915	2,386
Scope 1 and Scope 2	17,231	11,195

Note:

1 Includes carbon dioxide, methane, and nitrous oxide

2 Grid Emission Factor ("GEF") in Malaysia (2017-2022) of **0.774 Gg CO₂e/ GWh** (Peninsular Malaysia)

MOVING FORWARD

Kimlun Group remains steadfast in our commitment to sustainability as we continue to integrate ESG principles into our business operations. Moving forward, we will enhance our efforts to minimize our environmental footprint through responsible resource management, waste management and carbon emission management. Our focus on workplace operational health and safety, employee well-being and training will further strengthen our social impact, while strong corporate governance and ethical business practices and will guide our long-term success.

SUSTAINABILITY STATEMENT

Performance Targets

In pursuit of excellence on our ESG journey, the Board of Kimlun has approved the following ESG targets for FY2025 to monitor and enhance our operations, particularly in relation to our identified Sustainability Material Matters. The following outlines our targets for the next financial year. Currently, the targets are reviewed annually, with ongoing discussions within the Group to assess and track the Group's long term goals.

Indicators	Proposed Targets	
Anti-Bribery and Anti-Corruption ("ABAC Policy")	Confirmed incidents of corruption and action taken.	<ul style="list-style-type: none"> Maintain 0 corruption incidences.
Health and Safety	Number of work-related fatalities.	<ul style="list-style-type: none"> 0 work-related fatalities.
	Lost time incident rate ("LTIR").	<ul style="list-style-type: none"> Maintain 0 LTIR for FY2025.
	Number of employees trained on health and safety standards.	<ul style="list-style-type: none"> Ensure 100% of new hires are trained on health and safety standard.
Labour Practices and Standards	Total hours of training by employee category.	<ul style="list-style-type: none"> To achieve an average of 6 hours per eligible employees (Kimlun's Executives and above) for external training.
	Number of substantiated complaints concerning human rights violations.	<ul style="list-style-type: none"> 0 substantiated complaints on human rights violations.
Supply chain management	Proportion of spending on local suppliers.	<ul style="list-style-type: none"> At least 90% spending on local suppliers.
Data privacy and security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data.	<ul style="list-style-type: none"> Maintain 0 incidences of data privacy and security breaches.

Performance Data Table

Indicators	Measurement Unit	2024	2023
Anti-corruption			
C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Senior Management	%	4	100
Management	%	21	84
Executive	%	0	96
Non-Executive	%	13	18
C1(b) Percentage of operations assessed for corruption-related risks	%	100	100
C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Community/Society			
C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	120,900	198,000
C2(b) Total number of beneficiaries of the investment in communities	Number	10	16
Diversity			
C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Senior Management under 30	%	0	0
Senior Management between 31 -50	%	44	48

SUSTAINABILITY STATEMENT

Indicators	Measurement Unit	2024	2023
Senior Management above 51	%	56	52
Management under 30	%	1	2
Management between 31-50	%	68	66
Management above 51	%	31	32
Executive under 30	%	35	29
Executive between 31 – 50	%	51	58
Executive above 51	%	14	14
Non-Executive under 30	%	27	25
Non-Executive between 31 – 50	%	51	53
Non-Executive above 51	%	22	22
Gender Group by Employee Category			
Senior Management Male	%	74	71
Senior Management Female	%	26	29
Management Male	%	77	80
Management Female	%	23	20
Executive Male	%	70	71
Executive Female	%	30	29
Non-Executive Male	%	88	88
Non-Executive Female	%	12	12
C3(b) Percentage of directors by gender and age group			
Male	%	80	80
Female	%	20	20
Under 30	%	0	0
Between 31-50	%	10	10
Above 51	%	90	90
Energy Management			
C4(a) Total energy consumption	Gigajoules	195,360	127,746
Health and Safety			
C5(a) Number of work-related fatalities	Number	1	0
C5(b) Lost time incident rate (“LTIR”)	Rate	0.10	0.23
C5(c) Number of employees trained on health and safety standards	Number	248	266
Labour Practices and Standards			
C6(a) Total hours of training by employee category			
Senior Management	hours	565	671
Management	hours	2,055	835
Executive	hours	5,919	4,351
C6(b) Percentage of employees that are contractors or temporary staff	%	69.28	66.84
C6(c) Total number of employee turnover by employee category			
Senior Management	Number	1	3
Management	Number	8	13
Executive	Number	60	33
Non-Executive	Number	210	228

SUSTAINABILITY STATEMENT

Indicators	Measurement Unit	2024	2023
C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Supply Chain and Management			
C7(a) Proportion of spending on local suppliers	%	95	96
Data Privacy and Security			
C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Water Management			
C9(a) Total volume of water used	Megalitre	477.74	264.96
Emission Management			
C11(a) Scope 1 emissions in tonnes of CO ₂ e	tCO ₂ e	13,316	8,809
C11(b) Scope 2 emissions in tonnes of CO ₂ e	tCO ₂ e	3,915	2,386

Statement of Assurance

This Sustainability Statement has not undergone an assurance process in SS 2024. Nevertheless, the information and data disclosed have been reviewed by the data owners and respective business divisions to ensure the SS 2024 provides a fair and accurate account of Kimlun Group's sustainability efforts and outcomes.

This SS 2024 is made in accordance with the resolution of the Board of Directors dated 3 April 2025.

SUSTAINABILITY STATEMENT

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Management	Percentage	4.00
Management	Percentage	21.00
Executive	Percentage	0.00
Non-executive	Percentage	13.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	120,900.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	10
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Under 30	Percentage	0.00
Senior Management Between 30-50	Percentage	44.00
Senior Management Above 50	Percentage	56.00
Management Under 30	Percentage	1.00
Management Between 30-50	Percentage	68.00
Management Above 50	Percentage	31.00
Executive Under 30	Percentage	35.00
Executive Between 30-50	Percentage	51.00
Executive Above 50	Percentage	14.00
Non-executive Under 30	Percentage	27.00
Non-executive Between 30-50	Percentage	51.00
Non-executive Above 50	Percentage	22.00
Gender Group by Employee Category		
Senior Management Male	Percentage	74.00
Senior Management Female	Percentage	26.00
Management Male	Percentage	77.00
Management Female	Percentage	23.00
Executive Male	Percentage	70.00
Executive Female	Percentage	30.00
Non-executive Male	Percentage	88.00
Non-executive Female	Percentage	12.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	80.00
Female	Percentage	20.00
Under 30	Percentage	0.00
Between 30-50	Percentage	10.00
Above 50	Percentage	90.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	54,267.00
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	1
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.10
Bursa C5(c) Number of employees trained on health and safety standards	Number	248

Internal assurance

External assurance

No assurance

(*)Restated

SUSTAINABILITY STATEMENT

Indicator	Measurement Unit	2024
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	565
Management	Hours	2,055
Executive	Hours	5,919
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	69.28
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	1
Management	Number	8
Executive	Number	60
Non-executive	Number	210
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	95.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	447.740000
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	No Data Provided *
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	No Data Provided *
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	No Data Provided *
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	13,316.00
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	3,915.00
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	No Data Provided *

* Pursuant to the paragraphs 3.0, 4.1(a) and Annexure PN9A-A of Practice Note 9A, non mandatory indicators comprising Waste Management & Emissions Management Scope 3 are not disclosed in this Sustainability Statement 2024.

Internal assurance

External assurance

No assurance

(*)Restated

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

The Board of Directors (“the Board”) is accountable and responsible for the performance and affairs of Kimlun Corporation Berhad (“the Company”), including practising a high level of good governance. All Board members are expected to show good stewardship and act in a professional manner, as well as upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities. To this end, the Board implements the principles and practices of the Malaysian Code on Corporate Governance (“MCCG”) updated and issued by the Securities Commission Malaysia (“SC”) on 28 April 2021 towards achieving corporate excellence.

This Corporate Governance Overview Statement sets out the principal features of the Company and its subsidiaries’ (collectively referred to as “the Group”) corporate governance approach, summary of corporate governance practices during the financial year as well as key focus areas in relation to corporate governance for the financial year ended 31 December 2024 (“FY2024”). The detailed application for each practice as set out in the MCCG is disclosed in the Corporate Governance Report (“CG Report”) which is available on the Company’s website at <https://www.kimlun.com> and via an announcement on the website of Bursa Malaysia Securities Berhad (“Bursa Securities”).

A. BOARD LEADERSHIP AND EFFECTIVENESS

The Board adopted a Board Charter which sets out the authority, role and responsibilities of the Board, Board Committees, individual Directors and Senior Management. The Board Charter also sets out the membership and operation of the Board, and issues and decisions reserved for the Board. The Board reviews the Board Charter from time to time and makes any necessary amendments to ensure it complies with relevant laws, regulations and practices, and remain relevant and effective in the light of the Board’s objectives. The last review of the Board Charter in FY2024 was on 28 November 2024.

The Board Charter is accessible at <https://www.kimlun.com>.

Authority

The Board’s roles and responsibilities are governed by the Constitution of the Company and also in accordance with the Companies Act 2016 (“CA 2016”), the Main Market Listing Requirements of Bursa Securities (“MMLR”), the MCCG of SC, the Capital Markets and Services Act 2007 (“CMSA”) and any other prevailing regulatory corporate governance practices and laws or regulatory requirements.

Board Composition

The Constitution of the Company provides that the Company shall have a minimum of three (3) directors and a maximum of ten (10) directors. In compliance with Paragraph 15.02 of the MMLR, there shall be at least two (2) directors or one-third (1/3) of the Board, whichever is higher, who are Independent Directors and at least one Director is a woman.

The Board consists of ten (10) qualified individuals with diverse set of skills, experience and knowledge necessary to govern the Company. None of the Board members is person linked directly with the executive powers such as heads of state, heads of government and ministers and none of the Board members is an active politician.

Five (5) of the Directors are Independent Non-Executive Directors (“Independent Directors”), thus the Company complied with Paragraph 15.02 of the MMLR as well as Practice 5.2 of MCCG which stipulates that at least half of the Board comprises Independent Directors.

The composition and size of the Board is such that it facilitates the decision making of the Company.

The Independent Directors provide objective and independent views and judgement in decision-making processes of the Board covering issues of strategy, performance and risks. The presence of the Independent Directors fulfills a pivotal role in corporate governance accountability and ensures the interests of all shareholders are indeed taken into account by the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Pursuant to Practice 5.3 of the MCCG, the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. However, upon completion of the nine (9) years, the Independent Director may continue to serve the Board as a Non-Independent Director. If the Board intends to retain an Independent Director beyond nine years, it shall provide justification and seek annual shareholders' approval through a two-tier voting process. The tenure of all the current Independent Directors did not exceed a cumulative term of nine years, thus the Company complied with Practice 5.3 of the MCCG.

The size and composition of the current Board is well balanced with a good and appropriate mix of knowledge, skills, attributes and core competencies. The Board, which currently comprises of five (5) Independent Directors and five (5) Executive Directors, is able to discharge its duties professionally and effectively, uphold good governance standards in their conduct and that of the Board.

The Independent Directors are able to exercise strong independent judgement and provide balance to the Board with their unbiased and independent views, advice and judgement to all Board deliberations. All the Independent Directors fulfill the criteria of independence as defined in the MMLR and they impartially provide check and balance to the Board.

The Executive Chairman has demonstrated strong commitment and judgement in overseeing the management function, looking after the best interest of all shareholders and ensuring that contributions by all Directors were forthcoming on matters being deliberated and that no particular Board member dominated in any of the discussions. This ensures the balance of power and authority within the Board.

The Executive Chairman is not a member of the Audit and Risk Management Committee ("ARMC"), Nomination Committee ("NC") and Remuneration Committee ("RC") of the Company.

The Board does not have a formal policy on boardroom and senior management diversity, nevertheless the Board is committed to ensuring directors and senior management of the Company possess diverse sets of skills, knowledge and experience. In addition, the directors of the Company must have the ability to devote sufficient time and attention to the Company, and are independent taking into account the candidate's character, integrity and professionalism.

On boardroom diversity, the current composition of the Board is diverse in terms of skills, experiences, gender, age and race. The background of each Director can be found on pages 6 to 10 of this Annual Report. Despite the Group is operating mainly in the construction industry which is male-dominant whereby males made up of 82% of the Group's work force (excluding foreign labour), the Board is supportive of the boardroom gender diversity recommended by MCCG as the Board has two (2) female members (i.e. 20% of the Board). Pursuant to the Company's gender diversity policy and the Board Charter, and in compliance with MMLR, the Board shall have at least one (1) female Director on the Board. Underpinning the Company's boardroom gender diversity is the commitment to ensure that all Directors are appointed on merit, in line with the standards as set out in Paragraph 2.20A of the MMLR. The Board through the NC will review the proportion of the female to male board members during the annual assessment of the Directors' performance taking into consideration the appropriate skills, experience and characteristics required in the context of the needs of the Group. At the subsidiary companies' level, more than 30% of the directors (other than those Director(s) who also serve on the board of subsidiary companies) appointed by the Company to represent its interest in these subsidiary companies are female.

The Group practices equal employment opportunity, there are no barriers to employment or development in our Group by reason of an individual's gender. Pursuant to the Group's gender diversity policy, the percentage of senior management positions filled by female shall not be less than the percentage of female employees to the total workforce of the Group. Notwithstanding, the recruitment or promotion of a candidate to the position of senior management is dependent on our organisational needs, the candidate's skills, experience, core competencies and other qualities. As at 31 December 2024, approximately 26% of the senior management is female, which is higher than the percentage of female employees to total workforce.

The Board is satisfied with the level of time committed by its members in discharging their duties and roles as Directors of the Company. All the Directors have full attendance at the Board meetings or committee meetings (where applicable) held during FY2024, and complied with Paragraph 15.06 of the MMLR on the restriction of five directorships in public listed companies.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board does not consider that it is necessary to nominate a Senior Independent Director to whom concerns may be conveyed. All members of the Board have demonstrated that they are always available to members and stakeholders whereby all issues can be openly discussed during Board meetings.

The composition and size of the Board are reviewed from time to time to ensure its appropriateness.

Appointment

The NC is responsible for making recommendations to the Board for the appointment of new Directors. All nomination to the Board shall first be considered by the NC, taking into consideration inter-alia the current and future needs of the Group, the Corporate Governance Guide issued by Bursa Securities and the credential of the potential Directors.

The NC shall meet with the shortlisted candidates and conduct the fit and proper assessment to assess their suitability before formally considering and recommending them for appointment to the Board. In assessing the suitability of candidates, the NC shall consider the fit and proper criteria in accordance with the Directors' Fit and Proper Policy, which include the candidates' characters, experiences, competencies, integrity and time commitment. In its assessment, the NC shall take into consideration board diversity including gender diversity and the mix of skills, qualifications, expertise and experience, knowledge, professionalism and integrity which would contribute to the overall desired composition of the Board.

The Director's Fit and Proper Policy serves as a guide the NC and the Board in their review and assessment of the appointment and re-election of Directors, and to enhance the governance in relation to the Board's quality and integrity. The Director's Fit and Proper Policy is accessible at <https://www.kimlun.com>.

Based on the NC's recommendation, the Board will evaluate and decide on the appointment of the proposed candidates. Prior to such appointment, the selected candidate will be briefed on the Company's vision and mission, its philosophy and nature of business, the corporate strategy and the expectations of the Company concerning input from Directors.

Election and Re-Election

Pursuant to Clause 78 of the Company's Constitution, Directors appointed during the year by the Board shall hold office until the next Annual General Meeting ("AGM") and shall then be eligible for re-election. In accordance with Clause 76(3) of the Constitution, at least one-third (1/3) of the Directors shall retire from office at every AGM. All Directors shall retire from office at least once every three (3) years but shall be eligible for re-election. Retiring Directors who are seeking re-election are subject to Directors' assessment by the NC.

In FY2024, the NC had conducted the fit and proper assessment and reviewed all Directors who are standing for re-election at the Company's forthcoming Sixteenth AGM. The NC has determined and informed the Board that they met the criteria of character, experience, integrity, competence and time to effectively discharge their respective roles as Directors as prescribed by the MMLR. The Board concurred with the findings of the NC, recommends and supports the re-election of Dato' Ir. Fong Tian Yong, Anita Chew Cheng Im, Johar Salim Bin Yahaya and Bhupendar Singh A/L Sewa Singh (collectively "Retiring Directors"), who are seeking for re-election pursuant to Clause 76(3) of the Company's Constitution at the forthcoming Sixteenth AGM. The Retiring Directors had also provided their respective fit and proper declarations in accordance with the Directors' Fit and Proper Policy to the Company.

Independence of Director

The Board only considers Directors to be independent where they are independent of management and free from any business or other relationship that could materially interfere with or could reasonably be perceived to interfere with the exercise of their unfettered and independent judgement.

The NC reviews the independence of each Independent Director annually or whenever necessary, in light of information relevant to this assessment as disclosed by each Independent Director to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The NC has assessed the independence of all Independent Directors during FY2024 and has determined and informed the Board that all Independent Directors remain objective and met the criteria of independence as prescribed in the MMLR. The Board concurred with the findings of the NC, and considered the suitability of each of the Independent Directors to continue to act as independent directors of the Company.

New Directorship

While the Board allows its Directors to accept appointments to other boards, the Directors are required to discuss with the Chairman and the Chief Executive Officer (“CEO”) before accepting the new appointment and to indicate the time expected to be spent on the new appointment.

Role of Board

The Board’s role is to represent and serve the interests of the shareholders. It is primarily responsible for setting the appropriate tone at the top, overseeing and supervising the management of the business affairs of the Group towards realising the long-term success and delivery of sustainable value to its stakeholders.

The responsibilities of the Board include:-

- (a) Formulating the Group’s strategic plans and strategies with economic, environmental and social considerations in line with sustainability practices for the Group;
- (b) Reviewing, challenging and deciding on corporate proposals for the Group, and monitoring its implementation by Management;
- (c) Overseeing the conduct of the Group’s business to ensure the business is being properly managed with good corporate governance, high standard of ethics and corporate behaviour;
- (d) Establishing an effective risk management and internal control framework which includes identifying the principal risks and ensuring the implementation of appropriate internal controls and mitigation measures to achieve a proper balance between risks incurred and potential returns to the shareholders;
- (e) Setting the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- (f) Ensuring Senior Management has the necessary skills and experience, and there are measures for orderly succession planning for the Company’s Board and Senior Management which are reviewed on an annual basis, and to ensure that there are appropriate policies for training, appointment and performance monitoring of Senior Management;
- (g) Developing and implementing an investor relation programme or shareholder communication policy for the Company to enable effective communication with stakeholders;
- (h) Together with Senior Management, promoting good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour; and
- (i) Ensuring the integrity of the Company’s financial and non-financial reporting.

Matters which shall be reserved for decision by the Board, supported by any recommendation as may be made from time to time by the Board Committees (as appropriate) include:-

- (a) Strategic issues and planning, including sustainability;
- (b) Corporate plans and programmes;
- (c) Budget and performance reviews;
- (d) Dividend policy or declaration of dividends;
- (e) Material borrowings;
- (f) Treasury policies;
- (g) Key human resources issues;
- (h) New ventures;
- (i) Material acquisitions and disposals of undertakings, assets and properties;
- (j) Quarterly financial results and annual financial statements; and
- (k) Any matters or transactions that fall within the ambit of the Board pursuant to the CA 2016, MMLR, the Company’s Constitution or any other applicable laws and regulations.

The Board delegates responsibility for the day-to-day operation of the Group’s business to the Executive Directors and recognises its responsibility for ensuring that the Group operates within a framework of prudent and effective control.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Chairman and Chief Executive Officer

The roles and responsibilities of the Chairman and the CEO are clearly defined and segregated to ensure a balance of power and authority such that no one individual has unfettered power of decision. The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role.

The responsibilities of the Chairman include:-

- (a) Leading the Board in its responsibilities for the business and affairs of the Company and its oversight of management;
- (b) Overseeing the Board in the effective discharge of its supervisory role;
- (c) Ensuring the integrity and effectiveness of the governance process of the Board and leading the Board in the adoption and implementation of good corporate governance practice in the Group;
- (d) Setting the agenda for Board Meetings with the assistance of the Company Secretary and ensuring all Board members receive complete and accurate information in a timely manner;
- (e) Leading Board discussion, encourage active participation and allowing dissenting views to be freely expressed;
- (f) Facilitating the effective contribution of all Directors and ensuring constructive relations be maintained between the Board and Management;
- (g) Ensuring that there is regular and effective evaluation of the Board's performance; and
- (h) Ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.

The CEO is responsible for implementing the policies and decisions of the Board, overseeing day-to-day operations as well as development and implementation of business and corporate strategies and plans. All Board's authorities conferred on the management is delegated through the CEO and this will be considered as the CEO's authority and accountability.

Board Committees

The Board, in discharging its fiduciary duties, may from time to time establish Committees as it considers necessary to assist it in carrying out its responsibilities.

The Board has established three (3) Board Committees, namely ARMC, NC and RC, each entrusted with specific tasks and operates within clearly defined terms of reference approved by the Board. The Chairperson of the respective Committees reports to the Board on the outcome of the Committee meetings and such reports or minutes will be included in the Board papers.

The last review of terms of reference of ARMC, NC and RC was on 28 November 2024. The respective Board Committees' terms of reference are available at the Company's website at <https://www.kimlun.com>.

a. Audit and Risk Management Committee

Please refer to pages 65 to 68 of this Annual Report for composition of the ARMC, ARMC meetings held and the activities undertaken by the ARMC in the discharge of its duties during FY2024.

b. Remuneration Committee

The current composition of the RC is as follows:-

Name	Designation	Directorship
Datuk Woon See Chin	Chairperson	Independent Director
Dato' Ir. Fong Tian Yong	Member	Independent Director
Johar Salim Bin Yahaya	Member	Independent Director

During FY2024, one (1) meeting was held and attended by all the members.

The RC reviewed and recommended to the Board the remuneration of the Executive Directors and Senior Management. Please refer to the ensuing section on Director's remuneration for further details.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The RC has also reviewed and recommended to the Board, the remuneration packages of Non-Executive Directors for shareholders' approval at the forthcoming Sixteenth AGM.

The Director concerned abstained from any discussion on his/her individual remuneration.

c. Nomination Committee

The current composition of the NC is as follows:-

Name	Designation	Directorship
Johar Salim Bin Yahaya	Chairperson	Independent Director
Anita Chew Cheng Im	Member	Independent Director
Bhupendar Singh A/L Sewa Singh	Member	Independent Director

During FY2024, one (1) meeting was held and attended by all the members. Please refer to the sections on Appointment, Election and Re-election, Independence of Director and Board Evaluation and Performance for further details on activities undertaken by the NC in the discharge of its duties during FY2024.

Board Meetings and Attendance

The Board shall meet at least five (5) times a year. Directors are informed at the end of each year about the number and the tentative dates of Board meeting and Board committee meetings in the following year. In exceptional circumstances, additional meetings may be convened. During Board meetings, the CEO and members of the Management team, will table and present reports for the Board's consideration, deliberation and direction.

Directors are required to inform the Board of conflicts or potential conflicts of interest they may have in relation to particular items of business transacted by the Group or the Company as soon as practicable after the relevant facts have come to his/her knowledge. The interested Directors should abstain themselves from discussion or decisions on matters in which they have a conflicting interest.

The Chairperson of the ARMC, RC and NC would report to the Directors at Board meetings of any salient matters noted by the Committees and which require the Board's notice, direction or approval.

The Chairperson shall ensure that Board Committee meetings are not combined with the main Board meeting to enable objective and independent discussion during the meetings.

Agenda, board papers and any other documents are made available at least five (5) business days in advance to the Board to facilitate well-informed Board deliberation and decision-making. In addition, members of the Management are frequently invited to the Board meetings to explain and clarify the items tabled to the Board.

Agenda shall be prepared taking into account the formal schedule of matters reserved for the Board's decision.

All proceedings of the Board meetings are minuted. All Board members ensure that the minutes of meetings accurately reflect the deliberations and decisions of the Board, including any dissenting views and whether any Director abstain from voting or deliberating on a particular manner.

During FY2024, five (5) Board meetings were held. Details of attendance at the Board Meeting are as follows:-

Name of Directors	Number of Meetings Held During Director's Tenure In Office	Number of Meetings Attended	Percentage of Attendance
Pang Tin @ Pang Yon Tin	5	5	100%
Sim Tian Liang	5	5	100%
Pang Khang Hau	5	5	100%
Chin Lian Hing	5	5	100%
Yam Tai Fong	5	5	100%

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Name of Directors	Number of Meetings Held During Director's Tenure In Office	Number of Meetings Attended	Percentage of Attendance
Datuk Woon See Chin	5	5	100%
Dato' Ir. Fong Tian Yong	5	5	100%
Anita Chew Cheng Im	5	5	100%
Johar Salim Bin Yahaya	5	5	100%
Bhupendar Singh A/L Sewa Singh	5	5	100%

Access to Information and Independent Professional Advice

All Directors, whether as a full Board or in their individual capacity have unrestricted access to Management and all information of the Group on a timely basis in an appropriate form and quality necessary to enable them to discharge their duties and responsibilities. In exercising their duties, the Directors have unrestricted access to the advice and services of the Company's Auditors and Company Secretary and are also entitled to obtain independent professional opinions or advice from external consultants at the Company's expenses, when the need arises. Any request for professional opinions or advice from external consultants shall be raised for the consideration and consent of the Chairman. Upon his consent of the request, the Chairman shall authorise a Director or a member of the Senior Management to source for the advice of a suitable professional advisers or external consultants, based on the requirements of the Board.

Directors' Remuneration

The Board has adopted a remuneration policy for Directors and key senior management ("Remuneration Policy") that sets out the manner in which the remuneration of Directors and key senior management are determined. The Remuneration Policy is subject to regular review by the RC and will be amended as appropriate to align with market practices and requirements of the MCCG and any other new requirements. Amendment to this policy must be tabled to the Board for approval. The Remuneration Policy which was reviewed on 28 November 2024 is accessible at <https://www.kimlun.com>.

