DUFU TECHNOLOGY CORP. BERHAD
200201013949 (581612-A)
Strengthening Growth, Setting New Standards
ANNUAL REPORT 2025

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24th *Annual General Meeting*

Date : Thursday, 07 May 2026
Time : 10.00 a.m.
Venue : Jadeite Room, Level 4, Amari SPICE, No. 2 Persiaran Mahsuri, 11900 Penang, Malaysia

Strengthening Growth, Setting New Standards

The cover of Dufu Technology Corp. Berhad's 2025 Annual Report, titled "Strengthening Growth, Setting New Standards," features a laser beam interacting with a luminous digital city. This imagery represents precision, focus, and control signifying core strengths of Dufu's expertise in high-accuracy machining and advanced manufacturing. The laser's sharp, concentrated path reflects the company's ability to operate at micro levels, where accuracy and reliability are essential for producing high-value components.

As the laser illuminates the outlines of the futuristic city, it illustrates how Dufu's precision engineering enables and shapes complex technological ecosystems. The radiant digital city symbolizes the broad spectrum of industries supported by Dufu's components, including data storage, telecommunications, sensor control, semiconductors and automation, industrial instruments and equipment, and consumer electronics. Each structure highlights how small, meticulously engineered parts come together to drive large-scale innovation and industrial progress.

Vision, Mission & Core Values

Vision

To be a leading-edge technology provider for micro precision products globally, and be the supplier of choice on delivering excellent product quality and service on time every time.

Mission

To continually creating value for customers with engineering innovation and solutions to their supply chain by fostering an eco-friendly operating environment whilst striving for long term business sustainability and maintaining high integrity in corporate social responsibility practices that benefits customers, employees and stakeholders.

Core Values

D *Determination*

U *Unity*

F *Focus*

U *Understanding*

At Dufu, our core values represent the beliefs and principles that unite us and shape the way we work together. We are guided by a shared **focus** on excellence, a spirit of **determination** to overcome challenges, a deep **understanding** of one another, and a commitment to **unity** in achieving our common goals. These values foster a performance driven culture where every team member is empowered, respected, and inspired to contribute meaningfully. In an ever-changing world, we remain anchored in these values as we strive forward together.

Corporate Information

Board of Directors

Dato' Lee, Hui-Ta also known as Li Hui Ta
Executive Chairman

Wu, Mao-Yuan
Executive Director

Tsai, Kun-Chang
Independent Non-Executive Director

Ng Phaik Lee
Independent Non-Executive Director

Khaw Mui Suan
Independent Non-Executive Director

Hsu, Shih-Mu
Independent Non-Executive Director

AUDIT COMMITTEE

Chairman
Ng Phaik Lee

Members
Tsai, Kun-Chang
Khaw Mui Suan
Hsu, Shih-Mu

NOMINATING COMMITTEE

Chairman
Khaw Mui Suan

Members
Tsai, Kun-Chang
Ng Phaik Lee
Hsu, Shih-Mu

REMUNERATION COMMITTEE

Chairman
Khaw Mui Suan

Members
Tsai, Kun-Chang
Ng Phaik Lee
Hsu, Shih-Mu

INVESTMENT COMMITTEE

Chairman
Tsai, Kun-Chang

Members
Wu, Mao-Yuan
Ng Phaik Lee
Khaw Mui Suan
Hsu, Shih-Mu

EMPLOYEES' SHARE OPTION SCHEME COMMITTEE

Chairman
Dato' Lee, Hui-Ta also known as Li Hui Ta

Members
Teoh Chiew Hong
David Khoo Chong Beng
Nah Ren Howe

RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

Chairman
Ng Phaik Lee

Members
Tsai, Kun-Chang
Khaw Mui Suan
Hsu, Shih-Mu
Teoh Chiew Hong
David Khoo Chong Beng

COMPANY SECRETARIES

How Wee Ling (MAICSA 7033850)
(SSM PC No: 202008000869)
Ooi Ean Hoon (MAICSA 7057078)
(SSM PC No: 202008000734)

AUDITOR

Crowe Malaysia PLT
Chartered Accountants
Level 6, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Penang
Tel : 604-2277061
Fax : 604-2278011

CORPORATE HEAD OFFICE

19, Hilir Sungai Keluang 2
Taman Perindustrian Bayan Lepas
Phase IV, 11900 Penang, Malaysia

Tel : 604-6161300
Fax : 604-6161372
Email : corporateaffairs@dufu.com.my
Website : www.dufutechnology.com

REGISTERED OFFICE

57-G Persiaran Bayan Indah
Bayan Bay, Sungai Nibong
11900 Penang

Tel : 604-6408932
Fax : 604-6438911
Email : sec@rtalliance.com

SHARE REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium
Jalan Damanlela,
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

Tel : 603-20849000
Fax : 603-20949940
Email : info@sshsb.com.my

PRINCIPAL BANKERS

AmBank (M) Berhad
Malayan Banking Berhad
Public Bank Berhad
Standard Chartered Bank Berhad
United Overseas Bank (Malaysia) Bhd

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Sector : Industrial Products & Services
Sub-Sector : Industrial Materials, Components & Equipment
Stock Name : DUFU
Stock Code : 7233

Corporate Milestones

1987

Incorporated Dufu Industries Sdn. Bhd. (DISB), marking the beginning of the Group's journey in precision engineering.

1990

Secured a key customer for 5.25-inch disk spacers, officially launching DISB's precision machining operations for hard disk drive (HDD) components.

1994

Relocated operations to a purpose-built facility at Plot 19, Free Industrial Zone, Phase IV, Bayan Lepas, Penang, strengthening manufacturing capacity.

2002

Incorporated Dufu Technology Corp. Berhad (Dufu) as the Group's holding company.

Established Dufu Industries Services Pte. Ltd. (DISPL) in Singapore to enhance regional market presence and customer support.

2007

Dufu Technology Corp. Berhad was listed on the Second Board of Bursa Malaysia.

2008

Transferred listing to the Main Market of Bursa Malaysia, reinforcing Dufu's position as a leading precision engineering group.

Acquired Guangzhou Futron Technology Co., Ltd. (Futron) to diversify manufacturing operations and expand into China.

2011

Incorporated Dufusion Sdn. Bhd. (DFS), expanding the Group's business portfolio.

DFS acquired a 62,000 sq. ft. property in Bayan Lepas Free Industrial Zone, Phase I, Penang for RM9 million, supporting future growth.

2018

DISB acquired a 70,000 sq. ft. facility in Taman Perindustrian Bukit Minyak, Simpang Ampat, Penang for RM11.4 million to enhance sheet metal fabrication and assembly capabilities.

Incorporated Guangzhou Futron Precision Industries Co., Ltd. (Futron PI), the Group's second subsidiary in China, which secured 216,000 sq. ft. of land use rights in Conghua Industrial Park for RM7.1 million.

2019

Honored with The Edge Centurion Club Corporate Award 2019 for "Highest Growth in Profit After Tax Over Three Years."

2020

Received The Edge Billion Ringgit Club (BRC) Award 2020 for "Highest Returns to Shareholders Over Three Years."

2021

Recognized by Forbes as one of Asia-Pacific's 200 Best Companies Under US$1 Billion, reflecting sustained performance and resilience.

Won The Edge BRC Award 2021 for the second consecutive year for "Highest Returns to Shareholders Over Three Years."

2022

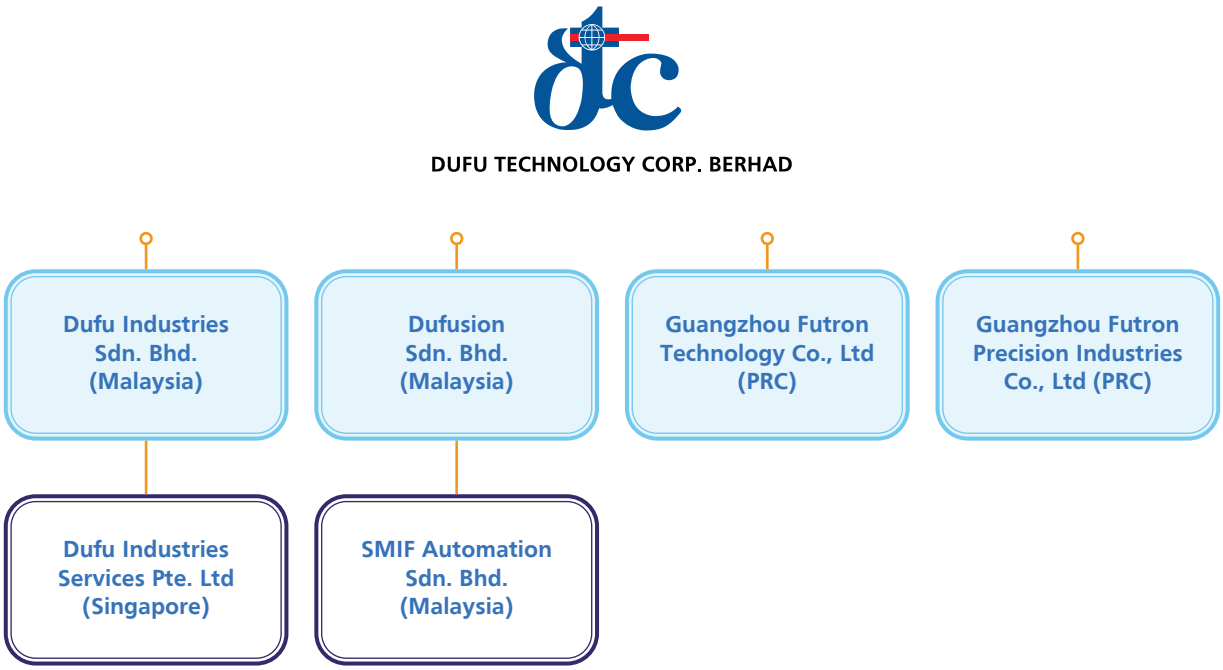
Included in the FTSE4Good Bursa Malaysia (F4GBM) and FTSE4Good Bursa Malaysia Shariah (F4GBMS) indices, underscoring Dufu's commitment to ESG principles and sustainable practices.

DFS entered into an agreement to acquire two freehold properties totaling 21,732 square meters in Mukim 12, Daerah Seberang Perai Selatan, Penang for RM45.4 million, supporting the Group's expansion and capacity enhancement plans

2024

Awarded a 4-star FTSE4Good ESG rating by FTSE Russell, underscoring the Group's commitment to sustainability excellence.

Group Structure



Principal Activities

Dufu Technology Corp. Berhad (Registration No. 200201013949 (581612-A)) is principally involved in investment holding. The subsidiaries of Dufu as at 31 December 2025 are as follows: -

Subsidiary	Country of Incorporation	Ownership Interest	Principal Activity
Dufu Industries Sdn. Bhd. Registration No. 198701006751 (165467-T)	Malaysia	100%	Design, development, manufacture, assembly and trading of die components and precision machining of vice, computer peripherals and parts for hard disk drive.
Guangzhou Futron Technology Co., Ltd (914401017371887143)	People's Republic of China (PRC)	100%	Manufacturing and trading of optics and magnetism driver and parts.
Guangzhou Futron Precision Industries Co., Ltd (91440101MA5CC6TT0A)	People's Republic of China (PRC)	100%	Engaging in metal precision manufacturing and processing parts such as metal components for special equipment for electronics industry, air conditioning compressor accessories, auto parts, etc.
Dufusion Sdn. Bhd. Registration No. 201101020016 (948150-U)	Malaysia	100%	Design, develop, manufacture, fabricate, assembly and trading of precision steel mould, metal products and steel parts, medical industry's chairs and instrument tables, etc.
* Dufu Industries Services Pte. Ltd (200204589D)	Singapore	100%	Processing and trading of high quality computer disk-drive related components.
@ SMIF Automation Sdn. Bhd. Registration No. 202201030817 (1476514-D)	Malaysia	51%	Engaging in trading and dealing in relation to the automation and fabrication of semiconductors and semiconductor devices and their accessories.

* A wholly-owned subsidiary of Dufu Industries Sdn. Bhd.
@ A subsidiary of Dufusion Sdn. Bhd.

Board of Directors

Standing From Left To Right

Tsai, Kun-Chang
Independent Non-Executive Director

Khaw Mui Suan
Independent Non-Executive Director

Hsu, Shih-Mu
Independent Non-Executive Director

Seated From Left To Right

Wu, Mao-Yuan
Executive Director

Dato' Lee, Hui-Ta
also known as Li Hui Ta
Executive Chairman

Ng Phaik Lee
Independent Non-Executive Director

Board of Directors' Profile

Dato' Lee, Hui-Ta

also known as Li Hui Ta

Executive Chairman

Taiwanese Male 67 years

Dato' Lee, Hui-Ta also known as Li Hui Ta was appointed as the Executive Director and Chief Financial Officer of Dufu Technology Corp. Berhad ("Dufu" or "Company") on 1 September 2006. On 18 June 2015, he was appointed as Executive Chairman of the Group and subsequently, he relinquished his position as the Chief Financial Officer on 4 November 2016. He is the Chairman of the Employees' Share Option Scheme Committee. He graduated with a Diploma in Mechanical Engineering from St. John's & St. Mary's Institute of Technology Taiwan in 1979. He also obtained a degree in Business Administration from National Taipei University in 1988 and a Master of Business Administration from American California Miramar University in 2009.

Dato' Lee commenced his career as an engineering supervisor with He Li Ying Precision Industry, Taiwan in 1981 dealing with precision components and was promoted to Managing Director in 1983 where he was responsible for their entire operation. In 1984, he co-set up Lee Bai Corp. Ltd. in Taiwan to manufacture precision quick die change systems for stamping and tooling of component parts.

In 1990, Dato' Lee co-set up Dufu Industries Sdn Bhd ("DISB") to manufacture precision tooling and precision machining parts for computer-related components. He has more than forty (40) years of experience in the precision tooling industry and in the CNC precision machining industry. He also sits on the board of several other private limited companies.

On 9 July 2022, he was granted the title of "Dato" after being conferred the Darjah Setia Pangkuan Negeri ("DSPN") award. Previously, on 25 July 2017, he was conferred the Darjah Johan Negeri ("DJN") award. These awards were presented in recognition of his exceptional contributions to society, particularly in reinforcing a strong investor stance to support the business community in the northern region.

Wu, Mao-Yuan

Executive Director

Taiwanese Male 69 years

Mr. Wu Mao-Yuan was appointed as a Non-Independent Non-Executive Director of Dufu on 19 December 2012 and was re-designated as an Executive Director on 27 August 2015. Mr. Wu currently serves as Managing Director of Guangzhou Futron Technology Co., Ltd ("Futron"), a subsidiary of the Group. He is a member of the Investment Committee of the Company.

Mr. Wu graduated from Taiwan Zhen Xin University in 1977 with a Diploma in Mechanical Engineering. Upon graduation, he started his career in 1979 as an Engineering Assistant responsible for the design and manufacturing of production jig and fixture with Da Di Ling Company. Subsequently, he joined Jin Feng Corp. in 1981 as a supervisor where he led the production team to manufacture motorcycle components. From 1988 to 1992, he was with Lee Bai Corp Ltd. as a Production Manager where he successfully commercialized a new precision machining project for the company. In 1993, Mr. Wu worked in Dufu Industries Sdn. Bhd. ("DISB") where he was responsible for overseeing its operation in line with technology evolvement within the industry. He left Malaysia in 2002 to set-up and established Futron plant in China.

Board of Directors' Profile (Cont'd)

Tsai, Kun-Chang
Independent Non-Executive Director

Taiwanese Male 62 years

Mr. Tsai Kun-Chang was appointed as an Independent Non-Executive Director of Dufu on 30 July 2024. He is the Chaiman of the Investment Committee and a member of the Audit Committee, Risk Management and Sustainability Committee, Remuneration Committee and Nominating Committee.

Mr. Tsai graduated from Asia Eastern University of Science and Technology (formerly known as Oriental Institute of Technology) in Taiwan with a diploma in Textile Engineering. He has an extensive experience in the textile industry and was actively involved in managing, research, production and marketing aspects over his 40-year span in the industry.

He began his career in 1986 as a Quality Control Supervisor at Chung Shin Textile Co., Ltd. in Taiwan, where he focused on maintaining product quality and ensuring compliance with industry standards. After three years, he joined Hakers Enterprise Co., Ltd. ("Hakers") as their Assistant Factory Manager, where he played a crucial role in overseeing daily operations and optimizing production processes. In 1993, Mr. Tsai was seconded to Malaysia to lead the company's operations there, eventually advancing to the position of Managing Director. In this capacity, he was responsible for setting the strategic direction and overall performance of Hakers' Malaysian operations, implementing best practices, and driving growth in a competitive market. In 2005, he was relocated to manage the company's plant in China for three years, before returning to the Malaysian facility, where he continued to enhance operational efficiencies and expand market reach. In 2021, Mr. Tsai took on the leadership of Hakers' plant in Vietnam, further demonstrating his expertise in managing diverse teams across different cultural contexts and navigating the complexities of the global textile market.

After retiring from Hakers in 2021, Mr. Tsai established his own company, Dongpo Garments Sdn Bhd, where he continues to leverage his extensive knowledge and experience to build industry relationships and drive new business initiatives.

Ng Phaik Lee
Independent Non-Executive Director

Malaysian Female 59 years

Ms. Ng Phaik Lee (Carine) was appointed as an Independent Non-Executive Director of Dufu on 8 October 2024. She serves as the Chairman of both the Audit Committee and the Risk Management and Sustainability Committee, and is also a member of the Remuneration Committee, Nominating Committee, and Investment Committee of the Company.

Carine holds a Master of Business Administration from Nottingham Trent University in the United Kingdom. She is a qualified accountant with a professional designation from the Association of Chartered Certified Accountants (ACCA) and has been a Chartered Accountant registered with the Malaysian Institute of Accountants (MIA) since 2001.

Carine began her career in 1989 as an Accounts Officer at SDKM Sdn. Bhd. By 1995, she was promoted to Accounts Manager. In 2001, she advanced to the role of Corporate Finance Manager of SDKM Fibres, Wires & Cables Sdn. Bhd. She played a pivotal role in the company's listing on Bursa Securities Malaysia Berhad in 2001, which resulted in its transformation into a public company. After the listing, she was responsible for managing the operations of overseas branches and was promoted to General Manager in 2006. Subsequently, after the completion of the Group's restructuring exercise and management buy-out in 2009, Carine became the Managing Director of SDKM Technologies Sdn. Bhd., a position she continues to hold today.

She has extensive experience in corporate exercises, compliance with various regulations, stakeholder relations, accounting, costing, customer networking, market research and penetration, as well as manufacturing operations.

Board of Directors' Profile (Cont'd)

Khaw Mui Suan
Independent Non-Executive Director

Malaysian Female 56 years

Ms. Khaw Mui Suan (Katherine) was appointed as an Independent Non-Executive Director of Dufu on 17 February 2025. She currently serves as the Chairman of the Nominating Committee and Remuneration Committee. She is also a member of the Audit Committee, Risk Management and Sustainability Committee, and Investment Committee.

Katherine graduated with a Bachelor of Laws (LL.B) (Honours) degree from the University of London in 1993. She subsequently obtained her Certificate of Legal Practice (CLP) in 1995 and was admitted to the Malaysian Bar as an Advocate and Solicitor on 26 October 1996.

Katherine began her career as a chambering student at Chew, Tan & Lim, a legal firm in Penang, in January 1996 and was retained by the same firm as a Legal Assistant in October 1996 after being called to the Malaysian Bar. In April 1997, she relocated to Kuala Lumpur, where she practised at Cheong Kee Fong & Co before joining Khaw & Partners in April 2000. In August 2000, she returned to Penang and rejoined Chew, Tan & Lim as a Senior Legal Assistant. In January 2002, she became a Partner in the Corporate Division of Salina, Lim Kim Chuan & Co. in Penang. In September 2015, Katherine established her own legal practice, Katherine Khaw & Associates, in Penang, where she remains the owner and continues to serve clients.

With 30 years of experience as a lawyer, Katherine has extensive expertise in corporate law, equity corporate finance and commercial law. She renders legal advisory services on a broad spectrum of matters, including mergers and acquisitions and joint ventures, initial public offerings (IPOs), corporate exercises and restructuring, corporate governance and compliances, banking and finance, land/property acquisitions and development projects.

Katherine is currently the Independent Non-Executive Chairperson of GB Bond Berhad (a public company).

Hsu, Shih-Mu
Independent Non-Executive Director

Taiwanese Male 65 years

Mr. Hsu, Shih-Mu was appointed as an Independent Non-Executive Director of Dufu on 10 November 2025. He is a member of the Audit Committee, Risk Management and Sustainability Committee, Investment Committee, Remuneration Committee and Nominating Committee.

Mr. Hsu holds a diploma in Mechanical Engineering from National United University (formerly known as United Industrial Technical College) in Miaoli, Taiwan. He possesses over 42 years of extensive experience in the precision metal stamping and plastic molding industries, with active involvement in management, research, production, and marketing functions.

Mr. Hsu began his career in 1983 as an operator at Non Ya Plastics Corporation, Shulin Plant in Taiwan. He later served as a sales representative in a company within the building materials industry, gaining valuable commercial and client management experience. In 1991, he joined G-Shank Enterprise (M) Sdn. Bhd. as the Plant Manager, where he played a pivotal role in establishing the Group's first manufacturing facility outside Taiwan. His leadership and technical expertise were instrumental in the successful setup and operations of the plant. In 2000, Mr. Hsu was promoted to General Manager, a position he continues to hold. Under his stewardship, the company has strengthened its operational efficiency and expanded its market networkability globally.

ADDITIONAL INFORMATION:

None of the Directors has:

(i) any family relationship with other Directors and/or major shareholders of the Company or its subsidiaries except:-
- Dato' Lee, Hui-Ta also known as Li Hui Ta is the spouse of Mdm Wang, Kuei-Hua, a major shareholder of the Company;
- Dato' Lee, Hui-Ta also known as Li Hui Ta is the father of Lee, Yi-Hsuan, a Director of DISB.

(ii) any conflict of interest or potential conflict of interest, including interest in competing business with the Company or its subsidiaries;

(iii) been convicted of any offence, other than traffic offences (if applicable) within the past five (5) years; and

(iv) been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2025.

Key Senior Management Team

Teoh Chiew Hong
Chief Executive Officer

Malaysian Male 50 years

Mr. Teoh Chiew Hong holds a degree in Science (Mathematics) from Universiti Sains Malaysia. Mr. Teoh commenced his career with Dufu Industries Sdn Bhd ("DISB") in 2000 as a Production Control Officer and ascended to the position of Material Planning Manager in 2006. In this role, he played a crucial role in spearheading the implementation of the Group's integrated application for its logistics and manufacturing system. He is also responsible for overseeing the Group's capacity planning, material, and inventory management.

In 2007, Mr. Teoh expanded his responsibilities to include overseeing the Computer Numerical Control ("CNC") Auto Lathe Manufacturing Division. Subsequently, in 2011, he was promoted to the position of Senior Manager in the Planning & Logistics Department. His dedication and leadership skills led to another promotion in 2016, where he assumed the role of General Manager effective 1 September 2016. In this capacity, his primary focus was driving and optimizing the entire CNC manufacturing division and other supporting business operations to enhance operational excellence. The success of running the CNC department, which flourished under his leadership, led to his appointment as Chief Operating Officer on 1 March 2019.

On 1 March 2023, Mr. Teoh's promotion to Deputy Chief Executive Officer reflected his noteworthy contributions. Subsequently, on 1 March 2024, he assumed the role of Chief Executive Officer of the Group.

David Khoo Chong Beng
Chief Financial Officer

Malaysian Male 53 years

Mr. David Khoo Chong Beng joined DISB on 1 March 2017 as a Senior Financial Controller. He holds a professional accountancy qualification from Association of Chartered Certified Accountants ("ACCA") and is a Chartered Accountant registered with the Malaysian Institute of Accountants ("MIA") since September 2002. In June 2012, he obtained a Commonwealth Executive Masters of Business Administration from Wawasan Open University. On 13 November 2023, Mr David is a Certified Sustainability Practitioner after having obtained the professional certification of Certified Sustainability Reporting Specialist ("CSRS") issued by Institute of Certified Sustainability Practitioners.

Mr. David Khoo started his career in BDO Binder Penang, an audit firm in June 1995 before moving to KPMG Penang in July 1997. He joined NTPM Holdings Berhad ("NTPM") as an Accountant in April 2000 and worked his way to be the Financial Controller of NTPM in January 2009. He left NTPM in February 2017. On 1 March 2019, he was appointed as Chief Financial Officer where he is entrusted to lead the finance, corporate and management information functions of the Group.

Wong Ser Yian
Director of DISPL

Singaporean Male 68 years

Mr. Wong Ser Yian graduated with a Bachelor of Engineering from Nanyang Technology University of Singapore in 1985. He started his career with Seagate Technology International, Singapore in 1986 as Supplier Quality Engineer and was promoted to Senior Engineer in 1988. Subsequently in 1990, he joined Micropolis Limited, Singapore as Senior Quality Engineer where he was responsible for developing and improving the aspects of suppliers' quality. In the same year, he moved to X Factor Pte Ltd as their Chief Executive Officer. On 2 September 2002, he joined Dufu Industries Services Pte. Ltd. ("DISPL") and took up the position of General Manager and his primary responsibilities are sales, marketing and customers service support and subsequently, on 27 August 2015, Mr. Wong was appointed as Director of DISPL.