On an annual basis, the RC considers the market competitiveness, complexities and performance of the Group as well as skills, experience required and individual performance in evaluating the Executive Directors' remuneration. The RC will then recommend to the Board, the remuneration package for the Directors. The Board, as a whole, will determine the level of remuneration paid to its Directors, taking into consideration the recommendation of the RC.

The level and make-up of remuneration should be effective and sufficient enough to:-

- attract and retain the Directors needed to run the Group successfully; and
- motivate and create incentives for Directors to perform at their best.

Pursuant to the remuneration policy, the remuneration package for Executive Directors comprises of a number of separate elements such as basic salary, allowances (where applicable), performance-based bonuses and benefit-in-kind. The level of remuneration of the Executive Directors takes into consideration the Directors' experience, responsibilities, qualifications, level of skills, contribution and commitment to the Group and the performance of the Group. The remuneration package is also compared to the compensation levels for comparable positions among other similar Malaysian public listed companies that are in the construction industry and prevailing economic and market conditions. Executive Directors who are full time employees of the Group receive no additional compensation for services as a Director.

In the case of Non-Executive Directors, the level of remuneration should reflect the experience and level of responsibilities undertaken by the particular Non-Executive Director concerned. Non-Executive Directors will be paid a fixed basic fee as ordinary remuneration, a sum based on their responsibilities in Board committees and travelling allowances for their attendances at the meetings. The quantum of Non-Executive Directors' remuneration shall not be based on commission, percentage of profits and/or turnover of the Group. The fee and allowance to the Non-Executive Directors are subject to the approval of the shareholders.

No Board member, whether executive or non-executive, will be involved in deciding his own remuneration.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The breakdown of remuneration received or receivable by the Directors for FY2024 are as follows:-

Name of Directors	Fee [∞] (RM)	Travelling allowance [∞] (RM)	Salaries and other allowances [^] (RM)	Bonus [^] (RM)	EPF [^] (RM)	Benefits-in-kind [^] (RM)	Total (RM)
Independent Director							
Datuk Woon See Chin	84,600	5,100					89,700
Dato' Ir. Fong Tian Yong	78,000	5,100					83,100
Anita Chew Cheng Im	96,000	5,100					101,100
Johar Salim Bin Yahaya	84,600	5,100					89,700
Bhupendar Singh A/L Sewa Singh	78,000	5,100					83,100
Total	421,200	25,500					446,700
Executive Director							
Pang Tin @ Pang Yon Tin			846,072	175,795		15,500	1,037,367
Sim Tian Liang			710,880	145,600	162,736	14,285	1,033,501
Chin Lian Hing			710,880	145,600	162,736	14,285	1,033,501
Yam Tai Fong			710,880	145,600	162,736	9,900	1,029,116
Pang Khang Hau			940,053	154,875	109,233	23,950	1,228,111
Total			3,918,765	767,470	597,441	77,920	5,361,596

[^]: received and receivable on group basis. None of the amount was received from the Company.

[∞]: received and receivable from the Company.

During FY2024, the RC had reviewed the remuneration of the Directors taken into consideration the respective Director's experience, level of responsibility, contribution and commitment to the Company, the performance of the Group, the compensation levels for comparable positions among other similar Malaysian public listed companies and market condition. Based on the result of its review, the RC made recommendation to the Board on the remuneration package for the Directors for financial year ending 31 December 2025. The Board concurred with the recommendation of the RC, and that shareholders' approval would be sought at the Sixteenth AGM on the payment of Directors' fees and benefits up to an amount of RM530,000 to the Independent Directors for the period commencing from the date of the forthcoming Sixteenth AGM until the next AGM of the Company.

The Group's top five (5) senior management are the five (5) Executive Directors of the Company. Their respective remuneration is as disclosed above.

Board Evaluation and Performance

The NC evaluates the effectiveness and performance of the Board as a whole, the Board Committees and the individual Directors on an annual basis. The process is internally facilitated and conducted through the following questionnaires covering a variety of assessment criteria:-

- ARMC Evaluation Form;
- Independent Directors' Self-Assessment Checklist;
- Directors' Self and Peer Evaluation Form;
- Directors' Declaration of Fit and Proper Assessment Form; and
- Board and Board Committee Evaluation Form.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The criteria on which assessment is made is developed, maintained and reviewed by the NC taking into consideration the Corporate Governance Guide issued by Bursa Securities. The assessment criteria include the mix of skills, experience, competency, time commitment, character, integrity, independence, ability to constructively challenge and contribute to the development of strategy, diversity and other qualities required to meet the needs of the Group and to comply with the provisions of the MMLR. The NC, upon discussion of the results, will present the findings to the Board.

Based on the evaluation conducted in FY2024, the NC found that the Board as a whole, the Board Committees and the individual Directors are effective and possess the criteria required to discharge their duties professionally and effectively, and uphold good governance standards in their conduct. The NC presented their findings to the Board, and the Board concurred with the findings of the NC.

Directors' Training

All Directors of the Company have attended the Mandatory Accreditation Programme as required by Bursa Securities. The Directors continue to update their knowledge and enhance their skills through appropriate continuing education programmes and life-long learning. This will enable Directors to effectively discharge duties and sustain active participation in the Board deliberations.

The Board is notified of training programmes or workshops conducted by Bursa Securities for its consideration of participation and the Board receives updates of the MMLR from the Company Secretary from time to time. The external auditors also briefed the Directors on any changes to the Malaysian Financial Reporting Standards that would affect the Group's financial statements during the financial year under review. All the current Directors, after assessing their own training needs, had attended the following training/seminar/conference:-

Director	Training/Seminar/Conference	Date
Sim Tian Liang	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	4-5 September 2024
Chin Lian Hing	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	4-5 September 2024
Yam Tai Fong	• IR4.0 & E-Invoicing 2024: The Complete Industry 4.0 System Integration, Practical Tax and Digital Solutions For Manufacturers and Businesses With Revenue of More Than RM100 Million	19-20 June 2024
Pang Khang Hau	• Mandatory Accreditation Programme Part II : Leading for Impact (LIP)	4-5 September 2024
Pang Tin @ Pang Yon Tin	• Mandatory Accreditation Programme Part II : Leading for Impact (LIP)	4-5 September 2024
Datuk Woon See Chin	• Mandatory Accreditation Programme Part II : Leading for Impact (LIP)	9-10 September 2024
Dato' Ir. Fong Tian Yong	• Mandatory Accreditation Programme Part II : Leading for Impact (LIP)	9-10 September 2024
Anita Chew Cheng Im	<ul style="list-style-type: none"> • CMDP Module 1: Directors as Gatekeepers or Market Participants • CMDP Module 2A: Business Challenges and Regulatory Expectations - What Directors Need to Know (Equities & Future Broking) • CMDP Module 3: Risk Oversight and Compliance - Action Plan for Board of Directors • CMDP Module 4: Emerging and Current Regulatory Issues in the Capital Market • Mandatory Accreditation Programme Part II : Leading for Impact (LIP) • Anti-Money Laundering Compliance • Cybersecurity Awareness Training • AOB Conversation with Audit Committee Members 	<ul style="list-style-type: none"> 13 May 2024 14 May 2024 16 May 2024 17 May 2024 2-3 October 2024 24 September 2024 8 November 2024 19 November 2024

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Director	Training/Seminar/Conference	Date
Bhupendar Singh A/L Sewa Singh	• Mandatory Accreditation Programme Part II : Leading for Impact (LIP)	4-5 September 2024
Johar Salim Bin Yahaya	• Mandatory Accreditation Programme Part II : Leading for Impact (LIP)	4-5 September 2024

Corporate Code of Conduct

The Directors, officers and employees of the Group are required to observe the Company's Corporate Code of Conduct. The core areas of conduct under the Corporate Code of Conduct include the following:-

- (a) compliance;
- (b) conflicts of interest;
- (c) confidential information;
- (d) fair dealing;
- (e) company assets and property;
- (f) knowledge and information;
- (g) preventing corruption and unethical practices;
- (h) employment practices; and
- (i) reporting of illegal or unethical behavior.

The Board will review the Corporate Code of Conduct regularly to ensure that it continues to remain relevant and appropriate. The Corporate Code of Conduct was revised on 3 April 2025.

In addition, the Company has developed an Anti-Bribery and Corruption Policy ("ABC Policy") to set out the responsibilities of the Group to comply with laws against bribery and corruption and provide guidance to the Directors, employees and business associates on standard of behaviour to which they must adhere to and how to recognise and deal with bribery and corruption issues, to ensure that the Group's business is conducted in an ethical manner with integrity and honesty. The effectiveness of the ABC Policy will be reviewed periodically by the Board, and in any event, at least once in every three (3) years. The ABC Policy was last reviewed on 28 November 2024. Subsequently, the Board renamed the Policy from "Anti-Bribery and Corruption Policy" to "Anti-Bribery and Anti-Corruption Policy" ("ABAC Policy") on 3 April 2025.

The Corporate Code of Conduct and ABAC Policy are made available for reference in the Company's website at <https://www.kimlun.com>.

Whistle Blowing Policy & Procedure

The Board is committed to achieving and maintaining the highest standards of integrity, openness, probity and accountability in the conduct of its businesses and operations. It aspires to conduct its affairs in an ethical, responsible and transparent manner.

Whistleblowing is a specific means by which an individual, whether employee or otherwise, can report or disclose through established channels, concerns about unethical behavior, malpractices, illegal acts or failure to comply with regulatory requirements that is taking place/has taken place/may take place in the future, without fear of reprisal or victimisation, in a responsible and effective manner.

The Whistle Blowing Policy & Procedure addresses the following areas:-

- Policy Statement;
- Scope of Policy;
- Reporting Procedure;
- Investigation Procedure;
- Protection and Confidentiality; and
- Acknowledgement and Recognition.

The Whistle Blowing Policy & Procedure also provides the contact details of the Chairperson of ARMC, should the reporting individual is in doubt of the Management's independence and objectivity on the concerns raised. The last review of the Whistle Blowing Policy & Procedure was on 28 November 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Conflict of Interest Policy

Proper identification and management of conflicts of interest ensures that interests of the Group are safeguarded.

The Board has established a Conflict of Interest (“COI”) Policy which serves as a comprehensive framework for identifying, addressing, managing and reporting actual, potential, and perceived COI arising from the interest of Directors and key senior management. Proper identification and management of conflicts of interest ensures that interests of the Group are safeguarded.

The last review of the COI Policy was on 28 November 2024 and is made available on the Company’s website at <https://www.kimlun.com>.

COMPANY SECRETARIES

All the Company Secretaries of the Company are qualified to act as Company Secretary under Section 235(2) of the CA 2016. The Company Secretary plays an important advisory role and is a source of information and advice to the Board and Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company and Group.

The Board shall ensure that the Company Secretaries remain competent to fulfill the function for which they have been appointed. In this respect, the appointment and removal of the Company Secretaries are matters for the Board to consider as a whole.

The specific responsibilities of the Company Secretaries include, but are not limited to the following:-

- (a) Manage all Board and Board Committee meeting logistics, attend and record minutes of all Board and Committee meetings and facilitate Board communication;
- (b) Advise the Board on its roles and responsibilities;
- (c) Facilitate the orientation of new Directors and assists in Directors’ training and development;
- (d) Advise the Board on corporate disclosures and compliance with company and securities regulations and listing requirements;
- (e) Manage processes pertaining to the annual shareholders’ meeting;
- (f) Monitor corporate governance developments and assist the Board in applying governance practices to meet the Board’s needs and stakeholders’ expectation; and
- (g) Serve as a focal point for stakeholders’ communication and engagement on corporate governance issues.

B. EFFECTIVE AUDIT AND RISK MANAGEMENT

Financial Reporting

The Board aims to present a balanced, clear and meaningful assessment of the Group’s financial performance and position, and prospects in presenting the annual financial statements and quarterly reports as well as announcements to Bursa Securities. The Board is assisted by the ARMC in reviewing the Group’s financial reporting processes and accuracy of its financial results, and scrutinising information for disclosure to ensure compliance with applicable approved accounting standards in Malaysia and the provisions of the CA 2016.

Internal Control

The Board acknowledges its overall responsibility for maintaining a sound system of internal controls to safeguard shareholders’ investment and the Group’s assets. However, the Board recognises that such system is structured to manage rather than eliminate the possibility of encountering risk of failure to achieve corporate objectives.

The Statement on Risk Management and Internal Control is set out on pages 69 to 74 of the Annual Report 2024 providing an overview of the state of internal controls, risk management framework and internal audit function within the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Relationship with Auditors

The Company has established a formal, transparent and appropriate relationship with the Company's auditors, both internal and external. The internal auditors and the external auditors have direct access to the ARMC at all times. From time to time, the auditors will highlight to the ARMC and the Board matters that require the ARMC's and the Board's attention.

The ARMC meets with the external auditors at least twice a year without the presence of Executive Directors and Management to discuss their audit plan and audit findings. The ARMC reviews with the external auditors the annual audited financial statements before recommending them to the Board for its approval.

The ARMC assesses the effectiveness of both internal and external audit as well as the suitability, independence and objectivity of the external auditors. In its assessment, the ARMC considered several factors, which included adequacy of experience and resources of the firm and the professional staff assigned to the audit as well as the effectiveness of the audit process. Written assurance shall be obtained from the external auditors yearly, confirming their independence in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Code of Ethics for Professional Accountants (including International Independence Standards).

Being satisfied with the external auditors, Ernst & Young PLT's ("EY") technical competency and audit independence, the ARMC recommended the appointment of EY as external auditors for FY2024. The Board at its meeting held on 3 April 2025 approved the ARMC's recommendation for the shareholders' approval to be sought at the Sixteenth AGM on the re-appointment of EY as external auditors of the Company for FY2025.

C. APPROACH TO SUSTAINABILITY

The Board is responsible for the governance of sustainability in the Group including setting the Group's sustainability strategies, priorities and targets. The Board also ensures the adequacy of the Group's framework for risk management and internal controls which are crucial to the Group's sustainability.

The Group's sustainability framework is disclosed in page 28 of the Annual Report 2024.

The Board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Assessing the issues that are most material to us and our stakeholders in the environmental, social and governance contexts will enable us to continue to operate effectively and sustainably. The Group's sustainability measures, framework for risk management, material sustainability matters ("MSM"), and controls measures are disclosed in page 31 of the Annual Report 2024.

The Group is committed to being accountable and responsive to the expectations and interests of its stakeholders. The Group identified the key stakeholder groups, the corresponding sustainability focus areas and the mode of engagement with such stakeholders as disclosed in pages 29 to 30 of the Annual Report 2024. The Group ensures that its communication with the internal and external stakeholders are transparent and timely.

The Group stay abreast with and understand the sustainability issues by way of regular engagement with the various stakeholders to gain insight as to their concern, attending seminar/training, engagement of consultant to advise the Group on environmental matters in the Group's conduct of business, participation in Request of Information exercise of large project to gain early insight as to the likely expectation of the project owner as to the technical, financial resources and other aspects in relation to the project, and the trend of future demand.

The Management updates the Board on sustainability matters quarterly.

The performance evaluations of the Board and Senior Management includes review of their performance in addressing the company's material sustainability risks and opportunities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

D. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

DISCLOSURE POLICY, INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

The Board shall place great importance in ensuring the high standards of transparency and accountability in its communication to shareholders, analysts and the public. The shareholders shall be informed of all material matters affecting the Company and Group.

The channels of communication, amongst others, are as follows:-

- (a) timely announcements made to Bursa Securities, which includes quarterly financial results, material contracts awarded, changes in the composition of the Group and any other material information that may affect investors' decision making;
- (b) conducts dialogues with financial analysts from time to time as a means of effective communication that enables the Board and Management to convey information relating to the Company's performance, corporate strategy and other matters affecting shareholders' interests; and
- (c) the Company's website which provides easy access to corporate information pertaining to the Company and its activities and is continuously updated. All announcements made to Bursa Securities are updated on the Company's website as soon as practical. Further, the stakeholders may at any time contact the Company on the investor relations queries via the contact details published on the Company's website.

The AGM is the principal forum for dialogue with shareholders. Please refer to the ensuing section on the conduct of AGM.

Key investor relation activities during FY2024 include the followings:-

- Semi-annually investors and financial analysts briefings; and
- Private meetings with fund managers, investors and financial analysts.

The Board is mindful on the importance of maintaining proper corporate disclosure procedures with the aim to provide shareholders and investors with comprehensive, accurate and quality information on a timely basis. Personnel and working team preparing the disclosure will conduct due diligence and proper verification, as well as coordinate the efficient disclosure of material information to the investing public. The Company also ensures that confidential information is handled properly by Directors, employees and relevant parties to avoid leakage and improper use of such information.

STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

The Company dispatches its notice of AGM to shareholders at least 28 days before the AGM, in advance of the notice period as required under the CA 2016 and MMLR. The additional time given to shareholders allows them to go through the Annual Report and Circular to shareholders, and make the necessary attendance and voting arrangements.

The Company allows a member to appoint a proxy who may be a member of the Company. If the proxy is not a member of the Company, he/she need not be an advocate, an approved company auditor or a person approved by the Companies Commission of Malaysia. The Company has also removed the limit on the number of proxies to be appointed by an exempt authorised nominee with shares in the Company for Omnibus account to allow greater participation of beneficial owners of shares at general meetings of the Company. The Constitution of the Company further accord proxies the same rights as members to attend, participate, speak and vote at the general meeting. Essentially, a corporate representative, proxy or attorney is entitled to attend, speak and vote as if they were a member of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The AGM is the principal forum for dialogue with individual shareholders, as it provides shareholders the opportunity to ask questions about the resolutions being proposed or about the Group's operations in general. At each AGM, a presentation is given by the Company to explain the Group's strategy, performance and major developments to shareholders. The Board encourages shareholders to participate in the question and answer session at the AGM. The responses to these questions are provided during the AGM to enable all meeting participants to stay informed. Any unresolved questions and comments by shareholders during the AGM are compiled and answered post-AGM. The Directors, Company Secretaries and the Company's external auditors are available to respond to the queries raised. The Share Registrar is also available to attend to matters relating to shareholders' interests. The minutes and summary of key matters discussed at the AGM shall be published on the Company's website within 30 business days from the date of AGM.

The Company had leveraged on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on the resolutions at its virtual 15th AGM which was held on 4 June 2024.

The 15th AGM, attended by all the Directors virtually, was conducted fully virtual through live streaming and online remote voting via Remote Participation and Voting facilities ("RPV"). With the RPV, shareholders are able to exercise their right as members of the Company to participate (including posing questions to the Board of the Company before or during the AGM) and vote remotely by registering themselves via TIH Online. All questions raised by shareholders and proxies via the Query Box at <https://tjh.online> were attended by the Board with meaningful response. The key matters raised at the 15th AGM and the Company's responses were published on the Company's website at <https://www.kimlun.com> within 30 business days from the date of 15th AGM.

Extraordinary General Meetings ("EGM") are held as and when required. When an EGM is held to obtain shareholders' approval on certain business or corporate proposals, comprehensive circulars to shareholders will be sent within prescribed deadlines in accordance with regulatory and statutory provisions.

The Board put all resolutions to vote by poll and make an announcement of the detailed results, verified by independent scrutineer, showing the number of votes cast for and against each resolution.

This statement is made in accordance with the resolution of the Board of Directors dated 3 April 2025.

FUTURE PRIORITIES

During FY2024, the Group taken steps to accomplish the future priority disclosed in last financial year's Corporate Governance Overview Statement i.e. enhancing the Group's sustainability reporting. The Company appointed an external ESG consultant to advise and guide the Group in sustainability reporting. Please refer to pages 26 to 49 of this Annual Report for the enhanced Sustainability Statement.

Looking ahead to financial year ending 31 December 2025, the priorities of the Board will be strategic handling of vital sustainability issues and incorporation of sustainability principles into the Company's operations.

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

Utilisation of Proceeds Raised From Corporate Proposal

During FY2024, the Company issued the following Sukuk under its Islamic commercial papers programme based on the Shariah principle of Murabahah (via Tawarruq arrangement):-

Tranche	Issuance Date	Nominal Value (RM' million)	Tenure (Month)
8	18 January 2024	5.81	12 months
9	21 February 2024	9.20	12 months
10	20 September 2024	17.00	5 months
11	20 September 2024	6.50	9 months
12	20 September 2024	21.80	12 months

Net proceeds raised from the issuance of the Sukuk had been fully utilised to fund general working capital, capital expenditures and refinancing of existing financing of the Group.

Non-Audit Fees

During FY2024, non-audit fees incurred for services rendered to the Company and/or its subsidiaries by the Company's current external auditors, or a firm affiliated to the current external auditors were as follows:-

	Audit Fee	Non-audit Fee
Company	RM98,500	RM33,000
Group	RM550,000	RM192,000

Material Contracts

Save as disclosed under Note 31 to the financial statements contained in this Annual Report, there were no material contracts including contracts relating to any loans entered into by the Company and its subsidiaries involving Directors and major shareholders' interest, either still subsisting at the end of FY2024 or entered into since the end of the previous financial year.

Employee Share Scheme

The Company did not establish any Employee Share Scheme and does not have any subsisting Employee Share Scheme during the FY2024.

Recurrent Related Party Transactions of Revenue and Trading Nature

The details of the recurrent related party transactions are disclosed in Note 31 to the Financial Statements.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

AUDIT AND RISK MANAGEMENT COMMITTEE COMPOSITION AND MEETINGS

The members of the Audit and Risk Management Committee (“ARMC”) comprise of:-

1. **Anita Chew Cheng Im**
Chairperson / Independent Non-Executive Director
2. **Datuk Woon See Chin**
Member / Independent Non-Executive Director
3. **Dato’ Ir. Fong Tian Yong**
Member / Independent Non-Executive Director
4. **Bhupendar Singh A/L Sewa Singh**
Member / Independent Non-Executive Director

The ARMC, which consists solely of Independent Non-Executive Directors, comprise qualified individuals with the required skills and expertise to discharge the committee’s functions and duties. All members of the ARMC, including the Chairperson, will hold office only so long as they serve as Directors of the Company. The members of the ARMC are financially literate and have contributed to meaningful discussions in overseeing the integrity of the financial reporting processes and financial statements. Further, the members have experience/sufficient understanding that is relevant to the businesses and the industries the Group operates in.

Two of the ARMC members, Ms Anita Chew Cheng Im and Mr Bhupendar Singh A/L Sewa Singh, fulfilled the accounting qualification and experience criteria specified under paragraph 15.09(1)(c) of Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

Accordingly, the Company complies with paragraph 15.09 of MMLR of Bursa Securities.

The term of office, independence and performance of the ARMC and each of its members are assessed by the Nomination Committee (“NC”) annually. Based on the said assessment, the ARMC and its members are found to have effectively discharged its duties in accordance with its terms of reference. The Board and the NC were of the view that the ARMC has provided valuable recommendations to assist the Board in making informed decisions. The Board is kept informed of the ARMC’s deliberations through its minutes and report, which is a standing agenda item in the scheduled meetings of the Board.

During the financial year ended 31 December 2024 (“FY2024”), the ARMC met five (5) times. The ARMC meetings were appropriately structured through the use of agendas, which were distributed to the ARMC members prior to the meeting. The meeting attendance of the ARMC members is as follows:-

Name of Directors	Number of Meetings Held During Director’s Tenure In Office	Attendance	Percentage of Attendance
Anita Chew Cheng Im	5	5	100%
Datuk Woon See Chin	5	5	100%
Dato’ Ir. Fong Tian Yong	5	5	100%
Bhupendar Singh A/L Sewa Singh	5	5	100%

TERMS OF REFERENCE OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The information on the terms of reference of the ARMC is available on the Company’s website at <https://www.kimlun.com>.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

SUMMARY OF ACTIVITIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

During the financial year, the ARMC met five times. In line with the terms of reference of the ARMC, the following activities were carried out by the ARMC during FY2024 in discharging its functions:-

(1) External Audit

- (a) Met with the external auditors four (4) times during FY2024 on 28 February 2024, 1 April 2024, 29 August 2024 and 28 November 2024 respectively on matters relating to the audit and financial statements without the presence of Management and Executive Directors. No major concerns were highlighted by the external auditors during the private sessions and they had been receiving full co-operation from Management during the course of audit;
- (b) Reviewed and discussed with the external auditors on their scope of work, engagement team, audit timeline, areas of audit emphasis, key audit matters, accounting standards updates that affected financial reporting, the responsibilities of Directors and Management, and the FY2024 audit planning memorandum;
- (c) Reviewed and discussed with the external auditors the results of their audit, their comments and conclusions on the significant audit findings, the audit report, management letter and their evaluation of the internal controls;
- (d) Sought clarification from the Management on significant financial reporting matters, judgments made by the Management and matters highlighted by the external auditors. The ARMC was satisfied with the clarification from the Management and the actions taken by the Management to address the matters highlighted;
- (e) Reviewed the audit fees proposed by the external auditors and recommended the fees to the Board of Directors for approval;
- (f) Reviewed the letter of resignation from the previous external auditors, Crowe Malaysia PLT (“Crowe”) and discussed with Crowe on their resignation. The ARMC concluded that there wasn’t any matter that need to be brought to the attention of the shareholders of the Company; and
- (g) Assessed the suitability, objectivity and independence of Ernst & Young PLT (“EY”) to fill the vacancy of external auditors. In its assessment, the ARMC considered, amongst others, the information presented in EY’s annual transparency report, competency and adequacy of resource, the professional staff assigned to the audit and the level of non-audit services to be rendered by EY. Written assurance was received from EY confirming their independence in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Code of Ethics for Professional Accountants (including International Independence Standards). Being satisfied with EY’s technical competency, resources and audit independence, the ARMC recommended the appointment of EY as external auditors for FY2024.

(2) Financial Reporting

- (a) Reviewed the quarterly unaudited financial results, audited financial statements and Annual Report before recommending for the Board’s approval, focusing particularly on:-
 - (i) changes in or implementation of major accounting policy changes;
 - (ii) significant matters highlighted including financial reporting issues, significant judgments made by Management, significant and unusual events or transactions, and how these matters are addressed;
 - (iii) compliance with accounting standards, regulatory and other legal requirements;
 - (iv) the going concern assumption; and
 - (v) significant adjustment arising from the audit.

The ARMC obtained the advice of the Company Secretaries and external auditors on compliance with the MMLR of Bursa Securities, the applicable approved Financial Reporting Standards issued by the Malaysian Accounting Standards Board, and other legal requirements.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

- (b) Invited the Finance Director to all ARMC meetings to facilitate direct communication as well as to provide clarification on the financial results of the Group, the changes in or implementation of major accounting policy changes.

(3) Internal Audit

- (a) Met with the internal auditors two (2) times during the year without the presence of any Executive Directors or Management of the Group;
- (b) Reviewed the internal audit plan, the adequacy of the scope and coverage of audit activities of the Group, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- (c) Reviewed and deliberated on the audit findings in the internal audit reports tabled during the year, the audit recommendations made and Management's responses and/or actions taken to these recommendations. The ARMC briefed the Board on audit findings, sought clarifications from the Executive Directors on internal control matters and provided its views and recommendations on areas where improvements could be made;
- (d) Assessed the competency, experience and resources of Axcelasia ESG Sdn. Bhd. (formerly known as Mainstreet Governance Sdn. Bhd.)("Axcelasia ESG") prior to the change of internal auditors from Tricor Axcelasia Sdn. Bhd. to Axcelasia ESG to undertake the internal audit function of the Group; and
- (e) Reviewed the performance of the internal audit function.

(4) Related Party Transactions and Conflict of Interest

- (a) Reviewed related party transactions ("RPTs") on a quarterly basis and also the internal audit report on RPTs to ascertain that the review procedures established to monitor the RPTs have been complied with. The Management presented the RPTs reports detailing the parties to the RPTs, the nature and quantum of the RPTs to the ARMC quarterly for their review;
- (b) Reviewed and considered any conflict of interest and potential conflict of interest situations that may arise within the Company and the Group on a quarterly basis, including any transactions, procedure or course of conduct that may raise questions of Management integrity; and
- (c) Reviewed the 2024 Circular to Shareholders in relation to the renewal of shareholders' mandate for Recurrent RPT, prior to its recommendation to the Board of Directors for approval.

(5) Risk Management and Internal Control

- (a) Reviewed the risk management and internal control framework, policies and process, and recommended for approval by the Board;
- (b) Discussed with the Management, the material key risks affecting the Group, the mitigation plans and strategies implemented by Management and the residual risk scores of these risks; and
- (c) Reviewed the adequacy and effectiveness of risk management, internal control and governance systems put in place in the Group.

(6) Others

- (a) Reviewed the following statements/reports and recommended the same to the Board for inclusion in the Annual Report:
 - (i) Statement on Risk Management and Internal Control; and
 - (ii) Audit and Risk Management Committee Report.
- (b) Reviewed the Conflict of Interest Policy, External Auditor Policy and Terms of Reference of the ARMC.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

SUMMARY OF ACTIVITIES OF INTERNAL AUDIT FUNCTION

The Company has outsourced its internal audit function to external professional service firm. The internal audit function has been mandated to continually assess and monitor the Group's system of internal control.

During the financial year, the internal auditors carried out internal audit reviews to assess the adequacy and integrity of the system of internal control as established by the Management, so as to provide reasonable assurance that:-

- the system of internal control continues to operate satisfactorily and effectively;
- assets and resources are safeguarded;
- integrity of records and information is protected;
- internal policies, procedures and standards are adhered to; and
- applicable rules and regulations are complied with.

The scope of work, as approved by the ARMC, was essentially based on the risk profiles of individual business units in the Group, where areas of higher risk were included for internal audit. The internal audit covered key operational, financial and compliance controls, including the risk management process deployed by Management. The scopes of coverage during the financial year were safety and health management, related party transactions, payroll management and quarry function.

The internal audit reports ("IA Reports") with details on audit scope and methodology, process flow, critical process risks (and relevant control activities, audit findings, areas of concern that require improvements, and audit recommendations were) presented to the ARMC for its review and deliberation. The results of the audits in the IA Reports and the recommended corrective actions on reported weaknesses to be undertaken by the relevant Management team members within the required timeframes would be discussed at the Board meetings. The IA Reports were also forwarded to the Management for the necessary corrective actions. The internal auditors also conducted follow-up audits on key engagements to ensure that the corrective actions were implemented appropriately.

SUMMARY OF CONFLICT OF INTEREST OR POTENTIAL CONFLICT OF INTEREST SITUATION

No new conflict of interest or potential conflict of interest situation has arisen during the FY2024.

This statement is made in accordance with the resolution of the Board of Directors dated 3 April 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is committed to maintaining a sound system of risk management and internal control in the Group to safeguard shareholders' investments and the Group's assets. The Board is pleased to provide the Statement on Risk Management and Internal Control which outlines the nature and scope of risk management and internal control of the Group for the financial year ended 31 December 2024 ("FY2024") under review, in accordance with paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. For the purpose of this Statement, the Group comprises the holding company and its subsidiaries.

RESPONSIBILITIES OF THE BOARD

The Board acknowledges the importance of maintaining an effective and sound system of risk management and internal control, covering all its financial and operating activities, to safeguard shareholders' investments and the Group's assets. Notwithstanding this, due to the limitations that are inherent in any system of internal control, the Group's internal control system is designed to identify and manage, rather than to eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss. Accordingly, the Board affirms its responsibility for the Group's system of risk management and internal control and its commitment to review its effectiveness, adequacy and integrity to ensure implementation of an appropriate system to effectively and continuously identify, evaluate and manage principal risks of the Group and to mitigate the effects of the principal risks on achieving the Group's business objectives.

The Group's system of internal control covers risk management on financial, operational and compliance controls. The Board continually reviews the system of internal control to ensure that it provides a reasonable but not absolute assurance against material misstatement of financial information and records, and against financial losses or fraud.

The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Group. The Management assists the Board in the implementation of the Board's policies and procedures on risks management and internal controls by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

The Board has received assurance from the Chief Executive Officer and the Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively in all material aspects.

The Board has taken the necessary steps to ensure that appropriate systems are in place for the assets of the Group to be adequately safeguarded through the prevention and detection of fraud and other irregularities and material misstatements. The Board is of the view that the risk management and internal control system in place for the year under review and up to the date of issuance of the financial statements is adequate and effective.

RISK MANAGEMENT FRAMEWORK

The Board has overall accountability for ensuring that risks are effectively managed across the Group, and the Board has delegated and empowered the Audit and Risk Management Committee ("ARMC") to oversee internal control and risk management of the Group. The review mechanism applied by the ARMC in deriving its comfort on the state of the internal control and risk management of the Group includes:-

- (i) Assessing the adequacy and effectiveness of internal controls based on the internal audit findings presented by the Internal Auditors. These reviews are done at least twice a year where the Internal Auditors report their internal audit findings to the ARMC;
- (ii) Understanding the Group's performance and effectiveness of management in managing the Group's operations when reviewing the Group's quarterly financial performance and results and the ongoing development; and
- (iii) Obtaining feedback from External Auditors on risk and control issues noted by them during their statutory audit concerning the integrity of the accounting system and results generated by the system thereof annually.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

During FY2024, the Group operates within an enterprise risk management framework. An Executive Committee (“EC”) that comprises Executive Directors of the Company and appointed key management personnel has been established to assume the following functions:-

- a) To supports the Board in fulfilling its responsibility for identifying significant risks and ensuring the implementation of appropriate systems to manage the overall risk exposure of the Group; and
- b) To review and recommend the Group’s risk management policies and strategies for the ARMC’s consideration and recommendation for the Board’s approval.

The main functions and duties of the EC include, but are not limited to:-

- (i) Provides oversight and direction to the Group risk management process which includes:-
 - Evaluating and identifying new risks, and ensuring that significant risks are being responded to appropriately; and
 - Monitoring the Group’s risk exposures and ensuring the implementation of management action plans to mitigate significant risks identified;
- (ii) Evaluates the effectiveness of the risk management processes and support system to identify, assess, monitor and manage the Group’s key risks;
- (iii) Meets with senior management on a semi-annual basis to discuss and deliberate on the significant risks affecting the Group within the context of the business objectives and strategy;
- (iv) Establish Group risk management guidelines and policies and ensure implementation of the objectives outlined therein and compliance thereto;
- (v) Recommends for the Board’s approval, the Group risk management policies, strategies and risk tolerance levels, and any proposed changes thereto; and
- (vi) Reviews significant investment proposals.

A risk management report is tabled for review and acceptance by the ARMC and Board annually or at shorter intervals where necessary. The report identifies principal risks affecting or are likely to affect the Group, and the appropriate systems and/or actions to manage the risks.

The key risks and some of the control measures taken to mitigate the risks for FY2024 are set out below:-

Risk area	Control measures taken to mitigate the risks
<p>Operational risks</p> <ul style="list-style-type: none"> • As in any business, the Group is subject to operational risks which are inherent in the industry which the Group is operating such as delay in progress of construction leading to Liquidated Ascertained Damages, cost overrun, etc. 	<ul style="list-style-type: none"> • Organisation structure outlining the lines of responsibilities and authorities for planning, executing, controlling and monitoring the business operations. • Periodic operational review meetings attended by the Executive Directors, heads of departments and key management staff to consider financial and operational risks and issues of the Group as well as any management proposal. • Monitoring of actual performance against annual budget by the Board. • Placement of trusted and experienced employees to lead the operations of branches. • Engagement of specialist to provide consultancy services for technically complicated works. • Formalised Whistle Blowing Policy, Code of Conduct (“Code”) and written policies and procedures on major processes to ensure compliance with internal control systems and relevant laws and regulations. • Appointment of staff based on the required level of qualification, experience and competency.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Risk area	Control measures taken to mitigate the risks
<p>Environmental, social and governance (“ESG”) risks</p> <ul style="list-style-type: none"> The Group faces a variety of ESG-related issues and some of them are potential to be material and might cause financial or reputational damage. 	<ul style="list-style-type: none"> Implement the guidance under Environment Management System Certification – ISO 14000:2000 in the Group’s pre-cast operations to minimise the environmental impact. Continuous monitoring and producing quarterly reports of environment impact of quarry operations. Conduct social impact assessment of property development projects in compliance with the applicable rules and regulations. Appointment of consultants to advise on material ESG topics and development of materiality matrix. Implement standard policies and procedures on key operational processes. Implement Anti-Bribery and Anti-Corruption Policy (“ABAC Policy”) and internal guidelines thereunder to ensure that the Group’s business is conducted in an ethical manner with integrity and honesty. Implement the Code which sets out the standards which the directors, officers and employees (“Personnel”) of the Group are expected to comply in relation to the affairs of the Group’s businesses when dealing with each other, shareholders and the broader community. This Code focuses on areas of ethical risk, provide guidance to Personnel to help them to recognise and deal with ethical issues, provides mechanisms to report unethical conduct, and helps to foster a culture of honesty, integrity and accountability. Implement Whistle Blowing Policy which provides means by which an individual can report internally through established channels, concerns about unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements that is taking place/has taken place/may take place in the future, without fear of reprisal or victimisation. Implement Conflict of Interest (“COI”) Policy and maintain a robust framework consisting of well-defined processes and procedures to ensure that the Group’s interests are safeguarded in a situation involving COI. Engage an independent internal audit function to provide reasonable assurance on the effectiveness of the system of internal control within the Group. The risk management process is also audited to provide assurance on the management of risks.
<p>Credit and liquidity risks</p> <ul style="list-style-type: none"> The Group faces the threat of delays in payment by customers for work done which will eventually affect the Group’s cash flow, and heighten the risks of debts becoming unrecoverable. 	<ul style="list-style-type: none"> Background check of prospective customers prior to accepting any engagement from such parties. Close monitoring of collections by the finance department with weekly updates to the senior management as to collections received and incidences of delay. Timely follow up with the customers on overdue payments and retention sums. In situations where customers are unable to adhere to the agreed credit terms, reasons for the delay will be considered. If there are sufficient commercial justifications, negotiated settlements which include extensions of time for payments or accepting tangible assets such as properties in lieu of cash payment will be considered when the chances of cash recovery is remote. Avoid over concentration of sales and credit exposure to any customer to prevent over-dependence on any customer. Actively monitor the Group’s banking facilities to ensure the facilities are sufficient to meet the Group’s working capital and capital expenditure requirement, and negotiate with bankers for credit facilities which enable greater flexibility in the Group’s management of financial resources. Issuance of Sukuk, where necessary, to meet the Group’s funding needs. Monetisation of assets of slow return, where necessary, in situation where there is good quick turnaround alternative business opportunity.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Risk area	Control measures taken to mitigate the risks
<p>Market risks</p> <ul style="list-style-type: none"> The Group operates in a competitive environment and failure to compete effectively against its existing competitors and new market entrants will affect its performance. 	<ul style="list-style-type: none"> Establish quality control procedures and project tendering guidelines to ensure both quality and cost efficiencies are maintained. Nurture close relationship with customers, sub-contractors and suppliers. Establish wide range of services and products to diversify product risks and reduce reliance on any particular service or product. Focus more on technical demanding products and services to create a market niche or speciality. Pursue joint ventures and development projects with partners whose strengths complement the Group's capabilities. Diversify base of customers, sub-contractors and suppliers. Maintain an in-house IBS design team with the ability to advise and work with clients from the early stage of their projects, i.e. design stage. Maintain a well-equipped lab to perform the necessary test on raw materials on a timely manner and perform incidental lab test required by clients at minimal charges.
<p>Corruption risks</p> <ul style="list-style-type: none"> Corruption risks exist across all business sectors, in one form or another, from bribery to extortion and embezzlement to cronyism. Corruption can have serious consequences for businesses' financial health and reputations, impact the quality of goods and services and it can prevent businesses from achieving maximum efficiency and profitability. The Group is not spared from corruption risks. 	<ul style="list-style-type: none"> Implemented ABAC Policy which sets out the responsibilities of the Group to comply with laws on bribery and corruption and provide guidance to the Directors, employees and business associates on the standard of behaviour to which they must adhere and how to recognise and deal with bribery and corruption issues. Implemented the Code and Whistle Blowing Policy. Declaration of actual or potential conflict of interest situation by key senior management and tender award committee. Such personnel shall abstain from decision making where there is actual or potential conflict of interest. Adopts segregation of duties for job functions. Designated personnel for preparing, verifying and approving each transaction/activity is documented in written procedures. Provide training on anti-bribery and anti-corruption to Personnel and conduct due diligence procedures on customers, vendors, and employees.

INTERNAL CONTROL

The Group has established an organisation structure outlining the lines of responsibilities and authorities for planning, executing, controlling and monitoring the business operations aligned to business and operations requirements which supports the maintenance of a strong control environment. It has extended the responsibilities of the ARMC and of the Board to include the assessment of internal controls through the internal audit function.

Other key elements of the system of internal control of the Group are as follows:-

- The Board established a hierarchical organisation structure with proper segregation of duties for key functions of the Group's operations;
- Delegation of authority including authorisation limits at various levels of management and those requiring the Board's approval are clearly defined to ensure accountability and responsibility;
- Standard operating procedure manuals set out the policies and procedures for day-to-day operations. Reviews are performed to ensure that the manuals remain current, relevant and aligned with evolving business and operational needs;
- Formation of committee to evaluate and approve related party project tenders;
- Appointment of staff based on the required level of qualification, experience and competency of the relevant position. Training and development programmes are carried out to ensure that staff are kept up to date with the necessary competencies and knowledge to carry out their responsibilities towards achieving the Group's objectives;
- Review of actual performance against annual budget by the Board;
- Regular provision of comprehensive information to the Board for monitoring and tracking of performance of the Group;
- Periodic operational review meetings are held and attended by the Executive Directors, heads of department and key management staff to consider financial and operational issues of the Group as well as any management proposal;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- Active involvement of Directors in the operation and management of branch and subsidiary companies;
- Centralised control of financial resources by head office of respective subsidiary companies;
- Whistle Blowing Policy and Code are established to ensure high standards of conduct and ethics in the business operations;
- Set out policies and procedures for anti-bribery and corruption and develop internal guidelines to ensure that the Group's business is conducted in an ethical manner with integrity and honesty;
- Establish COI Policy for identifying, addressing, managing and reporting actual, potential, and perceived COI, and to provide guidance on how to deal with situations involving COI as and when they arise;
- Implement ISO 9001:2015 Quality Management System for certain subsidiaries of the Company. Annual surveillance audits are conducted by a certification body to provide assurance of compliance with ISO 9001:2015;
- Adequate insurance coverage and physical safeguarding of major assets are in place to guard against any mishap that may result in material losses to the Group;
- The internal audit function provides reasonable assurance on the effectiveness of the system of internal control within the Group. Internal audits are conducted to review the effectiveness of the control procedures and are directed towards areas with significant risks as identified by the ARMC and Management, and the risk management process is also audited to provide assurance on the management of risks; and
- Review of internal audit reports and follow-up on audit findings by the ARMC. The internal audit reports are deliberated by the ARMC and are subsequently presented to the Board on a quarterly basis where the ARMC seeks clarifications from the Executive Directors on internal control matters and provided its views and recommendations on areas where improvements can be made.

INTERNAL AUDIT FUNCTION

During FY2024, the Group has outsourced its internal audit function to independent professional service firms, namely Axcelasia Sdn. Bhd. (formerly known as Tricor Axcelasia Sdn. Bhd.) ("Axcelasia"), up to August 2024, and subsequently, changed to Axcelasia ESG Sdn. Bhd. (formerly known as Mainstreet Governance Sdn. Bhd.) ("Axcelasia ESG"). Following the completion of a corporate restructuring exercise in December 2024, Axcelasia ESG had transferred to Axcelasia all rights and obligations as stipulated in the engagement letter entered between the Company and Axcelasia ESG.

The Group has outsourced its internal audit function to external professional service firms. The firms and their assigned personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence. The internal audit function has been mandated to continually assess and monitor the Group's system of internal control. The total cost paid or payable by the Group for the internal audit services amounted to RM52,000 for FY2024.

The internal audit function adopts a risk-based approach and prepares its audit strategy and plans based on the risk profiles of individual business units of the Group. These plans are updated periodically and approved by the ARMC. The internal audit function employs the widely used internal control guidance, the Internal Control - Integrated Framework issued by the Committee of Sponsoring Organisations ("COSO") of the Treadway Commission in assessing and monitoring the effectiveness of the Group's internal control. The monitoring, review and reporting arrangements undertaken by the Internal Auditor gives reasonable assurance that the internal controls embedded within the major business processes of the Group are appropriate to the Group's operations to adequately manage the key risks of the Group.

The key elements of the Group's internal audit function are described below:-

1. Prepare a detailed Internal Audit Plan based on a risk-based methodology with the scope and frequency of the internal audit activities for the ARMC's approval.
2. Carry out internal audit activities on business units of the Group to ascertain the adequacy and integrity of their system of internal controls, governance, risk management capability and adequacy of the Management team. The assessment on recurrent related party transaction procedures is carried out annually.
3. Report to the Management upon completion of each audit on any significant control lapses and/or deficiencies noted from the reviews and the root-cause analysis results (where applicable), for their verification and corrective action plan.
4. Report to the ARMC on all significant non-compliance, internal control weaknesses, root-cause analysis results (where applicable), and agreed actions taken by Management to resolve the audit issues identified.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

5. The internal audit results are communicated with ratings on the overall adequacy and effectiveness of management's risk management and internal control in relation to the approved internal audit focus (coverage) areas. This rating reflects the internal audit conclusion or opinion. Each internal audit finding is assigned an implementation priority rating, indicating the urgency of the corrective action.
6. Follow-up on internal audit issues identified to ascertain whether agreed corrective action plan has been carried out by the Management and provide updates to the ARMC.

During the financial year, the internal auditors carried out internal audit reviews on safety and health management, related party transactions, payroll management and quarry operations, to assess the adequacy and integrity of the system of internal control as established by the Management.

There were no significant failings or weaknesses in internal controls which resulted in material losses during the financial year under review until the date of approval of this Statement.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control and reported to the Board that nothing has come to their attention that causes them to believe the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the Group's internal control system.

This statement is made in accordance with the resolution of the Board of Directors dated 3 April 2025.

STATEMENT ON DIRECTORS' RESPONSIBILITY FOR THE AUDITED FINANCIAL STATEMENTS

The Directors acknowledged their responsibilities as required by the Companies Act 2016 to prepare the financial statements for each financial year so as to give a true and fair view of the state of affairs of the Group and the Company as at end of the financial year and of the results and cash flow of the Group and the Company for the financial year then ended.

In the preparation of the financial statements, the Directors have:-

- adopted appropriate accounting policies and apply them consistently;
- made judgments and estimates that are reasonable and prudent;
- ensured that applicable approved accounting standards have been complied with; and
- ensured the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that proper accounting and other records are kept which disclose with reasonable accuracy at any time the financial position of the Group and the Company and to enable them to ensure that the financial statements comply with the Companies Act 2016. The Directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

This statement on Directors' responsibility is made in accordance with the resolution of the Board of Directors dated 3 April 2025.

ANALYSIS OF SHAREHOLDINGS AS AT 26 MARCH 2025

Number of issued shares	: 353,382,716
Number of treasury shares	: 20,000
Number of shareholders	: 3,504
Class of shares	: Ordinary shares
Voting rights	: One vote per ordinary share

Distribution of Shareholdings (As per Record of Depositors)

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	%#
1 - 99	279	7.962	10,550	0.002
100 - 1,000	493	14.069	278,006	0.078
1,001 - 10,000	1,658	47.317	7,863,673	2.225
10,001 - 100,000	887	25.313	26,419,169	7.476
100,001 - 17,668,134 *	184	5.251	154,244,781	43.650
17,668,135 and above **	3	0.085	164,546,537	46.565
Total	3,504	100.000	353,362,716	100.000

Note :-

* less than 5% of issued shares

** 5% and above of issued shares

Based on the total number of issued shares in the Company excluding 20,000 treasury shares as at 26 March 2025.

Substantial Shareholders (As per Register of Substantial Shareholders)

Name of Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%#
1. Phin Sdn Bhd	131,841,919	37.311	-	-
2. Pang Khang Hau	21,279,570	6.022	-	-
3. Pang Tin @ Pang Yon Tin	19,317,848	5.467	131,841,919	37.311

Note :-

Based on the total number of issued shares in the Company excluding 20,000 treasury shares as at 26 March 2025

Directors' Shareholdings (As per Register of Directors' Shareholdings)

Name of Directors	Shares	Direct Interest		Indirect Interest	
		No. of %	Shares	No. of %#	%#
1. Pang Khang Hau	21,279,570	6.022	-	-	-
2. Pang Tin @ Pang Yon Tin	19,317,848 [^]	5.467	144,468,802 [*]	40.884	
3. Sim Tian Liang	8,314,670 [@]	2.353	1,000,000	0.283	
4. Chin Lian Hing	9,586,144 ⁺	2.713	-	-	
5. Yam Tai Fong	9,827,148	2.781	-	-	
6. Anita Chew Cheng Im	-	-	-	-	
7. Bhupendar Singh A/L Sewa Singh	-	-	-	-	
8. Dato' Ir. Fong Tian Yong	-	-	-	-	
9. Johar Salim Bin Yahaya	-	-	-	-	
10. Datuk Woon See Chin	-	-	-	-	

Note :-

[^] Includes 18,654,659 shares held in bare trust by HLB Nominees (Tempatan) Sdn Bhd.

^{*} Includes 7,229,611 shares held in bare trust by CIMSEC Nominees (Tempatan) Sdn Bhd.

[@] Includes 6,028,711 and 2,285,959 shares held in bare trust by Maybank Nominees (Tempatan) Sdn Bhd and Alliancegroup Nominees (Tempatan) Sdn Bhd respectively.

⁺ Includes 2,248,880 and 3,712,196 shares held in bare trust by Amsec Nominees (Tempatan) Sdn Bhd and Alliancegroup Nominees (Tempatan) Sdn Bhd.

Based on the total number of issued shares in the Company excluding 20,000 treasury shares as at 26 March 2025.

ANALYSIS OF SHAREHOLDINGS AS AT 26 MARCH 2025

Thirty Largest Shareholders (As per Record of Depositors)

Name of Shareholders	No. of Shares Held	%#
1. Phin Sdn Bhd	124,612,308	35.264
2. Pang Khang Hau	21,279,570	6.022
3. HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Pang Tin @ Pang Yon Tin (JBU 13629)	18,654,659	5.279
4. Phang Piow @ Pang Choo Ing	17,644,500	4.993
5. CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Phin Sdn Bhd (PB)	7,229,611	2.045
6. Yam Tai Fong	6,797,548	1.923
7. Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Sim Tian Liang	6,028,711	1.706
8. Loh Oi Yoke	4,341,300	1.228
9. Sunny Pang Yi Lin	4,115,877	1.164
10. Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chin Lian Hing (8122003)	3,712,196	1.050
11. Goh Ngee Tee	3,702,200	1.047
12. Wang Ah Yu	3,667,878	1.037
13. Chin Lian Hing	3,625,068	1.025
14. Leong Choon Thye	3,605,007	1.020
15. Yam Tai Fong	3,029,600	0.857
16. UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt an For UOB Kay Hian Pte Ltd (A/C Clients)	2,992,843	0.846
17. Lew Kim Bock	2,923,658	0.827
18. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (RHBISLAMIC)	2,875,600	0.813
19. Pang Yi Shia	2,778,759	0.786
20. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Manulife Investment Al-Fauzan (5170)	2,503,800	0.708
21. Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (PRINCIPAL EQITS)	2,484,939	0.703
22. Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Sim Tian Liang (8122016)	2,285,959	0.646
23. Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account – Ambank (M) Berhad for Chin Lian Hing (SMART)	2,248,880	0.636
24. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Manulife Investment Progress Fund (4082)	2,127,300	0.602
25. Pang Yili	2,064,369	0.584
26. Pang Chew Ngo	2,038,763	0.576
27. CIMB Islamic Nominees (Tempatan) Sdn Bhd CIMB Islamic Trustee Berhad – Kenanga Islamic Balanced Fund	2,022,800	0.572
28. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Manulife Investment Shariah Progress Plus Fund	1,834,800	0.519
29. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (PHEIM)	1,675,829	0.474
30. Maybank Nominees (Tempatan) Sdn Bhd National Trust Fund ESG (IFM Kenanga) (447645)	1,606,400	0.454
Total	266,510,732	75.421

The thirty largest shareholders refer to the thirty securities account holders having the largest number of securities according to the Record of Depositors (without aggregating the shares from different securities accounts belonging to the same depositor).