Nah Ren Howe
Managing Director of Dufusion Sdn Bhd

Malaysian Male 60 years

Mr. Nah Ren Howe joined Dufu Group on 1 September 2019 as the Managing Director of Dufusion Sdn Bhd where he is managing the metal stamping and sheet metal division of the Group. After completing his studies at Confucian Secondary School, he continued his tertiary education at Meiji University in Tokyo, Japan. He graduated with a degree in management studies in 1989.

During his stay in Japan, Mr. Nah was fascinated by the precision tooling business. Upon completion of his studies, he found employment with a company supplying precision tools and stamped metal parts to Sony, NEC and other Japan MNCs. Mr. Nah returned to Malaysia in 1994 after spending 10 years in Japan. He took over the management of Rehon Industries, and he steered the company towards precision stamped parts with his acquired experience in the field.

ADDITIONAL INFORMATION:

None of the Key Senior Management has:
(i) any family relationship with other Directors and/or major shareholders of the Company;
(ii) any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries;
(iii) been convicted of any offence, other than traffic offences (if applicable) within the past five (5) years; and
(iv) been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2025.

Group Financial Highlights

Ten-Year Financial Summary

FINANCIAL YEAR ENDED 31 DECEMBER	2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
RESULTS										
Revenue	170,310	181,212	241,451	249,069	298,000	352,736	304,029	227,811	259,599	276,995
Earnings Before Interest, Depreciation & Taxation ("EBITA")	47,110	43,505	75,373	65,944	78,248	102,869	95,138	45,015	43,731	45,173
Amortisation and Depreciation	(10,968)	(10,194)	(7,809)	(10,344)	(9,319)	(10,643)	(11,426)	(10,882)	(12,117)	(11,276)
Operating Profit Before Interest and Taxation	36,142	33,311	67,564	55,600	68,929	92,226	83,712	34,133	31,614	33,897
Finance Costs	(884)	(523)	(421)	(956)	(705)	(329)	(234)	(255)	(2,052)	(1,417)
Share of results of associate, net of tax	-	-	(2,078)	(877)	1,052	2,072	1,068	(324)	72	(804)
Profit Before Taxation ("PBT")	35,258	32,788	65,065	53,767	69,276	93,969	84,546	33,554	29,634	31,676
Taxation	(8,225)	(6,746)	(13,239)	(9,662)	(17,705)	(20,283)	(17,533)	(9,206)	(7,088)	(3,730)
Profit For the Year	27,033	26,042	51,826	44,105	51,571	73,686	67,013	24,348	22,546	27,946
Non-controlling Interest	-	-	29	417	241	-	-	-	19	127
Profit Attributable to Owners of Company	27,033	26,042	51,855	44,522	51,812	73,686	67,013	24,348	22,565	28,073
ASSETS										
Property, Plant & Equipment@	53,433	46,213	61,764	76,811	78,883	101,809	139,620	148,101	180,988	172,000
Investment in Associate	-	6,144	3,783	3,599	4,452	7,755	8,767	8,568	8,530	14,122
Other Non-current Assets	582	1,257	454	1,244	616	737	1,069	806	1,042	2,428
Cash and Cash Equivalents	46,562	37,976	41,513	43,680	80,083	85,010	107,905	103,201	101,595	113,550
Other Current Assets	75,433	84,783	112,679	143,346	146,993	190,815	167,038	156,698	155,143	146,152
Total Assets	176,010	176,373	220,193	268,680	311,027	386,126	424,399	417,374	447,298	448,252
EQUITY AND LIABILITIES										
Shareholders' Equity	129,465	141,728	173,635	214,367	255,832	312,080	340,698	340,424	343,748	348,873
Non-controlling Interest	-	-	846	429	-	-	-	-	828	701
Total Equity	129,465	141,728	174,481	214,796	255,832	312,080	340,698	340,424	344,576	349,574
Loans and Borrowings	12,995	6,368	10,682	17,520	17,546	18,052	57,145	47,342	63,961	53,705
Other Non-current Liabilities	1,331	15	321	1	1	1,188	1,711	2,456	3,280	1,855
Other Current Liabilities	32,219	28,262	34,709	36,363	37,648	54,806	24,845	27,152	35,481	43,118
Total Liabilities	46,545	34,645	45,712	53,884	55,195	74,046	83,701	76,950	102,722	98,678
Total Equity and Liabilities	176,010	176,373	220,193	268,680	311,027	386,126	424,399	417,374	447,298	448,252
FINANCIAL RATIOS										
Basic Earnings per Share (sen) #	5.3	5.2	10.3	8.9	10.0	14.0	12.7	4.6	4.2	5.3
Diluted Earnings per Share (sen) #	5.3	5.2	10.3	8.8	9.8	13.9	12.6	4.6	4.2	5.3
Interest cover (times)	41	64	160	58	98	280	358	134	15	24
Net Assets per Share (sen) #	26	28	36	42	49	59	64	64	65	65
Profit Before Taxation Margin (%)	21%	18%	27%	22%	23%	27%	28%	15%	11%	11%
Profit After Taxation Margin (%)	16%	14%	21%	18%	17%	21%	22%	11%	9%	10%
Return on Shareholders Equity (%)	21%	18%	30%	21%	20%	24%	20%	7%	7%	8%
Dividend per Share (sen) # ^	1.50	2.17	3.55	4.00	5.00	7.00	6.50	3.50	3.50	3.50
Dividend Payout ratio (%)	28%	41%	46%	46%	50%	50%	51%	76%	83%	66%

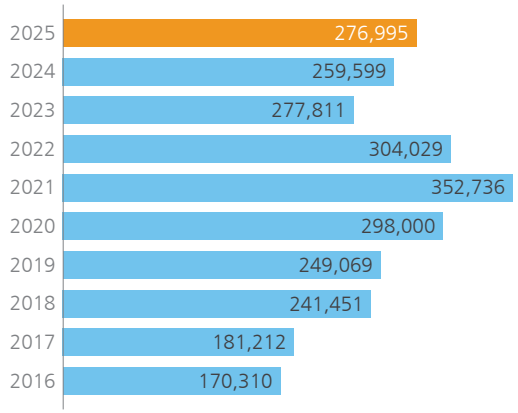
Computed based on enlarged number of ordinary shares in issue after bonus issue exercise which was completed on 29 November 2018 & 4 August 2020

^ The Single Tier Final Dividend for FY2018 by way of one treasury share for every twenty shares held is deemed to be worth 8.15 sen per share based on the closing price at the date of announcement on 26 February 2019

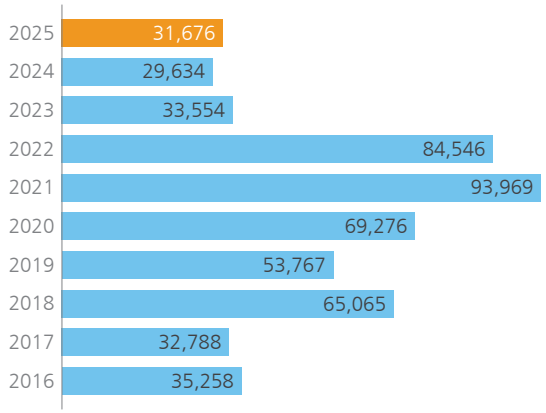
@ Property, plant and equipment includes Investment properties and right-of-use assets

Group Financial Highlights (Cont'd)

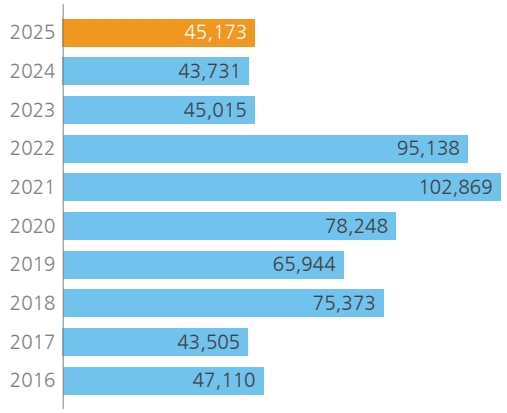
Revenue (RM'000)



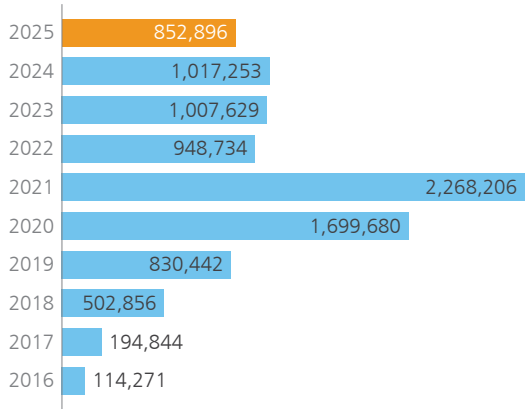
Profit Before Taxation (RM' 000)



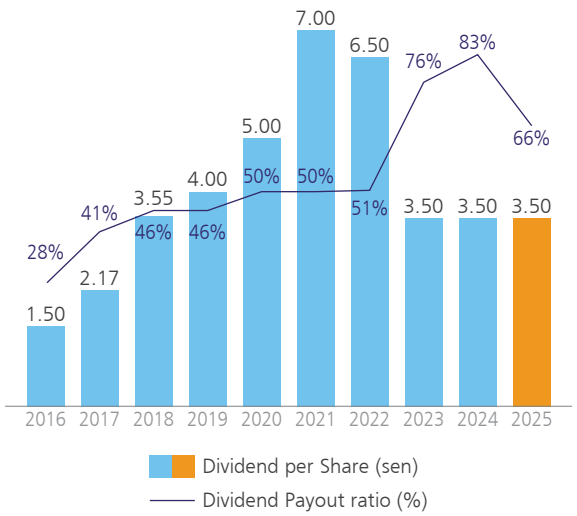
Earning Before Interest, Depreciation and Taxation (RM'000)



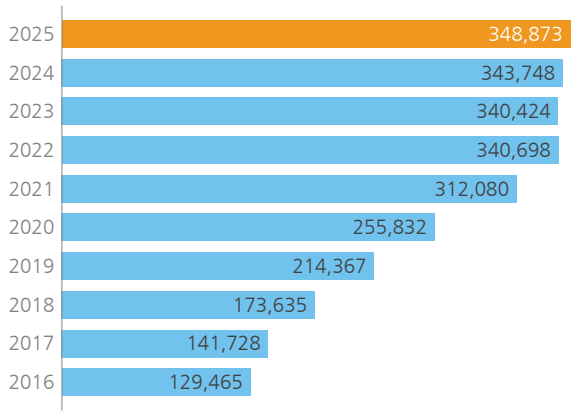
Market Capitalisation (RM' 000)



Dividend per Share (sen) / Dividend Payout Ratio (%)



Shareholders' Equity (RM' 000)



Chairman's Statement

Dear Fellow Shareholders,

On behalf of the Board of Directors of Dufu Technology Corp. Berhad ("Dufu"), I am pleased to present the Annual Report and the Financial Statements for the financial year ended 31 December 2025 ("FY2025").

DATO' LEE, HUI-TA
also known as Li Hui Ta
Executive Chairman

Financial and Operating Environment

The global semiconductor industry showed a meaningful improvement in 2025, supported by continued strong demand, particularly in storage solutions for Artificial Intelligence ("AI") driven applications, alongside a gradual recovery across broader end markets. Macroeconomic and geopolitical uncertainties persisted during the year, including the threat of trade wars and the imposition of tariffs by the United States, which continued to influence market sentiment. Nevertheless, overall industry conditions strengthened, resulting in enhanced business confidence and clearer demand visibility.

Arising from these developments, I am pleased to report that the Group's revenue for FY2025 increased by 6.7%, rising to RM276.99 million from RM259.60 million in the financial year ended 31 December 2024 ("FY2024"). This growth was primarily driven by higher contributions from the Hard Disk Drive ("HDD") segment. Demand for HDD data storage strengthened alongside the rapid adoption of AI, as AI-related workloads require the processing and retention of vast volumes of data for both training and inference.

In addition, the ongoing expansion of hyperscale data centres and cloud infrastructure has further boosted demand for high-capacity and high-performance storage solutions, making storage-related semiconductor applications a key growth driver for the industry, supporting the Group's performance during the financial year. Accounting for approximately 74% (FY2024: 73%) of total turnover, the HDD segment remained the Group's key revenue contributor.

Consequently, the Group recorded a profit after taxation ("PAT") of RM27.95 million in FY2025, representing an increase of RM5.40 million, or 24.0%, compared with RM22.55 million in FY2024. The PAT margin improved from 8.7% in FY2024 to 10.1% in FY2025, reflecting the benefit of a lower effective tax rate. Correspondingly, the Group's earnings per share ("EPS") increased from 4.2 sen in FY2024 to 5.3 sen in FY2025.

The Group's financial position remains strong, underpinned by robust cash flow generation. At the end of FY2025, cash and cash equivalents stood at RM113.55 million, up from RM101.59 million at the end of FY2024. Loans and borrowings declined from RM63.96 million to RM53.71 million, resulting in a strong net cash position of RM59.84 million, despite continuing to pay a high dividend during the year.

Our healthy cash position ensures that Dufu is strategically positioned to confidently execute its growth plans, including expanding into new business opportunities, capitalizing on the anticipated recovery in the semiconductor market, and meeting the sustained demand in the HDD sector.

Chairman's Statement (Cont'd)

Corporate Development

On 3 March 2025, the Company entered into a share purchase agreement to acquire 250,000 ordinary shares in DWZ Industries Sdn Bhd ("DWZ"), representing 25% of its issued share capital, for a cash consideration of RM6.14 million. The acquisition was completed on 3 July 2025, upon which DWZ was formally recognised as an associate company of the Group.

DWZ is a Malaysian-based company specialising in surface finishing for metal parts serving the electrical and electronic industries. This strategic investment provides the Group with a valuable collaborative platform, particularly in the provision of electroless nickel plating for our HDD aluminium-based components. Through this partnership, the Group will benefit from enhanced control, improved process monitoring, and closer operational alignment in this highly critical stage of the HDD component manufacturing process.

Electroless nickel plating is a key process that underpins the quality and reliability of the Group's HDD components. Strengthening this capability through our association with DWZ ensures that the Group remains well positioned to uphold its standards of excellence, enhance its supply chain management and sustain its leadership within the industry it serves.

Rewarding Shareholders

In recognition of the unwavering support of our shareholders, the Group maintained a high dividend payout ratio of 66% for FY2025 (FY2024: 83%) based on profit after tax. This translates to a dividend of 3.5 sen per ordinary share, consistent with the previous financial year and well above our dividend policy, which targets the distribution of approximately 50% of net profit, excluding other income.

For FY2025, the Group declared a total dividend of RM18.65 million, underscoring our commitment to delivering stable and attractive returns while ensuring the Group retains the financial capacity to pursue strategic growth initiatives. This balanced approach reflects our focus on creating sustainable value for our shareholders over the long term.

Continuing Our Sustainability Journey

I am pleased to share that Dufu has once again achieved a significant milestone in our sustainability journey by retaining our position in both the FTSE4Good Bursa Malaysia Index and the FTSE4Good Bursa Malaysia Shariah Index for the fourth consecutive year. This continued recognition reflects the strength of our governance framework, the discipline of our execution, and the unwavering commitment of our people to responsible and sustainable business practices.

Our FTSE Russell ESG rating remained at four stars during the year, while our overall ESG score improved further to an outstanding 4.5 out of 5. This performance places the Group within the top 94 percentile of companies in the Industrial Goods and Services supersector based on relative ESG scoring, reinforcing our standing as a sustainability leader within our industry.

Dufu remains committed to advancing a culture of integrity and responsible business practices as we progress on our sustainability journey. Building on the foundation of our 2023 Five-Year Sustainability Plan, we improvised the Sustainability Plan 2026, which strengthens our ESG framework in line with evolving global standards. The new plan outlines 40 measurable targets, including six new goals covering governance, safety, and talent development. These efforts underscore our continued focus on elevating Board diversity, enhancing ESG ratings, reinforcing anti-bribery and corruption practices, improving occupational safety indicators, and supporting talent pipeline development.

Following consultations with energy specialists, we also raised our annual energy consumption intensity and GHG emissions intensity reduction targets from 2% to 5%, revising retrospectively our cumulative 2023–2028 target to 25%. To support this, we commenced a pilot of the AI-driven intelligent energy management system, projected to reduce air-conditioning energy consumption by 10–30%, with plans for wider adoption if successful. Our renewable energy strategy continues to progress, with phased expansions of our solar photovoltaic (PV) installations at the Bayan Lepas facility, now reaching a total installed capacity of 1,245.81 kWp, with an additional 109 kWp completed in the first quarter of 2026. Once fully deployed, the system is expected to supply around 20% of the site's monthly electricity needs. Looking ahead, we are evaluating the implementation of an AI-driven energy optimisation platform, targeted for early 2026, which is expected to further enhance efficiency and generate an additional 5% in annual energy savings.

Our social and employee initiatives remain central to our sustainability strategy. Under the "Dufu Cares, Dufu Shares" programme, we continued our support for the Silver Jubilee Home for the Aged apart from its Charity with Love Fun Run and organised a blood donation drive with Hospital Sultan Abdul Halim. Through our "Building Youth for Nation" initiatives, we engaged with Khazanah Youth Development Programme ("K-Youth") and also other education institutions to provide industrial training to youth and interns, including one student trainee who earned a nationwide school silver project award under our guidance. In addition, our "Pledge a Library" programme has continued to benefit 10 schools annually since 2020 and has contributed to the expansion project at Sekolah Jenis Kebangsaan Boon Beng, Bandar Tasek Mutiara, Simpang Ampat.

In support of employee welfare and staff retention, Dufu introduced semi-flexible work arrangements effective 1 October 2025, providing employees with a three-hour daily flexible window and the option to adjust work hours. This initiative enhances work-life balance, morale, and productivity. The Employees' Shares Option Scheme continues to serve as a key tool for retention and recognition. In 2025, a total of 4 million shares were granted on 17 September 2025, exercisable from 30 September 2026, with 59% allocated to managerial positions and above. Grants are awarded based on performance, leadership, and contributions to the Group's growth, aligning incentives with succession planning and supporting sustainable leadership continuity.

Chairman's Statement (Cont'd)

Looking Ahead

We enter 2026 with renewed optimism, backed by strong structural tailwinds in global data growth, AI adoption, and the continued expansion of digital infrastructure. Within the storage ecosystem, the outlook remains highly encouraging. The global HDD industry is expected to sustain its upward trajectory, supported by long-term fundamentals that continue to strengthen year after year.

Industry assessments point to steady growth in high-capacity HDD demand through 2026 and beyond, fuelled by the exponential increase in data generation, rapid cloud hyperscale expansion, and the accelerating integration of AI-driven workloads. These trends are further amplified by the rising need for cost-efficient archival and cold storage, where HDDs remain the most scalable and economical solution.

This evolving landscape reaffirms the enduring relevance of HDD technology, particularly in the nearline and enterprise segments, where high-capacity storage is critical for managing massive datasets. Against this backdrop, the Group is well positioned to capture the next wave of industry growth. Our strong technical competencies, deep customer relationships, and proven track record in producing high-precision HDD components enable us to support the increasing performance and density requirements of next-generation storage solutions.

The Group will continue to invest in new technology and equipment, focusing on advancements such as automated optical inspection and the application of the Internet of Things (IoT) in industrial settings for enhanced monitoring and automation. We will maintain active engagement with stakeholders and participate in industry events, ensuring that the Group's strategic initiatives continue to gain strong traction and seamless integration. These efforts aim to deliver sustained, positive value to our customers and shareholders.

The Group remains mindful that a significant portion of its revenue is denominated in U.S. dollars. The continued weakening of the USD against the Malaysian Ringgit may impact reported financial performance in the coming year. At the same time, the global operating environment is evolving amid the escalation of the Middle East conflicts, geopolitical developments, shifting trade policies and supply chain realignments. While these changes may create short-term demand volatility, they also present opportunities for the Group to strengthen its position within regional and diversified supply chains, particularly in Southeast Asia where we maintain an established manufacturing footprint.

Looking ahead, the Group will continue to enhance capabilities, improve operational efficiency, and drive innovation to reinforce our position as a trusted partner in the global HDD supply chain, while generating long-term, sustainable value for all stakeholders.

Appreciation

In 2025, we bid farewell to our esteemed colleagues, Joyce Wong Ai May and Yin Chih Chu, also known as Laurence Yin, who are retiring after nine years of dedicated service. Their exemplary leadership and commitment to corporate governance have been vital in shaping the Company's direction and contributing to its success. We extend our sincere gratitude and wish them continued success in their future endeavors.

We are pleased to welcome Khaw Mui Suan, Katherine and Hsu, Shih-Mu, David to our Board. Katherine brings extensive experience as a legal advisor with deep expertise in corporate law and governance, while David contributes profound knowledge in advanced manufacturing, electronics assembly, and scaling high-value industrial and medical products for global companies. We are confident that their insights will further strengthen our governance framework and enhance operational effectiveness as we pursue greater achievements.

The Board also thanks our management and staff for their dedication, innovation, resilience, and teamwork, which have been essential in navigating an evolving business environment and driving the Group's continued growth. Your commitment over the years forms the backbone of our achievements, and we deeply appreciate your efforts.

We are equally grateful to our stakeholders, including shareholders, customers, business partners, financiers, regulators, and government bodies, for their support, which enables the Group to create sustainable value.

Finally, I extend my appreciation to my fellow Board members for their wise counsel and collaboration. With the strength of our leadership and the dedication of our team, Dufu Group is well positioned to achieve its growth ambitions, and the Board remains confident in the Group's continued success.

DATO' LEE, HUI-TA ALSO KNOWN AS LI HUI TA
Executive Chairman
25 March 2026

Management Discussion and Analysis

Business Overview

Dufu Technology Corp. Berhad ("Dufu" or "the Group"), headquartered in Penang, Malaysia, stands as a prominent precision machining manufacturer. Our journey began in 1990 with the acquisition of a leading Hard Disk Drive (HDD) maker, enabling us to specialize in crafting 5.25-inch HDD disk spacers. Over the past 35 years, we've amassed extensive expertise in designing, developing, and manufacturing high-precision components. Our focus extends across various industries, including HDD, industry safety and sensors, telecommunications, consumer electronics, industry instrument and equipment, automotive, and office equipment. Today, we take pride in serving as a strategic partner to numerous multinational corporations renowned in their respective domains.

Beyond precision machining, our services encompass fabrication, assembly, prototyping, and more. We offer engineering and turnkey solutions, ranging from tool manufacturing to delivering finished parts tailored to our customers' precise requirements. Our products reach over 10 countries worldwide, spanning Asia Pacific, Europe, Oceania, and North America.

Presently, Dufu operates four manufacturing sites. The Bayan Lepas Phase IV plant in Penang and the Guangzhou plant in China specialize in precision machining. Meanwhile, the Bukit Minyak plant caters to customized sheet metal and stamped components as per customer specifications. Our assembly plant is situated at Bayan Lepas Phase I in Penang.

Manufacturing Divisions

Category	Processes/Equipment
CNC Machining	- CNC Auto Lathe - CNC Lathe - Escomatic Machine - NC Machine - CNC Milling (3 Axis, 5 Axis) - CNC Turn Mill (5 Axis, 8 Axis)
Metal Fabrication	- Laser Cut Machine - Turret Punch - Stamping Press - Hydraulic Press - NC, CNC Bender - CNC Vertical Machine Center - Metal Grinding - MIG, TIG Welding - Spot Welding - PEM Inserter - Sand Blasting - Precision Grinding • Double Disc Grinding • Centerless/Cylindrical Grinding • In-Feed Grinding • OD Honing - Tumbling • Vibratory Tumbling • Rotary Tumbling • Magnetic Tumbling
Secondary Process Operation	- Thread Rolling - Laser Marking - Tempo Printing - Oven - Aqueous Ultrasonic Precision Clean - Wet Painting - Powder Coating - Tool and Die Making - Fabrication of jigs, fixtures and gages

Management Discussion and Analysis (Cont'd)

Business Strategies

The Group business strategy rests upon the principle of delivering customers' needs at all time. A key priority is to keep our customers satisfied with our solution and to help them navigate their supply chain effortless within their own competitive operating landscape. The Group's journey throughout the Financial Year Ended 31 December 2025 ("FY2025") was braced with challenges, characterised by heightened geopolitical uncertainties, evolving trade policies, supply chain realignments, and continued cost pressures across the global semiconductor and precision manufacturing ecosystem.

During the financial year, the operating environment remained volatile as the global semiconductor industry faced increasing fragmentation arising from strategic competition between major economies. Trade tensions between the United States ("US") and China, including the introduction and threat of additional tariffs, export controls, and restrictions on advanced semiconductor technologies, contributed to uncertainty in cross-border supply chains and capital expenditure decisions. These developments impacted customer procurement behaviour, elongated order cycles, and heightened compliance requirements across international markets. Macroeconomic conditions further compounded the challenges faced by the Group during the financial year. Persistent inflationary pressures, coupled with currency volatility, weighed on overall cost structures and margins. In particular, the weakening of the U.S. Dollar against the Malaysian Ringgit by approximately 10% in 2025 had an adverse impact on the Group's export competitiveness and profitability, as a significant portion of revenue is denominated in U.S. Dollar.