Based on the total number of issued shares in the Company excluding 20,000 treasury shares as at 26 March 2025.

LIST OF PROPERTIES

HELD BY THE GROUP AS AT 31 DECEMBER 2024

No	Address/Location	Description and Existing Use	Date of Acquisition (a)	Tenure of Land (years)	Land Area (sq. ft.)	Built-up Area (sq. ft.)	Age of Building	Net Book Value (RM)
1.	PN45839 Lot No.2, Pekan Sungai Gadut, District of Seremban, Negeri Sembilan	Factory and office buildings	26/01/2012	Leasehold expiring on 08/12/2091	5,665,041	284,538	12	43,090,428
2.	HS(M)3416 to HS(M)3423 (PT7109 to PT7116) and HS(M)3539 to HS(M)3571 (PT7232 to PT7264), Seksyen U10 Shah Alam, Mukim Bukit Raja, Daerah Petaling, Negeri Selangor	Vacant bungalow land held for development	05/03/2014	Leasehold (99 years expiring on 27/01/2103)	386,499	Not Applicable	Not Applicable	37,168,299
3.	Lot 3766 to Lot 3775, Lot 3787 to Lot 3795, Lot 3807 to Lot 3814, Lot 4393 and Lot 3833, Mukim Kota Tinggi, Daerah Kota Tinggi, Negeri Johor	Agriculture land held for development	13/05/2015	Freehold	6,082,826	Not Applicable	Not Applicable	36,739,036
4.	HS(M)3412 to HS(M)3415 (PT7105 to PT7108), HS(M)3424 to HS(M)3439 (PT7117 to PT7132), HS(M)3509 to HS(M)3525 (PT7202 to PT7218), HS(M)3528 to HS(M)3534 (PT7221 to PT7227) and HS(M)3536 to HS(M)3538 (PT7229 to PT7231), Seksyen U10 Shah Alam, Mukim Bukit Raja, Daerah Petaling, Negeri Selangor	Vacant bungalow land held for development	26/01/2018	Leasehold (99 years expiring on 27/01/2103)	589,539	Not Applicable	Not Applicable	39,978,700

LIST OF PROPERTIES HELD BY THE GROUP AS AT 31 DECEMBER 2024

No	Address/Location	Description and Existing Use	Date of Acquisition (a)	Tenure of Land (years)	Land Area (sq. ft.)	Built-up Area (sq. ft.)	Age of Building	Net Book Value (RM)
5.	HS(D)527565- HS(D)527566 (PTD217199- PTD217200), HS(D)527571 (PT217205), HS(D)527573 (PT217207), HS(D)527583 (PT217217), HS(D)527590- HS(D)527591 (PT217224 -PT217225), HSD(D)527602- HS(D)527610 (PTD217236- PTD217246) and HS(D)527612-HS(D)527624 (PTD217248-PTD217260) Mukim Plentong, Daerah Johor Bahru, Negeri Johor	Land under development	15/03/2019	Freehold	122,567	Not Applicable	Not Applicable	26,590,919
6.	HS(D)458296 PTD166915, Mukim Pulai, Daerah Johor Bahru, Negeri Johor	Agriculture land held for development	20/12/2017	Freehold	1,263,037	Not Applicable	Not Applicable	87,500,000
7.	HS(D)606468 PTD244133 and HS(D) 606467 PTD244132, Mukim Plentong , District of Johor Bahru, Johor	Commercial land held for development	04/01/2021	Freehold	484,088	Not Applicable	Not Applicable	52,023,879
8.	Lot 7582, Lot 7583, Lot 7584, Lot 103987, Lot 103988, Lot 7603, Lot 103989, Lot 103990, Lot 103991 and PT14985 (Lot 101257) at Mukim Petaling, Wilayah Persekutuan Kuala Lumpur	Vacant land held for development	10/10/2017	Freehold	1,911,688	Not Applicable	Not Applicable	135,070,759
9.	GRN 353408, Lot 68324, Mukim Plentong, Daerah Johor Bahru, Negeri Johor	Land under development	29/09/2014	Freehold	347,523	Not Applicable	Not Applicable	144,364,101
10.	HS(D) 503871 PTD 183087, Mukim Pulai, Daerah Johor Bahru, Negeri Johor	Agriculture land held for development	16/8/2023	Freehold	864,234	Not Applicable	Not Applicable	45,793,897

Note:

(a) Date of acquisition stated herein refers to the date of the respective sale & purchase agreement.

NOTICE OF SIXTEENTH (16TH) ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 16th Annual General Meeting (“AGM”) of the Company will be held at Function Room 1, Setia City Convention Centre, No. 1, Jalan Setia Dagang AG U13/AG, Setia Alam Seksyen U13, 40170 Shah Alam, Selangor on Tuesday, 3 June 2025 at 2.30 p.m. to transact the following businesses:-

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon. (Please refer to Note 1 of the Explanatory Notes on Ordinary Business)
2. To re-elect the following Directors who retire pursuant to Clause 76(3) of the Company’s Constitution, as Directors of the Company:-
 - (i) Dato’ Ir. Fong Tian Yong (Resolution 1)
 - (ii) Johar Salim Bin Yahaya (Resolution 2)
 - (iii) Anita Chew Cheng Im (Resolution 3)
 - (iv) Bhupendar Singh A/L Sewa Singh (Resolution 4)
3. To declare a single tier final dividend of 2.0 sen per Ordinary Share for the financial year ended 31 December 2024. (Resolution 5)
4. To approve the payment of Directors’ fees and benefits up to an amount of RM530,000.00 to the Non-Executive Directors for the period from the 16th AGM until the next AGM of the Company. (Resolution 6)
5. To re-appoint Messrs Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 7)

Special Business

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

6. **ORDINARY RESOLUTION** (Resolution 8)
AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company (“New Shares”) (including rights or options over subscription of such New Shares) from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being (“Proposed General Mandate”).

THAT such approval on the Proposed General Mandate shall continue to be in force until:

- i. the conclusion of the next Annual General Meeting (“AGM”) of the Company held after the approval was given;
- ii. the expiration of the period within which the next AGM of the Company is required to be held after the approval was given; or

NOTICE OF SIXTEENTH (16TH) ANNUAL GENERAL MEETING

- iii. revoked or varied by resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate.”

7. **ORDINARY RESOLUTION**
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR THE COMPANY AND/OR ITS SUBSIDIARIES TO ENTER INTO RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH RELATED PARTIES (“PROPOSED RRPT MANDATE”)

(Resolution 9)

“THAT pursuant to Part E Paragraph 10.09 of the Bursa Malaysia Securities Berhad’s Main Market Listing Requirements, the Company and/or its subsidiaries (“KLCB Group”) be and are hereby authorised to enter into any of the recurrent related party transactions of a revenue or trading nature as set out in Section 2.2 of the Circular to Shareholders of the Company dated 25 April 2025 with the related parties mentioned therein which are necessary for the KLCB Group’s day-to-day operations, provided that the transactions are in the ordinary course of business and are on terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company;

AND THAT such approval shall continue to be in force until:-

- i. the conclusion of the next Annual General Meeting (“AGM”) of the Company following the general meeting at which such resolution was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- ii. the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“the Act”) (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- iii. revoked or varied by resolution passed by the shareholders of the Company in general meeting;

whichever is the earlier;

AND THAT the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things as they may deemed fit and expedient in the interest of the Company to give full effect to the Proposed RRPT Mandate.”

NOTICE OF SIXTEENTH (16TH) ANNUAL GENERAL MEETING

8. ORDINARY RESOLUTION

(Resolution 10)

PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO TEN PER CENT (10%) OF THE TOTAL NUMBER OF ISSUED SHARES (“PROPOSED RENEWAL OF SHARE BUY-BACK”)

“THAT subject to the Companies Act 2016 (“the Act”), the Constitution of the Company, the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:-

- i. the aggregate number of issued shares in the Company (“Shares”) purchased (“Purchased Shares”) and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per cent (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and
- ii. the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

(“Proposed Share Buy-Back”).

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:-

- a. the conclusion of the next Annual General Meeting (“AGM”) of the Company following the general meeting at which such resolution was passed, at which time it will lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- b. the expiration of the period within which the next AGM of the Company is required by law to be held; or
- c. revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:-

- i. To cancel all or part of the Purchased Shares;
- ii. To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;

NOTICE OF SIXTEENTH (16TH) ANNUAL GENERAL MEETING

- iii. To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- iv. To resell all or part of the treasury shares;
- v. To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
- vi. To transfer all or part of the treasury shares as purchase consideration;
- vii. To sell, transfer or otherwise use the treasury shares for such other purposes as the Minister charged with responsibility for companies may by order prescribe; and/or
- viii. To deal with the treasury shares in any other manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are authorised to take all such steps as are necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into agreements, arrangements and guarantee with any party or parties] to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities.”

- 9. To consider any other business of which due notice shall be given in accordance with the Companies Act 2016.

By Order of the Board

TAY LEE SHYA (MIA 16982)

(SSM PC No. 202008002274)

YENG SHI MEI (MAICSA 7059759)

(SSM PC No. 202008001282)

REBECCA KONG SAY TSUI (MAICSA 7039304)

(SSM PC No. 202008001003)

Company Secretaries

Selangor Darul Ehsan

25 April 2025

NOTICE OF SIXTEENTH (16TH) ANNUAL GENERAL MEETING

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT subject to the approval of the shareholders at the 16th AGM of the Company, a single tier final dividend of 2.0 sen per ordinary share in respect of the financial year ended 31 December 2024 will be payable to shareholders of the Company on 24 July 2025. The entitlement date for the said dividend shall be 1 July 2025.

A depositor shall qualify for entitlement to the dividend only in respect of:-

- a) shares transferred to the depositor's securities account before 4.30 p.m. on 1 July 2025 in respect of transfers; and
- b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

TAY LEE SHYA (MIA 16982)

(SSM PC No. 202008002274)

YENG SHI MEI (MAICSA 7059759)

(SSM PC No. 202008001282)

REBECCA KONG SAY TSUI (MAICSA 7039304)

(SSM PC No. 202008001003)

Company Secretaries

Selangor Darul Ehsan

25 April 2025

NOTES:-

1. For the purpose of determining who shall be entitled to participate this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a **Record of Depositors as at 27 May 2025**. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM or appoint a proxy to attend, speak and vote (collectively "participate") on his/her/its behalf.
2. A member who is entitled to participate in this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her/its place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM.
4. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad
5. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
8. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the persons named in the appointment proposes to vote:-

NOTICE OF SIXTEENTH (16TH) ANNUAL GENERAL MEETING

(i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the drop box located at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

(ii) By electronic means

The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online website at <https://tiah.online>. Please refer to the Administrative Guide for the 16th AGM on the procedures for electronic lodgement of Proxy Form via TIIH Online website.

9. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
10. Last date and time for lodging the proxy form is on Sunday, 1 June 2025 at 2.30 p.m.
11. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the drop box located at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the persons named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
12. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the drop box located at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. The certificate of appointment of authorised representative should be executed in the following manner:-
- (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
- (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:-
- (a) at least two (2) authorised officers, of whom one shall be a director; or
- (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

EXPLANATORY NOTES ON ORDINARY BUSINESS

1. Audited Financial Statements for the financial year ended 31 December 2024

This agenda item is meant for discussion only as the provisions of Sections 248(2) and 340(1)(a) of the Companies Act 2016 ("the Act") do not require a formal approval of shareholders for the Audited Financial Statements. Hence, this agenda item is not put forward for voting by shareholders.

2. Resolutions 1 to 4 – Re-election of Directors

Dato' Ir. Fong Tian Yong, Encik Johar Salim Bin Yahaya, Anita Chew Cheng Im and Bhupendar Singh A/L Sewa Singh ("Retiring Directors") are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 16th AGM.

NOTICE OF SIXTEENTH (16TH) ANNUAL GENERAL MEETING

The Retiring Directors have no conflict of interest or potential conflict of interest with the Company or its subsidiaries and have no family relationship with any Director and/or major shareholder of the Company.

The Retiring Directors had provided the fit and proper declarations and the Board had through the Nomination Committee (“NC”) carried out assessment on the Retiring Directors and agreed that they met the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) on character, experience, integrity, competence and time to effectively discharge their role as Directors of the Company.

The Board had also through the NC evaluated the independence of the Retiring Directors and agreed that they met the criteria of independence as prescribed in the Listing Requirements of Bursa Securities.

The Board (save for the Retiring Directors who have abstained from deliberation on discussions relating to their own re-election) believes that the contribution, commitment, and performance of the Retiring Directors continue to be invaluable and relevant to the long-term sustainable goals and success of the Company and supports their re-election as Directors.

3. Resolution 5 – Declaration of a Single Tier Final Dividend

Pursuant to Paragraph 8.26(2) of the Listing Requirements of Bursa Securities, the single tier final dividend, if approved, will be paid no later than three (3) months from the date of shareholders’ approval.

4. Resolution 6 – Non-Executive Directors’ Fees and Benefits

Pursuant to Section 230(1) of the Act, the fees of Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

The proposed Directors’ fees and benefits for the period from the 16th AGM until the date of next AGM under Resolution 6 are calculated based on the current Board composition and the estimated number of Board and Committee meetings from the 16th AGM until the date of next AGM. The said Resolution is to allow the Company to make payment of Directors’ fees and benefits to the Non-Executive Directors up till next AGM of the Company.

In the event the proposed amount is insufficient (e.g. due to more meetings or appointment of additional Independent Directors), approval will be sought at the next AGM for the shortfall.

5. Resolution 7 – Re-appointment of Auditors

The Board had on 3 April 2025, through the Audit and Risk Management Committee (“ARMC”), assessed the suitability, objectivity and independence of the External Auditors, Messrs Ernst & Young PLT and considered the re-appointment of Messrs Ernst & Young PLT as Auditors of the Company in accordance with the External Auditor Policy of the Company. The Board and the ARMC collectively agreed and satisfied that Messrs Ernst & Young PLT has the relevant criteria prescribed by Paragraph 15.21 of the Listing Requirements of Bursa Securities.

EXPLANATORY NOTES ON SPECIAL BUSINESS

1. Resolution 8 – Authority to Allot Shares

The resolution is proposed for the purpose of granting a renewed general mandate (“General Mandate”) and empowering the Directors to allot shares in the Company up to an amount not exceeding in total ten per cent (10%) of the total number of issued shares (excluding treasury shares) of the Company for such purposes as the Directors consider would be in the interest of the Company.

This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM or at the expiration of the period within which the next AGM is required to be held, whichever is earlier.

NOTICE OF SIXTEENTH (16TH) ANNUAL GENERAL MEETING

The renewed General Mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this renewed General Mandate is for possible fund raising activities including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings and acquisition.

As at the date of this notice, the Company did not issue any shares pursuant to the 10% General Mandate granted to the Directors at the 15th AGM as there were no investment(s), acquisition(s) or working capital that require fund raising activity.

2. Resolution 9 – Proposed RRPT Mandate

The proposed resolution, if passed, will authorise the Company and each of its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature in the ordinary course of business. For further information on the recurrent related party transactions, please refer to the Circular to Shareholders dated 25 April 2025.

3. Resolution 10 – Proposed Renewal of Share Buy-Back

The proposed resolution, if passed, will give the Company the authority to purchase its own ordinary shares of up to ten per cent (10%) of the number of issued shares of the Company. For further information on Proposed Renewal of Share Buy-Back, please refer to the Statement to Shareholders dated 25 April 2025.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

**PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD**

Authority For Directors to Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016.

Kindly refer to item (1) of Explanatory Notes on Special Business at page 86.

ADMINISTRATIVE GUIDE FOR THE SIXTEENTH ANNUAL GENERAL MEETING (“16TH AGM”)

Day & Date : Tuesday, 3 June 2025
Time : 2.30 p.m.
Venue : Function Room 1, Setia City Convention Centre No. 1, Jalan Setia Dagang AG U13/AG, Setia Alam Seksyen U13, 40170 Shah Alam, Selangor

GENERAL MEETING RECORD OF DEPOSITORS (“ROD”)

- Only a member whose name appears on the ROD as at **27 May 2025** shall be entitled to attend, speak and vote (collectively “participate”) at the 16th AGM or appoint proxy(ies) to participate on his/her/its behalf.

REGISTRATION ON THE DAY OF THE 16th AGM

- Registration will commence at 1.30 p.m. on Tuesday, 3 June 2025 and will remain open until the conclusion of the 16th AGM or such time as may be determined by the Chairman of the meeting.
- Please present your original National Registration Identity Card (NRIC) or Passport (for non-Malaysian) to the registration staff for verification.
- Upon verification, an identification wristband will be given to you for voting purposes thereafter. No one will be allowed to enter the meeting hall without an identification wristband. There will be no replacement for the identification wristband if it is lost or misplaced.
- Registration must be done in person. No person is allowed to register on behalf of another even with the original NRIC or Passport of the other person.
- The registration counter will handle verification of identity, registration and revocation of proxy/proxies.

CORPORATE MEMBERS

- Corporate members who wish to appoint corporate representatives instead of proxy(ies), must deposit their original certificate of appointment of corporate representative to Tricor Investor & Issuing House Services Sdn. Bhd. (“Tricor”) before the 16th AGM or bring the original certificate of appointment of corporate representative to the 16th AGM.
- Attorneys appointed by power of attorney are required to deposit their power of attorney with Tricor not later than Sunday, 1 June 2025 at 2.30 p.m. to attend and vote at the 16th AGM.

PROXY

The appointment of proxy(ies) may be made in hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 16th AGM or adjourned general meeting at which the person named in the appointment proposes to vote, otherwise the Proxy Form shall not be treated as valid:-

- In hard copy form
In case of an appointment made in hard copy form, the Proxy Form must be deposited with the Company’s Share Registrar, Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the drop box located at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
- By electronic means
You may also submit the Proxy Form electronically via **TIIH Online** website at <https://tiih.online>. Please read and follow the procedures below for electronic lodgement of Proxy Form.

ADMINISTRATIVE GUIDE FOR THE SIXTEENTH ANNUAL GENERAL MEETING (“16TH AGM”)

ELECTRONIC LODGEMENT OF PROXY FORM

The procedures to lodge your Proxy Form electronically via Tricor’s **TIIH Online** website are summarised below:

Procedure	Action
i. Steps for Individual Members	
Register as a User with TIIH Online	<ul style="list-style-type: none"> Using your computer, access the website at https://tiih.online. Register as a user under the “e-Services Login”. Select the “Sign Up” button and followed by “Create Account by Individual Holder”. Please refer to the tutorial guide posted on the homepage for assistance. Registration as a user will be approved within one (1) working day and you will be notified via e-mail. Proceed to activate your account with the temporary password given in the email and re-set your own password. If you are already a user with TIIH Online, you are not required to register again.
Proceed with submission of Proxy Form	<ul style="list-style-type: none"> After the release of the Notice of Meeting by the Company, login with your username (i.e. email address) and password. Select the corporate event: “KIMLUN CORPORATION BERHAD 16TH AGM – SUBMISSION OF PROXY FORM”. Read and agree to the Terms & Conditions and confirm the Declaration. Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf. Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint Chairperson as your proxy. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy(ies) will decide on your vote. Review and confirm your proxy(ies) appointment. Print the Proxy Form for your record.
ii. Steps for Corporation or Institutional Members	
Register as a User with TIIH Online	<ul style="list-style-type: none"> Access TIIH Online website at https://tiih.online Under e-Services Login, the authorised or nominated representative of the corporation or institutional shareholder selects “Create Account by Representative of Corporate Holder”. Complete the registration form and upload the required documents. Registration will be verified, and you will be notified by email within two (2) working days. Proceed to activate your account with the temporary password given in the email and re-set your own password. <p>Note: The representative of a corporate or institutional member must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.</p>
Proceed with submission of Proxy Form	<ul style="list-style-type: none"> Login to TIIH Online website at https://tiih.online Select the corporate event: “KIMLUN CORPORATION BERHAD 16TH AGM – SUBMISSION OF PROXY FORM” Read and agree to the Terms & Conditions and Declaration. Proceed to download the file format for “Submission of Proxy Form” in accordance with the Guidance Note set therein. Prepare the file for the appointment of proxies by inserting the required data. Login to TIIH Online website, select corporate event: “KIMLUN CORPORATION BERHAD 16TH AGM – SUBMISSION OF PROXY FORM”. Proceed to upload the duly completed proxy appointment file. Select “Submit” to complete your submission. Print the confirmation report of your submission for your record.

ADMINISTRATIVE GUIDE FOR THE SIXTEENTH ANNUAL GENERAL MEETING (“16TH AGM”)

POLL VOTING

- The voting at the 16th AGM will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor as a Poll Administrator to conduct the poll by way of electronic voting (e-voting) and MK Advisory Management as Independent Scrutineer to verify the poll results.
- Upon completion of the voting session for the 16th AGM, the Independent Scrutineers will verify the poll results followed by the Chairman’s declaration whether the resolutions are duly passed.

ANNUAL REPORT 2024

- The Company’s Annual Report 2024 is available at the Company’s website at <http://www.kimlun.com/kimlun-corp/investor-relations.php> and Bursa Malaysia Berhad’s website at www.bursamalaysia.com under Company’s announcements.
- You may request for a printed copy of the Annual Report 2024 at <https://tjih.online> by selecting “**Request for Annual Report / Circular**” under the “**Investor Services**”.
- Kindly consider the environment before you decide to request for the printed copy of the Annual Report 2024. The environmental concerns like global warming, deforestation, climate change and many more affect every human, animal and nation on this planet.

NO RECORDING OR PHOTOGRAPHY

- Strictly **NO** recording or photography of the proceedings of the 16th AGM is allowed.

NO DOOR GIFT OR FOOD VOUCHER

- There will be **no distribution** of door gift or food voucher at the 16th AGM.

REFRESHMENTS

- Refreshments will be served at the 16th AGM.

ENQUIRY

If you have any enquiries on the above, please contact the Share Registrar during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line : +603 2783 9299
Fax Number : +603-2783 9222
Email : is.enquiry@vistra.com

Contact Person : Zulhafri Abdul Rahman
Tel No. : +603 2783 9289
Email : zulhafri@vistra.com

: Zaqwan Syahmi Sarman
Tel No. : +603 2783 9283
Email : zaqwan.syahmi@vistra.com

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

Principal activities

The principal activity of the Company is investment holding.

The principal activities and other information of the subsidiaries are disclosed in Note 15 to the financial statements.

Results

	Group RM	Company RM
Profit net of tax	<u>50,781,675</u>	<u>1,604,055</u>
Attributable to:		
Owners of the Company	51,244,454	1,604,055
Non-controlling interests	<u>(462,779)</u>	<u>-</u>
	<u>50,781,675</u>	<u>1,604,055</u>

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than as disclosed in the financial statements.

Dividends

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

	RM
<u>In respect of the financial year ended 31 December 2023</u>	
Final (single-tier) dividend of 1.0 sen per ordinary share, on 353,362,716 ordinary shares, declared on 4 June 2024 and paid on 25 July 2024	<u>3,533,627</u>

DIRECTORS' REPORT

Dividends (cont'd)

At the forthcoming Annual General Meeting ("AGM"), a final (single-tier) dividend in respect of the financial year ended 31 December 2024, of 2.0 sen per ordinary share will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2025.

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:

Pang Tin @ Pang Yon Tin**
Sim Tian Liang**
Chin Lian Hing**
Yam Tai Fong (f)**
Pang Khang Hau**
Dato Woon See Chin
Anita Chew Cheng Im (f)
Bhupender Sigh A/L Sewa Singh
Dato' Ir Fong Tian Yong
Johar Salim Bin Yahaya

** These directors are also directors of certain subsidiaries of the Company.

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:

Cheah U Leon
Chia Booi Hooi (f)
Lee Kai Long
Dato' Ir. Leong Chee Kian
Lew Kim Bock
Loh Wui Tek
Pang Chew Ngo (f)
Welihedi Bin Md Lani
Yap Wei Sam
Siepudin Bin Kasim
Suriaty Binti Mohamed Yahya

DIRECTORS' REPORT

Directors' benefits

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

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or fixed salary of a full-time employee of the Company as shown in Note 8 to the financial statements) 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 31 to the financial statements.

The directors' benefits are as follows:

	Group RM	Company RM
Salaries, bonus and other emoluments	4,711,735	25,500
Defined contribution plan	597,441	-
Fees	421,200	421,200
Estimated money value of benefits-in-kind	77,920	-
	<u>5,808,296</u>	<u>446,700</u>

Directors and officers indemnity and insurance cost

Directors and officers of the Company and its subsidiaries are covered under a Directors' and Officers' Liability Insurance against personal liability that they may incur in respect of amounts which they may be liable for in respect of claims made against them arising out of the performance of their duties. During the financial year, the insurance premium paid for the insurance is RM22,000. There were no amount of indemnities given during the financial year, or since the end of the financial year, for any person who is or has been a director or officer of the Company.

DIRECTORS' REPORT

Directors' interests

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

(a) Shares in the Company

	Number of ordinary shares			31 December 2024
	1 January 2024	Bought	Sold	
Direct interest:				
Pang Tin @ Pang Yon Tin	19,107,848	-	-	19,107,848
Sim Tian Liang	8,314,670	-	-	8,314,670
Chin Lian Hing	9,586,144	-	-	9,586,144
Yam Tai Fong (f)	9,827,148	-	-	9,827,148
Pang Khang Hau	21,279,570	-	-	21,279,570
Indirect interest:				
Pang Tin @ Pang Yon Tin	144,468,802	-	-	144,468,802
Sim Tian Liang	1,000,000	-	-	1,000,000

By virtue of his interest in the shares of the Company, Pang Tin @ Pang Yon Tin is also deemed interested in the shares of the subsidiaries to the extent that the Company has an interest.