Notwithstanding these headwinds, the Group benefited from an improvement in Hard Disk Drive ("HDD") related demand. The global HDD market experienced a notable recovery during the year, primarily driven by the rapid expansion of artificial intelligence ("AI") workloads and data centre storage requirements.

We remain focused on strengthening the resilience of our supply chains, safeguarding revenue streams, and proactively managing margins and profitability in an increasingly dynamic operating environment. Against this backdrop, the Group has formulated the following long-term business strategies to sustain growth and expand its market presence:

- Business diversification and market expansion
  The Group continues to pursue a business diversification strategy by strengthening Dufu's presence across key industries identified for sustainable growth. In particular, we are broadening our revenue base by targeting customers within the semiconductor and automotive sectors, which offer stronger long-term demand visibility and higher value-added opportunities.

  While demand for enterprise HDD-related components is expected to remain resilient, it is imperative for the Group to secure new customers and broaden its customer portfolio as part of our risk mitigation strategy, thereby reducing concentration risk and reinforcing our market position within these segments.

  To support this expansion, the Group established a manufacturing hub in Bukit Minyak in 2019 to serve the domestic sheet metal fabrication market. In December 2022, the Group further acquired two units of single-storey detached factories with double-storey office buildings in Seberang Perai Selatan, with built-up and land areas of approximately 12,040 and 21,732 square metres respectively. These facilities, scheduled for completion in the first half of 2026, will enhance our capacity in metal fabrication, machining, and assembly, enabling the Group to support increased customer demand and future business growth.

- Operational excellence and productivity enhancement
  We remain committed to improving production efficiency and operational effectiveness through continuous process optimisation and cost management initiatives. These efforts enable the Group to deliver competitively priced products and services while enhancing value across our customers' supply chains.

- Innovation and technology adoption
  The Group will continue to invest in research and development to drive innovation, automation, and digitalisation. By adopting advanced manufacturing technologies and smart factory solutions, we aim to meet evolving market requirements, improve process reliability, and maintain product competitiveness while ensuring optimal quality standards.

- Human capital development
  Recognising that the Group's performance is driven by the talent, commitment, and expertise of our people, we will continue to strengthen our employee value proposition. Emphasis will be placed on skills development, broader training programmes, improved remuneration structures, and enhanced staff welfare initiatives to foster a motivated, engaged, and high-performing workforce.

Management Discussion and Analysis (Cont'd)

Overview of Performance

a) Revenue

The Group recorded revenue of RM276.99 million for FY2025, compared to RM259.60 million for the previous financial year ended 31 December 2024, representing an increase of approximately 6.7%. The improvement was driven by stronger demand across several key segments, particularly the HDD related business and the telecommunications sector.

Revenue from the HDD segment increased to RM205.97 million in FY2025 from RM189.08 million in FY2024, reflecting year on year growth of 8.9%. The growth was mainly attributable to higher volume loading from the Group's key HDD customers. The recovery in global HDD demand was supported by structural growth in data storage requirements, particularly from cloud service providers and enterprise data centre operators. The rapid expansion of artificial intelligence applications has significantly increased the generation, processing, and retention of large data sets. Workloads such as model training, inference, and large scale analytics require substantial and reliable storage capacity, thereby accelerating investments in hyperscale data centres and cloud infrastructure. In 2025, global customers continued to prioritise the deployment of high capacity enterprise drives for bulk storage, archival, and data lake environments. This sustained demand led to higher production volumes across the HDD supply chain during the financial year.

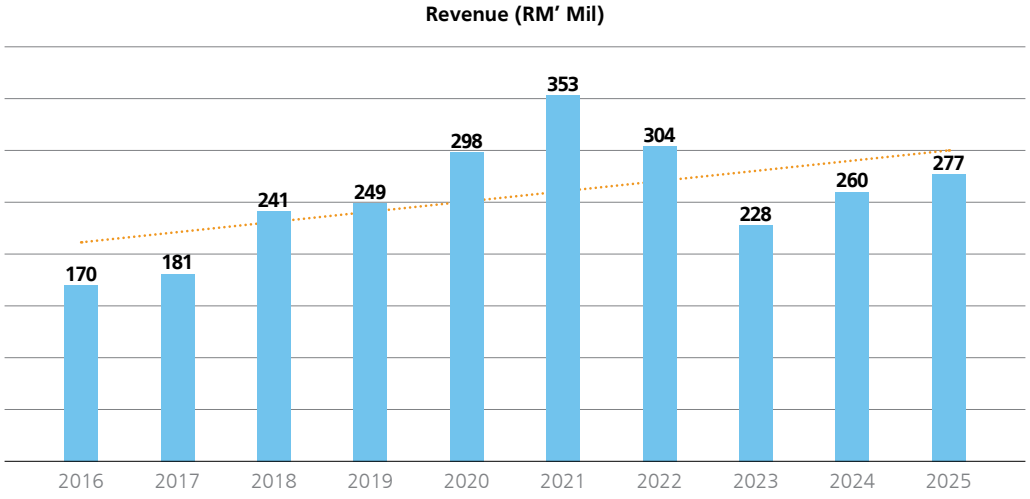
As a key manufacturer of precision components and disk spacers for enterprise HDD assemblies, the Group directly benefited from this upturn. Disk spacers are critical components used in multi platter drive configurations to enable higher storage density and improved mechanical stability. The ongoing industry transition towards higher capacity drives, which incorporate a greater number of platters per drive, has correspondingly increased the content per unit and component requirements. This trend translated into higher order volumes, improved capacity utilisation, and stronger revenue contribution for the Group's HDD related business.

In the non-HDD business segment, Dufu recorded revenue of RM71.02 million in FY2025, representing relatively stable performance compared with RM70.52 million in FY2024. Growth was primarily driven by the telecommunication segment, which registered a 10.5% year-on-year increase, supported by rising demand for reliable, secure, and real-time communication solutions across mission-critical sectors such as public safety, defence, emergency response, and industrial operations. Ongoing advancements in digital technologies and system integration have further broadened the adoption and application of these solutions.

However, the gains from the telecommunication segment were partially offset by weaker performance in the industrial equipment as well as the sensor and control segments. The industrial equipment segment declined by 16.2% year-on-year, while the sensor and control segment contracted by 1.9%. As the sensor and control segment accounts for approximately 50% of the non-HDD business, the slowdown had a notable impact on overall segment performance.

Notwithstanding these headwinds, continued contributions from the telecommunication and other diversified sectors underpin the resilience of the non-HDD segment and position Dufu for sustainable growth moving forward.

The following chart illustrates the Group's revenue since FY2016.



Management Discussion and Analysis (Cont'd)

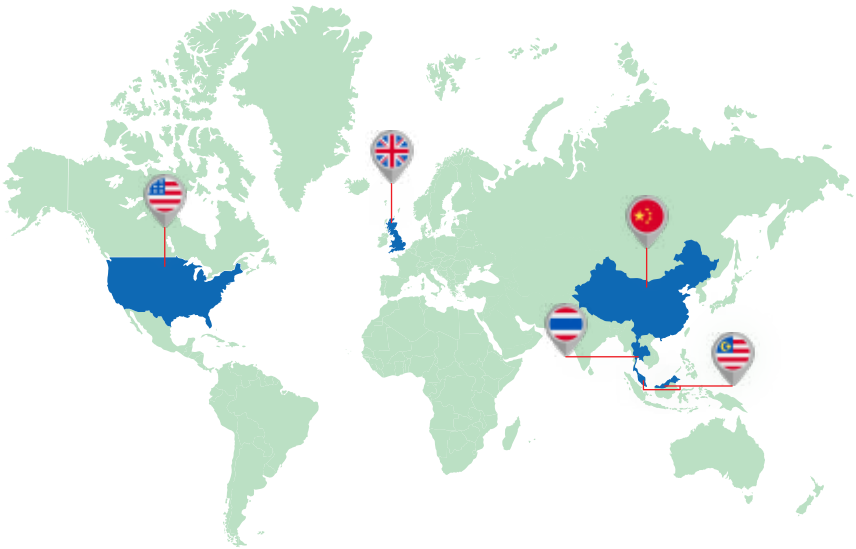
Overview of Performance (Cont'd)

a) Revenue (Cont'd)

Exports continued to be the primary revenue driver for the Group, accounting for approximately 89% of total revenue in FY2025. Thailand remained the Group's largest export market, underpinned by the concentration of HDD manufacturers and their supply chain ecosystem within the country.

A breakdown of the Group's revenue by geographical segment for FY2025 is presented below.

Exporting Countries	%
Thailand	58
Malaysia	11
China	18
United States	6
United Kingdom	4
Others*	3
Total	**100**

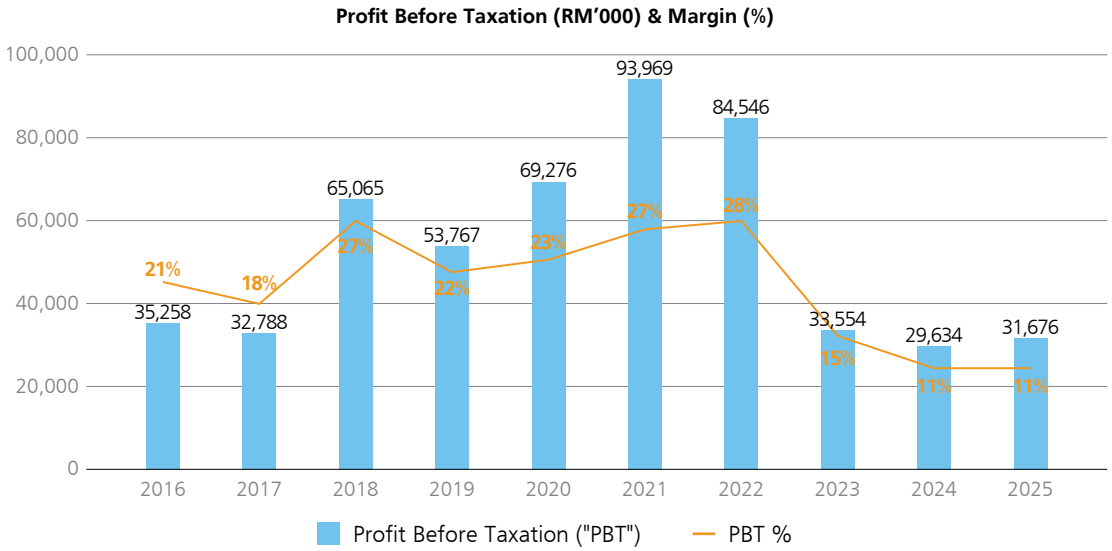


*Others include Hong Kong, Singapore, Taiwan, Romania, Germany, India, Philippines and Japan

b) Profit Before Taxation ("PBT")

The Group reported a Profit Before Taxation ("PBT") of RM31.68 million for FY2025, representing a 6.9% increase from RM29.63 million in FY2024. The improvement was primarily driven by higher revenue, while the PBT margin remained stable at 11.4% (FY2024: 11.4%).

The following chart illustrates the Group's PBT and PBT margin since FY2016.



Management Discussion and Analysis (Cont'd)

Overview of Performance (Cont'd)

c) Other Income

Other income decreased to RM7.15 million in FY2025 from RM10.46 million in FY2024. The decline was primarily attributable to foreign exchange movements, as the Group recorded an unrealised foreign exchange gain of RM2.64 million in FY2024 compared with an unrealised foreign exchange loss of RM2.54 million in the current financial year. The Group experienced notable currency volatility arising from fluctuations in the United States Dollar ("USD") against the Malaysian Ringgit ("MYR"). The USD/MYR exchange rate weakened from 4.46 at the beginning of 2025 to 4.05 by year-end, resulting in adverse translation effects on the Group's foreign currency–denominated balances.

d) Employees Benefits Expense

The Group's employee benefits expense rose from RM75.23 million in FY2024 to RM78.11 million in FY2025, primarily due to annual salary increments and improvements in employee welfare and benefits.

e) Profit for the Year Attributable to Owners of the Company

The Group recorded a profit of RM28.07 million for FY2025, compared with RM22.57 million in FY2024. The increase was attributable to the factors outlined above, as well as an improvement in the effective tax rate arising from the recognition of deferred tax benefits related to previously unutilised tax losses and capital allowances of one of the Group's subsidiaries.

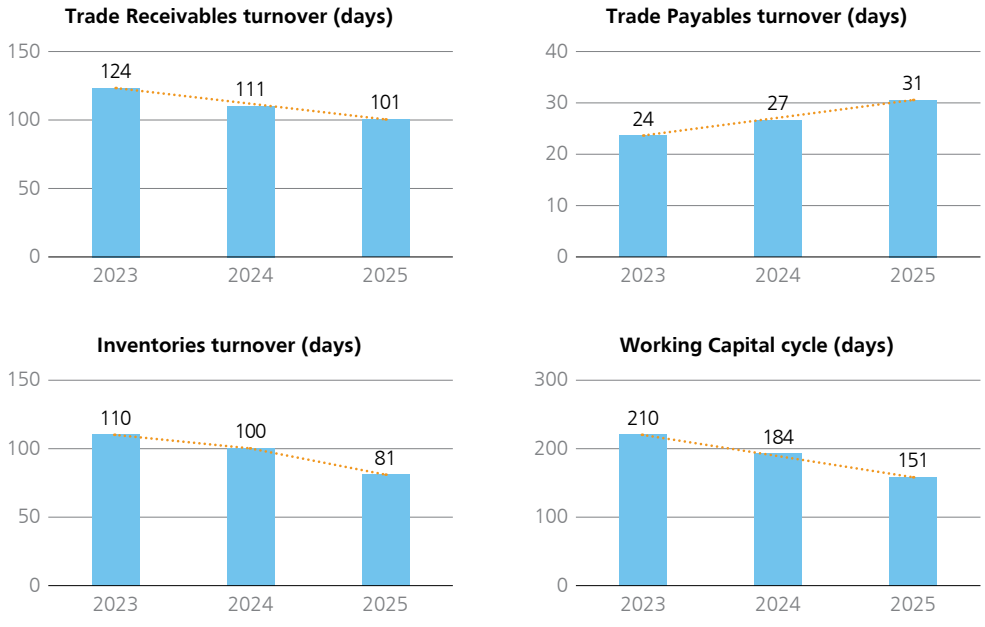
Financial Position and Cash Flow

There were no significant changes or fluctuations in the Group's financial position during the financial year. As at 31 December 2025, the Group's equity attributable to owners of the Company increased to RM348.87 million from RM343.75 million recorded at the end of 2024. Total assets rose marginally to RM448.25 million compared with RM447.30 million in the previous year. Total borrowings decreased by RM10.26 million to RM53.71 million as at year-end 2025. This reduction was primarily due to the repayment of term loans and banker's acceptances, reflecting the Group's continued efforts to strengthen its cash flow position and optimise working capital management.

Receivables and prepayments as at 31 December 2025 decreased slightly to RM81.13 million from RM82.39 million at the end of 2024. The trade receivables turnover period improved from 111 days in FY2024 to 101 days in FY2025, reflecting enhanced working capital management and more effective recovery of overdue debts. The Group's inventory balance stood at RM61.76 million as at 31 December 2025, compared with RM70.90 million in FY2024, representing a decrease of RM9.14 million as the Group continued its efforts to optimise stockholding levels.

Consequently, the Group's working capital cycle improved significantly to 151 days at the end of 2025, compared with 184 days a year earlier. This improvement was supported by stronger turnover across trade receivables, inventories, and trade payables, demonstrating the Group's ongoing commitment to optimising working capital and enhancing overall financial efficiency.

The diagrams below provide further insights into these financial trends.



The above charts are based on Revenue generated from their respective year ends

Management Discussion and Analysis (Cont'd)

Capital Expenditure, Capital Structure and Capital Resources

The Group maintains a policy of prudent capital expenditure to support business growth, enhance operational capabilities, and upgrade existing machinery. Over the past five years, however, capital investment has been substantial to enable strategic expansion. In FY2025, the Group invested RM6.77 million, adding to RM147.47 million expended from FY2021 to FY2024. These investments were primarily directed towards expanding infrastructure, including RM66.45 million for the construction of four four-storey factory buildings in Guangzhou, People's Republic of China, and the acquisition of two single-storey detached factories with double-storey office buildings in Valdor, Seberang Perai Selatan. As of 31 December 2025, 85% of the Valdor acquisition costs, totaling RM38.6 million, had been paid through progress payments.

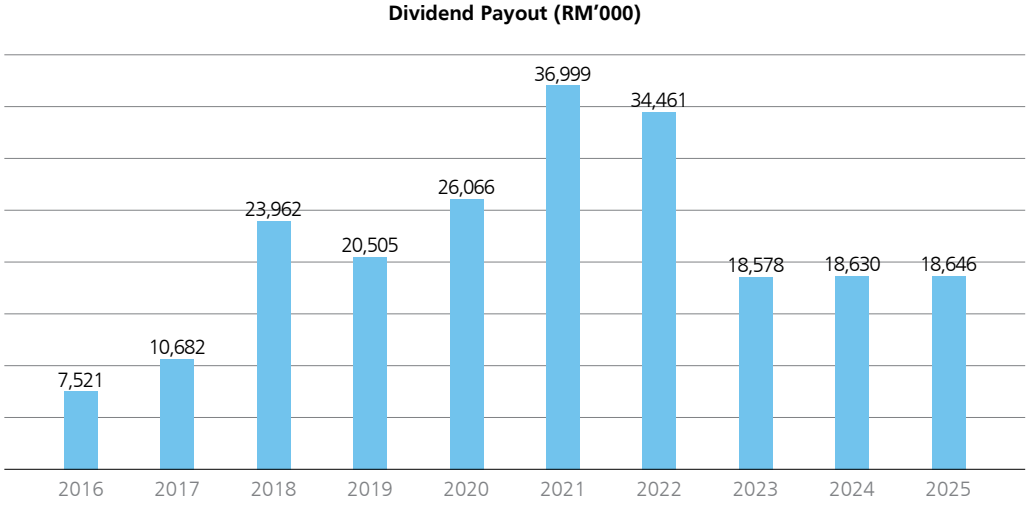
These capital expenditures are fully aligned with the Group's long-term strategic vision. With the lease for the existing China plant set to expire in July 2032, without renewal options, the new plant is critical to ensuring continuity and growth of operations in China. Similarly, the Valdor factories are positioned to capture robust demand for precision fabrication, particularly in the electrical and electronics sector, supported by strong foreign direct investment ("FDI") into Penang. In addition, Malaysia's National Semiconductor Strategy ("NSS") launched in 2024, designed to strengthen the domestic semiconductor ecosystem, presents significant growth opportunities for local precision metal manufacturers, including the Group, by increasing demand for high-precision components and fabrication services.

Despite substantial capital investments over the past five years, the Group remains committed to returning value to shareholders. Our dividend policy targets a payout of 50% of net profit (excluding other income), while taking into account cash flow, working capital requirements, and ongoing capital expenditure needs. In line with this policy, the total dividend declared or paid for FY2025 represents a 89% payout, compared to 154% in FY2024. Shareholders received two dividend tranches, representing 66% of the Group's net profit for FY2025 (FY2024: 83%) as follows:

1. An interim cash dividend of 1.5 sen per share, totaling RM7.99 million, was paid on 19 September 2025; and
2. A final dividend of 2.0 sen per share has been proposed and is subject to shareholders' approval at the upcoming Annual General Meeting.

In total, Dufu has returned close to RM216.05 million to shareholders over a period of 10 years.

The following chart illustrates the Group's dividend payout since FY2016.



We maintain prudent debt levels by carefully evaluating a range of factors, including projected cash flows, cash requirements for ongoing operations, strategic investments, financing plans, and the overall cost of capital. This disciplined approach ensures that the Group remains financially resilient while supporting its growth objectives.

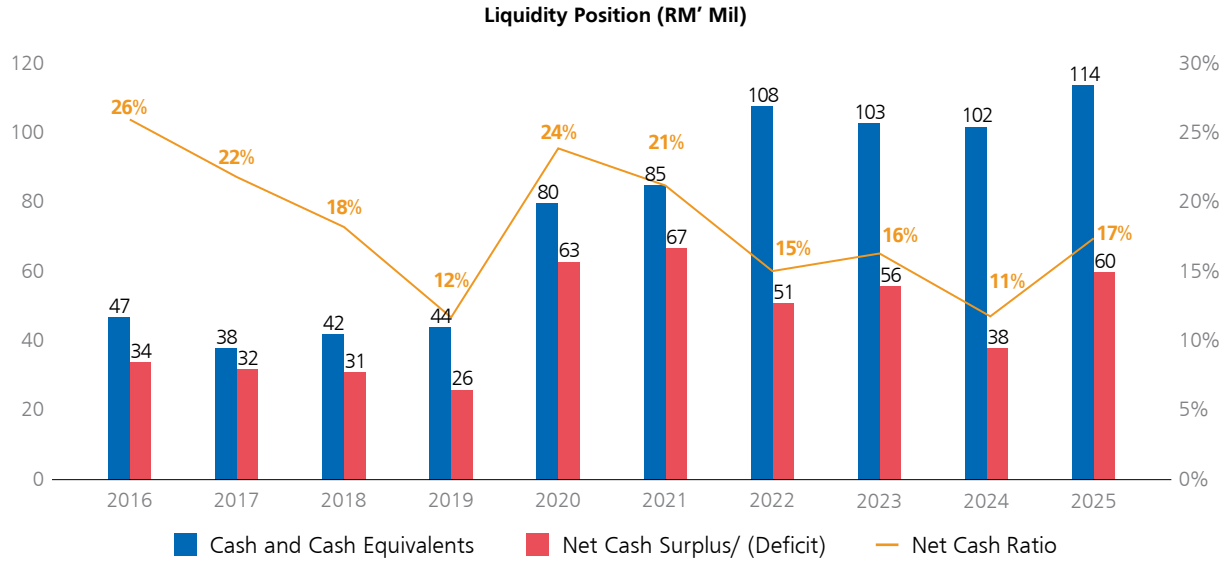
As of 31 December 2025, the Dufu Group held cash and cash equivalents of RM113.55 million (FY2024: RM101.59 million) and total borrowings (including hire purchase payables) of RM53.71 million (FY2024: RM63.96 million). This positions the Group in a strong net cash position of RM59.84 million (FY2024: RM37.63 million), reflecting a healthy working capital and robust liquidity.

Management Discussion and Analysis (Cont'd)

Capital Expenditure, Capital Structure and Capital Resources (Cont'd)

The Group's retained cash flow, combined with its existing banking facilities, provides ample financial flexibility to support both organic and inorganic growth initiatives for the financial year ending 31 December 2026 ("FY2026"). Our cash strategy is designed to ensure sufficient liquidity for operational needs, capital expenditures, and strategic investments, while maintaining a buffer to navigate potential market uncertainties. With a strong net cash position, we are well-positioned to leverage our financial resources effectively, enabling us to capitalize on growth opportunities and deliver sustainable long-term performance.

The following chart illustrates the Group's liquidity position since FY2016.



Key Risks relating to the Business and Mitigation

a) Foreign Currency Risk

The Group is exposed to foreign currency risk arising from fluctuations between the currencies used in sales or purchases and the currency in which transactions are settled. In our industry, fixed pricing arrangements often prevail, maintaining product price points over extended periods or throughout a product's lifecycle, which can amplify the impact of currency movements on margins.

Dufu Group derives approximately 89% of its revenue (FY2024: 91%) from international markets, with 88% (FY2024: 88%) denominated in US Dollars ("USD"). Most operational expenses, excluding certain raw materials, machinery, tools, and components, are settled in local currencies. A stronger USD generally supports profit margins, whereas a weaker USD, including the recent appreciation of the Malaysian Ringgit ("MYR") against the USD, may place downward pressure on the Group's earnings when translated into local currency terms.

To manage this exposure, Dufu employs a natural cash flow hedging strategy by sourcing the majority of raw materials in USD and maintaining USD-denominated accounts to facilitate revenue collection and payments. This approach helps offset currency fluctuations between revenue and expenditure streams. In addition, the Group has access to foreign exchange forward contracts and other hedging instruments through multiple financial institutions, which can be utilised selectively to secure favourable Ringgit-to-USD rates while balancing transaction costs and exposure periods. The Group continues to actively monitor currency markets and align its procurement, pricing, and hedging strategies to mitigate the impact of currency volatility on profitability and safeguard overall financial performance.

Management Discussion and Analysis (Cont'd)

Key Risks relating to the Business and Mitigation (Cont'd)

b) High Business Concentration Risk

The Group remains exposed to customer and sector concentration risk, with approximately 74% of FY2025 revenue (FY2024: 73%) derived from the HDD segment. While the Group's long-standing relationships with established HDD customers provide revenue visibility and operational stability, ongoing technological advancements and evolving hardware architectures necessitate continuous capability enhancement to maintain competitiveness and relevance within the industry.

To mitigate this concentration risk, the Group has proactively implemented a portfolio diversification strategy aimed at broadening its customer base and expanding into adjacent precision manufacturing segments. The establishment and subsequent relocation of the solutions centre specialising in sheet metal and structural fabrication for equipment manufacturers at Bukit Minyak Industrial Park, completed in July 2019, marked a key milestone in strengthening the Group's non-HDD revenue streams and enhancing its value proposition to industrial customers.