(b) Warrants 2014/2024 in the Company

	Number of warrants			31 December 2024
	1 January 2024	Bought	Expired	
Direct interest:				
Pang Tin @ Pang Yon Tin	2,928,100	-	2,928,100	-
Sim Tian Liang	100,000	-	100,000	-
Yam Tai Fong (f)	450,000	-	450,000	-
Pang Khang Hau	3,641,900	-	3,641,900	-
Indirect interest:				
Pang Tin @ Pang Yon Tin	23,119,900	-	23,119,900	-

DIRECTORS' REPORT

Issue of shares and debentures

During the financial year,

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

Options granted over unissued shares

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

Warrants 2014/2024

Details of the Warrants 2014/2024 are disclosed in Note 30(b) 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; and
 - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT

Other statutory information (cont'd)

- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
 - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

DIRECTORS' REPORT

Auditors

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

Auditors' remuneration for the Group and the Company is as follows:

	Group RM	Company RM
Ernst & Young PLT		
- Current year	535,000	87,000
- Other services	10,000	10,000
	<u>545,000</u>	<u>97,000</u>

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 15 April 2025.

Pang Khang Hau

Sim Tian Liang

STATEMENT BY DIRECTORS

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

We, Pang Khang Hau and Sim Tian Liang, being two of the directors of Kimlun Corporation Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 107 to 191 are drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 15 April 2025.

STATUTORY DECLARATION

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

I, Yam Tai Fong, being the director primarily responsible for the financial management of Kimlun Corporation Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 107 to 191 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 Yam Tai Fong at Petaling)
 Jaya in the State of Selangor Darul Ehsan)
 on 15 April 2025.)

Yam Tai Fong

Before me,

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KIMLUN CORPORATION BERHAD (INCORPORATED IN MALAYSIA)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Kimlun Corporation Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 107 to 191.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

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

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KIMLUN CORPORATION BERHAD
(INCORPORATED IN MALAYSIA)

Key audit matters

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

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

Recognition of revenue and cost of construction

The Group is involved in construction contracts for which it applies the percentage of completion method. The revenue and cost of construction contributed to approximately 83% and 80% of the Group's revenue and cost of sales respectively.

We focused on this area because management made significant judgement and estimates in determining the estimated total contract costs and the extent of cost incurred, which form part of the computation of percentage of completion.

The notes relating to revenue recognition are disclosed in Note 2.17 (a), Note 3.2 (a) and Note 4 to the financial statements.

As part of our audit, we performed the following:

- We obtained an understanding of contractual terms and conditions of significant projects;
- We obtained an understanding of the internal controls over the accuracy and timing of revenue and profit recognised in the financial statements, including controls performed by management in estimating the total construction costs, profit margin and percentage of completion of the construction contracts;

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KIMLUN CORPORATION BERHAD
(INCORPORATED IN MALAYSIA)

Key audit matters (cont'd)

Recognition of revenue and cost of construction (cont'd)

- We evaluated management's assumptions in determining the estimated total construction cost by comparing the estimated cost to complete with documentary evidence such as letter of awards issued to subcontractors and approved variation orders and by making reference to similar completed projects;
- We assessed the completeness of the cost incurred and the accuracy of the cost recognised in the financial statements by examining supporting evidence such as subcontractors' progress claims and suppliers' invoices;
- We reperformed the calculation of revenue based on the percentage of completion method; and
- We agreed the contract revenue to the original signed contracts or letters of awards issued by customers and where applicable, to approved variation orders.

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 express any form of assurance conclusion thereon.

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KIMLUN CORPORATION BERHAD
(INCORPORATED IN MALAYSIA)

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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standard 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 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KIMLUN CORPORATION BERHAD
(INCORPORATED IN MALAYSIA)

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and the Company, including the disclosures, and whether the financial statements of the Group and 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 activities 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 for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KIMLUN CORPORATION BERHAD
(INCORPORATED IN MALAYSIA)

Report on other legal and regulatory requirement

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 15 to the financial statements.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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

Tan Jin Xiang
03348/01/2026 J
Chartered Accountant

Johor Bahru, Malaysia
Date: 15 April 2025

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 RM	2023 RM	2024 RM	2023 RM
Revenue					
Revenue from contracts with customers	4(a)	1,207,393,145	852,554,246	-	-
Other revenue	4(c)	19,426	14,264	9,956,857	8,907,413
		<u>1,207,412,571</u>	<u>852,568,510</u>	<u>9,956,857</u>	<u>8,907,413</u>
Cost of sales		<u>(1,108,939,263)</u>	<u>(790,986,085)</u>	<u>-</u>	<u>-</u>
Gross profit		98,473,308	61,582,425	9,956,857	8,907,413
Other item of income					
Other operating income		52,060,216	8,370,431	-	-
Other items of expenses					
Administration expenses		(57,126,114)	(38,184,492)	(1,517,916)	(11,397,763)
Finance costs	5	(25,323,623)	(15,570,410)	(6,660,706)	(5,576,567)
Share of loss of an associate		(329,650)	-	-	-
Share of profit/(loss) of joint ventures		644,142	(3,142,799)	-	-
		<u>644,142</u>	<u>(3,142,799)</u>	<u>-</u>	<u>-</u>
Profit/(loss) before tax	6	68,398,279	13,055,155	1,778,235	(8,066,917)
Income tax expense	9	(17,616,604)	(6,177,306)	(174,180)	(163,393)
		<u>(17,616,604)</u>	<u>(6,177,306)</u>	<u>(174,180)</u>	<u>(163,393)</u>
Profit/(loss) net of tax		50,781,675	6,877,849	1,604,055	(8,230,310)
Other comprehensive income/(loss):					
Foreign currency translation		41,304	(73,877)	-	-
		<u>41,304</u>	<u>(73,877)</u>	<u>-</u>	<u>-</u>
Other comprehensive income/(loss) for the year, net of tax		41,304	(73,877)	-	-
		<u>41,304</u>	<u>(73,877)</u>	<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the year		50,822,979	6,803,972	1,604,055	(8,230,310)
		<u>50,822,979</u>	<u>6,803,972</u>	<u>1,604,055</u>	<u>(8,230,310)</u>
Profit/(loss) attributable to:					
Owners of the Company		51,244,454	7,054,548	1,604,055	(8,230,310)
Non-controlling interests		(462,779)	(176,699)	-	-
		<u>50,781,675</u>	<u>6,877,849</u>	<u>1,604,055</u>	<u>(8,230,310)</u>

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Total comprehensive income/(loss) attributable to:					
Owners of the Company		51,285,758	6,980,671	1,604,055	(8,230,310)
Non-controlling interests		(462,779)	(176,699)	-	-
		<u>50,822,979</u>	<u>6,803,972</u>	<u>1,604,055</u>	<u>(8,230,310)</u>
Earnings per share attributable to owners of the Company (sen per share)					
Basic	10	<u>14.50</u>	<u>2.00</u>		
Diluted	10	<u>14.50</u>	<u>2.00</u>		

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Assets					
Non-current assets					
Property, plant and equipment	11	268,531,113	159,610,258	-	-
Right-of-use assets	12	7,111,852	5,168,171	-	-
Land held for development	18(a)	360,917,449	308,770,401	-	-
Investment properties	13	126,474	133,023	-	-
Other investments	14	75,000	75,000	-	-
Investments in subsidiaries	15	-	-	339,847,909	339,847,909
Investment in an associate	16	160,350	-	-	-
Investments in joint ventures	17	2,118,476	12,493,222	-	-
Deferred tax assets	27	12,533,764	22,038,315	-	-
Goodwill		15,536	-	-	-
		<u>651,590,014</u>	<u>508,288,390</u>	<u>339,847,909</u>	<u>339,847,909</u>
Current assets					
Development properties	18(b)	329,657,731	171,857,865	-	-
Inventories	19	78,667,034	59,753,216	-	-
Trade and other receivables	20	541,726,311	409,919,104	92,437,708	94,079,822
Prepayments	20(f)	10,781,111	22,700,610	1,194,200	76,011
Contract assets	4(b)	383,546,716	282,196,733	-	-
Current tax assets		-	710,971	-	-
Cash and bank balances	21	69,668,397	63,255,642	286,613	757,334
		<u>1,414,047,300</u>	<u>1,010,394,141</u>	<u>93,918,521</u>	<u>94,913,167</u>
Assets held for sale	22	-	14,125,282	-	-
		<u>1,414,047,300</u>	<u>1,024,519,423</u>	<u>93,918,521</u>	<u>94,913,167</u>
Total assets		<u><u>2,065,637,314</u></u>	<u><u>1,532,807,813</u></u>	<u><u>433,766,430</u></u>	<u><u>434,761,076</u></u>

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

As at 31 December 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Equity and liabilities					
Current liabilities					
Loans and borrowings	23	423,238,346	217,432,981	85,310,000	32,860,000
Lease liabilities	24	3,859,557	2,527,451	-	-
Trade and other payables	25	507,758,840	337,367,195	13,810,696	40,340,074
Contract liabilities	4(b)	45,915,638	20,015,968	-	-
Current tax liabilities		1,807,575	-	76,742	69,158
Provisions	26	15,000,000	9,980,000	-	-
		<u>997,579,956</u>	<u>587,323,595</u>	<u>99,197,438</u>	<u>73,269,232</u>
Net current assets/(liabilities)		<u>416,467,344</u>	<u>437,195,828</u>	<u>(5,278,917)</u>	<u>21,643,935</u>
Non-current liabilities					
Loans and borrowings	23	248,297,686	195,941,009	30,000,000	55,000,000
Lease liabilities	24	3,441,803	2,737,492	-	-
Other payables	25	21,147,944	-	-	-
Deferred tax liabilities	27	7,256,188	6,439,124	-	-
		<u>280,143,621</u>	<u>205,117,625</u>	<u>30,000,000</u>	<u>55,000,000</u>
Total liabilities		<u>1,277,723,577</u>	<u>792,441,220</u>	<u>129,197,438</u>	<u>128,269,232</u>
Net assets		<u>787,913,737</u>	<u>740,366,593</u>	<u>304,568,992</u>	<u>306,491,844</u>
Equity attributable to owners of the Company					
Share capital	28	255,953,399	255,944,359	255,953,399	255,944,359
Treasury shares	28	(23,774)	(23,774)	(23,774)	(23,774)
Retained earnings	29	506,348,405	424,446,230	48,639,367	16,377,591
Other reserves	30	(676,468)	33,475,896	-	34,193,668
		<u>761,601,562</u>	<u>713,842,711</u>	<u>304,568,992</u>	<u>306,491,844</u>
Non-controlling interests		<u>26,312,175</u>	<u>26,523,882</u>	<u>-</u>	<u>-</u>
Total equity		<u>787,913,737</u>	<u>740,366,593</u>	<u>304,568,992</u>	<u>306,491,844</u>
Total equity and liabilities		<u>2,065,637,314</u>	<u>1,532,807,813</u>	<u>433,766,430</u>	<u>434,761,076</u>

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Group	Note	Attributable to owners of the Company		Non-distributable			Non-controlling interests		
		Equity, total	Share capital	Treasury shares	Retained earnings	Other reserves, total		Warrant reserve	Foreign currency translation reserve
		RM	RM	RM	RM	RM	RM	RM	
At 1 January 2024		740,366,593	255,944,359	(23,774)	424,446,230	33,475,896	34,193,668	(717,772)	26,523,882
Profit net of tax		50,781,675	-	-	51,244,454	-	-	-	(462,779)
Foreign currency translation		41,304	-	-	-	41,304	-	41,304	-
Total comprehensive income for the year		50,822,979	-	-	51,244,454	41,304	-	41,304	(462,779)
Transactions with owners									
Acquisition of subsidiaries	15	433,966	-	-	-	-	-	-	433,966
Disposal of a subsidiary	15	(182,894)	-	-	-	-	-	-	(182,894)
Conversion of warrants		6,720	9,040	-	-	(2,320)	(2,320)	-	-
Expiry of warrants		-	-	-	34,191,348	(34,191,348)	(34,191,348)	-	-
Dividends on ordinary shares	37	(3,533,627)	-	-	(3,533,627)	-	-	-	-
Total transactions with owners		(3,275,835)	9,040	-	30,657,721	(34,193,668)	(34,193,668)	-	251,072
At 31 December 2024		787,913,737	255,953,399	(23,774)	506,348,405	(676,468)	-	(676,468)	26,312,175

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Group	Note	Attributable to owners of the Company		Non-distributable			Non-controlling interests		
		Equity, total	Share capital	Treasury shares	Retained earnings	Other reserves, total		Warrant reserve	Foreign currency translation reserve
		RM	RM	RM	RM	RM	RM	RM	
At 1 January 2023		725,289,929	255,944,359	(23,774)	420,981,673	33,493,369	34,193,668	(700,299)	14,894,302
Profit net of tax		6,877,849	-	-	7,054,548	-	-	-	(176,699)
Foreign currency translation		(73,877)	-	-	-	(73,877)	-	(73,877)	-
Total comprehensive income for the year		6,803,972	-	-	7,054,548	(73,877)	-	(73,877)	(176,699)
Transactions with owners									
Issue of ordinary shares by subsidiary to non-controlling interests		11,806,279	-	-	-	-	-	-	11,806,279
Strike off of subsidiary		-	-	-	(56,404)	56,404	-	56,404	-
Dividends on ordinary shares	37	(3,533,587)	-	-	(3,533,587)	-	-	-	-
Total transactions with owners		8,272,692	-	-	(3,589,991)	56,404	-	56,404	11,806,279
At 31 December 2023		740,366,593	255,944,359	(23,774)	424,446,230	33,475,896	34,193,668	(717,772)	26,523,882

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Company	Equity, total RM	Attributable to owners of the Company				Warrant reserves (Note 30(b)) RM
		Share capital (Note 28(a)) RM	Treasury shares (Note 28(b)) RM	Retained earnings (Note 29) RM	Non-distributable Non-distributable	
At 1 January 2024	306,491,844	255,944,359	(23,774)	16,377,591	34,193,668	
Total comprehensive income for the year	1,604,055	-	-	1,604,055	-	
Total transaction with owners						
Conversion of warrants	6,720	9,040	-	-	(2,320)	
Expiry of warrants	-	-	-	34,191,348	(34,191,348)	
Dividends on ordinary shares	(3,533,627)	-	-	(3,533,627)	-	
At 31 December 2024	304,568,992	255,953,399	(23,774)	48,639,367	-	
At 1 January 2023	318,255,741	255,944,359	(23,774)	28,141,488	34,193,668	
Total comprehensive loss for the year	(8,230,310)	-	-	(8,230,310)	-	
Transaction with owners						
Dividends on ordinary shares	(3,533,587)	-	-	(3,533,587)	-	
At 31 December 2023	306,491,844	255,944,359	(23,774)	16,377,591	34,193,668	

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Operating activities				
Profit before tax	68,398,279	13,055,155	1,778,235	(8,066,917)
Adjustments for:				
Interest income	(2,588,083)	(1,872,439)	-	-
Finance costs	25,323,623	15,570,410	6,660,706	5,576,567
Allowance for impairment on trade receivables	107,000	-	-	-
Reversal of allowance for impairment on:				
- contract assets	(25,391,137)	-	-	-
- trade receivables	(18,184,023)	(497,972)	-	-
Write back of land held for development	(1,500,000)	(3,900,000)	-	-
Bad debts written off	-	13,529	-	-
Provision for impairment loss on investment in subsidiary	-	-	-	10,027,486
Depreciation of:				
- property, plant and equipment	27,861,030	21,596,467	-	-
- right-of-use assets	3,819,906	3,055,739	-	-
- investment properties	6,549	6,549	-	-
Gain on disposal of property, plant and equipment	(514,900)	(906,446)	-	-
Gain on derecognition due to lease modification	(41,504)	(3,338)	-	-
Gain on remeasurement of financial liabilities	(1,007,022)	-	-	-
Gain on deemed disposal of investment in joint ventures	(1,837,388)	-	-	-
Loss on disposal of:				
- assets held for sale	455,437	-	-	-
- subsidiaries	273,080	-	-	-
Property, plant and equipment written off	86,542	1,493,269	-	-
Share of (profit)/loss of joint ventures	(644,142)	3,142,799	-	-
Share of loss of associate	329,650	-	-	-

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Operating activities (cont'd)				
Provision for/(reversal of) defect liability costs	5,020,000	(1,561,000)	-	-
Unrealised foreign exchange loss/(gain)	7,387,217	(8,721,197)	-	-
Operating cash flows before changes in working capital	87,360,114	40,471,525	8,438,941	7,537,136
Property development costs	(79,564,767)	3,293,977	-	-
Inventories	787,044	7,696,602	-	-
Receivables	(112,339,924)	21,116,272	(1,524,886)	(1,365,220)
Other current assets	(66,619,264)	(65,094,598)	551	(377)
Payables	148,846,483	107,326,670	108,008	(44,206)
Other current liabilities	26,422,037	2,492,889	-	-
Cash flows generated from operations	4,891,723	117,303,337	7,022,614	6,127,333
Interest received	2,507,195	2,571,501	-	-
Income taxes paid	(4,618,696)	(8,027,282)	(166,596)	(116,534)
Interest paid	(32,365,798)	(22,583,995)	(8,071,338)	(5,411,619)
Net cash flows (used in)/ generated from operating activities	(29,585,576)	89,263,561	(1,215,320)	599,180
Investing activities				
Purchase of property, plant and equipment	(92,153,079)	(32,965,922)	-	-
Additions to land held for development	(46,325,896)	(143,926,962)	-	-
Proceeds from disposal of property, plant and equipment	809,348	3,855,511	-	-
Net proceeds from disposal of assets held for sale	1,944,980	-	-	-
Disposal of subsidiaries	(143,528)	-	-	-
Investment in an associate	(490,000)	-	-	-
Acquisition of subsidiaries	(11,085,875)	-	-	(23,150,000)
(Advances to)/repayment from subsidiaries	-	-	(23,178,494)	9,691,867
Repayment from/(advances to) joint venture	650,000	(7,289,895)	-	-
Advances to associate	(6,027,000)	-	-	-
Net cash flows used in investing activities	(152,821,050)	(180,327,268)	(23,178,494)	(13,458,133)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Financing activities				
Dividends paid on ordinary shares	(3,533,627)	(3,533,587)	(3,533,627)	(3,533,587)
Proceeds from conversion of warrants	6,720	-	6,720	-
Proceeds from issuance of shares by a subsidiary to non-controlling interests	-	3	-	-
Drawdown of loans and borrowings	1,007,645,864	417,537,432	60,310,000	12,860,000
Repayment of loans and borrowings	(804,509,866)	(322,747,607)	(32,860,000)	(5,900,000)
Repayment of hire purchase payables	(15,079,587)	(10,781,582)	-	-
Advances from a corporate shareholder of a subsidiary	1,997,750	881,450	-	-
Repayment of lease liabilities (Addition to)/withdrawal of pledged fixed deposits	(1,152,842)	7,343,090	-	-
Net cash flows generated from financing activities	<u>181,688,746</u>	<u>85,643,110</u>	<u>23,923,093</u>	<u>3,426,413</u>
Decrease in cash and cash equivalents	(717,880)	(5,420,597)	(470,721)	(9,432,540)
Effect of exchange rate changes on cash and cash equivalents	(84,796)	3,789,945	-	-
Cash and cash equivalents at 1 January	<u>58,714,694</u>	<u>60,345,346</u>	<u>757,334</u>	<u>10,189,874</u>
Cash and cash equivalents at 31 December (Note 21)	<u><u>57,912,018</u></u>	<u><u>58,714,694</u></u>	<u><u>286,613</u></u>	<u><u>757,334</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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 principal place of business of the Company is located at Suite 19.06, Level 19, Johor Bahru City Square, 106 - 108, Jalan Wong Ah Fook, 80000 Johor Bahru, Johor Darul Ta'zim. The registered office is located at Office Suite No.603 Block C, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor.

The principal activity of the Company is investment holding. The principal activities and other information of the subsidiaries are disclosed in Note 15.

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

2. Material accounting policy information

2.1 Basis of preparation

The financial statements of the Group and 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.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

2.2 Changes in accounting policies

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

On 1 January 2024, the Group and the Company adopted the following Amendments mandatory for annual financial periods beginning on or after 1 January 2024:

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to MFRS 107: Statement of Cash Flows and MFRS 7: Financial Instruments: Disclosures - Supplier Finance Arrangements	1 January 2024

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policy information (cont'd)

2.2 Changes in accounting policies (cont'd)

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendment to MFRS 16: Leases - Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Presentation of Financial Statements	
- Classification of Liabilities as Current or Non-current	1 January 2024
- Non-current Liabilities with Covenants	1 January 2024

The directors are of opinion that the Amendments above did not have any material impact on the financial statements.

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

The Standards, Amendments and Annual Improvements 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, Amendments and Annual Improvements if applicable, when they become effective.

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to MFRS 121: The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability	1 January 2025
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	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 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policy information (cont'd)

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

MFRS 18 Presentation and Disclosure in Financial Statement

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.

(iv) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policy information (cont'd)

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

MFRS 18 Presentation and Disclosure in Financial Statement (cont'd)

The Group and the Company are currently assessing the impact of MFRS 18, particularly with respect to the structure of the statement of profit or loss, the statement 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 Investment in subsidiary

Subsidiaries are entities controlled by the Company. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's returns.

In the Company's separate financial statements, investment in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, all intra-group balances, income and expenses and unrealised gains or losses resulting from intra-group transactions are eliminated in full. Uniform accounting policies are applied to like transactions and events in similar circumstances.

2.6 Business combination

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses. Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group and the Company. The identifiable assets acquired and liabilities assumed are measured at their fair values at the acquisition date. The cost of an acquisition is measured as the aggregate of the fair value of the consideration transferred. Non-controlling interests are stated either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

When a business combination is achieved in stages, the Group and the Company remeasure their previously held non controlling equity interest in the acquiree at fair value at the acquisition date, with any resulting gain or loss recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policy information (cont'd)

2.6 Business combination (cont'd)

The Group measures goodwill as the excess of the cost of an acquisition, as defined above, and the fair values of any previously held interest in the acquiree, over the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Transaction costs, other than those associated with the issuance of debt or equity securities that the Group incurs in connection with a business combination, are expensed as incurred.

2.7 Non-controlling interests

Non-controlling interests at the reporting period, being the portion of the net assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and other comprehensive income for the year between the non-controlling interests and shareholders of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests, even if doing so causes the non-controlling interests to have a deficit balance.

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's proportionate share of net assets before and after the change, and any fair value of consideration received or paid, is recognised directly in equity as transactions with shareholders.

2.8 Loss of control

Upon the loss of control of a subsidiary, the Group and the Company derecognise the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from its consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group and the Company retain any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as a fair value through other comprehensive income ("FVOCI") financial asset depending on the level of influence retained.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policy information (cont'd)

2.9 Investments in joint ventures and associated company

The Group holds interests in joint ventures and associated company as disclosed in Note 16 and 17.

In the Company's separate financial statements, investments in associated company and joint ventures are stated at cost less impairment losses.

Investments in associated company and joint ventures are accounted in the consolidated statements by the equity method of accounting. Distributions received from associated company and joint ventures reduce the carrying amount of the investment.

Unrealised gains on transactions between the Group and its associated company or joint ventures are eliminated to the extent of the Group's interest in the associated company or joint ventures. Unrealised losses are eliminated unless the transaction provides evidence of impairment of the asset transferred.

2.10 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation on other property, plant and equipment is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land	1.25%
Buildings	2% - 10%
Plant, machinery and motor vehicles	10% - 33.33%
Furniture and equipment	10% - 20%

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

Quarry development expenditure consists of expenditure incurred to construct infrastructure to facilitate the quarry operations. Quarry development expenditure is amortised over 5 years.

2.11 Investment properties

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

Depreciation is charged to profit or loss on a straight-line method over the estimated useful lives of the investment properties. The estimated useful lives of the investment properties are 50 years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policy information (cont'd)

2.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity investment of another entity.

(a) Financial assets

Financial assets at amortised cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

Impairment of financial assets

The Group recognises 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 expects 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 applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(b) Financial liabilities

Financial liabilities at amortised cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policy information (cont'd)

2.13 Land held for development and development properties

(a) Land held for development

Land held for development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at lower of cost or net realisable value.

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

(b) Development properties

Development properties comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

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

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

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

Development properties cost not recognised as an expense are recognised as an assets, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in profit or loss over billings to purchases is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings within trade payables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policy information (cont'd)

2.14 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 first-in first-out basis.
- Finished goods: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in first-out basis.
- Completed properties; cost is determined on specific identification basis and comprises cost associated with the acquisition of land, construction costs and appropriate proportion of development overheads.

2.15 Right-of-use assets and lease liabilities

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

The Group and the Company apply the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Group and the Company recognise the lease payments as an operation expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(b) Right-of-use assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the end of the estimated useful lives of their right-of-use assets or the end of the lease term, whichever is earlier.

(c) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policy information (cont'd)

2.16 Assets held for sale

Assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with the Group's accounting policies. Upon classification as held for sale, the assets are not depreciated and are measured at the lower of their previous carrying amount and fair value less cost to sell. Any differences are recognised in profit or loss.

2.17 Revenue from contracts with customers

(a) Construction contracts

The Group contracts with its customers for construction services. Revenue from construction contracts is recognised over time using the input method, which is based on the actual cost incurred to date on the construction project as compared to the total budgeted cost for the respective construction project.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expenses in the year in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

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

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

(b) Sale of goods

The Group contracts with its customers for the sales of goods. Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policy information (cont'd)

2.17 Revenue from contracts with customers (cont'd)

(c) Sales of development properties under construction

The revenue from development properties under construction is measured at the fixed transaction price stated in the sale and purchase agreement.

Revenue from development properties under construction is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset is transferred over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group recognises revenue over time using the input method, which is based on the actual cost incurred to date on the development properties as compared to the total budgeted cost for the respective development properties.

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

Development properties cost not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in profit or loss over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings within trade payables.

(d) Sales of completed development properties

Revenue relating to sale of completed development properties is recognised at the point in time when the control of the property has been transferred to the purchaser, being when vacant possession of the property has been delivered to the customer and it is probable that the Group will collect the consideration to which it will be entitled to in exchange for the asset sold.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policy information (cont'd)

2.17 Revenue from contracts with customers (cont'd)

(e) Interest income

Interest income is recognised on a time proportion basis that reflects the effective yield on the asset.