Building on these efforts, the Group recently acquired two single-storey factories with double-storey office buildings in Seberang Perai Selatan, with total built-up and land areas of approximately 12,040 square metres and 21,732 square metres, respectively. These facilities are expected to be commissioned in early 2027. Upon commencement of operations, the additional capacity is anticipated to support entry into new market segments, improve operational flexibility, and strengthen production scalability.

c) Labour Market Risk

Penang's industrial sector continues to face persistent shortages of both skilled and semi-skilled labour, driven by rapid industrialisation and sustained foreign direct investment inflows into the electrical and electronics ("E&E") sector. The tight labour market has increased competition for talent and heightened the sector's reliance on migrant workers to support production continuity and capacity expansion.

At the same time, evolving government policies aimed at reducing structural dependence on foreign labour have introduced additional cost and operational considerations for manufacturers. Recent regulatory measures including periodic freezes and tighter controls on foreign worker recruitment approvals, the implementation of a multi-tiered levy mechanism, upward revisions to minimum wage requirements, and the extension of mandatory Employees Provident Fund ("EPF") contributions to migrant employees have collectively increased employment costs and administrative responsibilities. Employers are also required to comply with stricter standards under the Workers' Minimum Standards of Housing and Amenities Act (Act 446), which mandates provision of certified and regulated accommodation for foreign workers, resulting in additional operating expenditure and ongoing compliance oversight.

These changes, coupled with heightened expectations around ethical labour practices and adherence to international frameworks such as the Responsible Business Alliance ("RBA"), have increased both financial commitments and governance requirements across the manufacturing ecosystem.

In response, Dufu has intensified its talent attraction and retention initiatives by offering competitive remuneration packages, comprehensive benefits, and structured career development pathways. The Group continues to invest in workforce upskilling and technical training to enhance productivity and reduce skills gaps. Concurrently, automation, process optimisation, and machinery upgrades remain key strategic priorities to reduce labour dependency, improve operational efficiency, and mitigate the impact of workforce constraints. Through these initiatives, the Group aims to build a more resilient, sustainable, and cost-effective operating model while maintaining full regulatory compliance.

Management Discussion and Analysis (Cont'd)

Trends, Outlook, Future Challenges & Strategy

FY2025 was a year of steady progress for the Group as we navigated a dynamic operating landscape shaped by evolving market conditions, rapid technological advancements, and continued transformation within the global storage and electronics sectors. Despite periods of softness in certain market segments, the Group delivered resilient performance by remaining disciplined in cost management, strengthening operational efficiency, and deepening collaboration with all the key customers across the HDD value chain.

Demand for high-capacity HDD components improved gradually during the year, supported by ongoing investment in cloud infrastructure, hyperscale data centres, and AI-enabled workloads. As data creation accelerates, the long-term fundamentals for mass-capacity storage remain firmly intact. This provided a stable foundation for the Group, reinforcing our commitment to delivering high-precision components for next-generation nearline and enterprise HDD platforms.

In the third quarter of 2025, we have successfully penetrated a new HDD manufacturer, making Dufu the only company supplying spacer components to all enterprise HDD makers today. The year 2026 will be a transitional period for several HDD manufacturers as they shift from their conventional setups to a new product variant. The raw materials required for this new HDD design are expected to enhance Dufu's value creation, and we anticipate a meaningful uptick in revenue once the new HDD variant enters mass commercialization.

The global trade environment entering 2026 remains unsettled, characterized by the escalation of the Middle East conflicts, soaring oil prices, heightened geopolitical tensions and protectionist policies that are reshaping supply chains and trade flows for capital goods and precision machinery. Despite some resilience in trade volumes, geopolitical considerations continue to outweigh pure efficiency objectives in cross-border commerce, contributing to slower overall trade growth and increased uncertainty for export-oriented industries.

Against this backdrop, Malaysia has continued to strengthen its position as a key regional hub for semiconductor assembly, testing, and advanced manufacturing. Increased foreign direct investment inflows, capacity expansions by multinational technology players, and supportive government initiatives under the National Semiconductor Strategy have enhanced the overall resilience, competitiveness, and attractiveness of the domestic ecosystem.

The ongoing industry shift toward a "China-plus-one" supply chain strategy has created tangible opportunities for Malaysian-based manufacturers, including the Group, to secure new programmes and deepen engagements with global customers seeking diversified and reliable production bases. This structural realignment, coupled with Malaysia's established infrastructure, skilled workforce, and stable policy environment, positions the Group to benefit from sustained demand for precision manufacturing solutions despite external market volatility.

Notwithstanding heightened geopolitical and macroeconomic uncertainties including ongoing U.S, China and middle powers strategic trade tensions, evolving tariff regimes, supply chain reconfiguration, rising raw materials costs observed in early 2026, the Group's operating environment continues to benefit from structural shifts in global manufacturing footprints. These developments have prompted multinational corporations to reassess supply chain concentration risks and accelerate diversification strategies to enhance resilience and ensure continuity of supply.

Operationally, the Group made sustained progress across its manufacturing footprint in Malaysia and China. Productivity initiatives, process automation, and continuous quality improvements helped mitigate cost pressures and maintain stable throughput. Investments in machining, metrology, Automated Optical Inspection ("AOI") capability and surface treatment thru acquisition, remain central to preserving our competitive advantage and ensuring readiness for evolving customer technology requirements.

From a financial standpoint, the Group continued to maintain a healthy balance sheet and strong liquidity position despite its historical trend of paying out more than 50% of operating profits. This disciplined approach has enabled ongoing reinvestment in capability enhancements while upholding our commitment to shareholder value through consistent dividend distributions.

The Group is advancing its strategic expansion into fabrication, sheet metal, and stamping capabilities to strengthen its manufacturing ecosystem and meet growing customer demand. Construction and fit-out of these new facilities are progressing according to plan, with production readiness targeted for 2027. This expansion will position the Group to capture the industry's increasing demand for high-precision components and advanced technology solutions. By broadening our capabilities, we are better equipped to support global technology leaders and enable them to respond to the evolving requirements of emerging technologies. With strong industry fundamentals, an expanding portfolio of capabilities, and a continued focus on operational excellence, the Group is well placed to capitalise on future growth opportunities and deliver sustainable, long-term value for all stakeholders.

This statement is made in accordance with the resolution of Board of Directors dated 25 March 2026.

Sustainability Statement

About This Report

We are pleased to present Dufu Technology Corp. Berhad's ("Dufu" or "the Company" or "the Group") Sustainability Report 2025 ("the Report" or "Statement"), which provides a comprehensive overview of our ongoing sustainability journey and the integration of Environmental, Social and Governance ("ESG") principles into our business operations.

This Report serves as both a communication and management tool in demonstrating our commitment to responsible business practices while tracking progress against our mid- and long-term sustainability goals. It outlines Dufu's key strategies, initiatives, and performance highlights for the calendar year 2025, focusing on the ESG topics most material to our stakeholders and our business.

The Report should be read in conjunction with other contents of Dufu's Annual Report 2025, which offers a broader perspective on the Group's overall financial and operational performance. Additional information and disclosures can be found in the following sections:

- Chairman's Statement;
- Management Discussion and Analysis;
- Corporate Governance Report and Overview Statement;
- Audit Committee Report; and
- Statement on Risk Management and Internal Control.

Scope and Boundaries

This Report focuses on the sustainability performance of Dufu Group's operations in Malaysia. It does not include data from our foreign subsidiaries or associate company. Should there be any changes to the reporting boundary or data scope, these will be clearly explained within the relevant sections of this Report.

The scope of this Report covers the following entities:

Dufu Technology Corp. Berhad ("Dufu" or "the Company" or "the Group")

Dufu Industries Sdn. Bhd. ("DISB")

Dufusion Sdn. Bhd. ("DFSB")

SMIF Automation Sdn. Bhd. ("SMIF")

Our economic and financial performance is reported on a consolidated basis, which includes the results of our foreign subsidiaries and our share of performance in an associate company. All financial data presented in this Report are sourced from the Group's audited Annual Financial Statements.

Reporting Period

This Sustainability Statement reports on Dufu's sustainability performance and initiatives for the period 1 January 2025 to 31 December 2025, unless otherwise specified.

Frameworks, Standards and Guides

We have prepared this Report in alignment with recognised sustainability frameworks, standards, and guidelines. These references guide our approach and ensure that we provide a balanced and comprehensive view of Dufu's sustainability strategy, performance, and initiatives.

Sustainability Statement (Cont'd)

Frameworks, Standards and Guides (Cont'd)

Our sustainability disclosures are guided by the following frameworks, standards, and rating methodologies:

- Bursa Malaysia Sustainability Reporting Guide and Toolkits (3rd Edition) – to align our disclosures with Bursa Malaysia's expectations for listed issuers and promote consistency in sustainability reporting practices;
- Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad – to ensure compliance with the mandatory sustainability reporting requirements for listed companies;
- Global Reporting Initiative ("GRI") 2021 Standards – to provide a transparent, comparable, and stakeholder-centric framework for reporting our sustainability performance;
- Task Force on Climate-related Financial Disclosures ("TCFD") Recommendations – to enhance the disclosure of climate-related governance, strategy, risk management, and performance metrics;
- United Nations Sustainable Development Goals (UNSDGs) – to align our sustainability priorities and initiatives with global development objectives; and
- FTSE Russell ESG Ratings – to benchmark our ESG performance against global standards and support continuous improvement in key environmental, social, and governance areas.

Together, these frameworks and benchmarks form the foundation of Dufu's sustainability reporting, enabling us to communicate our commitments, actions, and progress transparently and effectively to our stakeholders.

Assurance

To uphold the accuracy, reliability, and credibility of this Sustainability Report, Eco Asia Advisory Sdn Bhd was engaged as an internal assurance provider to conduct a limited assurance engagement on selected sustainability indicators and also review the overall presentation of the Statement.

In preparing this Report, Dufu has undertaken a thorough internal review and validation process to maintain the accuracy, consistency, and reliability of the information disclosed. The Report has been evaluated and endorsed by the Board of Directors ("the Board") and the Risk Management and Sustainability Committee ("RMSC"), confirming that it provides a true and fair representation of the Group's material sustainability matters, strategic priorities, and performance during the reporting period. This report subsequently receives due approval from the Board on 25 March 2026.

Feedback and Contact

We remain committed to continuously enhancing the quality, transparency, and relevance of our sustainability reporting. Any feedback and suggestions are invaluable in helping us strengthen our reporting practices and sustainability performance.

If any stakeholders have any comments regarding this report or require further information or clarification, please contact us at corporateaffairs@dufu.com.my.

Membership of Associations

DISB maintains membership with the Taiwan Chamber of Commerce and Industry in Malaysia. This affiliation facilitates industry engagement and knowledge sharing within the business community.

Sustainability Statement (Cont'd)

KEY ESG HIGHLIGHTS 2025

Environment

Increased GHG emission intensity reduction target from **10%** to **25%**, applied retrospectively over a 5-year period with 2023 as the base year	**14%** total electricity from renewable sources	**4%** reduction in energy consumption intensity
3% reduction in total energy consumption	**16%** reduction in water consumption intensity	**7%** reduction in total water consumption

Social

38% women in executive roles, up from 35%	**4,000,000** ESOS granted to employees	**15,894** investments in training hours, up 2%	**2,366** voluntary hours by employee, up 48%
270 employee's involvement in volunteerism, up 21%	**92%** employee satisfaction rate, up from 85%	**0** workplace fatalities	**3%** improvement in local purchase composition

Governance

Achieve FTSE Russell score of **4.5** with a percentile rank of **94%** in the "**Industrial Goods and Services**" sector		Maintain FTSE4Good inclusion with **4-star rating**	**100%** Board attendance
33% Female Composition on Board	**0** complaints of data breaches	**0** identified leaks, thefts, or losses of customer data	**0** whistle-blowing instances including human rights violations

Sustainability Statement (Cont'd)

SUSTAINABLE PRACTICES

Sustainability Governance

Our commitment to sustainability starts at the highest levels of our organization. The Board is crucial in providing strategic direction and addressing sustainability issues, including managing significant concerns during the formulation of the Group's strategies and policies.

The Board oversees the integration of sustainability into the Group's overall business strategy, ensuring adequate resources, systems, and processes for effective management. Its oversight extends to evaluating economic impacts, supply chain management, and social and environmental considerations covering climate change, labour practices, health and safety, and environmental risks and opportunities.

In addition to assessing material impacts and discussing risks with Management, the Board actively reviews stakeholder feedback on sustainability topics. It also oversees human capital management initiatives, focusing on diversity and inclusion.

The Risk Management and Sustainability Committee ("RMSC") is a vital component of Dufu's corporate governance framework. It consists of four Independent Directors, the CEO, and the CFO. Independent Director Ms. Ng Phaik Lee took over as Chairperson from Ms. Joyce Wong Ai May, who retired on 2 March 2025. The RMSC plays a crucial role in guiding and reporting on the Group's sustainability practices, and having an Independent Director as Chair ensures an objective approach to managing sustainability issues.

The Group CEO leads the execution of key strategic sustainability initiatives, supported by a working group of Department Heads. This collaboration highlights Dufu's commitment to embedding sustainability into its strategic agenda and effectively communicating it to stakeholders.

The table below provides an overview of our governance structure for sustainability:

BOARD OF DIRECTORS

- Provides strategic direction and evaluates sustainability matters, risks and opportunities, incorporating significant sustainability concerns into the Group's strategies and policies.
- Oversees the business sustainability strategy, its risks and opportunities, and monitors performance.
- Ensures the availability of sufficient resources, systems, and processes to effectively manage sustainability matters.

RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE ("RMSC")

- Comprises four Independent Directors, the Group CEO, and the CFO.
- Assists the Board in establishing direction and overseeing risk, internal controls, and sustainability matters.
- Reviews and approves the annual risk and sustainability work plan.
- Advise and supervise the implementation of the Group's strategic sustainability initiatives and its sustainability related risks and opportunities.

RISK MANAGEMENT AND SUSTAINABILITY WORKING GROUP ("RMSWG")

Group CEO:

- Chairs and leads the RMSWG, reporting sustainability matters to the RMSC.
- Reviews sustainability issues alongside RMSWG members.

CFO:

- Assists the Group CEO in managing sustainability matters and coordinates RMSWG meetings.

Other members:

- Comprise Business Unit Directors, Managers, and representatives from various departments, including Business Development, Production Control and Operations, Quality Assurance, Human Resources and Administration, Finance, Risk Assurance & Internal Control, and Purchasing.
- Responsible for conducting materiality assessments, identifying and monitoring initiatives, executing these initiatives, and reporting on progress.
- Identify and report on sustainability matters and risk management (including threats and opportunities) and formulate action plans.
- Compile their respective ESG data and information for reporting, and present any significant ESG findings and proposed actions to the RMSWG for deliberation and guidance.
- Tasked with executing and integrating the Group's sustainability initiatives and managing sustainability risks and opportunities into daily operations.

Sustainability Statement (Cont'd)

SUSTAINABLE PRACTICES (Cont'd)

Stakeholder Engagement

We firmly believe that establishing and nurturing open lines of communication with both internal and external stakeholders is essential for maintaining strong corporate governance and upholding our reputation as a sustainable and responsible business. At Dufu, we recognize the crucial role of ongoing engagement with our stakeholders as a fundamental part of our organizational processes, including business development, daily operations, and financial performance.

We are committed to addressing stakeholder concerns in a timely, effective, and transparent manner. We encourage any stakeholders with questions, suggestions, or concerns related to sustainability to reach out via email at corporateaffairs@dufu.com.my. Our goal is to create a platform where all relevant parties can engage in meaningful discussions, gain insights, and incorporate each project milestone or process improvement into their understanding. This inclusive approach highlights our dedication to collaboration and ensures that the perspectives and input of all stakeholders are valued in our decision-making processes.

Throughout 2025, we held regular formal and informal meetings with our key stakeholders. The table below summarizes our key stakeholders, sustainability topics, and engagement channels. These engagements revealed no significant concerns or issues regarding our operations.

Stakeholder engagement on sustainability topics, type and frequency of engagement

Stakeholders	Sustainability Topics	Type of Engagement	Frequency
Customers	• Production quality, productivity and improvement • Product quality, timely delivery and efficiency • Sustaining long term relationship • Compliance with applicable laws and standards	• Customer satisfaction survey • On-site visits at Dufu's premises • Customer audits • Early supplier involvement • Business Reviews	Annually Ongoing Ongoing Ongoing As required
Employees	• Health and safety • Communication and engagement • Working condition and welfare • Employee satisfaction • Career development and training • Business performance review • Compliance with applicable laws and standards	• Social events • Appraisals and performance reviews • Training and development • Employee engagement surveys • Formal meeting and discussion • Feedback boxes	Ongoing Semi-Annually Ongoing Annually Ongoing Ongoing
Investors/ Shareholders	• Business performance • Compliance with applicable laws and regulations • Strategic plans • Good corporate social responsibility and practices	• Interim results • Regular meetings and correspondence • Annual Report • Media inquiries feedback • Corporate website and investor relations channel	Quarterly Ongoing Annually As required Ongoing
Suppliers	• Forging strategic partnerships • Supplier performance reviews • Product quality • Ethical practices and compliance	• Key supplier audits • Supplier selection via pre-qualification • Regular meetings and correspondence • Supplier ratings • Supplier training	Ongoing As required Ongoing Quarterly As required

Sustainability Statement (Cont'd)

SUSTAINABLE PRACTICES (Cont'd)

Stakeholder Engagement (Cont'd)

Stakeholder engagement on sustainability topics, type and frequency of engagement (Cont'd)

Stakeholders	Sustainability Topics	Type of Engagement	Frequency
Media	• Timely and accurate information	• Press release • Meetings and correspondence	As required As required
Government and Regulators	• Regulatory compliance	• Site visits and meetings • Participating in government programs	As required Ongoing
Community	• Environment protection • Compliance with applicable laws and regulations • Local community involvement	• Participation in local activities • Sponsorships and donations • Communication via email and phone	Ongoing Ongoing Ongoing

Materiality Assessment

We identify our sustainability matters by assessing the significance and materiality of each concern based on its level of impact and influence on the Group, while considering current economic, environmental, and social trends both locally and globally. Our materiality assessment process is summarized as follows:

01	02	03	04
Understanding and Identification intensity	**Categorisation and prioritisation**	**Materiality Assessment and validation**	**Process review**
• Understand sustainability topics related to business operations. • Identify key stakeholders and their concerns.	• Categorise and prioritise sustainability matters. • Plan possible actions and report key sustainability topics.	• Perform a materiality matrix to evaluate stakeholder influence against business sustainability impacts. • Validate the identification, monitoring, and management of sustainability matters that significantly impact business strategy.	• Review and process the outcomes of the materiality assessment by the RMSWG, with updates provided to RMSC and subsequently to the Board for endorsement. • Re-assess and re-evaluate the process to achieve desired outcomes when necessary.

Sustainability Statement (Cont'd)

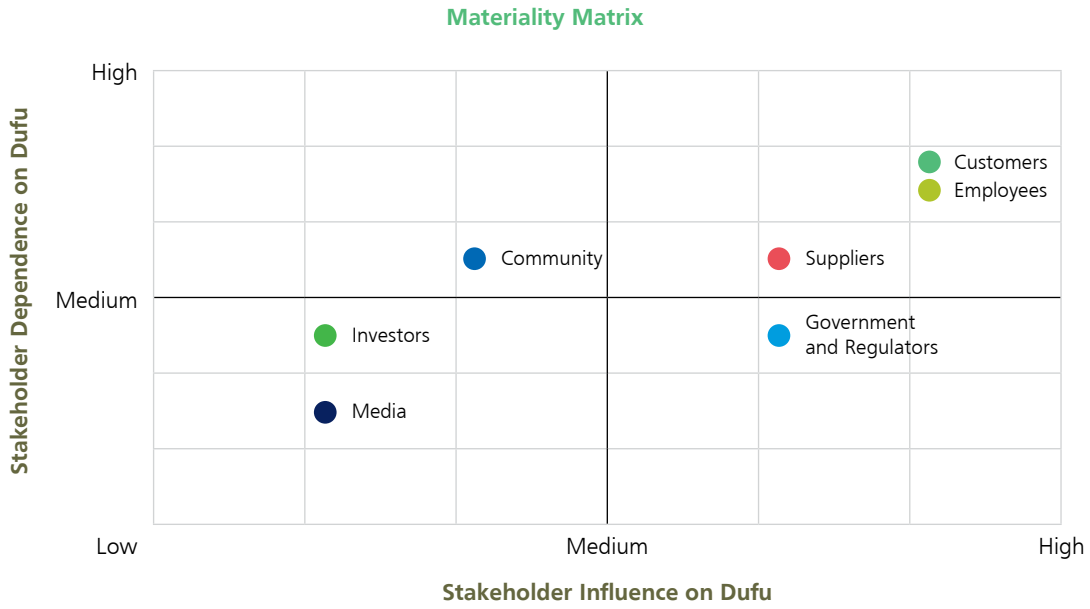
SUSTAINABLE PRACTICES (Cont'd)

Stakeholder Prioritization

In our most recent stakeholder prioritization exercise, conducted on 15 April 2025, members of the RMSWG reviewed and assessed Dufu's stakeholder landscape. The exercise identified various stakeholder groups with differing levels of influence on, and dependence upon, Dufu's operations.

We reaffirm that the key stakeholder groups identified in the previous year remain relevant to our business and sustainability context. Among these, Customers and Employees were recognized as the most critical stakeholder groups, as reflected in Dufu's Stakeholder Prioritization Matrix presented below.

Stakeholder Prioritisation Matrix



Materiality Matrix Assessment

We conduct an annual assessment of our material issues to continuously enhance our approach to managing sustainability risks and opportunities that affect our business. This process prioritizes issues with the greatest impact on the economy, society, and the environment. Our materiality analysis is informed by dialogues with internal stakeholders, including employees and RMSWG representatives from various functional groups. While external stakeholders are not directly engaged in the materiality process, their perspectives are captured through these ongoing internal dialogues.

The identification of a material sustainability matter is based on two criteria:

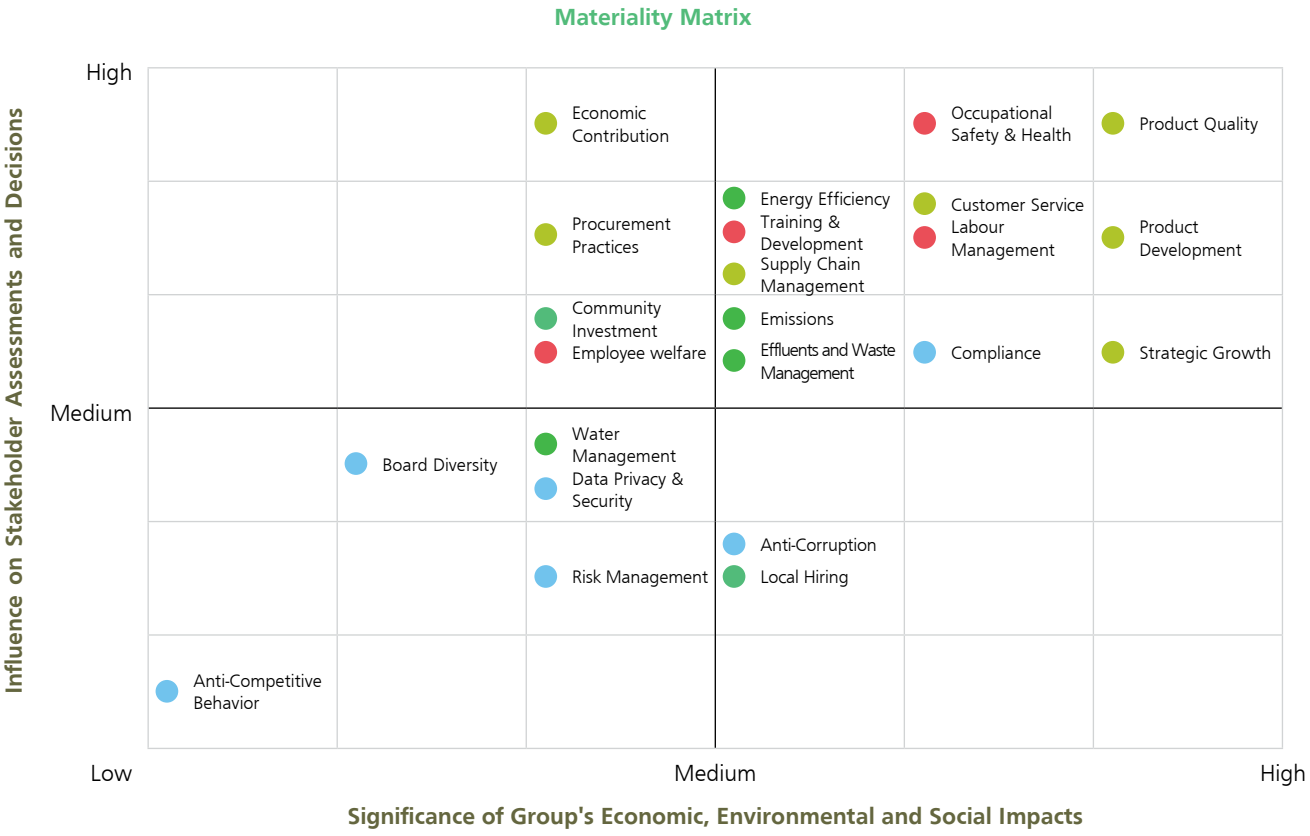
- It significantly reflects Dufu's economic, environmental, and social impact.
- It substantially influences the assessments and decisions of Dufu's stakeholders.

Following our latest review on 15 April 2025, we reaffirm that there were no changes to the material topics where the key sustainable matters identified in the previous year remain highly relevant to our business and stakeholders. Notably, Product Quality, Product Development, Occupational Safety and Health, Customer Service, and Labour Management retained their status as top material sustainability matters, which are significantly important to both Dufu's stakeholders and the Company. Given the dynamic ESG landscape, we continue to monitor emerging trends, regulatory developments and industry best practices to ensure our sustainability approach remains robust and responsive to stakeholder expectations. The identified sustainability matters are illustrated in the materiality matrix.

Sustainability Statement (Cont'd)

SUSTAINABLE PRACTICES (Cont'd)

Prioritisation of Sustainability Matters



Sustainability Statement (Cont'd)

SUSTAINABLE PRACTICES (Cont'd)

Sustainability Approach

Our approach to sustainability starts with operating a safe, efficient, responsible, and profitable business. We believe sustainability is closely tied to our ability to deliver long-term value and growth to all stakeholders. Our sustainability strategies are built on five guiding pillars, which provide a foundation for addressing the material risks and opportunities identified across twenty-three sustainability matters that may impact our customers, employees, shareholders, suppliers, and the communities in which we operate.

Each of these five pillars establishes a set of objectives that guide our efforts in implementing our strategy with clarity and purpose. Our sustainability goals within these pillars—Economic, Corporate Governance, People, Environment, and Communities are outlined as follows:

Economic

- Enhance shareholder value by pursuing sustainable growth strategies.
- Provide quality products and services to improve customer satisfaction.

Corporate Governance

- Uphold an effective governance and decision-making structure.
- Foster an integrity-based approach to ethics management, demonstrating honesty through honorable conduct.

People

- Create a value-based and performance-driven culture.
- Make health and safety an integral part of our daily culture, aiming for zero accidents.

Environment

- Address climate change and environmental issues responsibly, with regulatory compliance as the baseline.

Communities

- Invest in community engagement initiatives that create a lasting positive impact.

We categorised our sustainability matters according to the five pillars as follows:-

	Economic	Corporate Governance	People	Environment	Communities
Material Topics	• Economic Contribution • Strategic Growth • Product Quality • Supply Chain Management • Customer Service • Product Development • Procurement Practices	• Compliance	• Occupational Safety & Health • Training & Development • Human Rights (Labour Management)	• Energy Efficiency • Climate Change (Emissions) • Effluents and Waste Management	
Secondary Topics		• Data Privacy & Security • Anti-Corruption • Risk Management • Anti-Competitive Behaviour	• Employee Welfare • Diversity and Inclusion	• Water Management	• Community Investment • Local Hiring

Sustainability Statement (Cont'd)

SUSTAINABLE PRACTICES (Cont'd)

Mapping Our Material Matters

Dufu has embraced the materiality mapping approach as a cornerstone for recognizing, prioritizing, and effectively addressing issues of significant importance to both our organization and our valued stakeholders. This method ensures that all material matters receive appropriate attention from our management team. It involves a thorough assessment of associated risks, potential impacts, and the opportunities that may arise from these key areas. In response, our management crafts robust strategies that are integral to creating value within the Dufu Group, all grounded in our five guiding sustainability pillars. Additionally, we have aligned these material concerns with the relevant United Nations Sustainable Development Goals ("UNSDGs").

The following table elaborates on how our five sustainability pillars—Economic, Corporate Governance, People, Environment, and Communities align with the UNSDGs relevant to our industry and outlines our approach toward them.

Economic

Under our sustainability pillar "Economic", we view that UNSDGs Goal 8: Promoting an inclusive and sustainable economic growth, full and productive employment and decent work for all is the most important aspects of all the 17 UNSDGs. Our commitment to sustainable financial performance and strategic growth is paramount to Dufu's sustainability journey, as it directly benefits other stakeholders, including our employees, government, local communities, and investors.

Material Matters	Why it Matters?	Risks	Opportunities	Affected Stakeholders	Action Plan
Strategic growth and Economic Contribution A well-planned expansion of Dufu's activities, products, or services, with the goal of making a significant and positive impact on the economy.	Strategic growth and economic contribution are essential for Dufu, and its stakeholders, as they create jobs, generate revenue, drive innovation, and enhance the overall well-being of society.	- Dufu faces challenging economic conditions, including fluctuation in raw material prices, inflationary pressures and uncertain geopolitical landscape. - Exposure to foreign exchange fluctuations results in volatile returns.	- Staying informed about emerging trends is crucial for maintaining competitiveness and exploring diverse business opportunities.	- Customers - Suppliers - Government - Investors - Employees	• Financial Performance and Strategic Growth, p 47 • Direct Economic Value Generated and Distributed, p 47
Product Quality, Development and Customer Service Manufacturing and developing Dufu's goods and services to meet customers' needs is essential.	Good customer service and consistent product quality are vital for building a strong image, increasing customer satisfaction, and ensuring Dufu's sustainable growth of its business.	- Issues related to customer service or product quality can strain resources and lead to operational inefficiencies. - Ongoing customer complaints can demoralize employees, affecting job satisfaction. - Erosion of Dufu's market share as customers seek alternatives.	- Optimizing costs through higher product quality can reduce expenses associated with returns and repairs. - Satisfied customers are more likely to make additional purchases, boosting sales and revenue. - High product quality and excellent service lead to fewer complaints and issues to resolve.	- Customers - Employees - Suppliers	• Customer Satisfaction, p 48 • Commitment to quality, p 57

Sustainability Statement (Cont'd)

SUSTAINABLE PRACTICES (Cont'd)

Mapping Our Material Matters (Cont'd)

Economic (Cont'd)

Material Matters	Why it Matters?	Risks	Opportunities	Affected Stakeholders	Action Plan
Procurement Practices and Supply Chain Management Dufu advocates responsible sourcing by engaging in local procurement and implementing supply chain practices that focus on acquiring products, materials, and services ethically and sustainably.	Local procurement is essential for channelling income back into the community, enhancing local purchasing power, and stimulating economic growth. Meanwhile, responsible sourcing is crucial for ethical, legal, financial, and reputational reasons, contributing to a more sustainable and resilient global supply chain.	- Unethical or unsustainable sourcing can lead to supply chain disruptions, impacting production and operations. - Competitors with responsible sourcing practices may gain a competitive advantage, eroding Dufu's market share.	- Consumers increasingly seek products and services that align with their values regarding ethical and sustainable sourcing. - Responsible sourcing contributes to the long-term sustainability of resources, communities, and businesses.	- Suppliers - Customers - Community	• Supplier Chain Management, p 48-57 • Local Procurement Practices, p 57

Corporate Governance

Promoting Goal 16: Peace, Justice, and Strong Institutions is the most material objective for our sustainability pillar of 'Corporate Governance.' Over the years, Dufu has developed a comprehensive management structure and continuously reviewed our company policies and procedures to ensure that our corporate governance framework aligns with applicable laws, industry best practices, global trends, and market expectations. We are committed to contributing to UNSDG Goal 16 in governance and business ethics by enhancing our effectiveness, accountability, and transparency. We recognize that sound governance practices are essential for long-term business success and contribute to building an inclusive society.

Material Matters	Why it Matters?	Risks	Opportunities	Affected Stakeholders	Action Plan
Corporate Governance and Regulatory Compliance Fostering a culture built on unwavering ethical standards not only mitigates risks but also strengthens trust with stakeholders, promoting sustainable relationships and long-term resilience for Dufu.	Good corporate governance and compliance are essential for fostering transparency, accountability, and ethical conduct at Dufu. By ensuring that the company operates with honesty and responsibility, these practices build trust, reduce the risk of misconduct, and support long-term success.	- A lack of governance and compliance can lead to legal and regulatory violations, financial losses, reputational damage, decreased stakeholder trust, and increased risk of unethical behavior.	- Enhances reputation, attracts ethical investors, improves access to capital, and fosters positive relationships with regulators.	- Regulators - Employees	• Corporate Governance, p 58-62

Sustainability Statement (Cont'd)

SUSTAINABLE PRACTICES (Cont'd)

Mapping Our Material Matters (Cont'd)

Corporate Governance (Cont'd)

Material Matters	Why it Matters?	Risks	Opportunities	Affected Stakeholders	Action Plan
Risk Management Identifying, assessing, and mitigating potential threats and vulnerabilities is crucial for protecting Dufu's assets, reputation, and operational continuity.	Risk Management matters because it enables Dufu to anticipate, prepare for, and respond to potential challenges and uncertainties, ultimately ensuring their long-term sustainability and success.	- Ineffective risk management increases the likelihood of financial losses, operational disruption, reputational damage, and regulatory non-compliance.	- Strategic risk management can enhance decision-making, optimize resource allocation, and ensure long-term business sustainability.	- Employees - Regulators	• Risk Management, p 61
Data Privacy and Security Managing data privacy and security is critical for protecting sensitive information in the digital age. Dufu is committed to safeguarding personal information, financial records, intellectual property, and other sensitive data.	Data privacy and security are essential for protecting individuals' sensitive information and maintaining trust, as breaches can result in identity theft, financial loss, and violations of privacy. Moreover, they are critical for businesses to avoid legal and financial repercussions, as well as reputational damage that can arise from data breaches.	- Security breaches can disrupt critical business operations, leading to downtime, financial losses, and decreased productivity. - Data privacy breaches can cause significant reputational damage and public backlash.	- Sustains stakeholders' trust and reinforces Dufu's commitment to ethical practices	- Customers - Suppliers - Employees - General Public	• Data Privacy and Security, p 62

People

Promoting UNSDG Goal 3: Ensuring healthy lives and promoting well-being for employees of all ages is the most material objective for our sustainability pillar, 'People.' Dufu is dedicated to providing a supportive, pleasant, and healthy workplace while fostering a caring and well-being community within our work environment. We adhere to internationally recognized ethical and responsible business practices. Creating a safe and healthy work environment is a top priority for Dufu, and we strive to achieve this through comprehensive health and safety training programs, well-being activities, and continuous improvements to workplace facilities.

Sustainability Statement (Cont'd)

SUSTAINABLE PRACTICES (Cont'd)

Mapping Our Material Matters (Cont'd)

People (Cont'd)

Material Matters	Why it Matters?	Risks	Opportunities	Affected Stakeholders	Action Plan
Occupational Safety & Health Our commitment to occupational safety empowers employees to pursue healthier futures, benefiting themselves, their families, and Dufu. At the same time, we are dedicated to cultivating a supportive and healthy working environment.	Ensuring the safety of our employees and contractors in the workplace is essential for maintaining high morale and upholding our license to operate.	- Increased costs for health and wellness programs. - Privacy concerns regarding employee health data.	- Minimises disruptions to business continuity. - Enhances employee retention.	- Employees - Regulators	• Occupational Health and Safety, p 81-85
Training and Development This involves a systematic approach to enhancing the knowledge, skills, competencies, and abilities of individuals or groups through organized learning experiences. The goal is to improve job performance, support career development, and address Dufu's evolving needs.	Systematic training enhances knowledge and skills, fostering a motivated workforce that adapts to change and contributes to Dufu's success.	- Increased labour costs associated with training initiatives.	- Provides pathways for career growth. - Boosts employee motivation and effectiveness. - Enables employees to adapt to changes in technology, industry trends, and business processes. - Enhances employees' skills and knowledge, making them more effective and efficient in their roles.	- Employees	• Talent Attraction and Retention, p 72-75 • Employee Development, p 76-78
Human Rights on Labour Management Respecting and protecting the rights of our people	Respecting employee rights ensures fairness, dignity, and a harmonious work environment.	- Misinterpretation of policies due to cultural differences may violate human rights.	- Exemplary practices enhance reputation and attract talent, strengthening stakeholder connections.	- Employees - Community - Supplier	• Respect of Labour and Human Rights, p 63 • Human Right Policy, p 63-66
Diversity and Inclusion Promoting diversity and inclusion drives innovation, performance, and ethical conduct in the workplace.	Employee dignity and diversity are essential for ethical, legal, and business reasons. They drive innovation, enhance performance, and foster inclusivity, all while bolstering Dufu's reputation and our competitiveness in the global marketplace.	- Homogeneous groups may lack diverse perspectives, hindering innovative thinking and problem-solving. - A lack of inclusion can foster discrimination and bias, leading to unequal treatment and opportunities for certain individuals or groups.	- Improves employee morale and productivity. - Contributes to higher retention rates.	- Employees	• Non-Discrimination and Diversity, p 66

Sustainability Statement (Cont'd)

SUSTAINABLE PRACTICES (Cont'd)

Mapping Our Material Matters (Cont'd)

Environment

Promoting UNSDG Goal 13: Taking urgent action to combat climate change and its impacts is the cornerstone of our "Environment" sustainability pillar. We are committed to protecting the environment and supporting efforts against climate change as we transition toward a circular economy.

Our key areas of focus for climate change management center on maximizing resource efficiency, enhancing productivity, and minimizing waste, while also conserving energy and water resources.

Material Matters	Why it Matters?	Risks	Opportunities	Affected Stakeholders	Action Plan
Climate Change Adapting our business to a changing climate while transitioning to a low-carbon economy involves reducing greenhouse gas emissions through energy efficiency and innovative production technologies.	Climate change poses significant threats, including rising temperatures, extreme weather events, sea-level rise, and food and water shortages, all of which jeopardize our planet's well-being.	- Failing to effectively manage the transition to low-carbon processes could jeopardize the long-term resilience and sustainability of the business.	- Enhancing sustainability by mitigating environmental impacts. - Fostering a positive reputation.	- Government and Regulators - Customers - Suppliers - Community	Environment and Managing Climate Change, p 86-101
Energy Efficiency Measures taken to reduce energy consumption are vital for achieving specific tasks and objectives.	Energy consumption is a major source of greenhouse gas ("GHG") emissions, primarily due to the burning of fossil fuels for electricity, heating, and transportation. These emissions are a primary driver of climate change.	- Non-compliance among partners and suppliers can impede our efforts to reduce energy consumption throughout the value chain.	- Potential reduction in operational costs. - Enhancing sustainability by mitigating environmental impacts. - Fostering a positive reputation.	- Government and Regulators - Customers - Suppliers	Energy Management, p 94-95
Water Management Tracking and monitoring our water consumption and discharge is essential for ensuring sustainable practices and safeguarding this critical resource.	Water is essential for the health and well-being of communities and serves as a crucial resource for our business operations.	- Potential risks include water scarcity or disruptions to supply, which can impact both communities and our business operations.	- Potential reduction in operational costs. - Enhancing sustainability by mitigating environmental impacts. - Fostering a positive reputation.	- Government and Regulators	Water Management, p 97

Sustainability Statement (Cont'd)

SUSTAINABLE PRACTICES (Cont'd)

Mapping Our Material Matters (Cont'd)

Environment (Cont'd)

Material Matters	Why it Matters?	Risks	Opportunities	Affected Stakeholders	Action Plan
Effluents and Waste Management Focusing on managing the waste and effluents generated by our operations, we prioritize reduction and responsible disposal practices.	Effectively managing waste and effluents generated by our operations is crucial for protecting the environment and public	- Increased operational costs may arise from adopting the necessary infrastructure for improved waste management.	- Enhancing sustainability by mitigating environmental impacts. - Fostering a positive reputation.	- Government and Regulators	Effluents and Waste Management, p 97-101

Communities

Promoting UNSDG Goal 17: Strengthening the means of implementation and revitalising global partnerships for sustainable development is the most significant focus within our sustainability pillar, "Communities." Dufu leverages its expertise and resources to support the communities in which we operate. Our efforts center on assisting those in need, collaborating with local charities and organizations, and providing education and training opportunities for young people.

Material Matters	Why it Matters?	Risks	Opportunities	Affected Stakeholders	Action Plan
Community Investment Enhances the well-being of communities through initiatives that address social, environmental, or economic challenges.	Fostering a positive reputation, ensuring long-term sustainability, attracting and retaining top talent, and enhancing our public image.	- Can be costly if not managed effectively. - Overcommitting resources may detract from core business activities. - Community projects may be influenced by social and political factors. - Navigating complex community dynamics can be challenging.	- Attracts and retains top talent who value socially responsible employers. - Positive community involvement enhances the company's reputation, making it more appealing to customers, employees, and investors. - Strengthens relationships with stakeholders, including local government, NGOs, and community organizations.	- Community - Employee - Customers - Media - Government	• Enriching Communities, p 102-107
Local Hiring Employing individuals who reside in the same geographic area or community as Dufu.	Contributes to the local economy by channelling income back into the community, thereby increasing local purchasing power and stimulating economic growth.	- Difficulty in finding suitable local candidates for specific positions can lead to prolonged recruitment processes. - Some local workers may be unwilling to take on less desirable or lower-paying jobs.	- Local hiring circulates income within the community, supporting local businesses and fostering economic growth.	- Employee - Government - Community	• Collaborating with local universities and colleges. • Active participation in job fairs. • Collaborating with recruitment agencies.

Sustainability Statement (Cont'd)

SUSTAINABLE PRACTICES (Cont'd)

Sustainability Progress Pathway

Since commencing its sustainability journey in 2018, Dufu has remained steadfast in its commitment to advancing responsible practices and creating long-term value. The Company continues to strengthen its ESG performance through innovation, stakeholder collaboration, and measurable environmental and social impact. Through regular evaluation and transparent reporting, Dufu strives to set higher sustainability benchmarks and embed a culture of continuous improvement across its operations.

Dufu's key sustainability progress over the years is outlined below.

FY2018

- Introduced the concept of sustainability and related activities in our annual report.
- Established a Sustainability Management Committee comprising key employees from various business units and relevant departments.

FY2018

- Prioritized the sustainability matters.

FY2020

- Defined Dufu's vision, mission and core values to align with the Group's sustainability approach.
- Established five guiding pillars for Dufu's Sustainability Approach: Economic, Corporate Governance, People, Environment, and Communities.
- Published our first Sustainability Report following the Core Option of the GRI Sustainability Reporting Standards.
- Incorporated the United Nations Sustainable Development Goals ("UNSDGs") into our sustainability strategy.

FY2021

- Installed renewal energy generation of 813.2kWp solar panels at DISB manufacturing plant.

FY2022

- Refined the sustainability management structure by merging the Sustainability Management Committee with the Risk Management Committee to form the Risk Management and Sustainability Working Group.
- The new Risk Management and Sustainability Committee include a majority of Independent Non-Executive Directors.
- Dufu was included in the FTSEGood Bursa Malaysia Index and the FTSEGood Bursa Malaysia Shariah Index.

FY2023

- Received an AA rating in the MSCI ESG Ratings assessment.
- Transitioned to GRI Standards 2021 for sustainability reporting.
- Accelerated the installation of solar panels at manufacturing sites.
- Disclosed climate-related initiatives using the TCFD framework.
- Initiated annual sustainability targets and a five-year plan as part of our yearly sustainability strategy.

FY2024

- Enhanced renewable energy generation by installing an additional 432.6kWp of solar panels at the DISB manufacturing facility.
- Received 4-star FTSE4Good ESG rating

Sustainability Statement (Cont'd)

SUSTAINABLE PRACTICES (Cont'd)

Sustainability Targets and Performance

To ensure the effective and consistent implementation of our sustainability initiatives, we launched our first 5-Year Sustainability Plan in 2023. This plan established a comprehensive framework that guides our Group-wide commitment to responsible and sustainable growth.

Building on the momentum and achievements of the 2023 plan, Dufu is proud to embark on the next phase of our sustainability journey with the launch of the Sustainability Plan 2026. This new plan strengthens our sustainability practices and addresses emerging ESG challenges in line with global best practices.

As part of this evolution, we have introduced six new goals:

- Corporate Governance (3 goals): Increasing female representation on the Board, enhancing ESG rating performance based on the FTSE Russell model, and expanding employee training on anti-bribery and corruption practices.
- Occupational Health and Safety (2 goals): Monitoring and improving our occupational incident rate and lost time injury frequency rate.
- People (1 goal): Monitoring the intern-to-new-hire conversion rate.

In addition, we have strengthened our climate-related commitments by revising our energy consumption intensity and GHG emission intensity targets from 2% per annum to 5% per annum, using 2023 as the base year. Consequently, our 5-year cumulative target (2023–2028) has been updated from 10% to 25%, reinforcing our dedication to improving energy efficiency and mitigating greenhouse gas emissions.

With these enhancements, the Sustainability Plan 2026 now encompasses 40 measurable targets, demonstrating our continuous commitment to integrating sustainability across all business functions.

Our Sustainability Plan 2025 remains focused on embedding sustainable practices throughout our operations. By setting clear objectives and measurable outcomes, we aim to enhance our environmental performance, social responsibility, and economic resilience.

The table below presents our progress against existing targets and outlines the key objectives for the Sustainability Plan 2026, reflecting our ongoing efforts to create long-term value for all stakeholders.

SUSTAINABLE PRACTICES (Cont'd)

Sustainability Targets and Performance (Cont'd)

Strategy Themes	Our Approach	Measurement	Actual Performance 2024	Actual Performance 2025	Status 2025	Target 2025	Target 2026	Goal 2028
Corporate Governance								
Corporate Governance	Continuously improve Dufu's policy and procedures to ensure our corporate governance structure meets the applicable laws and regulations, industry best practice and global trends.	Part of FTSE4Good Bursa Malaysia Index	Yes	Yes	Achieved	Maintain	Maintain	Maintain
		Part of FTSE4Good Bursa Malaysia Shariah Index	Yes	Yes	Achieved	Maintain	Maintain	Maintain
		Female composition on the Board of Directors	N/A	33%	New	N/A	>30%	>30%
		ESG rating from FTSE Russell's model	N/A	4-star	New	N/A	4-star	4-star
		Timely publication of Annual Report	86 days	84 days	Achieved	90 days	90 days	90 days
Anti-Corruption and Bribery	Adopts the zero-tolerance approach to bribery and corruption in all its forms.	Number of confirmed incidents of corruption	0	0	Achieved	0	0	0
		Number of facilitation payments and political contribution made	0	0	Achieved	0	0	0
		Percentage of exempt employees who have received training on anti-corruption	N/A	100%	New	N/A	>95%	>95%

SUSTAINABLE PRACTICES (Cont'd)

Sustainability Targets and Performance (Cont'd)

Strategy Themes	Our Approach	Measurement	Actual Performance 2024	Actual Performance 2025	Status 2025	Target 2025	Target 2026	Goal 2028
Data Privacy and Security	Entail proper use, handling and storing of data with sensitive information.	Number of incidents related to data loses	0	0	Achieved	0	0	0
		Number of incidents related to security breaches	0	0	Achieved	0	0	0
Economic								
Direct Economic Value Generated and Distributed	Creates sustainable value for stakeholders.	Percentage of dividend payout ratio from the Group's operational earnings	154%	89%	Achieved	>50%	>50%	>50%
Customer satisfaction	Tracking customer satisfaction.	Customer satisfaction rate	92.2%.	90.8%	Achieved	>90%	>90%	>90%
Supplier Chain Management	Manage our supply chain in a socially and environmentally responsible manner and source from approved suppliers who meet Dufu's sustainability initiatives.	Number of ESG related audit on major suppliers. (At least once every 3-year cycle)	4	4	Achieved	5	6	3-year cycle for every major supplier
Adherence to global standards to establish creditability and trust among customers and business partners	Upholding of certifications to quality, environment, social, health and safety management frameworks	No major critical discrepancies on external audits of the full production system for						
		- ISO 9001	0	0	Achieved	0	0	0
		- ISO 14001	0	0	Achieved	0	0	0
		- ISO 45001	0	0	Achieved	0	0	0
		- RBA	2	0	Achieved	0	0	0
		- IATF 16949	0	0	Achieved	0	0	0

SUSTAINABLE PRACTICES (Cont'd)

Sustainability Targets and Performance (Cont'd)

Strategy Themes	Our Approach	Measurement	Actual Performance 2024	Actual Performance 2025	Status 2025	Target 2025	Target 2026	Goal 2028
Environment								
Climate Change	Review and develop sustainability initiatives to identify and address the associated risks and opportunities.	Reduction in GHG emission intensity (2023 baseline: 32.4 tCO2e/ Sales RM' million)	22%	19%	Achieved	4%	15%	Revised from 10% to 25%
		Increase in renewable energy usage (2023 baseline: 1,062 MWh)	34%	23%	Not Achieved	30%	45%	50%
Energy Management	Drive sustainable energy practices to cut carbon emissions.	Reduction in electricity usage intensity (2023 baseline: 49.14 MWh/ Sales RM' million)	19%	23%	Achieved	4%	15%	Revised from 10% to 25%
Water Management	Efficient usage of water consumption and effluent treatment.	Reduction of water consumption intensity (2023 baseline: 0.45 cubic meter/ sales RM'000)	31%	42%	Achieved	4%	6%	10%
Effluents and Waste Management	Recycle materials to minimise waste and conserve resources.	Reduction in hazardous waste per production output (2023 baseline: 5.50 MT/ RM'000)	9%	12%	Achieved	4%	6%	10%
		Reduction in non-hazardous waste per production output (2023 baseline: 2.65 MT/ RM '000)	3%	(3%)	Not Achieved	4%	6%	10%

SUSTAINABLE PRACTICES (Cont'd)

Sustainability Targets and Performance (Cont'd)

Strategy Themes	Our Approach	Measurement	Actual Performance 2024	Actual Performance 2025	Status 2025	Target 2025	Target 2026	Goal 2028
Our People								
Occupational Health and Safety	Provide a supportive, pleasant and healthy workplace for our staff, and foster a caring community in our working environment.	Number of work-related fatality case	0	0	Achieved	0	0	0
		Number of occupational, poisoning and disease related illness	10	12	Not Achieved	0	<9	<5
		Incident rate related to occupational	N/A	6.44	New	N/A	<2.0	<1.0
		Lost time injury frequency rate related to occupational	N/A	2.68	New	N/A	<1.0	<0.5
Human Rights and Labour Practices	Respect the labour and human rights of all our employees with clearly defined human resources management policies, and promote an inclusive culture and engagement within the Group.	Number of substantiated complaints concerning human rights violation	0	0	Achieved	0	0	0
		Female composition in exempt positions	35%	38%	Achieved	33%	35%	38%
		Employee satisfaction rate	85%	92%	Achieved	>70%	>80%	>85%
		Employee engagement rate	N/A	89%	New	N/A	>85%	>90%

SUSTAINABLE PRACTICES (Cont'd)

Sustainability Targets and Performance (Cont'd)

Strategy Themes	Our Approach	Measurement	Actual Performance 2024	Actual Performance 2025	Status 2025	Target 2025	Target 2026	Goal 2028
		Employee turnover rate	12%	13%	Achieved	<20%	<15%	<10%
Training and Development	Foster a continuous learning environment and encourage employees to develop and advance their careers in Dufu.	Average training hours per employee	18 hours	18 hours	Achieved	16 hours	18 hours	20 hours
		Number of staff performance evaluation	2	2	Achieved	2	2	2
Communities								
Community Engagement	Use our expertise and resources to support the communities in which we operate.	Number or percentage of Dufu employee's involvement in voluntary work	224 (25%)	270 (30%)	Achieved	100 or 10%	150 or 15%	250 or 25%
		Voluntary hours	1,599 hours	2,366 hours	Achieved	1,600 hours	2,000 hours	2,500 hours
		Investments in corporate philanthropies and local charitable events	RM191,891	RM179,606	Achieved	RM100,000	RM100,000	RM150,000
		Students' engagement in Dufu's internship programme	23	33	Achieved	20	25	30
		Intern conversion rate to new hire	8.7%	15.2%	New	N/A	5%	>10%

Sustainability Statement (Cont'd)

ECONOMIC

Our key initiatives for business sustainability within the economic sphere are focused on the following key areas:

Financial Performance and Strategic Growth

Our financial performance is crucial to both our internal and external stakeholders, as sustainable growth enables us to forge strategic partnerships with customers and suppliers. We recognize that delivering returns to shareholders is equally important to align with their expectations. Therefore, Dufu adopts a dividend policy with a 50% payout ratio from the Group's operational earnings.