(f) Rental income

Rental income is recognised on accrual basis.

(g) Dividend income

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

3. Significant accounting judgements and estimates

The preparation of the Group's and of the Company's 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 reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

There are no critical judgements made by the management in the process of applying the Group's and the Company's accounting policies that have significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. Significant accounting judgements and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(a) Revenue recognition

(i) Construction contracts

For construction revenue where the Group satisfies its performance obligations over time, management has determined that a cost-based input method provides a faithful depiction of the Group's performance in transferring control of the development construction to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for the construction work. The measure of progress is based on the costs incurred to date as a proportion of total costs expected to be incurred up to the completion of the construction work.

Significant judgement is required in determining the stage of completion, the extent of the construction costs incurred, the estimated total construction revenue and costs. In making the judgement, the Group evaluates based on past experiences and by relying on the work of specialists.

(ii) Development properties

The Group recognises property development revenue and expenses in the statements of comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the stage of completion, the extent of the construction cost incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of internal specialist.

(b) Deferred tax assets

Deferred tax assets are recognised for all unused tax credits to the extent that it is probable that taxable profit will be available against which the unused tax credits (primarily investment tax allowances 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. Significant accounting judgements and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(c) Provision for expected credit loss of trade and other receivables

The Group uses a provision matrix to calculate ECLs for trade and others receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the construction and property development sectors, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

(d) Provision for defect liability costs

The Group recognises a provision for defect liability costs in respect of construction projects. In determining the provision, the Group has made assumptions and estimations in relation to defect liability rates and the expected timing of these costs. The carrying amount of the provision for defect liability costs as at 31 December 2024 was RM15,000,000 (2023: RM9,980,000) as disclosed in Note 26.

If the estimated defect liability rates used in the computation of provision for defect liability costs differ by 1% (2023: 1%) with all other assumptions remain constant, the Group's provision for defect liability costs will vary by RM8,900,000 (2023: RM3,990,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. Significant accounting judgements and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(e) Write down of land held for development

The Group measures its land held for development at lower of cost or net realisable value.

The net realisable values of land held for development are determined by valuations performed by independent registered valuers using the comparison method.

Under the comparison method, the market value of a land parcel is estimated based on comparable transactions. This approach is based upon the principle of substitution under which a potential buyer would not pay more for the land than it would cost to buy a comparable substitute property. The land is valued by reference to transactions of similar land parcels in its surrounding area with adjustments made for differences in location, terrain, size and shape of the land, tenure, title restrictions, if any and other relevant characteristics.

4. Revenue

(a) Revenue from contracts with customers

	Group	
	2024	2023
	RM	RM
Types of goods and services		
Construction contracts	998,763,939	638,547,457
Sales of building materials	28,819,846	21,629,725
Sales of completed properties	3,481,650	-
Sales of concrete products	171,245,520	168,568,300
Sales of development properties	5,082,190	23,808,764
	<u>1,207,393,145</u>	<u>852,554,246</u>
Timing of revenue recognition		
Transferred over time	1,003,846,129	662,356,221
Transferred at a point in time	203,547,016	190,198,025
	<u>1,207,393,145</u>	<u>852,554,246</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

4. Revenue (cont'd)

(b) Contract assets and contract liabilities

Information about receivables, contract assets and contract liabilities from contracts with customers is disclosed as follows:

	Group	
	2024	2023
	RM	RM
Receivables from contracts with customers (Note 20)	518,237,796	382,772,295
Contract assets	383,546,716	282,196,733
Contract liabilities	<u>45,915,638</u>	<u>(20,015,968)</u>

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at the reporting date. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities primarily relate to the Group's billings in advance at the reporting date. Contract liabilities are reversed and revenue is recognised as work is completed.

Contract assets that are impaired

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

	Group	
	2024	2023
	RM	RM
Contract assets - nominal amounts	190,000	25,581,137
Less: Allowance for impairment	<u>(190,000)</u>	<u>(25,581,137)</u>
	<u>-</u>	<u>-</u>

Movement in allowance accounts:

	Group	
	2024	2023
	RM	RM
At 1 January	25,581,137	25,581,137
Reversal of impairment loss (Note 6)	<u>(25,391,137)</u>	-
At 31 December	<u>190,000</u>	<u>25,581,137</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

4. Revenue (cont'd)

(b) Contract assets and contract liabilities (cont'd)

Remaining performance obligations

The remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2024 and 2023 are as follows:

	Group	
	2024	2023
	RM	RM
Within one year	2,389,624,811	1,397,630,700
More than one year	942,318,967	793,450,674
	<u>3,331,943,778</u>	<u>2,191,081,374</u>

(c) Other revenue

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Dividend income from subsidiaries	-	-	4,000,000	4,000,000
Interest income from subsidiaries	-	-	5,937,431	4,893,149
Interest income from licensed banks	19,426	14,264	19,426	14,264
	<u>19,426</u>	<u>14,264</u>	<u>9,956,857</u>	<u>8,907,413</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

5. Finance costs

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest expense on:				
- bank loan, bank overdrafts, invoice financing and bankers' acceptance	28,050,821	19,334,819	4,929,818	4,245,727
- hire purchase arrangements	2,561,397	1,163,831	-	-
- advance from a subsidiary	-	-	1,730,888	1,330,840
- advance from corporate shareholder of a subsidiary	331,759	242,720	-	-
- advance from corporate shareholder of a former subsidiary	229,262	-	-	-
- unwinding of discount on amounts due to former shareholders of subsidiaries	1,540,587	-	-	-
- lease liabilities (Note 24)	382,297	220,096	-	-
	<u>33,096,123</u>	<u>20,961,466</u>	<u>6,660,706</u>	<u>5,576,567</u>
Less: Interest expenses capitalised in development properties (Note 18)	(7,772,500)	(5,391,056)	-	-
	<u>25,323,623</u>	<u>15,570,410</u>	<u>6,660,706</u>	<u>5,576,567</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

6. Profit/(loss) before tax

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

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Auditors' remuneration:				
Statutory audits				
- Current year				
- Ernst & Young PLT	535,000	-	87,000	-
- Other auditors	24,349	293,966	-	43,500
- Other services				
- Ernst & Young PLT	10,000	-	10,000	-
- Other auditors	-	5,000	-	5,000
Allowance for impairment on trade receivables (Note 20)	107,000	-	-	-
Reversal of allowance for impairment on trade receivables (Note 20)	(18,184,023)	(497,972)	-	-
Reversal of allowance for impairment on contract assets (Note 4)	(25,391,137)	-	-	-
Bad debts recovered	(678,290)	(90,012)	-	-
Bad debts written off	-	13,529	-	-
Employee benefits expenses (Note 7)	107,319,220	89,938,401	-	-
Non-executive directors' remuneration (Note 8)	446,700	415,500	446,700	415,500
Hire of plant and machinery	39,802,371	14,988,808	-	-
Depreciation of property, plant and equipment (Note 11)	27,861,030	21,596,467	-	-
Depreciation of right-of-use assets (Note 12)	3,819,906	3,055,739	-	-
Depreciation of investment properties (Note 13)	6,549	6,549	-	-
Loss on disposal of subsidiaries (Note 15)	273,080	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

6. Profit/(loss) before tax (cont'd)

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

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Gain on disposal of property, plant and equipment	(514,900)	(906,446)	-	-
Gain on remeasurement of financial liabilities	(1,007,022)	-	-	-
Property, plant and equipment written off	86,542	1,493,269	-	-
Write back of land held for development (Note 18(a))	(1,500,000)	(3,900,000)	-	-
Gain on derecognition due to lease modification	(41,504)	(3,338)	-	-
Loss on disposal of assets held for sale	455,437	-	-	-
Gain on deemed disposal of investment in joint venture (Note 17)	(1,837,388)	-	-	-
Short term leases:				
- equipment	16,616	10,296	-	-
- land and building	1,106,051	721,832	-	-
- office equipment	178,630	156,608	-	-
Provision for impairment loss on investment in subsidiaries	-	-	-	10,027,486
Interest income from financial assets at amortised cost	(2,588,083)	(1,872,439)	-	-
Provision for/(reversal of) defect liability costs (Note 26)	5,020,000	(1,561,000)	-	-
Foreign exchange loss/(gain)				
- realised	851,319	4,582,078	-	-
- unrealised	7,387,217	(8,721,197)	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

7. Employee benefits expenses

	Group	
	2024 RM	2023 RM
Wages, salaries and bonus	98,355,365	82,997,072
Defined contribution plan	7,637,927	5,893,432
Social security contributions	1,325,928	1,047,897
	<u>107,319,220</u>	<u>89,938,401</u>

Included in employee benefits expenses of the Group are executive directors' remuneration amounting to RM5,283,676 (2023: RM4,712,918) as disclosed in Note 8.

8. Directors' remuneration

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

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Directors of the Company				
Executive:				
Salaries and other emoluments	4,686,235	4,117,877	-	-
Defined contribution plan	597,441	595,041	-	-
Total executive directors' remuneration (excluding benefits-in-kind) (Note 7)	5,283,676	4,712,918	-	-
Estimated money value of benefits-in-kind	77,920	77,920	-	-
Total executive directors' remuneration (including benefits-in-kind)	<u>5,361,596</u>	<u>4,790,838</u>	-	-
Non-Executive:				
Fees	421,200	390,000	421,200	390,000
Other emoluments	25,500	25,500	25,500	25,500
Total non-executive directors' remuneration	<u>446,700</u>	<u>415,500</u>	<u>446,700</u>	<u>415,500</u>
Total directors' remuneration	<u>5,808,296</u>	<u>5,206,338</u>	<u>446,700</u>	<u>415,500</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2024 and 2023 are:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Statements of comprehensive income:				
Current income tax:				
- Malaysian income tax	6,770,996	5,320,460	173,000	142,000
- Under/(over) provision in prior years	179,220	(1,776,246)	1,180	21,393
- Foreign income tax	128,567	-	-	-
	<u>7,078,783</u>	<u>3,544,214</u>	<u>174,180</u>	<u>163,393</u>
Deferred tax (Note 27):				
- Origination and reversal of temporary differences	10,400,525	1,042,527	-	-
- Underprovision in prior years	137,296	1,590,565	-	-
	<u>10,537,821</u>	<u>2,633,092</u>	<u>-</u>	<u>-</u>
Income tax expense recognised in profit or loss	<u>17,616,604</u>	<u>6,177,306</u>	<u>174,180</u>	<u>163,393</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 24%) of the estimated assessable profit/(loss) for the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9. Income tax expense (cont'd)

Reconciliation between income tax expense and accounting profit/(loss)

The reconciliations between income tax expense and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the years ended 31 December 2024 and 2023 are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit/(loss) before tax	68,398,279	13,055,155	1,778,235	(8,066,917)
Taxation at Malaysian statutory tax rate of 24% (2023: 24%)	16,415,587	3,133,238	427,000	(1,936,000)
Different tax rates in other countries	(80,356)	1,934	-	-
Effect of expenses not deductible for tax purposes	5,350,758	3,487,393	706,000	3,038,000
Effect of income not subject to tax	(1,043,858)	(1,113,064)	(960,000)	(960,000)
Deferred tax assets not recognised on unutilised tax losses, unabsorbed capital allowances and other temporary differences	585,255	166,922	-	-
Deferred tax assets recognised on unutilised tax losses, unabsorbed capital allowances and other temporary differences	(870,157)	-	-	-
Utilisation of current year's reinvestment allowances	(825,317)	(67,708)	-	-
Utilisation of previous year's unrecognised business loss, unabsorbed capital allowances and other temporary differences	(2,156,346)	-	-	-
Share of tax of associate	79,116	-	-	-
Share of tax of joint ventures	(154,594)	754,272	-	-
Under/(over)provision of income tax in prior years	179,220	(1,776,246)	1,180	21,393
Underprovision of deferred tax in prior years	137,296	1,590,565	-	-
Income tax expense recognised in profit or loss	17,616,604	6,177,306	174,180	163,393

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

10. Earnings per share

(a) Basic earnings per share

Basic earnings per share amounts are calculated by dividing profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

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

	Group	
	2024	2023
Profit net of tax attributable to owners of the Company (RM)	51,244,454	7,054,548
Weighted average number of ordinary shares in issue	353,382,716	353,358,716
Basic earnings per share (sen)	<u>14.50</u>	<u>2.00</u>

(b) Diluted earnings per share

Diluted earnings per share amounts are calculated by dividing profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares from exercise of the warrants. Dilutive potential ordinary shares are deemed to have been converted at the beginning of the financial year or, if later, the date of the issue of the potential ordinary shares.

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

	Group	
	2024	2023
Profit net of tax attributable to owners of the Company (RM)	51,244,454	7,054,548
Weighted average number of ordinary shares in issue	353,382,716	353,358,716
Diluted earnings per share (sen)	<u>14.50</u>	<u>2.00</u>

In the previous financial year, the outstanding warrants were not included in the weighted average number of ordinary shares used in the calculation of diluted earnings per share as their effect would have been antidilutive.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

11. Property, plant and equipment

Group	Freehold land RM	Leasehold land RM	Buildings RM	Plant, machinery and motor vehicles RM	Furniture and equipment RM	Construction in progress RM	Quarry development expenditure RM	Total RM
Cost								
At 1 January 2023	5,186,536	16,394,806	72,889,419	346,051,049	12,473,631	3,212,672	-	456,208,113
Additions	-	-	136,000	32,490,009	634,190	20,574,132	697,163	54,531,494
Disposals	-	-	-	(7,235,699)	(8,414)	-	-	(7,244,113)
Written off	-	-	-	(136,100)	(2,166,603)	-	-	(2,302,703)
Transfer	-	-	-	4,601,263	-	(4,601,263)	-	-
At 31 December 2023 and 1 January 2024	5,186,536	16,394,806	73,025,419	375,770,522	10,932,804	19,185,541	697,163	501,192,791
Additions	-	-	110,807	112,097,408	1,354,465	20,338,783	116,801	134,018,264
Disposals	-	-	-	(2,213,258)	(198,252)	-	-	(2,411,510)
Written off	-	-	-	(95,480)	(80,360)	-	-	(175,840)
Transfer	-	-	25,371,080	291,245	-	(25,662,325)	-	-
Acquisition of subsidiaries	-	-	3,150,000	-	77,007	-	-	3,227,007
At 31 December 2024	5,186,536	16,394,806	101,657,306	485,850,437	12,085,664	13,861,999	813,964	635,850,712

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

11. Property, plant and equipment (cont'd)

Group	Freehold land RM	Leasehold land RM	Buildings RM	Plant, machinery and motor vehicles RM	Furniture and equipment RM	Construction in progress RM	Quarry development expenditure RM	Total RM
Accumulated depreciation								
At 1 January 2023	-	2,187,816	24,039,113	290,889,749	7,973,870	-	-	325,090,548
Charge for the year (Note 6)	-	205,139	2,196,792	18,419,833	709,648	-	65,055	21,596,467
Disposals	-	-	-	(4,292,356)	(2,692)	-	-	(4,295,048)
Written off	-	-	-	(73,806)	(735,628)	-	-	(809,434)
At 31 December 2023 and 1 January 2024	-	2,392,955	26,235,905	304,943,420	7,945,198	-	65,055	341,582,533
Charge for the year (Note 6)	-	205,139	2,330,955	24,491,045	661,893	-	171,998	27,861,030
Disposals	-	-	-	(2,073,391)	(43,671)	-	-	(2,117,062)
Written off	-	-	-	(20,420)	(68,878)	-	-	(89,298)
Acquisition of subsidiaries	-	-	15,869	-	66,527	-	-	82,396
At 31 December 2024	-	2,598,094	28,582,729	327,340,654	8,561,069	-	237,053	367,319,599
Net carrying amount								
At 31 December 2023	5,186,536	14,001,851	46,789,514	70,827,102	2,987,606	19,185,541	632,108	159,610,258
At 31 December 2024	5,186,536	13,796,712	73,074,577	158,509,783	3,524,595	13,861,999	576,911	268,531,113

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

11. Property, plant and equipment (cont'd)

Assets held under hire purchase arrangements

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM41,865,185 (2023: RM21,565,572) by means of hire purchase arrangements. The cash outflow on acquisition of property, plant and equipment amounted to RM92,153,079 (2023: RM32,965,922).

The carrying amount of property, plant and equipment held under hire purchase arrangements at the reporting date were as follows:

	Group	
	2024	2023
	RM	RM
Plant, machinery and motor vehicles	64,655,901	33,020,668

Leased assets are pledged as security for the related hire purchase arrangements as disclosed in Note 23.

12. Right-of-use assets

The Group has entered into non-cancellable operating lease agreements for the use of land, buildings, machinery and equipment. The leases generally have lease terms of between 1 year to 5 years.

The Group also has certain leases with lease terms of 12 months or less and leases that have been determined to be low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Land and buildings RM	Machinery and equipment RM	Total RM
As at 1 January 2023	5,976,969	7,007	5,983,976
Additions (Note 24)	2,269,035	-	2,269,035
Depreciation for the year (Note 6)	(3,048,732)	(7,007)	(3,055,739)
Derecognition	(29,101)	-	(29,101)
As at 31 December 2023 and 1 January 2024	5,168,171	-	5,168,171
Additions (Note 24)	7,098,300	-	7,098,300
Depreciation for the year (Note 6)	(3,819,906)	-	(3,819,906)
Derecognition	(1,334,713)	-	(1,334,713)
At 31 December 2024	7,111,852	-	7,111,852

The details of lease liabilities in respect of right-of-use assets are disclosed in Note 24.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

13. Investment properties

	Group	
	2024 RM	2023 RM
Cost		
At 1 January/31 December	327,444	327,444
Accumulated depreciation		
At 1 January	194,421	187,872
Charge for the year (Note 6)	6,549	6,549
At 31 December	200,970	194,421
Net carrying amount		
At 31 December	126,474	133,023

The fair value of the investment properties as at 31 December 2024 was RM1,000,000 (2023: RM950,000).

14. Other investments

	Group	
	2024 RM	2023 RM
Club memberships, at cost	75,000	75,000

15. Investment in subsidiaries

	Company	
	2024 RM	2023 RM
Unquoted shares, at cost		
At the beginning of the financial year	349,847,909	327,520,576
Addition	-	23,150,000
Strike off of a subsidiary	-	(822,667)
At the end of the financial year	349,847,909	349,847,909
Accumulated impairment losses		
At the beginning of the financial year	(10,000,000)	(795,181)
Strike off of a subsidiary	-	822,667
Reversal/(addition)	-	(10,027,486)
At the end of the financial year	(10,000,000)	(10,000,000)
Net carrying amount		
At the end of the financial year	339,847,909	339,847,909

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

15. Investment in subsidiaries (cont'd)

Details of the subsidiaries are as follows:

Name	Place of business/ Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2024	2023
Held by the Company:				
Kimlun Sdn. Bhd.	Malaysia	Building and infrastructure contractors	100	100
SPC Industries Sdn. Bhd.	Malaysia	Ready mix concrete production and manufacturing of pre-cast concrete products	100	100
Kimlun Land Sdn. Bhd.	Malaysia	Investment holding, property investment and development	100	100
KL Building Materials Sdn. Bhd.	Malaysia	Manufacturing and trading of all kinds of building and construction materials, and provision of quarry services and machinery rental services	100	100
Kii Amber Sdn. Bhd.	Malaysia	Investment holding, property investment and development	100	100
Kimlun Medini Sdn. Bhd.	Malaysia	Property development and property investment	33	33
Held through Kimlun Sdn. Bhd.:				
Kimlun Superior Crest Sdn. Bhd.	Malaysia	Building and infrastructure contractors	60	60
Held through Kimlun Land Sdn. Bhd.:				
Kimlun Medini Sdn. Bhd.	Malaysia	Property development and property investment	67	67
Kitaran Lintas Sdn. Bhd.	Malaysia	Property development and property investment	100	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

15. Investment in subsidiaries (cont'd)

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

Name	Place of business/ Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2024	2023
Held through Kimlun Land Sdn. Bhd.:				
Kiiville Sdn. Bhd.	Malaysia	Investment holding, property investment and development	100	100
Kii Ashbury Sdn. Bhd.	Malaysia	Investment holding, property investment and development	100	100
Kii Morris Sdn. Bhd.	Malaysia	Investment holding, property investment and development	100	100
Kii Tebrau Sdn. Bhd.	Malaysia	Dormant	-	70
Posh Atlantic Sdn. Bhd.	Malaysia	Investment holding, property investment and development	100	-
Bonus Focus Development Sdn. Bhd. *	Malaysia	Property development	70	-
Held through Kii Amber Sdn. Bhd.				
Bayu Damai Sdn. Bhd.	Malaysia	Property development and property investment	49	49
Kii Melodia Sdn. Bhd.	Malaysia	Property development and property investment	69.5	69.5
Held through Posh Atlantic Sdn. Bhd.				
Pinegate Development Sdn. Bhd.	Malaysia	Property development and property investment	100	-

* Audited by a firm of chartered accountants other than Ernst & Young PLT, Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

15. Investment in subsidiaries (cont'd)

(a) During the financial year:

(i) Additional investments

At the end of the previous financial year, Kimlun Land Sdn. Bhd. ("KLLSB"), a wholly-owned subsidiary of the Company, held 51% interest in the ordinary shares of Posh Atlantic Sdn. Bhd. ("PASB"), a joint venture of the Group. During the current financial year, KLLSB acquired the remaining 49% interest in PASB from the other joint venture partner for a consideration of RM11,707,000. Following the acquisition, PASB became a subsidiary of the Group.

During the current financial year, KLLSB acquired ordinary shares in Bonus Focus Development Sdn. Bhd. ("BFDSB") for a total consideration of RM105,000. Following the acquisition, BFDSB became a subsidiary of the Group.

The fair values of the identifiable assets and liabilities of acquired subsidiaries as at the acquisition date were:

	PASB RM	BFDSB RM	Total RM
Assets			
Property, plant and equipment	3,144,611	-	3,144,611
Deferred tax assets	216,206	-	216,206
Development properties	119,348,708	-	119,348,708
Inventories	7,975,997	-	7,975,997
Trade and other receivables	47,109	4,321,152	4,368,261
Prepayments	2,204,740	-	2,204,740
Cash and bank	724,023	2,102	726,125
	<u>133,661,394</u>	<u>4,323,254</u>	<u>137,984,648</u>
Liabilities			
Loans and borrowings	46,099,641	-	46,099,641
Trade and other payables	63,243,513	4,195,448	67,438,961
Provision for taxation	58,887	-	58,887
Total liabilities	<u>109,402,041</u>	<u>4,195,448</u>	<u>113,597,489</u>
Total identifiable net assets	24,259,353	127,806	24,387,159
Less: non-controlling interest	<u>(395,624)</u>	<u>(38,342)</u>	<u>(433,966)</u>
Group's interest in fair value of identifiable net assets	23,863,729	89,464	23,953,193
Less: Fair value of existing shareholdings	(12,156,729)	-	(12,156,729)
Less: cash consideration paid	<u>(11,707,000)</u>	<u>(105,000)</u>	<u>(11,812,000)</u>
Goodwill	<u>-</u>	<u>(15,536)</u>	<u>(15,536)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

15. Investment in subsidiaries (cont'd)

(a) During the financial year: (cont'd)

(i) Additional investments (cont'd)

The effect of the acquisition on cash flows is as follows:

	PASB RM	BFDSB RM	Total RM
Purchase consideration	11,707,000	105,000	11,812,000
Less: Cash and cash equivalents of subsidiaries acquired	<u>(724,023)</u>	<u>(2,102)</u>	<u>(726,125)</u>
Net cash outflow on acquisition	<u>10,982,977</u>	<u>102,898</u>	<u>11,085,875</u>

(ii) Disposal of subsidiaries

During the current financial year, KLLSB disposed its entire shareholding in Kii Tebrau Sdn. Bhd. ("KTSB") for a consideration of RM7.

During the current financial year, PASB disposed its entire shareholdings in Rex Series Sdn Bhd ("RSSB") for a cash consideration of RM6.

On the date of disposal, the difference between the consideration and the book value of the interest disposed was reflected as gain or loss on disposal in profit or loss.

	KTSB RM	RSSB RM	Total RM
Net assets derecognised			
Development properties	-	41,113,609	41,113,609
Other current assets	-	1,899,773	1,899,773
Cash and bank balances	10	143,531	143,541
Loan and borrowings	-	(24,699,641)	(24,699,641)
Payables and other liabilities	<u>(5,000)</u>	<u>(17,996,295)</u>	<u>(18,001,295)</u>
Net assets derecognised	(4,990)	460,977	455,987
Less:			
Non-controlling interest derecognised	1,497	(184,391)	(182,894)
Proceeds from disposal	<u>(7)</u>	<u>(6)</u>	<u>(13)</u>
(Gain)/loss on disposal of subsidiaries	<u>(3,500)</u>	<u>276,580</u>	<u>273,080</u>

The effect of disposal of shares in subsidiaries on cash flows was as follows:

	KTSB RM	RSSB RM	Total RM
Cash outflow arising on disposal	<u>(3)</u>	<u>(143,525)</u>	<u>(143,528)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

15. Investment in subsidiaries (cont'd)

(b) In the previous financial year:

- (i) the Company subscribed for additional ordinary shares in Kii Amber Sdn. Bhd., a wholly-owned subsidiary of the Company for a total consideration of RM23,150,000 satisfied by cash.
- (ii) I-Buildtech Solution Pte. Ltd., a wholly-owned subsidiary of the Company had been struck off from the register pursuant to Section 344A of the Companies Act 1967 of Singapore and was accordingly dissolved.