Dufu Group Financial Performance Highlights for FY2025

Revenue
RM277.0 million
(FY2024: RM259.6 million)

Profit After Tax
RM28.0 million
(FY2024: RM22.6 million)

Return on Equity
8%
(FY2024: 7%)

Dividend Distributed to Shareholders
RM18.6 million
(FY2024: RM18.6 million)

We are committed to achieving long-term profitability and growth while maintaining our status as a preferred supplier. Our one-stop manufacturing facility focuses on delivering quality machining parts and solutions to drive sales growth. The strategies we have adopted to foster sustainable growth beyond 2025 include:

1. We continue to invest in infrastructure and advanced machinery to strengthen our market position in the Hard Disk Drive ("HDD") components sector. Our latest investments include Automated Optical Inspection ("AOI") systems to enhance operational efficiency, automation, and product quality. This initiative is timely amid the surging global demand for data storage, driven by the rapid growth of artificial intelligence, cloud computing, and digital transformation. As data volumes expand, the need for reliable and cost-efficient HDD solutions for cold and archival storage continues to rise. These strategic investments position Dufu to capitalize on emerging opportunities and meet the evolving needs of the data storage industry.

2. The factory building at Bukit Minyak Industrial Park, acquired in 2019, spans approximately 0.81 hectares and serves as a key infrastructure hub for our one-stop solutions center. It specializes in the fabrication and assembly of sheet metal components and equipment. To meet the growing demand in this segment, we acquired two units of single-story detached factories with a combined built-up area of 129,600 square feet on 22 December 2022, with completion expected soon. This strategic acquisition forms part of our long-term diversification plan, aimed at enhancing the Group's revenue base through a well-balanced portfolio of products.

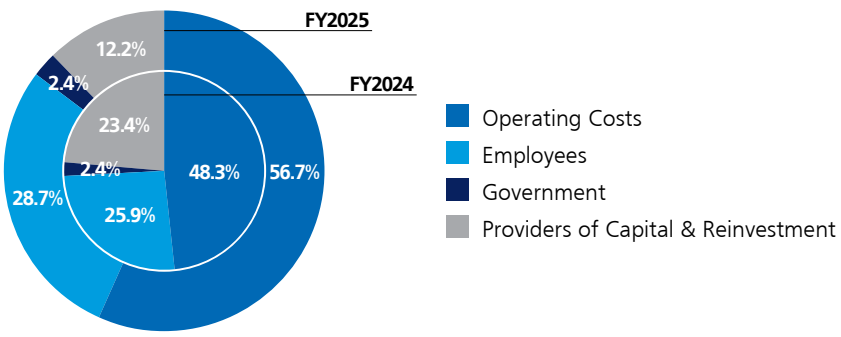
Direct Economic Value Generated and Distributed

Dufu creates sustainable value for its customers, supply chain partners, and other stakeholders by ensuring that economic benefits are shared equitably across all parties. This includes tax contributions to governments, competitive compensation and benefits for employees, dividends for shareholders, and fair pricing practices for suppliers and service providers.

A portion of the value generated is reinvested into the company to support capital investments and to maintain financial resilience and independence amid fluctuations in capital markets.

The following pie chart provides an overview of the direct economic value generated and distributed by Dufu Group, highlighting the economic impact and value creation for our key stakeholders.

Direct Economic Value Distribution (By %)



Sustainability Statement (Cont'd)

ECONOMIC (Cont'd)

Customer Satisfaction

The Group's economic success, particularly the effectiveness of our expansion strategy, is closely linked to customer satisfaction. Ensuring that our customers' needs are met remains a top priority and a shared responsibility among all managers within their respective business units.

We are committed to placing customer interests at the forefront by implementing proactive measures to enhance product quality, reliability, and delivery performance. For example, the development of advanced mechanical tools and the continuous refinement of process techniques have significantly reduced handling defects. Moreover, actively engaging with customer feedback from around the world and integrating it into our product development lifecycle is a defining feature of Dufu's culture. This commitment enables us to achieve total customer satisfaction, strengthen confidence in our products and services, and ensure timely delivery with consistent quality.

To evaluate our performance, we conduct an annual customer satisfaction survey. In 2025, we achieved an overall satisfaction score of 90.8% (2024: 92.2%). The survey serves as a valuable tool for monitoring customer relationships and identifying opportunities for continuous improvement, reinforcing our commitment to excellence and long-term partnerships.

Supply Chain Management

Approach

At Dufu, we recognise that responsible supply chain management is integral to achieving our sustainability objectives and maintaining business resilience. As an accountable procurement and supply chain function, we are dedicated to sourcing environmentally responsible, safe, legal, and high-quality products and services from reputable global suppliers. To uphold these standards, we implement a comprehensive supplier evaluation mechanism that assesses performance based on quality, cost, delivery, service, and sustainability. This approach ensures fair, transparent, and ethical procurement practices while effectively managing potential risks within our supply chain.

We place strong emphasis on local sourcing to cultivate a greener and more resilient supply network. By prioritising local suppliers, we help reduce transportation-related emissions, support domestic employment, and contribute to broader socio-economic development.

Sustainability-focused supply chain management also forms a critical part of our overall risk management framework. Guided by our Group's purchasing policies, we continuously review and enhance our standards and procedures to remain aligned with evolving regulations, industry best practices, and stakeholder expectations. Our goal is to proactively identify and address sustainability challenges within our value chain and to collaborate closely with suppliers to strengthen responsible and sustainable business practices.

Supply Chain Governance Structure

Dufu's supply chain governance follows a structured, multi-tier approach to ensure accountability and alignment with our sustainability objectives. The Board of Directors provides strategic oversight, while the RMSWG drives sustainability initiatives and monitors performance. The Procurement Team, comprising the Precision and Fabrication divisions and led by the Senior Purchasing Manager, implements responsible sourcing practices and manages ESG related risks across the supply chain.

Level	Roles and Responsibilities
Board of Directors	Provides strategic oversight and guidance on supply chain management. Ensures alignment between corporate vision, sustainability goals, and operational execution.
Risk Management and Sustainability Working Group ("RMSWG")	Advocates sustainability strategies, policies, and goals to the Board. Oversees sustainability performance, monitors progress, and coordinates Group-wide sustainability initiatives, including supply chain management.
Senior Purchasing Manager	Serves as a member of the RMSWG and leads the implementation of supply chain management strategies. Sets short to long term objectives and ensures coordination between strategic plans and operational execution.
Procurement Team	Implements supply chain sustainability strategies. Identifies and manages ESG-related risks, and supports responsible sourcing through training and advocacy.

Sustainability Statement (Cont'd)

ECONOMIC (Cont'd)

Supply Chain Management (Cont'd)

Supply Chain Sustainability Management Framework

Dufu's Supply Chain Sustainability Management Framework is designed to strengthen supplier resilience, manage ESG-related risks, and create long-term shared value across our supply network. The framework provides structured guidance on assessing, engaging, and collaborating with suppliers to ensure that sustainability principles are integrated throughout every level of our supply chain. This framework aims to deepen our understanding of supply chain risks, monitor supplier performance, and diversify our supplier base to enhance flexibility and mitigate potential vulnerabilities.

Our Key Focus Areas includes the following:

1. ESG Integration & Awareness

    - Embed Dufu's Supplier Code of Conduct ("SCC") and sustainability values across the supply chain.
    - Enhance supplier awareness through engagement, training, communication and sharing sessions.

2. Green & Resilient Supply Chain

    - Promote localisation and responsible sourcing to reduce carbon emissions.
    - Strengthen resilience by identifying and addressing supply and operational risks.

3. Responsible Risk Management

    - Conduct sustainability risk assessments using tools such as the *Supplier Self-Assessment Questionnaire, Due Diligence Assessment Form, Supplier Code of Conduct, and Conflict Minerals Policy.*
    - Identify ESG risks, including environmental, labour, and ethical concerns such as Anti-Bribery and Corruption and Conflict of Interest.

4. Fair & Transparent Procurement

    - Maintain equitable supplier selection and evaluation processes.
    - Monitor supplier performance in quality, cost, delivery, service and sustainability aspects.
    - Support supplier growth through ongoing performance reviews and capability enhancement.

Supply Chain Risk Management

Dufu's operational risk management emphasises key factors such as material quality, product cost, delivery lead time, and supplier performance. We work closely with suppliers to identify and mitigate potential challenges, including component shortages, single-source dependencies, and delivery delays. Regular supplier evaluations, performance reviews, and improvement programmes are conducted to maintain quality and reliability across our supply chain.

In addition to operational considerations, we actively manage sustainability macro related risks, such as geopolitical tensions, global economic shifts, and environmental or health-related disruptions. To strengthen resilience, Dufu fosters close partnerships with suppliers and diversifies its sourcing base to reduce dependence on specific regions or vendors.

To gain deeper insight into supply chain performance and emerging risks, Dufu conducts supplier assessments through structured questionnaires, surveys, and on-site audits. These reviews cover areas such as labour practices, occupational health and safety, environmental management, ethical conduct, and governance systems. The results are used to evaluate suppliers' risk levels and capability ratings, guiding future engagement and improvement actions.

Through this comprehensive and proactive approach, Dufu continues to build a resilient, ethical, and sustainable supply chain that supports our long-term business growth and meets stakeholder expectations.

Sustainability Statement (Cont'd)

ECONOMIC (Cont'd)

Supply Chain Management (Cont'd)

Risk Assessment and Control Mechanisms

Key Areas	Approach and Actions
Supplier Assessment and Due Diligence	Conduct supplier sustainability and compliance evaluations through the Supplier Self-Assessment Questionnaire ("SAQ") and Due Diligence Assessment Form on new supplier to identify ESG-related risks and improvement opportunities.
Vendor Selection and Performance Evaluation	Apply a structured Vendor Selection and Evaluation Procedure, supported by a Standard Operating Procedure ("SOP"), to ensure transparent, fair, and responsible supplier selection based on quality, cost, delivery, service, and sustainability performance.
Quality and Process Audits	Carry out regular process and quality audits to verify supplier compliance with Dufu's standards, ensuring that materials, processes, and services meet operational and environmental requirements.
On-site Evaluations and Inspections	Conduct on-site assessments of suppliers' facilities to review practices in areas such as health and safety, labour conditions, environmental management, and ethical conduct.
Supplier Code of Conduct ("SCC")	Require all suppliers to adhere to Dufu's Supplier Code of Conduct, which sets clear expectations on environmental protection, labour rights, ethics, and business integrity.
Local Procurement and Sustainable Sourcing	Prioritise local suppliers to improve production efficiency, shorten delivery lead times, reduce transportation emissions, and contribute to local economic development.
Business Continuity and Emergency Planning	Implement a comprehensive Business Continuity Plan ("BCP") and Emergency Response Plan to ensure operational stability and resilience in the event of supply chain disruptions.

Due Diligence Assessment

The Group conducts a comprehensive Due Diligence Assessment on new supplier to evaluate potential risks related to bribery, corruption, conflict of interest, and supplier integrity. This process includes a thorough review of each supplier's financial stability, ownership structure, governance practices, and any record of civil or criminal violations. While the assessment is not limited to sustainability considerations, it provides valuable insight into a supplier's overall reliability and alignment with the Group's strategic and ethical priorities.

The assessment covers several key areas, including:

- Anti-Bribery and Corruption Management Systems and policy declarations
- Disclosure of company ownership and senior management details
- Financial position and creditworthiness of the organisation
- Adherence to codes of conduct and anti-corruption practices
- History of civil or criminal violations, if any

If any significant risks or potential breaches are identified during the due diligence process, the Group takes immediate steps to address or remediate the issues in accordance with internal governance procedures. All information collected through the assessment process is managed securely and in compliance with the Personal Data Protection Act 2010 and the Group's internal data governance policies.

In addition, the Group maintains open communication with suppliers regarding its Anti-Bribery and Corruption Policy, which reflects our zero-tolerance stance towards all forms of bribery, corruption, and unethical conduct. The policy outlines clear expectations for ethical behaviour, compliance with applicable laws, and disciplinary actions in cases of non-compliance. We expect all business partners and suppliers to uphold these standards and operate with integrity, transparency, and accountability in all business dealings with the Group.

Sustainability Statement (Cont'd)

ECONOMIC (Cont'd)

Supply Chain Management (Cont'd)

Supplier Code of Conduct ("SCC")

As sustainability challenges and expectations evolve, Dufu continuously reviews and refines its supply chain management procedures to ensure alignment with international ESG standards and full compliance with our SCC. These efforts help prevent potential regulatory and ethical conflicts while driving continuous improvement, transparency, and accountability among our suppliers.

Our expectations for suppliers are detailed in the global SCC, which sets clear standards for compliance. We prioritize building reliable relationships with our suppliers and actively support them in meeting our requirements.

Dufu's SCC outlines our expectations and guidelines for responsible sourcing, encompassing our commitments to human rights, environmental stewardship, health and safety, business ethics, and the development of a diverse and sustainable supply chain. The SCC aligns with the Responsible Business Alliance Code ("RBA"), the Universal Declaration of Human Rights, International Labour Organization Conventions, and the United Nations Global Compact ("UNGC"), all of which Dufu fully supports.

The SCC encompasses several categories, including Social, Health & Safety, Environment, and Ethics, which suppliers are expected to adhere to:

Social

- **Prohibition of Forced Labour:** Suppliers must not use forced, bonded, indentured, or involuntary prison labor.
- **Young Workers:** Compliance with local laws regarding the minimum age for employment and protection of young workers from hazardous work is required.
- **Working Hours:** Adherence to local regulations concerning workweeks and hours, promoting reasonable working hours and voluntary overtime payment in accordance with statutory requirements.
- **Wages and Benefits:** Compensation and benefits must meet applicable wage laws, with no deductions for disciplinary measures, and wages should be reviewed for compliance with living wage standards.
- **Humane Treatment:** Employees must be treated with dignity, prohibiting violence, exploitation, abuse, or harassment.
- **Non-discrimination/Non-harassment:** A harassment-free workplace must be maintained, ensuring fair hiring, promotions, and rewards based on job-related criteria.
- **Freedom of Association and Collective Bargaining:** Support freedom of association, expression, opinions and the rights to collective bargaining. Workers' rights to association, representation, and open communication without fear of reprisal must be respected.

Health & Safety

- **Occupational Health and Safety:** Suppliers must identify, evaluate, and manage workplace hazards.
- **Occupational Injury and Illness:** Procedures should be implemented to prevent, manage, track, and report workplace injuries and illnesses.
- **Emergency Preparedness:** Potential emergencies should be assessed, with plans established to mitigate their impact.
- **Industrial Hygiene:** Workers' exposure to various workplace hazards must be controlled.
- **Physically Demanding Work:** Hazards related to physically demanding tasks should be identified and managed.
- **Machine Safeguarding:** Machinery must be evaluated for safety hazards.
- **Sanitation, Food, and Housing:** Clean facilities must be provided, ensuring access to sanitary necessities for workers.
- **Health and Safety Communication:** Workers should receive appropriate health and safety information and be encouraged to voice concerns without retaliation.

Sustainability Statement (Cont'd)

ECONOMIC (Cont'd)

Supply Chain Management (Cont'd)

Supplier Code of Conduct (Cont'd)

Environment

- **Environmental Permits and Reporting:** Suppliers must obtain and comply with necessary environmental permits and reporting requirements.
- **Pollution Prevention and Resource Conservation:** Waste and resource use should be minimized through monitoring, controls, and responsible practices.
- **Hazardous Substances:** Suppliers must manage and appropriately handle hazardous materials.
- **Solid Waste:** Systems for waste reduction, management, and responsible disposal or recycling must be implemented.
- **Air Emissions:** Monitoring and control of emissions before discharge is required.
- **Materials Restrictions:** Adherence to substance restrictions in products is necessary.
- **Water Management:** Suppliers should manage water sources, usage, discharge, and wastewater treatment.
- **Energy Consumption and Greenhouse Gas Emissions:** Tracking and documenting energy consumption and greenhouse gas emissions is essential.

Ethics

- **Business Integrity and No Improper Advantage:** High standards of integrity must be upheld, prohibiting bribery, corruption, and embezzlement.
- **Responsible Sourcing of Minerals:** Due diligence in sourcing minerals must align with the OECD guidance for responsible supply chain practices.
- **Intellectual Property:** Intellectual property rights must be upheld, and technology transfers should protect these rights as well as confidential information.
- **Disclosure of Information:** Accurate and transparent business records and compliance with disclosure regulations must be ensured.
- **Fair Business, Advertising, and Competition:** Compliance with antitrust laws and fair competition standards is required.
- **Privacy:** Sensitive and proprietary information must be safeguarded.
- **Protection of Identity and Non-Retaliation:** Transparent and confidential grievance mechanisms for workers and stakeholders should be established.

Dufu's SCC is distributed globally to all relevant suppliers in multiple languages and is accessible on our website at https://www.dufutechnology.com/supplier-code-of-conduct/.

The primary aim of this SCC is to promote awareness, transparency, and adherence to economic, environmental, social, and corporate governance standards within Dufu's supply chain.

To ensure alignment, key direct and indirect material suppliers, as well as contractors, have confirmed their commitment to our SCC by signing a letter of conformance and completing accompanying questionnaires. These responses are meticulously reviewed and evaluated by our Environmental, Health, and Safety ("EHS") and Procurement teams. Additionally, we conduct comprehensive risk assessments for new suppliers and for existing suppliers identified as high risk, particularly in relation to social and environmental factors.

The integration of the SCC into our Purchase Orders and Supplier Contracts further strengthens supplier compliance. By accepting a Purchase Order from Dufu, suppliers acknowledge and agree to abide by the principles and requirements outlined in the SCC. This approach ensures consistent adherence to Dufu's ethical, environmental, and operational standards across our entire supply chain.

Supply Chain Development Programme

Dufu is committed to building a responsible and sustainable supply chain by empowering our procurement teams and suppliers with the knowledge, tools, and best practices to integrate ESG values into everyday operations. Through continuous learning and collaboration, we aim to strengthen supplier resilience, enhance compliance, and foster shared growth.

Sustainability Statement (Cont'd)

ECONOMIC (Cont'd)

Supply Chain Management (Cont'd)

Training and Development for Buyer

The Group places strong emphasis on enhancing the capabilities of its procurement team to ensure that sustainability principles and responsible sourcing practices are consistently integrated into every procurement decision. Both new and existing buyers are equipped with the knowledge and practical skills needed to identify ESG related risks, manage supplier relationships responsibly, and support the Group's broader sustainability objectives.

The key focus of Buyer's training is as follows:

Focus Area	Key Learning Topics
Procurement Guidelines	Understanding all the Standard Operating Procedures ("SOP") relating to sourcing.
Group Policies	Familiarisation with Anti-Bribery & Corruption Policy, Human Rights Policy, Conflict Minerals Policy, Environmental Policy, and OSH Policy.
Supplier Code of Conduct	Understanding the ethical, labour, environmental, and governance standards required from supplier relationships as basis to conduct business with Dufu.
Due Diligence Process	Assessing supplier integrity through risk screening on financial stability, anti-bribery, and conflict of interest.
Supplier Performance Evaluation	Monitoring supplier quality, delivery reliability, cost efficiency, and ESG compliance.

Training and Development for Supplier

The Group recognises that suppliers are not merely service providers but long-term strategic partners who play an essential role in advancing our sustainability journey. To strengthen these partnerships, the Group has implemented a range of supplier capacity building initiatives aimed at improving supplier performance and fostering responsible business practices across environmental, social, and governance dimensions. These initiatives are designed to promote continuous learning, encourage innovation, and cultivate shared value creation throughout the supply chain.

Through ongoing engagement and collaboration, we strive to enhance our suppliers' knowledge, capabilities, and operational efficiency, helping them adapt to emerging challenges while reducing potential ESG related risks. Our goal is to build a resilient and future-ready supply chain that supports the Group's long-term growth and sustainability objectives.

Our Quality Assurance and Engineering teams regularly collaborate with suppliers through site visits and technical discussions to explore product design, material selection, and performance optimisation. This close partnership enables co-creation of innovative and sustainable solutions that align with both operational requirements and ESG priorities. By integrating energy-efficient processes, responsible material sourcing, and waste reduction initiatives, suppliers are empowered to elevate their environmental performance and contribute to our shared sustainability goals. These collaborations have resulted in improved product quality, reduced production lead times, and greater cost efficiency, while reinforcing the collective commitment to responsible manufacturing.

Beyond operational collaboration, the Group engages suppliers through knowledge-sharing and training sessions that promote understanding of our Supply Chain Sustainability Management Framework and sustainability initiatives from our Procurement, EHS and Human Resource team. These sessions encourage open dialogue and mutual learning, enabling suppliers to align more closely with our ESG expectations and compliance standards.

Sustainability Statement (Cont'd)

ECONOMIC (Cont'd)

Supply Chain Management (Cont'd)

Scope of Supplier Training and Engagement Activities

Environmental

- Implementation of Environmental Policy
- Efficient energy use and carbon management
- Climate change awareness and mitigation
- Air emissions and pollution control
- Waste reduction, recycling, and circular economy practices
- Conservation of biodiversity and natural resources
- Sustainable sourcing and avoidance of conflict minerals

Social

- Respect for human rights and fair labour practices
- Adherence to fair working hours and conditions
- Workplace health and safety standards
- Freedom of association and collective bargaining
- Compliance with minimum wage and labour laws
- Employee well-being and inclusion

Governance

- Anti-bribery and anti-corruption principles
- Management of conflict of interest
- Responsible information and data protection
- Transparent and ethical business conduct
- Compliance with Supplier Code of Conduct
- Commitment to regulatory compliance and integrity in sourcing

Sustainability Assessment in Supply Chain

We have a network of 15 key direct material suppliers and contractors, whose contributions account for over 85% of the Group's total direct material procurement. Our supplier audit strategy aims to cover all 15 suppliers within a three-year cycle.

In 2022, we initiated periodic on-site audits of selected suppliers, conducted by trained auditors led by EHS Department. This process, which included auditing of the shortlisted suppliers, allowed us to verify compliance with our supplier standards and identify any potential violations related to ethical, social, or environmental practices. In addition to new waste contractors and recruitment agencies, all potential vendors must be thoroughly assessed and approved before being added to the list of approved vendors.