(c) The non-controlling interests at the end of the reporting period comprise the following:

	Proportion (%) of ownership interest		Group	
	2024	2023	2024 RM	2023 RM
Bayu Damai Sdn. Bhd.	51	51	25,097,479	25,191,379
Other individually immaterial subsidiaries			1,214,696	1,332,503
			<u>26,312,175</u>	<u>26,523,882</u>

(d) The summarised financial information (before intra-group elimination) for subsidiary that has non-controlling interests that are material to the Group is as follows:

	Bayu Damai Sdn. Bhd.	
	2024 RM	2023 RM
<u>At 31 December</u>		
Non-current assets	135,070,759	129,625,922
Current assets	1,799,240	1,625,226
Current liabilities	(15,154,477)	(9,153,181)
Non-current liability	(72,504,780)	(72,703,106)
Net assets	<u>49,210,743</u>	<u>49,394,861</u>
Equity attributable to:		
- owners of the Company	24,113,264	24,203,482
- non-controlling interests	25,097,479	25,191,379
	<u>49,210,743</u>	<u>49,394,861</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

15. Investment in subsidiaries (cont'd)

- (d) The summarised financial information (before intra-group elimination) for subsidiary that has non-controlling interests that are material to the Group is as follows (cont'd):

	Bayu Damai Sdn. Bhd.	
	2024	2023
	RM	RM
<u>Financial year ended 31 December</u>		
Total comprehensive loss	184,118	212,520
Total comprehensive loss attributable to:		
- owner of the Company	90,218	104,135
- non-controlling interests	93,900	108,385
Net assets	<u>184,118</u>	<u>212,520</u>
Net cash flows (used in)/generated from operating activities		
	(4,665,254)	7,480,335
Net cash flows used in investing activity	(133,583)	(118,379,517)
Net cash flows generated from financing activities	5,065,562	102,742,520
Net increase/(decrease) in cash and cash equivalents	266,725	(8,156,662)
Cash and cash equivalents at 1 January	42,946	8,199,608
Cash and cash equivalents at 31 December	<u>309,671</u>	<u>42,946</u>

16. Investment in an associate

	Group	
	2024	2023
	RM	RM
Unquoted shares, at cost	490,000	-
Share of post-acquisition reserves	(329,650)	-
	<u>160,350</u>	<u>-</u>
Represented by:		
Share of net assets	<u>160,350</u>	<u>-</u>

Details of the associate are as follows:

Name	Place of business/ Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2024	2023
Held through				
Kii Amber Sdn. Bhd.				
Astaka Kimlun Sdn. Bhd.	Malaysia	Property development and property investment	49	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

16. Investment in an associate (cont'd)

During the current financial year, Kii Amber Sdn. Bhd. ("KIASB"), a wholly-owned subsidiary of the Company, subscribed for ordinary shares in Astaka Kimlun Sdn. Bhd. ("AKSB") for a consideration of RM490,000. Following the subscription, AKSB became an associate of the Group.

17. Investment in joint ventures

	Group	
	2024	2023
	RM	RM
Unquoted shares, at cost		
At the beginning of the financial year	4,830,000	4,830,000
Deemed disposal	(510,000)	-
At the end of the financial year	<u>4,320,000</u>	<u>4,830,000</u>
Share of post-acquisition reserves		
At the beginning of the financial year	7,663,222	10,410,291
Share of loss	(55,405)	(2,747,069)
Deemed disposal	(9,809,341)	-
At the end of the financial year	<u>(2,201,524)</u>	<u>7,663,222</u>
Represented by:		
Share of net assets	<u>2,118,476</u>	<u>12,493,222</u>

Name	Place of business/ Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2024	2023
Held through Kimlun Land Sdn. Bhd.:				
Posh Atlantic Sdn. Bhd. ^	Malaysia	Property development and property investment	-	51
Held through Kimlun Sdn. Bhd.:				
Zecon Kimlun Consortium Sdn. Bhd. *	Malaysia	Building and infrastructure contractor	30	30
JBB Kimlun Sdn. Bhd.	Malaysia	Building and infrastructure contractor	40	40

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

17. Investment in joint ventures (cont'd)

Name	Place of business/ Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2024	2023
Held through KL Building Materials Sdn. Bhd.:				
Rock Projects Sdn. Bhd.	Malaysia	Quarry and quarry related services	51	51

* Audited by a firm of chartered accountants other than Ernst & Young PLT, Malaysia.

^ Classified as a subsidiary of the Company during the current financial year (Note 15)

Summarised financial information on the significant joint venture is as follows:

(a) Summarised statements of financial position of material joint venture

Posh Atlantic Sdn. Bhd. ("PASB")

	Group	
	2024 RM	2023 RM
Non-current assets	-	3,384,757
Current assets	-	127,294,003
Total assets	-	130,678,760
Current liabilities	-	46,469,291
Non-current liabilities	-	62,932,750
Total liabilities	-	109,402,041
Equity attributable to owners of PASB	-	22,056,903
Non-controlling interests	-	(780,184)
	-	21,276,719

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

17. Investment in joint ventures (cont'd)

(b) Summarised statements of comprehensive income of material joint venture

Posh Atlantic Sdn. Bhd. ("PASB")

	Group	
	2024 RM	2023 RM
Revenue	-	245,000
Depreciation	-	(18,140)
Other operating income	-	15,561
Finance costs	-	(3,319,229)
Loss before tax from continuing operations	-	(4,450,679)
Income tax expense	-	(177,571)
Total comprehensive loss	<u>-</u>	<u>(4,628,250)</u>
Attributable to:		
- owners of PASB	-	(4,274,694)
- non-controlling interests	-	(353,556)
	<u>-</u>	<u>(4,628,250)</u>

(c) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in joint ventures.

Posh Atlantic Sdn. Bhd. ("PASB")

	Group	
	2024 RM	2023 RM
Net assets attributable to owners of the Company at 1 January	-	26,331,597
Total comprehensive loss attributable to owners of Company	-	(4,274,694)
Net assets attributable to owners of the Company at 31 December	-	22,056,903
Group's interest in PASB		51%
Group's share of net assets of PASB	-	11,249,021
Unrealised profit adjustments	-	(929,680)
Carrying amount of individually immaterial joint ventures	<u>2,118,476</u>	<u>2,173,881</u>
Carrying amount of Group's interest in joint ventures	<u>2,118,476</u>	<u>12,493,222</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

17. Investment in joint ventures (cont'd)

- (d) During the current financial year, KLLSB acquired the remaining 49% interest in PASB from the other joint venture partner for a total consideration of RM11,707,000. Following the acquisition, PASB became a subsidiary of the Group. Further details are disclosed in Note 15. The effects of the deemed disposal of PASB on the comprehensive income of the Group are as follows:

Group	RM
Group's share of net assets of PASB	11,249,021
Unrealised profit adjustments	(929,680)
Carrying amount of Group's interest in PASB	<u>10,319,341</u>
Fair value of Group's interest in PASB	<u>12,156,729</u>
Gain on deemed disposal of investment in joint venture	<u><u>(1,837,388)</u></u>

18. Land held for development and development properties

(a) Land held for development

Group	Freehold and leasehold land RM	Development costs RM	Total RM
At 1 January 2024	275,700,137	33,070,264	308,770,401
Additions	45,262,719	5,384,329	50,647,048
Write back	-	1,500,000	1,500,000
At 31 December 2024	<u><u>320,962,856</u></u>	<u><u>39,954,593</u></u>	<u><u>360,917,449</u></u>
At 1 January 2023	129,536,799	16,447,185	145,983,984
Additions	142,837,059	16,049,358	158,886,417
Write back	3,326,279	573,721	3,900,000
At 31 December 2023	<u><u>275,700,137</u></u>	<u><u>33,070,264</u></u>	<u><u>308,770,401</u></u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

18. Land held for development and development properties (cont'd)

(b) Development properties

Group	Freehold and leasehold land RM	Development costs RM	Total RM
Cumulative costs of development properties			
At 1 January 2024	138,183,395	58,172,325	196,355,720
Costs incurred during the year	330,390	85,287,230	85,617,620
Disposal of a subsidiary	(35,934,707)	(5,178,902)	(41,113,609)
Acquisition of subsidiaries	80,787,850	38,560,858	119,348,708
At 31 December 2024	<u>183,366,928</u>	<u>176,841,511</u>	<u>360,208,439</u>
At 1 January 2023	138,183,395	39,401,714	177,585,109
Costs incurred during the year	-	18,770,611	18,770,611
At 31 December 2023	<u>138,183,395</u>	<u>58,172,325</u>	<u>196,355,720</u>

	Group	
	2024 RM	2023 RM
Cumulative costs recognised in profit or loss		
At 1 January	(24,497,855)	(4,671,144)
Costs recognised during the year	<u>(6,052,853)</u>	<u>(19,826,711)</u>
At 31 December	<u>(30,550,708)</u>	<u>(24,497,855)</u>
Carrying amount	<u>329,657,731</u>	<u>171,857,865</u>

Included in costs incurred during the financial year on land held for development and development properties are:

	Group	
	2024 RM	2023 RM
Interest expenses (Note 5)	<u>7,772,500</u>	<u>5,391,056</u>

Land held for development and development properties with an aggregate carrying amount of RM538,700,150 (2023: RM306,998,838) are charged for bank borrowings as referred to in Note 23.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

19. Inventories

	Group	
	2024 RM	2023 RM
Cost:		
Raw materials	21,553,351	20,208,738
Finished goods	30,549,365	27,872,652
Completed properties	11,724,865	1,703,780
	63,827,581	49,785,170
Net realisable value:		
Finished goods	7,731,167	9,968,046
Completed properties	7,108,286	-
	78,667,034	59,753,216

During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM220,957,042 (2023: RM210,599,508).

In the previous financial year, certain completed properties with an aggregate carrying amount of RM1,411,009 were charged for bank borrowings as referred to in Note 23.

20. Trade and other receivables

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current				
Trade receivables				
Third parties	513,696,738	386,770,887	-	-
Amount due from joint venture	-	11,201,846	-	-
Amounts due from companies related to certain directors	5,401,482	3,737,009	-	-
	519,098,220	401,709,742	-	-
Less: Allowance for impairment				
- Third parties	(860,424)	(18,937,447)	-	-
Trade receivables, net	518,237,796	382,772,295	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

20. Trade and other receivables (cont'd)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other receivables				
Deposits	11,935,854	6,718,753	205,000	204,500
Sundry receivables	1,309,037	1,533,389	-	-
Amounts due from subsidiaries	-	-	92,232,708	93,875,322
Amount due from joint venture	3,652,432	18,647,238	-	-
Amount due from associate	6,107,888	-	-	-
Contract cost assets	483,304	247,429	-	-
	<u>23,488,515</u>	<u>27,146,809</u>	<u>92,437,708</u>	<u>94,079,822</u>
Total trade and other receivables	541,726,311	409,919,104	92,437,708	94,079,822
Add: Cash and bank balances (Note 21)	69,668,397	63,255,642	286,613	757,334
Less: Contract cost assets	(483,304)	(247,429)	-	-
Less: Deposits	(11,935,854)	(6,518,753)	(205,000)	(204,500)
Total financial assets at amortised cost	<u>598,975,550</u>	<u>466,408,564</u>	<u>92,519,321</u>	<u>94,632,656</u>

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2023: 30 to 90 days) terms, although in practice, this may extend to 120 days. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original certificated or invoiced amounts which represent their fair values on initial recognition.

Included in trade receivables is an amount of RM150,884,486 (2023: RM120,479,826), which represents retention sum receivable on construction contracts of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

20. Trade and other receivables (cont'd)

(a) Trade receivables (cont'd)

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

	Group	
	2024 RM	2023 RM
Neither past due nor impaired	321,669,669	205,108,735
1 to 30 days past due not impaired	52,567,565	42,395,891
31 to 60 days past due not impaired	11,303,173	31,150,189
61 to 90 days past due not impaired	11,946,253	11,285,795
91 to 120 days past due not impaired	41,978,286	9,443,478
More than 120 days past due not impaired	78,772,850	83,388,207
	196,568,127	177,663,560
Impaired	860,424	18,937,447
	<u>519,098,220</u>	<u>401,709,742</u>

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 RM196,568,127 (2023: RM177,663,560) that are past due at the reporting date but are not impaired and are not secured by any collateral or credit enhancements.

The management is confident that the balance of receivables that are past due but not impaired are recoverable as these are active accounts due from credit worthy debtors.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

20. Trade and other receivables (cont'd)

(a) Trade receivables (cont'd)

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	
	2024	2023
	RM	RM
Trade receivables - nominal amounts	860,424	18,937,447
Less: Allowance for impairment	(860,424)	(18,937,447)
	-	-

Movement in allowance accounts:

	Group	
	2024	2023
	RM	RM
At 1 January	18,937,447	20,568,093
Charge for the year (Note 6)	107,000	-
Reversal of impairment loss (Note 6)	(18,184,023)	(497,972)
Written off	-	(1,132,674)
At 31 December	860,424	18,937,447

Trade receivables that are impaired at the reporting date relate to debtors that have defaulted on payments and expected credit losses based on the Group's historical observed default rates. These receivables are not secured by any collateral or credit enhancements.

(b) Amounts due from subsidiaries

The amounts due from subsidiaries are unsecured, bear interest ranging from 4.82% to 7.93% (2023: 4.82% to 7.57%) per annum and are repayable on demand.

(c) Amount due from joint venture

The amount due from joint venture is unsecured, bear interest ranging from 6.82% to 7.56% (2023: 5.72% to 7.73%) per annum and is repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

20. Trade and other receivables (cont'd)

(d) Amount due from associate

The amount due from associate is unsecured, non-trade in nature and repayable on demand. Included in the amount is a loan of approximately RM6,027,000 (2023: Nil), which bears interest at 8.00% per annum.

(e) Contract cost assets

Incremental costs of obtaining contracts

The incremental costs of obtaining contracts primarily comprise commissions paid to sales agents and legal costs paid to lawyers as a result of obtaining property sales and purchase contracts with customers. The costs are to be amortised over the period when the related revenue is recognised.

(f) Prepayments

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Prepayment on acquisition of remaining share in a joint venture	-	11,707,000	-	-
Prepaid operating expenses	10,781,111	10,993,610	1,194,200	76,011
	<u>10,781,111</u>	<u>22,700,610</u>	<u>1,194,200</u>	<u>76,011</u>

21. Cash and bank balances

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash on hand and at banks	63,974,607	58,714,694	286,613	757,334
Short term deposits with licensed banks	<u>5,693,790</u>	<u>4,540,948</u>	-	-
Cash and bank balances (Note 20)	<u>69,668,397</u>	<u>63,255,642</u>	<u>286,613</u>	<u>757,334</u>

Included in cash at banks of the Group are amounts of RM795,781 (2023: RM807,206) held pursuant to Section 7A of the Housing Developers (Control and Licensing) Act, 1966 and therefore restricted from use on other operations.

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one month to twelve months (2023: one month to twelve months) depending on the immediate cash requirements of the Group and earn interest at respective short-term deposit rates. The weighted average effective interest rates as at 31 December 2024 for the Group was 2.16% (2023: 2.15%).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

21. Cash and bank balances (cont'd)

Short-term deposits with licensed banks of the Group amounting to RM5,693,790 (2023: RM4,540,948) are pledged as security for borrowings and therefore not available for use (Note 23).

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

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	69,668,397	63,255,642	286,613	757,334
Less: Bank overdrafts (Note 23)	(6,062,589)	-	-	-
Less: Pledged deposits	(5,693,790)	(4,540,948)	-	-
Cash and cash equivalents	<u>57,912,018</u>	<u>58,714,694</u>	<u>286,613</u>	<u>757,334</u>

22. Assets held for sale

These are properties that are expected to be recovered primarily through sale rather than through continuing use.

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At 1 January	14,125,282	14,125,282	-	-
Disposal	(2,400,417)	-	-	-
Transfer to inventories	(11,724,865)	-	-	-
At 31 December	<u>-</u>	<u>14,125,282</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

23. Loans and borrowings

	Maturity	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Current					
Secured:					
Bank overdrafts (Note 21)	2025	6,062,589	-	-	-
Bankers' acceptances	2025	81,891,000	80,431,000	-	-
Term loans	2025	15,969,037	18,160,028	-	-
Hire purchase payables (Note 32(b))	2025	16,764,841	8,958,923	-	-
Invoice financing	2025	198,240,978	61,080,129	-	-
Revolving credit	2025	18,999,901	15,942,901	-	-
Unsecured:					
Sukuk Murabahah - Islamic Commercial Papers	2025	60,310,000	12,860,000	60,310,000	12,860,000
Sukuk Murabahah - Islamic Medium Term Notes	2025	25,000,000	20,000,000	25,000,000	20,000,000
		<u>423,238,346</u>	<u>217,432,981</u>	<u>85,310,000</u>	<u>32,860,000</u>
Non-current					
Secured:					
Term loans	2026 - 2035	157,275,797	98,898,798	-	-
Hire purchase payables (Note 32(b))	2026 - 2029	35,771,889	16,792,211	-	-
Revolving credit	2026 - 2028	25,250,000	25,250,000	-	-
Unsecured:					
Sukuk Murabahah - Islamic Medium Term Notes	2026	30,000,000	55,000,000	30,000,000	55,000,000
		<u>248,297,686</u>	<u>195,941,009</u>	<u>30,000,000</u>	<u>55,000,000</u>
Total loans and borrowings (Note 25)		<u>671,536,032</u>	<u>413,373,990</u>	<u>115,310,000</u>	<u>87,860,000</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

23. Loans and borrowings (cont'd)

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

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
On demand or within one year	423,238,346	217,432,981	85,310,000	32,860,000
More than 1 year and less than 2 years	87,474,030	82,609,271	30,000,000	55,000,000
More than 2 years and less than 5 years	137,433,348	92,526,652	-	-
5 years and more	23,390,308	20,805,086	-	-
	<u>671,536,032</u>	<u>413,373,990</u>	<u>115,310,000</u>	<u>87,860,000</u>

Hire purchase payables (Note 32(b))

These obligations are secured by a pledge over the leased assets as disclosed in Note 11. The discount rate implicit in the leases is between 1.88% to 3.61% (2023: 1.88% to 4.06%) per annum.

Bankers' acceptances, term loans, invoice financing and revolving credit

The interest rates (per annum) at the reporting date were as follows:

	Group	
	2024 %	2023 %
Bank overdrafts	5.80 to 6.01	-
Bankers' acceptances	4.28 to 5.02	3.33 to 4.98
Term loans	5.68 to 6.84	5.68 to 6.57
Invoice financing	4.09 to 7.45	4.32 to 5.26
Revolving credit	<u>5.07 to 6.36</u>	<u>5.07 to 6.24</u>

The bank overdrafts, bankers' acceptances, term loans, invoice financing and revolving credit together with bank guarantee facilities are secured by:

- First party first legal charge over certain land held for development, development properties and inventories as disclosed in Note 18 and Note 19;
- Short term deposits as disclosed in Note 21; and
- Corporate guarantee by the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

23. Loans and borrowings (cont'd)

Sukuk Murabahah

The Company had established an Islamic Commercial Papers ("ICP") and Islamic Medium Term Note ("IMTN") programme with a combined limit of RM800 million in nominal value based on the Shariah principle of Murabahah (via Tawarruq Arrangement) (collectively, the ICP and the IMTN shall be referred to as "Sukuk Murabahah"). The tenure of the ICP Programme is 7 years commencing from 22 December 2021, while the tenure of the IMTN Programme is perpetual.

Sukuk Murabahah bears interest ranging from 4.87% to 5.25% (2023: 4.49% to 5.06%) per annum.

Movement in loans and borrowings were as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At 1 January	413,373,990	307,638,406	87,860,000	80,900,000
Drawdown:				
- hire purchase payables	41,865,185	21,565,572	-	-
- loans and borrowings	1,007,645,864	417,537,432	60,310,000	12,860,000
Repayments:				
- hire purchase payables	(15,079,587)	(10,781,582)	-	-
- loans and borrowings	(804,509,866)	(322,747,607)	(32,860,000)	(5,900,000)
Unrealised foreign exchange loss	777,857	161,769	-	-
Net changes in bank overdrafts	6,062,589	-	-	-
Disposal of a subsidiary (Note 15)	(24,699,641)	-	-	-
Acquisition of subsidiaries (Note 15)	46,099,641	-	-	-
At 31 December	<u>671,536,032</u>	<u>413,373,990</u>	<u>115,310,000</u>	<u>87,860,000</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

24. Lease liabilities

The Group has entered into non-cancellable operating lease agreements for the use of land, buildings, machinery and equipment, which are recognised as right-of-use assets as disclosed in Note 12.

	Group	
	2024	2023
	RM	RM
Current		
Lease liabilities (Note 32(c))	3,859,557	2,527,451
Non-current		
Lease liabilities (Note 32(c))	3,441,803	2,737,492
Total lease liabilities (Note 25)	<u>7,301,360</u>	<u>5,264,943</u>

The remaining maturities of the lease liabilities are as follows:

	Group	
	2024	2023
	RM	RM
Within one year	3,859,557	2,527,451
More than 1 year and less than 2 years	2,094,896	1,673,847
More than 2 years and less than 5 years	1,346,907	1,063,645
	<u>7,301,360</u>	<u>5,264,943</u>

At the reporting date, the interest rate of the lease liabilities ranged from 3.00% to 5.82% (2023: 3.00% to 5.65%).

The movement of lease liabilities during the financial year is as follows:

	Group	
	2024	2023
	RM	RM
At 1 January	5,264,943	6,084,436
Additions (Note 12)	7,098,300	2,269,035
Derecognition	(1,376,217)	(32,439)
Interest charged on lease liabilities (Note 5)	382,297	220,096
Payments of:		
- Principal	(3,685,666)	(3,056,089)
- Interest	(382,297)	(220,096)
At 31 December	<u>7,301,360</u>	<u>5,264,943</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

25. Trade and other payables

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current				
Trade payables				
Third parties	421,763,942	278,300,480	-	-
Amounts due to joint ventures	6,861,952	4,196,817	-	-
	<u>428,625,894</u>	<u>282,497,297</u>	<u>-</u>	<u>-</u>
Other payables				
Accruals	46,000,593	35,188,432	845,100	702,572
Third parties	16,176,589	14,623,441	440,903	604,215
Deposits payable	1,353,333	336,942	-	-
Amounts due to subsidiaries	-	-	12,522,905	39,032,359
Amounts due to a joint ventures	488,806	529,300	1,788	928
Amount due to corporate shareholder of a subsidiary	6,201,337	4,191,783	-	-
Amounts due to former shareholders of a subsidiary	8,912,288	-	-	-
	<u>79,132,946</u>	<u>54,869,898</u>	<u>13,810,696</u>	<u>40,340,074</u>
Total trade and other payables (current)	<u>507,758,840</u>	<u>337,367,195</u>	<u>13,810,696</u>	<u>40,340,074</u>
Non-current				
Other payable				
Amounts due to former shareholders of a subsidiary	21,147,944	-	-	-
Total trade and other payables (current and non-current)	<u>528,906,784</u>	<u>337,367,195</u>	<u>13,810,696</u>	<u>40,340,074</u>
Add: Loans and borrowings (Note 23)	671,536,032	413,373,990	115,310,000	87,860,000
Add: Lease liabilities (Note 24)	7,301,360	5,264,943	-	-
Total financial liabilities carried at amortised cost	<u>1,207,744,176</u>	<u>756,006,128</u>	<u>129,120,696</u>	<u>128,200,074</u>

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 to 90 days (2023: 30 to 90 days) terms.

(b) Other payables

Other payables due to third parties are non-interest bearing and are normally settled on 30 to 60 days (2023: 30 to 60 days) terms.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

25. Trade and other payables (cont'd)

(c) Amounts due to subsidiaries

The amounts due to subsidiaries are unsecured, bear interest at 6.30% (2023: 5.41% to 5.94%) per annum and repayable on demand.

(d) Amounts due to joint ventures

The amounts due to joint ventures are unsecured, non-interest bearing and are repayable on demand.

(e) Amount due to corporate shareholder of a subsidiary

The amount due to corporate shareholder of a subsidiary is unsecured, bears interest ranging from 6.44% to 7.93% (2023: 6.04% to 7.57%) per annum and is repayable on demand.

(f) Amounts due to former shareholders of a subsidiary

The amounts due to former shareholders of Pinegate Development Sdn. Bhd. ("PDSB") are unsecured and non-interest bearing. Following the revision in repayment terms during the current financial year, these amounts are due to be repaid in instalments from 2025 to 2027 (2023: 2024 to 2026).

These amounts are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate of 4.48%.

26. Provisions

	Group	
	2024	2023
	RM	RM
Defect liability costs		
At 1 January	9,980,000	11,541,000
Addition/(reversal) during the year (Note 6)	<u>5,020,000</u>	<u>(1,561,000)</u>
At 31 December	<u><u>15,000,000</u></u>	<u><u>9,980,000</u></u>

This amount represents estimated rectification costs expected to be incurred during the defect liability period of construction contracts.

NOTES TO THE FINANCIAL STATEMENTS

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27. Deferred tax

	Group	
	2024	2023
	RM	RM
At 1 January	15,599,191	18,232,283
Recognised in profit or loss (Note 9)	(10,537,821)	(2,633,092)
Acquisition of subsidiary	216,206	-
At 31 December	<u>5,277,576</u>	<u>15,599,191</u>

	Group	
	2024	2023
	RM	RM
Presented after appropriate offsetting as follows:		
Deferred tax assets	12,533,764	22,038,315
Deferred tax liabilities	(7,256,188)	(6,439,124)
	<u>5,277,576</u>	<u>15,599,191</u>

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

Deferred tax assets

	Unabsorbed tax losses and unabsorbed capital allowances RM	Provisions for defect liability costs and others RM	Total RM
At 1 January 2023	7,674,302	16,622,766	24,297,068
Recognised in profit or loss	1,855,658	(1,825,487)	30,171
At 31 December 2023 and 1 January 2024	<u>9,529,960</u>	<u>14,797,279</u>	<u>24,327,239</u>
Recognised in profit or loss	(2,651,439)	(2,035,198)	(4,686,637)
Acquisition of subsidiary	-	217,118	217,118
At 31 December 2024	<u>6,878,521</u>	<u>12,979,199</u>	<u>19,857,720</u>

Deferred tax liabilities

	Property, plant and equipment RM	Others RM	Total RM
At 1 January 2023	(5,230,300)	(834,485)	(6,064,785)
Recognised in profit or loss	(1,837,223)	(826,040)	(2,663,263)
At 31 December 2023 and 1 January 2024	<u>(7,067,523)</u>	<u>(1,660,525)</u>	<u>(8,728,048)</u>
Recognised in profit or loss	(7,495,710)	1,644,526	(5,851,184)
Acquisition of subsidiary	(912)	-	(912)
At 31 December 2024	<u>(14,564,145)</u>	<u>(15,999)</u>	<u>(14,580,144)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

27. Deferred tax (cont'd)

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2024 RM	2023 RM
Unutilised tax losses		
- Expires in FY2028	2,130,000	2,130,000
- Expires in FY2029	110,000	110,000
- Expires in FY2030	171,000	171,000
- Expires in FY2031	227,000	227,000
- Expires in FY2032	108,000	918,000
- Expires in FY2033	643,000	2,239,000
- Expires in FY2034	215,000	-
Unabsorbed capital allowances	558,000	6,677,000
Other temporary differences	<u>11,315,000</u>	<u>9,873,000</u>

Based on the current legislation, the unutilised tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unutilised tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following the relevant year of assessment. The unabsorbed capital allowances are allowed to be carried forward indefinitely.