Throughout the current review period in 2025, we did not identify or receive reports of any violations of the Supplier Code of Conduct.

Sustainability Statement (Cont'd)

ECONOMIC (Cont'd)

Supply Chain Management (Cont'd)

Sustainability Assessment in Supply Chain (Cont'd)

	FY2025	FY2024	FY2023
Total number of identified major direct material suppliers and contractors	15	17	16
Environmental Impact			
Number of suppliers assessed for environmental impacts* *Note: *assessed at least once in the past 3 years*	4	4	5
Number of suppliers identified as having significant actual and potential negative environmental impacts	-	-	-
Description of the significant and actual environmental impact identified	-	-	-
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment* *Note: *does not include closed cases where agreed-upon improvements have been implemented and verified by Dufu's audit team.*	-	-	-
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment	-	-	-
Social Impact			
Number of suppliers assessed for social impacts	4	4	9
Number of suppliers identified as having significant actual and potential negative social impacts	-	-	1
Description of the significant and actual social impact identified	-	-	The supplier in question was found to be in violation of Dufu's SCC was subsequently removed from "Approved Vendor List"
Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment* *Note: *does not consider closed cases where agreed upon improvements have been implemented and verified by Dufu's audit team*	-	-	-
Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment	-	-	11.1

Through these audits over a three-year cycle, we identify gaps and potential risks while working closely with suppliers to strengthen their management systems and operational practices. Dufu emphasises continuous improvement by sharing best practices, providing guidance, and encouraging suppliers to enhance their policies and performance in alignment with our sustainability objectives.

Sustainability Statement (Cont'd)

ECONOMIC (Cont'd)

Supply Chain Management (Cont'd)

Summary of Assessment Findings and Improvement Measures

Category	Key Findings	Proposed Improvement Measures
Ethics	• Inadequate data security policies to protect sensitive information. • Limited measures to address anti-bribery and anti-corruption concerns.	• Encourage suppliers to strengthen data protection frameworks in line with industry best practices. • Share Dufu's Anti-Bribery and Corruption Policy and support suppliers in developing their own.
Environmental	• Lack of formal procedures to track and monitor energy consumption. • Inadequate measures to manage and store chemical substances safely. • Limited participation in environmental sustainability initiatives.	• Encourage suppliers to begin monitoring and reporting energy consumption data. • Support adherence to proper chemical management regulations and standards. • Promote involvement in environmental improvement programmes and initiatives.
Occupational Health and Safety ("OHS")	• Absence of structured emergency response protocols and procedures. • Lack of comprehensive health and safety policies to safeguard employees.	• Encourage suppliers to establish and implement emergency preparedness and response plans. • Support the development of OHS policies with clear objectives, roles, and responsibilities.
Labour Practices	• Limited commitment to preventing workplace discrimination. • Inadequate systems for employees to raise grievances or report issues.	• Encourage suppliers to introduce an Anti-Discrimination Policy promoting diversity, equity, and inclusion. • Recommend establishing anonymous grievance channels to ensure employees can voice concerns safely.

Conflict-Free Minerals Policy & Raw Materials Sourcing

We implement a thorough due diligence process to mitigate the risk of Conflict Minerals in our supply chain, ensuring that the procurement or processing of raw materials and products does not inadvertently benefit armed groups in the Democratic Republic of Congo or the identified adjoining countries. This includes identifying suppliers of 3TG+C (tin, tungsten, tantalum, gold and cobalt) for all new product launches and supporting our customers in their responsible sourcing of minerals programs.

To achieve compliance with Responsible Sourcing of Minerals legislation, we have established a Conflict Minerals Committee comprising personnel from the Purchasing, Sales & Business Development, Quality, and EHS departments. This Committee monitors due diligence progress and allocates resources to meet legislative requirements. Our suppliers are required to declare and identify the sources of all materials used in their products and provide any supporting documentation to ensure that the minerals in our supply chain are conflict-free. Our Conflict-Free Minerals Policy is available on our company's website at https://www.dufutechnology.com/conflict-minerals-policy/.

Additionally, we mandate that our suppliers' raw material sourcing complies with RoHS (Restriction of Hazardous Substances) and REACH (Registration, Evaluation, Authorisation, and Restriction of Chemicals) compliances at all times. The RoHS directive restricts the use of ten hazardous substances, including lead, in electrical and electronic equipment, while REACH aims to protect human health and the environment from chemical risks. We do not use these substances in our production processes and collaborate with customers to meet their product stewardship and safety standards.

Sustainability Statement (Cont'd)

ECONOMIC (Cont'd)

Supply Chain Management (Cont'd)

Conflict-Free Minerals Policy & Raw Materials Sourcing

Regulations and Customer Requirements	Measures Taken by Dufu
RoHS Directive - Restriction on the use of ten substances including lead.	• We ensure compliance through annual reviews and analyses, supported by documentation such as declaration letters, Certificates of Compliance, and Safety Data Sheets. • We engage with suppliers to facilitate their compliance, requiring them to perform self-assessments and submit relevant compliance documentation on a yearly basis. • Each batch of supplies received is accompanied by the relevant test reports and certificates.

Local Procurement Practices

Dufu is committed to strengthening local procurement as part of our sustainable supply chain strategy. We prioritise sourcing goods and services from local suppliers to meet our business needs while ensuring reliability, cost efficiency, and adherence to the highest standards of quality and timely delivery. By fostering strong partnerships with local vendors, Dufu actively contributes to the growth of the domestic economy and the development of resilient local industries. This approach enhances our sourcing efficiency, supports socio-economic advancement, and promotes shared value creation within the communities where we operate. In addition, our focus on local sourcing helps to minimise environmental impacts associated with long-distance transportation, reducing carbon emissions and overall logistics costs. Through these efforts, Dufu continues to drive responsible procurement practices that balance operational excellence with social and environmental stewardship.

However, certain exceptions apply for goods that are unavailable locally, such as specific raw materials and specialized technical equipment, along with their related spare parts and accessories. These factors contribute to a significant portion of our non-local purchases. Nevertheless, the proportion of local purchases increased from 42% in 2024 to 45% in 2025, as we continue to actively search for and prioritize local content.

	FY2025	FY2024	FY2023
Proportion of purchases from local companies (%)	45	42	63

Commitment to Quality

Maintaining the latest revision of ISO 9001:2015 certification demonstrates our commitment to upholding consistent quality standards for our products. We have established a comprehensive quality management system framework that assures customers of robust quality assurance policies and procedures, regularly addressing product quality and reliability while enhancing work efficiency.

We implement stringent quality controls throughout our operations. Our quality practices encompass various stages, including design, tooling, and process control, utilizing well-known standardization techniques such as Poka Yoke, Six Sigma, Design for Manufacturability (DFM), Failure Mode Effect Analysis (FMEA), and Statistical Process Control (SPC). Incoming material inspections ensure that raw materials and components meet documented standards before mass production, while in-process quality audits identify abnormalities in our manufacturing processes. Key product characteristics undergo thorough monitoring and quality control checks at different production stages using precise measurement tools and laboratory equipment. Our finished goods quality assessment verifies the reliability and compliance of our products, ensuring they meet required specifications and are defect-free upon delivery. We strive to ensure that every product we deliver is consistently on time, every time.

Sustainability Statement (Cont'd)

CORPORATE GOVERNANCE

Approach

The Board recognises its central responsibility for providing strategic leadership, safeguarding stakeholder interests, and delivering sustainable value over the long term. In doing so, the Board:

- Sets and regularly reviews the Group's purpose, vision, strategic objectives and values, ensuring alignment with changes in the operating environment and stakeholder expectations.
- Ensures that sustainability issues are embedded into strategy, governance and decision-making. This is in line with practice under MCCG that boards should integrate ESG risks and opportunities into the oversight of corporate strategy.
- Maintains the "tone at the top" and cultivates a robust governance culture characterised by integrity, transparency, accountability and responsible business conduct.

Dufu is committed to achieving high standards of professionalism and business ethics across all Group activities. We recognize that corporate governance serves as a form of self-regulation, integral to our sustainability journey, aimed at enhancing business propositions while considering the values and expectations of various stakeholders. Our company policies and procedures are regularly updated to ensure that our corporate governance structure not only meets legislative requirements but also aligns with industry best practices. Details of Dufu's corporate governance framework and practices are outlined in the Corporate Governance Report 2025, available on the Company's website, as well as in the Corporate Governance Overview Statement included in this Annual Report.

Dufu's commitment to good corporate governance is reflected in our comprehensive suite of policies, which includes:

a) Board Charter
b) Code of Conduct & Ethics
c) Whistleblowing Policy
d) Anti-Bribery & Corruption Policy
e) Charity and Sponsorship Policy
f) Policy for Assessing the Suitability and Independence of External Auditors
g) Related Party Transaction Policy
h) Board and Senior Management Diversity Policy
i) Senior Management Remuneration Policy
j) Directors Remuneration Policy
k) Policy on Independence of Directors
l) Directors' Fit and Proper Policy
m) Conflicts Mineral Policy
n) Supplier Code of Conduct
o) Sustainability Policy

Our governing policies are reviewed and updated as necessary, and they are accessible on our corporate website: https://www.dufutechnology.com/investor-relations/ under the "Corporate Governance Documents" section.

Board Diversity and Structure

The Company's Board consists of two Executive Directors and four Independent Non-Executive Directors. Their names and brief biographies can be found in the "Board of Directors' Profile" section of the Annual Report FY2025. The Board's duties and responsibilities are outlined in the Board Charter. To assist in governance and other responsibilities, the Board has established several committees: the Audit Committee, Nominating Committee, Remuneration Committee, Risk Management and Sustainability Committee, and Investment Committee, each with defined terms of reference. All Directors of the Company achieved a 100% attendance record for FY2025. Details of the number of meetings convened by the Board and its respective Committees are presented under Section "Principal A – Board Leadership and Effectiveness" of the Corporate Governance Overview Statement in the Annual Report FY2025.

The Nominating Committee regularly reviews the composition of the Board and its committees. The Board includes a mix of qualified and experienced directors with diverse backgrounds and expertise. This diversity in legal, financial, and corporate affairs allows the Board to fulfill its responsibilities effectively and efficiently. We have 2 female directors, equivalent to 33% of the Board as of year-end until the date of this Report, aligning with the recommendation set out under Practice 5.9 of the MCCG and our sustainability 2028 goal. The skill sets and diversity in race, ethnicity, nationality, age, and gender of the current Board members are disclosed in Practice 5.5 of the Corporate Governance Report for FY2025.

Sustainability Statement (Cont'd)

CORPORATE GOVERNANCE (Cont'd)

Code of Conduct and Ethics

Dufu's Code of Conduct and Ethics ("CCE") establishes standards of responsibility and obligation while promoting fair dealing, integrity, and ethical conduct in our business practices. Subject to periodic review, the CCE articulates acceptable practices and guides the expected behaviours of Directors, Management, and employees, integrating seamlessly into Dufu's overall management framework.

The CCE includes a conflict-of-interest provision to ensure that no Director, Management member, or employee engages in any occupation or business that conflicts with their roles at Dufu. The Group's CCE policy was last reviewed and updated by the Board on 26 February 2025.

Conflict of Interest

At Dufu, we uphold the highest standards of integrity, ethics, and transparency in managing conflicts of interest (COI) across all levels of the organisation. As part of our onboarding and ethics induction programme, new employees are briefed on the Group's COI Policy and are required to submit an initial declaration upon joining.

Any COI situations that have arisen, persisted, or may potentially arise including interests in competing businesses involving Directors or key senior management are reviewed and reported quarterly to the Board. In addition, all exempt employees (Level 6 and above) are required to complete an annual acknowledgement and declaration disclosing any actual, potential, or perceived conflicts of interest. This proactive approach ensures that any personal, financial, or professional interests that could compromise objectivity or influence decision-making are promptly identified and appropriately managed. The annual declaration process forms an integral part of Dufu's ethical governance framework, reinforcing our commitment to accountability, integrity, and responsible conduct throughout the organisation.

The Audit Committee is entrusted with overseeing conflict of interest and related party transactions within the Group. The Committee reviews all COI declarations, assesses the nature and materiality of any identified cases, and ensures that appropriate disclosure, mitigation, and monitoring measures are implemented where necessary.

Based on the annual COI review for FY2025, no declarations were identified as involving any actual or potential conflicts of interest.

Money Laundering and Insider Trading Commitment

The Group upholds a zero-tolerance stance toward any form of unethical or illegal conduct, including money laundering and insider trading, which could compromise market integrity or stakeholder confidence. We continuously strengthen our internal controls, employee awareness, and compliance monitoring mechanisms to prevent and detect any activities related to financial misconduct.

Anti-Bribery and Anti-Corruption

Dufu's commitment to a zero-tolerance policy against bribery and corruption is articulated in our Anti-Corruption and Bribery Policy ("ABC Policy"). This policy outlines our dedication to conducting business ethically and complying with all applicable laws, including the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) ("MACC Act") and any amendments made by relevant authorities. The ABC Policy provides guidance to Directors, employees, and business associates on how to recognize and address any acts of corruption and bribery that may arise during daily business operations.

The ABC Policy was approved by the Board on 1 June 2020, and updated on 26 February 2025. It covers key areas of potential corruption and bribery risks, including gifts, entertainment, hospitality, facilitation payments, kickbacks, and charitable contributions. Strict adherence to this policy is required from all parties across the Group's supply chain.

We strictly prohibit our Directors, employees, and business associates from engaging in any form of corruption, bribery, extortion, embezzlement, or money laundering activities. The Group's anti-corruption program is built on five 'TRUST' principles:

a) Principle I: Top Level Commitment;
b) Principle II: Risk Management Assessment;
c) Principle III: Undertake Control Measures;
d) Principle IV: Systematic Review, Monitoring and Enforcement; and
e) Principle V: Training and Communication.

Sustainability Statement (Cont'd)

CORPORATE GOVERNANCE (Cont'd)

Anti-Bribery and Anti-Corruption (Cont'd)

Additionally, the Group's Charitable and Sponsorship Policy, approved by the Board on 1 June 2020, and updated on 1 November 2022, provides comprehensive guidelines for responding to requests for charitable donations, event sponsorships, and in-kind contributions. We do not make charitable donations or contributions to political parties, nor do we reimburse employees for personal political contributions.

Dufu's strong stance on zero tolerance towards bribery and corruption is communicated from the top down by the Group's Executive Chairman and is published on our corporate website at https://www.dufutechnology.com/chairmans-message-on-dufus-anti-bribery-and-corruption-policy/.

A comprehensive risk management assessment, conducted in May 2020, identified the nature and extent of internal and external risks, including exposure to risks associated with jurisdiction, transactions, and businesses involving customers, vendors (suppliers, contractors, agents), employees, products, and transactions. Seven risk areas were identified: contractors and suppliers, customers, political contributions, charitable contributions and sponsorships, facilitation payments, significant investments, promotional gifts, and hospitality. Their respective risk profiles and response strategies are reviewed and updated by the RMSWG and reported to the RMSC annually. The risk associated with "significant investments" is considered high, prompting the Group to implement stringent measures, such as requiring a Return on Investment (ROI) justification form, approval by the Investment Committee, and third-party due diligence where applicable.

Any new potential supplier must undergo a rigorous due diligence process, including the disclosure of Anti-Corruption Practices through questionnaires and a letter of undertaking to comply with Dufu's policies related to the ABC Policy, Sponsorship & Charitable Contribution Policy, and Code of Business Conduct. The Group's ABC Policy has been effectively communicated to all Directors, employees, and associated third parties through various channels and is available on our corporate website at https://www.dufutechnology.com/anti-bribery-corruption-policy/.

The adoption of an anti-corruption and bribery culture in our operations, along with familiarization with the ABC Policy, Charitable and Sponsorship Policy, and Whistleblowing Policy, is facilitated through various training sessions for Directors, senior management, and employees. This training is included in the induction program for new employees, and a refresher course is conducted annually for exempt employees. Directors, employees, customers, suppliers, and other stakeholders are expected to promptly report any suspicious transactions that may indicate acts of corruption, bribery, or money laundering through the established whistleblowing channels provided in the Whistleblowing Policy and Procedures.

From FY2023 to FY2025:

- ✓ There were no corruption-related cases reported;
- ✓ No incidents of confirmed corruption;
- ✓ No staff was disciplined or dismissed due to non-compliance with ABC and/ or CCE policy;
- ✓ No fines imposed in relation to corruption, bribery, anti-competitive business practices;
- ✓ Zero political contributions made; and
- ✓ Zero facilitation payments made.

	FY2025	FY2024	FY2023
Total number of operations assessed for corruption-related risks	4	3	2
Percentage of operations assessed for corruption-related risks	100	100	100
Percentage of employees who have received training on anti-corruption	100	100	100
- Exempt	100	100	100
- Non-Exempt	100	100	100

Sustainability Statement (Cont'd)

CORPORATE GOVERNANCE (Cont'd)

Whistleblowing Mechanism

Dufu provides a dedicated Whistleblowing Channel as a secure, confidential, and anonymous platform for employees and external stakeholders to raise concerns or grievances regarding any suspected misconduct or unethical behaviour. This includes matters related to insider information and securities trading, violations of CCE, money laundering, fraud, corruption, threats to health and safety or misuse of the Group's resources.

The whistleblowing mechanism enables individuals to report potential violations of laws, regulations, business ethics, or internal policies and guidelines in a safe and confidential manner. All reports are handled with the utmost integrity, and the Group ensures that whistleblowers are protected from any form of retaliation or discrimination in accordance with the Whistleblowers Protection Act 2010. Stakeholders can report concerns directly to the Audit Committee Chairman by emailing the Whistle-Blower Form available at https://www.dufutechnology.com/submit-a-report/, or by sending the form via dedicated email or envelope.

Upon receiving the Whistle-Blower Form, an investigator designated by the Audit Committee Chairman will conduct a thorough and impartial investigation to determine the appropriate actions. Our Whistle-Blowing Policy is available on our corporate website at https://www.dufutechnology.com/whistleblowing-policy/. The Group's Whistleblowing policies were last reviewed and updated by the Board on 26 February 2025.

	FY2025	FY2024	FY2023
Number of confirmed incidents of corruption	0	0	0
Number of confirmed incidents of insider trading	0	0	0
Number of confirmed incidents of money laundering	0	0	0
Cost of fines, penalties or settlements	0	0	0

Risk Management

Dufu has established a well-defined organizational structure with clear lines of responsibility and delegated authority to ensure effective risk management. Four distinct yet complementary functions work together to implement the Group's risk management policies and objectives, as well as to monitor the overall risk management process.

At Dufu, we recognize that a robust risk management framework is essential for maintaining sustainable and resilient operations. Our approach focuses on proactive risk identification, assessment, and mitigation across all levels of the organization.

a) Operational Risk Ownership
Front-line employees and business unit leaders play an active role in identifying and managing risks within their respective areas. They are responsible for implementing control measures and ensuring strict adherence to established policies and procedures. This hands-on approach fosters a culture of accountability, operational excellence, and continuous improvement.

b) Internal Control Department
The Group's dedicated Internal Control Department monitors operational performance and safeguards assets in key areas such as labor efficiency, scrap management, machine utilization, fixed asset control, material yield, inventory management, and tool control. This function ensures that operational risks are effectively managed and performance standards are maintained.

c) Enterprise Risk Management ("ERM")
Dufu practices ERM through the Risk Management Sustainability Working Group ("RMSWG"), which is led by the Group Chief Executive Officer and supported by Department Heads. The RMSWG is responsible for the periodic review, assessment, and updating of the Group's Risk Register during scheduled meetings. The results of these reviews are presented to the Risk Management and Sustainability Committee ("RMSC") for further deliberation and oversight.

d) Internal Audit Function
The internal audit function is outsourced to Eco Asia Advisory Sdn. Bhd., an independent professional firm. They provide objective assurance to the Audit Committee on the effectiveness of the Group's governance, risk management, and internal control systems.

For further details on our risk management framework, please refer to the Statement on Risk Management and Internal Control in the Annual Report FY2025.

Sustainability Statement (Cont'd)

CORPORATE GOVERNANCE (Cont'd)

Data Privacy and Security

Dufu is committed to upholding data privacy principles, which involve the proper use and handling of sensitive information, including personal and financial data about individuals and organizations. We take a proactive approach to data security, ensuring protection against unauthorized access, alteration, or theft. These efforts are crucial for building trust and accountability with our customers, business partners, and employees, who expect their data to remain private. Our key internal controls for data privacy include:

- Protecting technology resources and assets with encryption, firewalls, and antivirus or anti-malware software;
- Implementing appropriate physical and organizational security measures to safeguard personal data;
- Requiring all employees to comply with Dufu's Code of Conduct and Ethics;
- Providing training and awareness programs; and
- Signing Non-Disclosure Agreements with customers, suppliers, and contractors.

We continue to upgrade our servers and backup systems for data protection and have installed a comprehensive set of antivirus solutions as part of our data security measures.

	FY2025	FY2024	FY2023
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0

Investor Relations

As part of our ongoing commitment to strengthening Dufu's corporate governance, we remain dedicated to providing accurate, transparent, and timely information to all our shareholders. In 2025, we continued to uphold this commitment by ensuring the prompt release of our Annual Report and Quarterly Financial Results.

The schedule for the publication of Dufu's Annual Report and Quarterly Financial Results is as follows:

Financial Results	Date of Issue/ Release	Days after end of Year/ Quarter	Bursa Securities Deadline for Release
Annual Report			
2024	25 March 2025	84	30 April 2025
2023	26 March 2024	86	30 April 2024
2022	27 March 2023	86	30 April 2023
Quarterly Results			
2025			
1st Quarter	6 May 2025	36	31 May 2025
2nd Quarter	29 July 2025	29	31 August 2025
3rd Quarter	28 October 2025	28	30 November 2025
4th Quarter	26 February 2026	57	28 February 2026
2024			
1st Quarter	8 May 2024	38	31 May 2024
2nd Quarter	30 July 2024	30	31 August 2024
3rd Quarter	29 October 2024	29	30 November 2024
4th Quarter	26 February 2025	57	28 February 2025

Sustainability Statement (Cont'd)

PEOPLE

Approach

At Dufu, we strive to create a supportive, pleasant, and healthy workplace that fosters a caring community. We recognize that strong work relationships and a motivated workforce are crucial to our success. Our employees are our partners in delivering and maintaining products and services of the highest quality standards for our customers. We acknowledge that our people are the foundation of our business, and we are dedicated to their lifelong learning and development through annual training and development programs. We also prioritize the safety and well-being of our employees, committing to provide and maintain a safe and healthy work environment.

Respect of Labour and Human Rights

At Dufu, we are deeply committed to upholding the human rights of all workers and ensuring they are treated with dignity and respect in accordance with internationally recognised standards. Our adherence to the Responsible Business Alliance ("RBA") principles and compliance with the Occupational Health and Safety Management System ("ISO 45001:2018") exemplify our steadfast commitment to responsible, ethical, and sustainable business practices. These frameworks reflect Dufu's dedication to safeguarding human rights while maintaining full compliance with all applicable local laws and regulations. Leadership oversight is provided by the Group Chief Executive Officer, who chairs both the RBA and ISO 45001:2018 Committees. This governance structure ensures that our operations remain aligned with global best practices in ethical conduct, human rights protection, and workplace safety.

In addition, Dufu reaffirms its support for the International Labour Organization ("ILO")'s eight fundamental conventions. These include the rights to freedom of association and collective bargaining, as well as the prohibition of forced labour, child labour, and discrimination in the workplace. Our respect for human dignity remains central to our belief that responsible labour practices are essential to long-term business sustainability. Our human rights commitments are clearly communicated to all stakeholders including employees, suppliers, and business partners through our Human Rights Policy and Supplier Code of Conduct. These frameworks reinforce our expectations for ethical behaviour across our operations and value chain.

Governance and Accountability on Human Rights

The Board holds overall responsibility for overseeing all human rights matters, ensuring that these principles are embedded across Dufu's policies, culture, and business operations. Strategic direction and leadership are provided by the Group Chief Executive Officer, who drives the implementation of human rights and sustainability strategies across the organisation. The Human Resource Department, co-led by Ms. Khor Wan Chen and Ms. Sin Sook Yee, is responsible for the day-to-day implementation and monitoring of all human rights initiatives. This includes safeguarding against any form of forced or child labour and ensuring full compliance with labour standards and regulations established by the Department of Labour. The Board ensures that adequate resources are allocated. The RMSWG regularly reviews the Policy's effectiveness and may recommend changes to the Board to reflect best practices and comply with new legal or regulatory requirements.

Human Rights Policy

This Policy applies to all areas of our business and our extended network of stakeholders, safeguarding the rights of employees, customers, suppliers, and subcontractors. In addition, our Supplier's Code of Conduct incorporates human rights criteria that require all suppliers to uphold ethical practices, strictly prohibiting any form of forced or child labour. This ensures that our supply chain remains responsible, transparent, and consistent with Dufu's values and sustainability objectives.

Sustainability Statement (Cont'd)

PEOPLE (Cont'd)

Human Rights Policy

Our Policy highlights the following commitments.