28. Share capital and treasury shares

Group/Company	Number of ordinary shares		Amount		
	Share capital (Issued and fully paid, at no par value)	Treasury shares	Share capital (Issued and fully paid) RM	Treasury shares RM	Total RM
At 1 January 2023/					
31 December 2023/					
1 January 2024	353,378,716	20,000	255,944,359	(23,774)	255,920,585
Issuance of ordinary shares pursuant to:					
Conversion of warrants	4,000	-	9,040	-	9,040
At 31 December 2024	<u>353,382,716</u>	<u>20,000</u>	<u>255,953,399</u>	<u>(23,774)</u>	<u>255,929,625</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

28. Share capital and treasury shares (cont'd)

(a) Share capital

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

Dividends to owners of the Company and non-controlling interests are recognised in the statements of changes in equity in the period in which they are declared.

(b) Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares.

The directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the share purchase plan can be applied in the best interests of the Company and its shareholders.

29. Retained earnings

The entire retained earnings of the Company as at 31 December 2024 may be distributed as dividends under single tier system.

30. Other reserves

(a) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of a foreign operation whose functional currency is different from that of the Group's presentation currency.

(b) Warrants reserve

A total of 60,112,500 free warrants ("Warrants 2014/2024") were issued by the Company on 13 March 2014. Each warrant entitles the holder to subscribe for 1 new share at the exercise price of RM1.68 per share at any time during the exercise period. The warrants have an exercise period of 10 years commencing 13 March 2014 and expired on 12 March 2024.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

31. Related party disclosures

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Sales of raw materials to a company related to certain directors	699,340	336,223	-	-
Purchase of quarry products from joint venture	9,888,551	7,442,892	-	-
Contract fee from:				
- a company related to certain directors	25,300,995	6,147,243	-	-
- joint ventures	-	11,241,544	-	-
Rental of land and building to companies related to certain directors	2,849,236	2,306,331	-	-
Rental of premise paid to a company related to certain directors	59,000	59,498	-	-
Rental income from:				
- a joint venture	2,400	2,400	-	-
Service fee to:				
- a subsidiary	-	-	276,000	276,000
- a joint venture	85,491	77,167	-	-
- a company related to certain directors	-	1,500	-	-
Landscaping and maintenance service paid to a company related to certain directors	11,750	14,100	-	-
Hire machinery to a company related to certain directors	660	-	-	-
Interest income from:				
- subsidiaries	-	-	5,937,431	4,893,149
- a joint venture	439,628	960,600	-	-
- an associate company	80,888	-	-	-
Interest expense to:				
- a corporate shareholder of a subsidiary	331,759	242,720	-	-
- a corporate shareholder of a former subsidiary	229,262	-	-	-
- a subsidiary	-	-	1,730,889	1,330,840
Dividend income received from subsidiaries	-	-	4,000,000	4,000,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

31. Related party disclosures (cont'd)

Companies related to certain directors

These entities are subject to the same source of influence as the Company through common directors.

Compensation of key management personnel

The remuneration of key management personnel during the year are as follows:

	Group	
	2024	2023
	RM	RM
Salaries, bonus and other emoluments	5,957,279	5,299,035
Defined contribution plan	838,487	819,036
Other short term benefits	104,120	104,120
	6,899,886	6,222,191

32. Commitments

(a) Capital commitments

	Group	
	2024	2023
	RM	RM
Capital commitments as at the reporting date are as follows:		
Approved and contracted for:		
Property, plant and equipment	23,594,010	17,371,569

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

32. Commitments (cont'd)

(b) Hire purchase commitments

The Group has entered into hire purchase arrangements for certain items of plant and equipment as disclosed in Note 11.

Future minimum lease payments under hire purchases together with the present value of the net minimum lease payments are as follows:

	Group	
	2024	2023
	RM	RM
Minimum lease payments:		
Not later than 1 year	19,544,017	10,276,329
Later than 1 year but not later than 2 years	15,615,851	7,561,837
Later than 2 years but not later than 5 years	23,955,464	10,936,043
Total minimum lease payments	59,115,332	28,774,209
Less: Amounts representing finance charges	(6,578,602)	(3,023,075)
Present value of minimum lease payments	<u>52,536,730</u>	<u>25,751,134</u>
Present value of payments:		
Not later than 1 year	16,764,841	8,958,923
Later than 1 year but not later than 2 years	13,615,589	6,690,621
Later than 2 years but not later than 5 years	22,156,300	10,101,590
Present value of minimum lease payments	52,536,730	25,751,134
Less: Amount due within 12 months (Note 23)	(16,764,841)	(8,958,923)
Amount due after 12 months (Note 23)	<u>35,771,889</u>	<u>16,792,211</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

32. Commitments (cont'd)

(c) Lease commitments in respect of right-of-use assets

The Group has entered into lease arrangements for the use of land, building, machinery and equipment. The Group has recognised the right-of-use assets (Note 12) with related lease liabilities as disclosed in Note 24.

Future minimum lease payments of right-of-use assets together with the present value of the net minimum lease payments are as follows:

	Group	
	2024	2023
	RM	RM
Minimum lease payments:		
Not later than 1 year	4,166,010	2,728,817
Later than 1 year but not later than 2 years	2,203,134	1,784,534
Later than 2 years but not later than 5 years	1,366,638	1,106,017
Later than 5 years	116,992	-
Total minimum lease payments	<u>7,852,774</u>	<u>5,619,368</u>
Less: Amounts representing finance charges	<u>(551,414)</u>	<u>(354,425)</u>
Present value of minimum lease payments	<u>7,301,360</u>	<u>5,264,943</u>
Present value of payments:		
Not later than 1 year	3,859,557	2,527,451
Later than 1 year but not later than 2 years	2,061,656	1,673,847
Later than 2 years but not later than 5 years	1,264,368	1,063,645
Later than 5 years	115,779	-
Present value of minimum lease payments	<u>7,301,360</u>	<u>5,264,943</u>
Less: Amount due within 12 months (Note 24)	<u>(3,859,557)</u>	<u>(2,527,451)</u>
Amount due after 12 months (Note 24)	<u>3,441,803</u>	<u>2,737,492</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

33. Fair value

(a) Fair values of assets

The following table shows an analysis of assets measured at fair value or for which fair values are disclosed by level of fair value hierarchy:

	Level 1 RM	Group Level 2 RM	Level 3 RM	Total RM
2024				
<i>Assets for which fair values are disclosed:</i>				
Investment properties	-	-	1,000,000	1,000,000
2023				
<i>Assets for which fair values are disclosed:</i>				
Investment properties	-	-	950,000	950,000

The fair values of investment properties are determined by the directors using the comparable method.

(b) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximations of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximations of fair values:

	Note
Trade and other receivables (current)	20
Cash and bank balances (current)	21
Loans and borrowings (current and non-current)	23
Trade and other payables (current and non-current)	25

The carrying amounts of the current portions of financial assets and liabilities of the Group and of the Company at the reporting date approximate fair values due to the relatively short term maturity of these financial instruments.

The carrying amount of the non-current portion of loans and borrowings is reasonable approximation of fair value as the interest charged on these amounts is pegged to, or close to, market interest rates on or near the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

33. Fair value (cont'd)

(b) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximations of fair value (cont'd)

Guarantees

An amount of RM856,066,846 (2023: RM420,782,218) relating to corporate guarantees provided by the Company to several financial institutions for its subsidiaries' credit facilities, and to third parties for the credit facilities granted by suppliers and the joint ventures' and subsidiaries' performance in construction contracts.

The fair value of the guarantees provided by the Company in connection with credit facilities, construction contracts and development agreements granted to its subsidiaries is not significant as it is not probable that the financial institutions and third parties will call upon the guarantees.

34. 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, interest rate risk and foreign currency risk.

The Board of Directors approves and reviews policies and procedures for the management of these risks, which are executed by the management. The audit committee provides independent oversight to the effectiveness of the risk management process.

The Group and the Company do not undertake any trading of derivative financial instruments.

The following sections provide details regarding the Group's and the 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 and contract assets. For cash and bank balances, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group and the Company minimise and monitor its credit risk by strictly limiting the Group's and Company's associations to business partners with high creditworthiness. Receivable balances and contract assets are monitored on an ongoing basis.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

34. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Any receivables having significant balances past due more than 365 days, which are deemed to have higher default risk, are monitored individually.

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:

Group	Contract assets RM	Current RM	Trade receivables					Total RM
			1 - 30 days RM	31 - 60 days RM	61 - 90 days RM	91 - 120 days RM	> 120 days RM	
Expected credit loss rate (%)	0.05%	0.00%	0.00%	1.98%	0.83%	0.00%	0.45%	
Estimated total gross carrying amount at default	383,736,716	321,669,669	52,567,565	11,531,173	12,046,253	41,980,286	79,303,274	519,098,220
Less:								
Receivables individually impaired	-	-	-	-	-	-	(177,516)	(177,516)
Expected credit loss	(190,000)	-	-	(228,000)	(100,000)	(2,000)	(352,908)	(682,908)
	<u>383,546,716</u>	<u>321,669,669</u>	<u>52,567,565</u>	<u>11,303,173</u>	<u>11,946,253</u>	<u>41,978,286</u>	<u>78,772,850</u>	<u>518,237,796</u>

31 December 2024

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

34. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Group	Contract assets RM	Trade receivables					Total RM
		Current RM	1 - 30 days RM	31 - 60 days RM	61 - 90 days RM	91 - 120 days RM	
31 December 2023							
Expected credit loss rate (%)	0.07%	0.00%	0.76%	0.22%	0.00%	0.00%	0.29%
Estimated total gross carrying amount at default	307,777,870	205,108,735	42,720,891	31,218,189	11,285,795	9,443,478	101,932,654
Less:							
Receivables individually impaired	(25,391,137)	-	-	-	-	-	(18,305,689)
Expected credit loss	(190,000)	-	(325,000)	(68,000)	-	-	(238,758)
	<u>282,196,733</u>	<u>205,108,735</u>	<u>42,395,891</u>	<u>31,150,189</u>	<u>11,285,795</u>	<u>9,443,478</u>	<u>83,388,207</u>
							<u>382,772,295</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

34. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by 1 customer (2023: 2 customers) which constituted approximately 13% (2023: 32%) of its trade receivable (including related parties) at the end of the reporting period.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 20. Deposits with banks that are neither past due nor impaired are placed with or entered into with reputable financial institutions.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 20.

(b) Liquidity risk

Liquidity risk is the risk that the Group and 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.

To ensure continuity of funding, the Group's and the Company's policy is to manage the debt maturity profile, operating cash flows and the availability of funding to support the operating cycle of the business.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

34. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

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

	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
2024				
Group				
Financial liabilities				
Trade and other payables	508,158,108	23,569,000	-	531,727,108
Lease liabilities	4,166,010	3,569,772	116,992	7,852,774
Loans and borrowings	441,023,994	239,080,617	40,213,065	720,317,676
Total undiscounted financial liabilities	<u>953,348,112</u>	<u>266,219,389</u>	<u>40,330,057</u>	<u>1,259,897,558</u>
Company				
Financial liabilities				
Other payables and accruals	13,810,696	-	-	13,810,696
Loans and borrowings	88,042,164	31,522,159	-	119,564,323
Total undiscounted financial liabilities	<u>101,852,860</u>	<u>31,522,159</u>	<u>-</u>	<u>133,375,019</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

34. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
2023 Group				
Financial liabilities				
Trade and other payables	337,367,195	-	-	337,367,195
Lease liabilities	2,728,817	2,890,551	-	5,619,368
Loans and borrowings	230,766,112	219,296,287	21,565,942	471,628,341
Total undiscounted financial liabilities	<u>570,862,124</u>	<u>222,186,838</u>	<u>21,565,942</u>	<u>814,614,904</u>
Company				
Financial liabilities				
Other payables and accruals	40,340,074	-	-	40,340,074
Loans and borrowings	36,503,455	79,254,323	-	115,757,778
Total undiscounted financial liabilities	<u>76,843,529</u>	<u>79,254,323</u>	<u>-</u>	<u>156,097,852</u>

(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 primary interest rate risk relates to interest-bearing borrowings. The investments in financial assets including fixed deposits are mainly short term in nature and they are not held for speculative purposes.

The Group manages its interest rate exposure by using a mix of fixed and floating rate debts and actively reviewing its debt portfolio, taking into account the investment holding period and nature of its assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

34. Financial risk management objectives and policies (cont'd)

(c) Interest rate risk (cont'd)

Sensitivity analysis for interest rate risk

During the financial year, if interest rates had been 50 (2023: 26) basis points lower/higher, with all other variables held constant, the Group's net profit after tax would have increased/decreased by RM326,000 (2023: RM142,000) during the year. The assumed movement in basis points for interest rate sensitivity analysis was based on the prior year observable market environment.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than RM, the functional currency of the Group's entities. The foreign currency in which these transactions are denominated is Singapore Dollar ("SGD") and United States Dollar ("USD"). The Group did not enter into any forward currency contracts during the financial years ended 31 December 2024 and 2023.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the SGD and USD exchange rates against RM, with all other variables held constant.

		2024	2023
		RM	RM
Increase/(decrease) in profit after tax			
SGD/RM	- strengthened 8% (2023: 7%)	9,038,001	4,723,305
	- weakened 8% (2023: 7%)	<u>(9,038,001)</u>	<u>(4,723,305)</u>
USD/RM	- strengthened 11% (2023: 9%)	(797,124)	(29,346)
	- weakened 11% (2023: 9%)	<u>797,124</u>	<u>29,346</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

35. 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 2024 and 2023.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, loans and borrowings less cash and bank balances whereas total capital comprises equity attributable to owners of the Company.

The gearing ratios are as follows:

	Note	Group	
		2024 RM	2023 RM
Loans and borrowings	23	671,536,032	413,373,990
Less: Cash and bank balances	21	<u>(69,668,397)</u>	<u>(63,255,642)</u>
Net debt		<u>601,867,635</u>	<u>350,118,348</u>
Total equity		<u>787,913,737</u>	<u>740,366,593</u>
Capital and net debt		<u><u>1,389,781,372</u></u>	<u><u>1,090,484,941</u></u>
Gearing ratio		<u><u>43.3%</u></u>	<u><u>32.1%</u></u>

36. Segment information

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

- (i) Construction
- (ii) Manufacturing and trading of construction materials and provision of quarry services
- (iii) Investment holding
- (iv) Property development

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. Segment information (cont'd)

At 31 December 2024	Manufacturing, trading, and quarry services					Consolidation RM
	Construction RM	Investment holding RM	Property development RM	Eliminations RM		
Revenue:						
External customers	998,763,939	19,426	8,563,840	-	1,207,412,571	
Inter-segment	105,713,555	9,937,431	-	(195,009,939)	-	
Total revenue	<u>1,104,477,494</u>	<u>9,956,857</u>	<u>8,563,840</u>	<u>(195,009,939)</u>	<u>1,207,412,571</u>	
Results:						
Segment results	62,909,192	9,956,857	(124,706)	(30,788,289)	98,473,308	
Other operating income					52,060,216	
Administration expenses					(57,126,114)	
Finance costs					(25,323,623)	
Share of loss of associate company					(329,650)	
Share of profit of joint ventures					644,142	
Profit before tax					68,398,279	
Income tax expense					(17,616,604)	
Profit net of tax					<u>50,781,675</u>	
Other information						
Interest income	(8,495,456)	-	(413,871)	7,529,614	(2,588,083)	
Finance costs	11,296,959	6,660,706	15,271,704	(11,751,948)	25,323,623	
Depreciation of:						
- property, plant and equipment	17,484,084	-	159,697	(136,063)	27,861,030	
- right-of-use assets	1,479,885	-	-	-	3,819,906	
- investment properties	6,549	-	-	-	6,549	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. Segment information (cont'd)

At 31 December 2024	Construction RM	Manufacturing, trading, and quarry services RM	Investment holding RM	Property development RM	Eliminations RM	Consolidation RM
<u>Other information (cont'd)</u>						
Gain on disposal of property, plant and equipment	(501,825)	(13,075)	-	-	-	(514,900)
Gain on derecognition due to lease modification	(1,935)	(39,569)	-	-	-	(41,504)
Gain on modification of financial liabilities	-	-	-	(1,007,022)	-	(1,007,022)
Loss on disposal of subsidiaries	-	-	-	273,080	-	273,080
Property, plant and equipment written off	11,483	75,059	-	-	-	86,542
Reversal of allowance for impairment on trade receivables	(18,184,023)	-	-	-	-	(18,184,023)
Reversal of allowance for impairment on contract assets	(25,391,137)	-	-	-	-	(25,391,137)
Bad debts recovered	(678,290)	-	-	-	-	(678,290)
Unrealised foreign exchange loss	-	7,387,217	-	-	-	7,387,217
Write back on property development value	-	-	-	(1,500,000)	-	(1,500,000)
Provision for defect liability costs	5,020,000	-	-	-	-	5,020,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. Segment information (cont'd)

	Construction RM	Manufacturing, trading, and quarry services RM	Investment holding RM	Property development RM	Eliminations RM	Consolidation RM
At 31 December 2024						
Assets:						
Segment assets	1,180,895,750	460,667,980	433,766,430	738,782,747	(748,475,593)	2,065,637,314
Additions to non-current assets other than financial instruments						
Property, plant and equipment	97,840,147	54,148,034	-	435,876	(18,405,793)	134,018,264
Right-of-use assets	3,216,447	3,881,853	-	-	-	7,098,300
Land held for development	-	-	-	51,385,579	(738,531)	50,647,048
Liabilities:						
Segment liabilities	776,360,864	214,849,703	129,197,438	540,255,439	(382,939,867)	1,277,723,577

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. Segment information (cont'd)

At 31 December 2023	Construction RM	Manufacturing, trading, and quarry services RM	Investment holding RM	Property development RM	Eliminations RM	Consolidation RM
Revenue:						
External customers	638,547,457	190,198,025	14,264	23,808,764	-	852,568,510
Inter-segment	41,156,832	59,801,153	8,893,149	-	(109,851,134)	-
Total revenue	<u>679,704,289</u>	<u>249,999,178</u>	<u>8,907,413</u>	<u>23,808,764</u>	<u>(109,851,134)</u>	<u>852,568,510</u>
Results:						
Segment results	25,055,246	37,013,379	8,907,413	3,982,053	(13,375,666)	61,582,425
Other operating income						8,370,431
Administration expenses						(38,184,492)
Finance costs						(15,570,410)
Share of loss of joint ventures						<u>(3,142,799)</u>
Profit before tax						13,055,155
Income tax expense						<u>(6,177,306)</u>
Profit net of tax						<u>6,877,849</u>
Other information						
Interest income	(4,615,927)	(456,314)	-	(749,208)	3,949,010	(1,872,439)
Finance costs	5,226,467	3,059,099	5,576,567	9,824,656	(8,116,379)	15,570,410
Depreciation of property, plant and equipment	11,968,103	9,865,284	-	54,092	(291,012)	21,596,467

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Construction RM	Manufacturing, trading, and quarry services RM	Investment holding RM	Property development RM	Eliminations RM	Consolidation RM
36. Segment information (cont'd)						
At 31 December 2023						
<u>Other information (cont'd)</u>						
Depreciation of right-of-use assets	1,330,264	1,725,475	-	-	-	3,055,739
Depreciation on investment properties	6,549	-	-	-	-	6,549
Gain on disposal of property, plant and equipment	(114,842)	(830,103)	-	-	38,499	(906,446)
Gain on derecognition due to lease modification	(3,338)	-	-	-	-	(3,338)
Property, plant and equipment written off	1,430,309	62,960	-	-	-	1,493,269
Reversal of allowance for impairment on trade receivables	(222,368)	(275,604)	-	-	-	(497,972)
Bad debts recovered	(90,012)	-	-	-	-	(90,012)
Unrealised foreign exchange gain	-	(8,721,197)	-	-	-	(8,721,197)
Write back on property development value	-	-	-	(3,900,000)	-	(3,900,000)
Reversal of defect liability costs	(1,561,000)	-	-	-	-	(1,561,000)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. Segment information (cont'd)	Construction RM	Manufacturing, trading, and quarry services RM	Investment holding RM	Property development RM	Eliminations RM	Consolidation RM
At 31 December 2023						
Assets:						
Segment assets	806,030,136	373,328,593	434,761,076	542,440,617	(623,752,609)	1,532,807,813
Additions to non-current assets other than financial instruments						
Property, plant and equipment	25,466,970	19,271,612	-	200,128	9,592,784	54,531,494
Right-of-use assets	689,142	1,579,893	-	-	-	2,269,035
Land held for development	-	-	-	158,607,115	279,302	158,886,417
Liabilities:						
Segment liabilities	455,466,154	154,351,642	128,269,232	328,899,806	(274,545,614)	792,441,220

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. Segment information (cont'd)

Information on major customers

Revenue from 1 (2023: 2) major customer(s) amounted to RM185,962,647 (2023: RM188,185,232) arising from sales in the construction segment.

Geographic information

	2024 RM	2023 RM
Revenue from external customers		
Malaysia	1,044,476,920	688,323,973
Singapore	162,935,651	164,244,537
Total	<u>1,207,412,571</u>	<u>852,568,510</u>

The revenue information above is based on the location of the customers.

	2024 RM	2023 RM
Non-current assets		
Malaysia	<u>639,040,714</u>	<u>486,250,075</u>

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include deferred tax assets and goodwill.

37. Dividends

	Group and Company	
	2024 RM	2023 RM
Recognised during the financial year:		
Dividends on ordinary shares:		
- Final (single-tier) dividend for 2023 of 1.0 sen per share	3,533,627	-
- Final (single-tier) dividend for 2022 of 1.0 sen per share	-	3,533,587
	<u>3,533,627</u>	<u>3,533,587</u>

At the forthcoming Annual General Meeting ("AGM"), a final (single-tier) dividend in respect of the financial year ended 31 December 2024, of 2.0 sen per ordinary share will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

38. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on 15 April 2025.

**KIMLUN CORPORATION BERHAD**Registration No. 200901023978 (867077-X)
(Incorporated in Malaysia under the Companies Act, 1965)

CDS Account No.

No. of Shares Held

PROXY FORM*I/We _____ Tel: _____
[Full name in block capitals, NRIC/Passport/Registration No.]

of _____

being member(s) of **KIMLUN CORPORATION BERHAD**, hereby appoint:

Full Name (in Block Capitals)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

And/or* (*delete as appropriate)

Full Name (in Block Capitals)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Sixteenth (16th) Annual General Meeting of the Company, which will be held at Function Room 1, Setia City Convention Centre, No.1, Jalan Setia Dagang AG U13/AG, Setia Alam Seksyen U13, 40170 Shah Alam, Selangor on Tuesday, 3 June 2025 at 2.30 p.m. or any adjournment thereof and to vote as indicated below:-

Resolution	Description of Resolution	For	Against
1.	Re-election of Dato' Ir. Fong Tian Yong as Director of the Company.		
2.	Re-election of Johar Salim Bin Yahaya as Director of the Company.		
3.	Re-election of Anita Chew Cheng Im as Director of the Company.		
4.	Re-election of Bhupendar Singh A/L Sewa Singh as Director of the Company.		
5.	Declaration of single tier final dividend of 2.0 sen per Ordinary Share for the financial year ended 31 December 2024.		
6.	Approval on payment of Directors' fees and benefits up to an amount of RM530,000.00 to the Non-Executive Directors for the period from the 16th AGM until the next AGM of the Company.		
7.	Re-appointment of Messrs Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
8.	Authority to allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
9.	Proposed RRPT Mandate.		
10.	Proposed Renewal of Share Buy-Back.		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fits.

Signed this.....day of..... 2025

Signature*
Member

* Manner of execution:-

- (a) If you are an individual member, please sign where indicated.
- (b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- (c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
 - (i) at least two (2) authorised officers, of whom one shall be a director; or
 - (ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:

1. For the purpose of determining who shall be entitled to participate this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a **Record of Depositors as at 27 May 2025**. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM or appoint a proxy to attend, speak and vote (collectively "participate") on his/her/its behalf.
2. A member who is entitled to participate in this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her/ its place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM.
4. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad
5. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
8. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the persons named in the appointment proposes to vote:-
 - (i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8,

Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the drop box located at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

(ii) By electronic means

The proxy form can be electronically lodged with the Share Registrar of the Company via TIH Online website at <https://tih.online>. Please refer to the Administrative Guide for the 16th AGM on the procedures for electronic lodgement of Proxy Form via TIH Online website.

9. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
10. Last date and time for lodging the proxy form is on Sunday, 1 June 2025 at 2.30 p.m.
11. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the drop box located at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the persons named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
12. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the drop box located at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. The certificate of appointment of authorised representative should be executed in the following manner:-
 - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:-
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

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**AFFIX
STAMP**

The Share Registrar

Kimlun Corporation Berhad

Registration No. 200901023978 (867077-X)


Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur.


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KIMLUN CORPORATION BERHAD

Registration No. 200901023978 (867077-X)
(Incorporated in Malaysia under the Companies Act, 1965)

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