Prohibition of Forced Labour	At Dufu, we do not engage in forced, bonded, or involuntary prison labour. We ensure that all employment terms are voluntary, allowing workers the freedom to leave or terminate their contracts with reasonable notice. We hire foreign workers only with legal work permits and do not retain their passports unless legally required.
Young Workers	We strictly prohibit child labour in any business processes and adhere to local and international regulations regarding the employment of minors. Dufu recruits only those aged 18 and older, requiring reliable proof of age, such as a birth certificate or identification. Any underage applicants will not be considered.
Working Hours	Our workweeks adhere to local law, encouraging reasonable hours, including voluntary overtime, compensated according to statutory requirements. Employees receive at least one day off after six consecutive workdays. Any cases of excessive workdays and hours are reviewed in monthly Management KPI meetings, requiring justification from the respective Department Head.
Wages and Benefits	We ensure that all compensation and benefits comply with applicable wage laws, including minimum wage and overtime regulations. We do not impose wage deductions as a disciplinary measure. We provide compliant accommodation for foreign workers, guaranteeing free access in accordance with the Workers' Minimum Standards of Housing, Accommodations, and Amenities Act 1990. Additionally, we maintain a no-recruitment fees policy, ensuring that foreign workers do not incur any agency fees for their employment.
Humane Treatment	Dufu promotes a culture of humane treatment, prohibiting any form of harassment or abuse, including sexual harassment, corporal punishment, and verbal abuse. We have established clear disciplinary policies and multiple communication channels to support these principles.
Non-Discrimination	We embrace a diverse workforce, free from harassment and unlawful discrimination based on race, colour, gender, sexual orientation, ethnicity, disability, age, religion, nationality, marital status, pregnancy, political affiliation, union membership or other factors. Hiring and remuneration are based on performance, qualifications, and experience, without medical tests that could lead to discrimination. We respect and accommodate the religious practices of our employees by providing the necessary time and space for their observance. Dufu maintains a zero-tolerance policy towards any form of misconduct, bullying, or harassment in the workplace. To strengthen our commitment to human rights, we conduct periodic risk assessments to identify, monitor, and address both existing and emerging human rights risks and opportunities across our operations.

Sustainability Statement (Cont'd)

PEOPLE (Cont'd)

Human Rights Policy (Cont'd)

Freedom of Association

Dufu fully complies with all applicable local laws and regulations that safeguard employees' rights to freedom of association, expression, and collective bargaining. We respect and support the right of every employee to freely and voluntarily form or join occupational associations or unions, and to engage in collective bargaining in accordance with legal provisions. Dufu also upholds workers' rights to seek representation and actively encourages open and transparent communication between employees and management. We believe that constructive dialogue is key to maintaining a positive and inclusive workplace culture. Employees are empowered to express their views or raise concerns without fear of discrimination, retaliation, or reprisal.

Safe and Secure Workplace

Dufu is committed to maintaining a safe and productive workplace by minimizing occupational injuries and illnesses through effective safety measures and emergency preparedness.

Intern Program

We offer internships to college and university students, providing supervised practical development that complements their education. This initiative also aims to reduce youth unemployment, though we do not hire student workers outside this program.

Privacy/Data Protection

We prioritize the confidentiality of our employees' personal information and handle all personal data with integrity.

Community Rights

Dufu recognizes and respects the rights of local communities and marginalized groups, including refugees and individuals with disabilities. We assess employment opportunities fairly for underprivileged groups, including those from deprived backgrounds, having poor social status and with no formal education and qualification.

Children Rights

We uphold children's rights and promote their access to education and information by collaborating with relevant organizations, aligning our efforts with the company's core values.

Equal Pay and Equal Opportunity

At Dufu, we embrace the principle of equal pay for equal work, ensuring that all employees, regardless of gender, receive fair and equitable remuneration for work of equal value. This commitment extends to all roles requiring comparable skills, effort, and responsibility, performed under similar conditions. We are dedicated to fostering a workplace built on fairness, inclusivity, and respect. Every individual is given equal opportunity regardless of race, religion, gender, age, social or ethnic origin, sexual orientation, marital status, pregnancy, disability, or nationality.

Dufu continuously reviews and evaluates its workforce practices to ensure pay equity and consistency across all levels. The principle of equal treatment applies to every stage of employment, including recruitment, development, compensation, and promotion, based solely on merit, performance, and the ability to deliver results.

Sustainability Statement (Cont'd)

PEOPLE (Cont'd)

Human Rights Policy (Cont'd)

Ratio of the basic salary and remuneration of women to men for each employee category			
Female to Male Ratio	**2025**	**2024**	**2023**
Basic salary			
Exempt (Executive and above)	0.82:1	0.8:1	0.75:1
Non-Exempt	0.99:1	1:1	1:1
Remuneration			
Exempt (Executive and above)	0.83:1	0.77:1	0.75:1
Non-Exempt	0.94:1	0.97:1	0.97:1

Non-Discrimination and Diversity

We foster a diverse and inclusive culture throughout the Group to ensure that every employee feels supported, accepted, respected, and safe at work. As we maintain a zero-tolerance policy toward discrimination, workplace bullying, and harassment, and we are dedicated to creating a respectful workplace for everyone in the Group.

At Dufu, we are committed to cultivating a diverse, inclusive, and equitable workplace where every employee is valued and respected. We continuously implement initiatives that enhance workforce diversity, ensure equal opportunities, and eliminate all forms of discrimination. We strive to nurture an environment where every individual feels supported, accepted, and safe. Upholding a zero-tolerance policy toward discrimination, bullying, and harassment, Dufu remains committed to fostering a respectful and positive workplace culture across the Group. We are pleased to report that during the year under review, Dufu recorded zero incidents of violations involving the rights of indigenous people.

	Unit	2025	2024	2023
Full-time employees identify as differently abled Employee	pax	3	3	3
Percentage of global staff with a disability	%	0.34	0.35	0.35

Our labour standards and human rights policy are summarized in the Code of Conduct and Ethics. All employees and business partners globally receive annual briefings on this Code as part of their Human Rights Policy training. The Human Rights Policy is available in English and multiple other languages on our corporate website at https://www.dufutechnology.com/labour-standards-human-rights-policy/.

	2025	2024	2023
Percentage of employees who attended human rights-related training	100%	100%	100%

Any Dufu employee who suspects violations of the Group's Labour and Human Rights Policy is encouraged to report the issue to their Department Manager or Human Resources. For more serious offenses, employees or external stakeholders can raise concerns through our whistleblower protection policy. Dufu does not tolerate retaliation against anyone who speaks up or expresses concerns in line with our Non-Retaliation Policy. We are committed to maintaining confidentiality for all stakeholders and to remedying any harm caused by identified human rights impacts. All Dufu managers and Human Resource personnel receive training to effectively handle reports of bullying or harassment.

	Unit	2025	2024	2023
Discrimination and harassment incident reported	pax	-	-	-
Child labour incident	pax	-	-	-
Forced or compulsory labour incidents	pax	-	-	-
Substantiated complaints concerning human rights violation	pax	-	-	-
Incident responses arising from human rights violation	pax	-	-	-

Sustainability Statement (Cont'd)

PEOPLE (Cont'd)

Human Rights Risk Assessment

The Group conducted a Human Rights Risk Assessment survey to identify and evaluate key human rights issues across its operations and value chain. This assessment aimed to determine the likelihood and potential impact of various human rights risks, serving as a foundation for the Group's ongoing due diligence and risk management efforts. The assessment framework was developed in line with the Organisation for Economic Cooperation and Development ("OECD") Due Diligence Guidance and drew reference from the United Nations Development Programme ("UNDP") framework, which encompasses 99 indicators across six human rights dimensions.

The exercise involved collaboration among managers and employees from various departments, ensuring a comprehensive and inclusive assessment process. Through this engagement, the Group identified ten salient human rights risks that may potentially affect stakeholders, including employees, suppliers' and contractors' employees, customers, and the local community. The outcomes of this assessment provide the basis for implementing targeted training, awareness initiatives, and mitigation measures to effectively address these priority issues. The Group will continue to review the human rights risk assessment every two years to maintain its relevance and alignment with international standards and best practices.

Summary of the identified Human Rights Risks:

Salient Issue	Indicator / Description	Impacted Stakeholders	Likelihood
Working Hours	Overtime practices and fair compensation for extended hours	Employees, Suppliers' & Contractors' employees	Moderate
Wages and Benefits	Ensuring fair and equitable wage structures	Employees	Low
Forced Labour	Prevention of forced or involuntary labour	Employees, Suppliers' & Contractors' employees	Moderate
Child Labour	Prohibition of underage employment across operations and value chain	Employees, Suppliers' & Contractors' Employees	Low
Humane Treatment	Promoting diversity, equal opportunity, and fair recruitment practices	Employees, Suppliers' & Contractors' Employees	Low
Occupational Health and Safety	Ensuring safe working conditions and preventing workplace accidents and safeguarding physical and mental well-being of workers	Employees, Suppliers' & Contractors' Employees	Low
Privacy	Protection of personal and sensitive data of workers and stakeholders	Employees, Suppliers' & Contractors' Employees	Low
Sexual Harassment	Zero-tolerance approach towards harassment in the workplace	Employees	Low

Sustainability Statement (Cont'd)

PEOPLE (Cont'd)

Mitigation and Remediation Measures

The Group actively addresses potential and actual human rights risks through comprehensive mitigation and remediation measures, supported by ongoing monitoring, transparent reporting, and adherence to legal and international standards.

Party of Concern: Employees

Human Rights Issue	Mitigation Measures	Remediation Measures	Reporting Channels
Working Hours	• Comply with Employment Act 1955 and related regulations to prevent excessive working hours. • Conduct continuous human rights education and training. • Use attendance systems to monitor working hours.	• Ensure employees can freely resign without coercion. • Provide overtime pay and rest periods in accordance with legal requirements.	• HR Open Door • Whistleblowing Channel
Wages and Benefits	• Align salary and benefits with industry benchmarks and relevant labour laws. • Ensure timely payment of wages and benefits.	• Ensure compliance with minimum wage and statutory benefits. • Regularly review employee handbook to maintain regulatory alignment.	• HR Open Door • Whistleblowing Channel
Forced Labour	• Strictly prohibit all forms of forced labour and human trafficking. • Comply with recruitment laws and processes. • Verify candidates' identity documents and maintain proper employment records.	• Immediately release affected individuals from forced labour conditions. • Provide necessary assistance, including legal support.	• HR Open Door • Whistleblowing Channel
Child Labour	• Prohibit employment of individuals below the legal working age. • Adhere to all relevant labour regulations during recruitment.	• Immediately remove affected individuals and notify parents or legal guardians.	• HR Open Door • Whistleblowing Channel
Humane Treatment	• Uphold equal employment rights and fair opportunities. • Organise diversity, equity, and inclusion programmes to promote awareness. • Maintain a transparent complaint mechanism.	• Investigate and take corrective disciplinary actions where necessary. • Offer mediation and conflict resolution in accordance with internal procedures.	• HR Open Door • Whistleblowing Channel
Sexual Harassment	• Enforce zero-tolerance policy in accordance with Sections 81A–81H of the Employment Act 1955. • Direct complaints to the HR Department for prompt action.	• Conduct thorough investigations and ensure accountability. • Implement disciplinary measures to prevent recurrence. • Provide support and protection to victims.	• HR Open Door • Whistleblowing Channel

Sustainability Statement (Cont'd)

PEOPLE (Cont'd)

Mitigation and Remediation Measures (Cont'd)

Human Rights Issue	Mitigation Measures	Remediation Measures	Reporting Channels
Occupational Safety	• Conduct regular risk assessments to identify and mitigate hazardous activities. • Supply appropriate PPE and deliver targeted safety training.	• Provide medical assistance, first aid, and insurance claim support. • Offer medical leave and rehabilitation programmes. • Ensure compensation for work-related injuries or illnesses.	• Hazard & Incident Reporting System • Whistleblowing Channel
Occupational Health	• Promote health and wellness awareness through targeted programmes. • Conduct periodic health checks and workplace assessments.	• Provide medical treatment, rehabilitation, and counselling support through the Wellness Programme.	• HR Open Door • Whistleblowing Channel

Party of Concern: Suppliers and Contractors

Human Rights Issue	Mitigation Measures	Remediation Measures	Reporting Channels
Labour Practices (Forced Labour, Child Labour, Human Treatment, Wages & Benefits)	• Communicate human rights expectations through the Supplier Code of Conduct • Implement supplier risk assessments via Self-Assessment Questionnaires (to be implemented in 2026) and Due Diligence forms. • Supplier Audit • Conduct ESG awareness and training sessions to strengthen supplier understanding of human rights obligations.	• Suspend or terminate business dealings with non-compliant suppliers. • Require vendors to investigate violations and apply corrective or disciplinary actions as necessary.	Whistleblowing Channel
Health and Safety (Occupational Safety, Injury & Illness)	• Encourage suppliers to adopt safety management systems and conduct regular workplace inspections. • Reinforce emergency preparedness and incident response protocols.	• Request corrective actions for suppliers failing to comply with safety standards. • Monitor remediation progress to ensure resolution of identified risks.	Whistleblowing Channel

Party of Concern: Customers

Human Rights Issue	Mitigation Measures	Remediation Measures	Reporting Channels
Data Privacy and Protection	• Comply with the Personal Data Protection Act 2010 ("PDPA") to safeguard customer information. • Ensure secure data handling and restrict unauthorised access.	• Treat unauthorised disclosure of customer data as serious misconduct, subject to disciplinary action or termination. • Notify affected parties and implement immediate corrective measures to prevent recurrence.	Whistleblowing Channel

Sustainability Statement (Cont'd)

PEOPLE (Cont'd)

Measures to Prevent Sexual Harassment

The Group enforces a zero-tolerance policy towards any form of sexual harassment in the workplace. A comprehensive Code of Practice on the Prevention and Eradication of Sexual Harassment in the workplace has been established and is incorporated into the Employee Handbook.

The Code defines sexual harassment as any unwelcome or inappropriate sexual behaviour, which may occur in various forms, including verbal, non-verbal or gestural, visual, psychological, or physical harassment. It also provides a clear framework for reporting, investigating, and resolving such incidents.

Upon receiving a complaint, the responsible manager is required to initiate an immediate and confidential investigation, ensuring the privacy and protection of the complainant throughout the process. Disclosure of the victim's identity is strictly limited to instances where it is absolutely necessary for the investigation or formal inquiry proceedings.

Each reported case is thoroughly assessed to determine root causes, and appropriate disciplinary or corrective actions are implemented to prevent recurrence. Post-investigation reviews are conducted to evaluate the effectiveness of these measures, with findings used to enhance workplace policies, procedures, and culture to ensure a safe, respectful, and inclusive working environment for all employees.

Employee Communications and Engagement

The Group promotes an open-door communication culture, enabling employees at all levels to engage directly with management, supervisors, or the HR Department for clarification, feedback, or support at any time.

We actively communicate corporate policies, initiatives, and updates to both new and existing employees through multiple platforms. These communication channels not only empower employees to share their views on workplace matters such as health, safety, welfare, and working conditions but also enable the Group to better understand employee perspectives and address concerns promptly and effectively.

Employees are encouraged to engage in open and constructive dialogue with management regarding work-related or personal matters, employment terms, remuneration, benefits, and personal opinions through the following channels:

Communication Channel	Description
Meetings	Regular one on one informal or departmental meetings, including weekly, monthly gatherings to share updates and align goals.
Announcements	Company-wide notifications via email, watsapp, posters and banners in common areas.
Surveys and Thoughts	Annual employee surveys to gather feedback and assess engagement, satisfaction, and workplace conditions.

The Group remains committed to maintaining open, transparent, and two-way communication with all stakeholders to strengthen trust, enhance employee engagement, and continuously improve workplace well-being.

Employee Engagement Survey

We firmly believe that a highly engaged workforce is essential to the Group's success. Dufu conducts an Annual Employee Engagement Survey to evaluate the overall sentiment, motivation, and commitment of its workforce. The survey serves as a vital platform for gathering feedback on leadership effectiveness, communication, work environment, and organisational culture, while identifying workplace strengths and areas for improvement. Through this initiative, Dufu aims to gauge employee satisfaction and engagement across all departments, identify development needs, and design strategies to enhance well-being, productivity, and retention. The survey also promotes open dialogue between employees and management, reinforcing a culture of transparency, inclusiveness, and continuous improvement within the organisation.

In 2025, we conducted an Employee Satisfaction Survey focusing on four key areas that drive employee engagement: employee relations, working environment, employee development, and welfare and facilities. With a response rate of 89% (2024:84%), the survey indicated a strong level of engagement, resulting in an overall satisfaction score of 92% (2024:85%). We have also implemented several improvements based on employee feedback, such as enhancing flexible working hours, installing a booster pump at the fabrication site's water tank outlet to improve water pressure, and introducing additional fans in the Auto Lathe production area in phases.

Sustainability Statement (Cont'd)

PEOPLE (Cont'd)

Employee Engagement Survey (Cont'd)

Additionally, a separate survey was conducted to assess employee satisfaction with the canteen services, covering key dimensions such as food quality, menu variety, cleanliness, service efficiency, and beverage selection. The survey achieved an 82% response rate with an overall satisfaction score of 80%. Based on the valuable feedback received, several enhancements were implemented in 2025 to improve the dining experience. These included upgrading canteen facilities, diversifying the menu to introduce new flavours, and launching a canteen QR code survey to collect real-time feedback and dish suggestions. This initiative allows employees to share their preferences and helps address concerns related to taste and limited variety, with popular requests considered for future menus. To further enhance service efficiency and food availability, the canteen began preparing and releasing meals in staggered batches before 10 a.m., around 11 a.m., and near 12 p.m., ensuring consistent meal availability throughout the lunch period.

Grievance and Complaint Channels

The Group's formal Whistleblowing Policy provides employees and stakeholders with a safe and confidential avenue to report any suspected misconduct, including ethical breaches or human rights violations such as forced labour, harassment, or discrimination. All reports are handled by an independent management representative, ensuring impartial review and strict confidentiality. To complement this, the Group operates a HR "Open-Door", an internal grievance and feedback channel that allows employees to express concerns, share suggestions, or report workplace issues at any time. All feedback is reviewed during management meetings to drive continuous improvement in workplace practices and employee well-being.

The "HR Open-Door" welcome employees to approach the Human Resource ("HR") department at any time to raise concerns or share feedback. Any grievances reported are formally documented by HR using the Employee Grievance Form to ensure proper follow-up and resolution.

In FY2025, a total of 6 cases (FY2024: 6 cases) grievance-related non-Human Rights related incidents were reported and resolved. Details were as follows:

No.	Incidents	Actions Taken	Status
1	Hostel washing machine breakdown – The hostel washing machine was out of service for a week. Troubleshooting efforts by the Hostel Maintenance PIC were unsuccessful.	A new washing machine was purchased and installed to restore service and prevent further inconvenience to hostel residents.	Closed
2	Bus delays due to driver miscommunication – Repeated delays caused frustration among employees relying on the transport service.	A dedicated WhatsApp communication group was established to improve coordination and ensure timely bus arrivals in collaboration with the transport provider.	Closed
3	Bus safety and hygiene concerns – Buses parked across the road posed safety risks, while poor bus conditions (broken door, damaged seats, dust) raised hygiene concerns.	The issue was reported to HR, and the bus was replaced. Pick-up and drop-off points were moved to the guardhouse area for safer and more convenient access.	Closed
4	Dining discomfort due to high canteen temperatures – Employees reported discomfort while dining.	Air-conditioning units were installed in both Canteen A and Canteen B to improve comfort and enhance the overall dining experience.	Closed
5	Canteen service quality and limited food variety – Employees raised concerns regarding the limited variety of food options available at the canteen.	A QR code feedback system was implemented and displayed at the canteen, allowing employees to submit feedback and suggest preferred food items for consideration by the canteen operator.	Closed
6	Hostel facility maintenance issue – A wall fan in the employee hostel malfunctioned for approximately one week, causing discomfort to affected occupants.	The faulty unit was subsequently replaced with a new wall fan to restore proper ventilation and comfort.	Closed

Remediate and Adverse Impacts

The Group conducts a Salient Human Rights Risk Assessment every two years to identify emerging risks and evaluate the effectiveness of existing controls. Where necessary, additional measures are implemented to address or minimise potential human rights impacts across our operations and value chain.

For the reporting year 2025, no cases of human rights violations were recorded, and therefore, no remediation actions were required, apart from matters unrelated to human rights issues, which have already been resolved as reported in an earlier section.

Sustainability Statement (Cont'd)

PEOPLE (Cont'd)

Talent Attraction and Retention

We recognise that our people are the driving force behind our success. We strive to attract, develop, and retain top talent by offering a supportive work environment, competitive compensation, and comprehensive employee benefits. To remain competitive and future-ready, Dufu periodically reviews its remuneration framework and employee benefits to ensure alignment with industry standards and market expectations. We also introduce recognition and reward programmes that celebrate employee achievements and encourage high performance.

Workforce Overview

Workforce Overview Diversity, Equity and Inclusion	Unit	2025	2024	2023
Gender group by employee category				
Management - Male	Percentage	80%	77%	82%
Management - Female	Percentage	20%	23%	18%
Executive - Male	Percentage	57%	62%	62%
Executive - Female	Percentage	43%	38%	38%
Non-executive/ Technical staff - Male	Percentage	79%	78%	79%
Non-executive/ Technical staff - Female	Percentage	21%	22%	21%
General Workers - Male	Percentage	71%	75%	78%
General Workers - Female	Percentage	29%	25%	22%
Age group by employee category				
Management - Under 30	Percentage	0%	5%	0%
Management - Between 30 - 50	Percentage	52%	50%	50%
Management - Above 50	Percentage	48%	45%	50%
Executive - Under 30	Percentage	31%	26%	22%
Executive - Between 30 - 50	Percentage	50%	55%	60%
Executive - Above 50	Percentage	19%	19%	18%
Non executive/ Technical Staff - Under 30	Percentage	32%	35%	39%
Non executive/ Technical Staff - Between 30 - 50	Percentage	61%	57%	55%
Non executive/ Technical Staff - Above 50	Percentage	7%	8%	6%
General Workers - Under 30	Percentage	48%	50%	52%
General Workers - Between 30 - 50	Percentage	51%	49%	47%
General Workers - Above 50	Percentage	1%	1%	1%
Percentage of directors by gender and age group				
Male	Percentage	67%	67%	83%
Female	Percentage	33%	33%	17%
Between 30 - 50	Percentage	0%	17%	33%
Above 50	Percentage	100%	83%	67%
Percentage of employees that are contractors or temporary staff	Percentage	2%	1%	2%
Gender diversity - Male	Percentage	72%	75%	77%
Gender diversity - Female	Percentage	28%	25%	23%
Age diversity - Under 30	Percentage	41%	42%	44%
Age diversity - Between 30 - 50	Percentage	54%	52%	50%
Age diversity - Above 50	Percentage	5%	6%	6%
Ethnic diversity - Bumiputera	Percentage	32%	34%	37%
Ethnic diversity - Chinese	Percentage	9%	10%	10%
Ethnic diversity - Indian	Percentage	0%	0%	0%
Ethnic diversity - Others	Percentage	59%	56%	53%

Sustainability Statement (Cont'd)

PEOPLE (Cont'd)

Talent Attraction and Retention (Cont'd)

Workforce Overview (Cont'd)

Workforce Overview Diversity, Equity and Inclusion	Unit	2025	2024	2023
Gender group by employee category				
Management - Male	Number	20	17	18
Management - Female	Number	5	5	4
Executive - Male	Number	51	52	48
Executive - Female	Number	38	32	30
Non-executive/ Technical staff - Male	Number	197	208	205
Non-executive/ Technical staff - Female	Number	53	58	55
General Workers - Male	Number	373	382	391
General Workers - Female	Number	152	129	109
Age group by employee category				
Management - Under 30	Number	0	1	0
Management - Between 30 - 50	Number	13	11	11
Management - Above 50	Number	12	10	11
Executive - Under 30	Number	28	22	17
Executive - Between 30 - 50	Number	44	46	47
Executive - Above 50	Number	17	16	14
Non executive/ Technical Staff - Under 30	Number	81	94	101
Non executive/ Technical Staff - Between 30 - 50	Number	153	152	143
Non executive/ Technical Staff - Above 50	Number	16	20	16
General Workers - Under 30	Number	252	253	258
General Workers - Between 30 - 50	Number	266	252	235
General Workers - Above 50	Number	7	6	7
Employees that are contractors or temporary staff	Number	19	10	14
Gender diversity - Male	Number	641	659	662
Gender diversity - Female	Number	248	224	198
Age diversity - Under 30	Number	361	370	376
Age diversity - Between 30 - 50	Number	476	461	436
Age diversity - Above 50	Number	52	52	48
Ethnic diversity - Bumiputera	Number	287	300	319
Ethnic diversity - Chinese	Number	78	85	83
Ethnic diversity - Indian	Number	3	1	3
Ethnic diversity - Others	Number	521	497	455
Employee Management				
Total number of employee turnover by employee category				
Management	Number	0	0	2
Executive	Number	16	14	10
Non-executive/ Technical Staff	Number	28	31	31
General Workers	Number	71	58	118
Annual employee turnover	Percentage	13%	12%	19%
Total new hires	Number	138	169	169
Total new hire rate	Percentage	16%	19%	20%

Sustainability Statement (Cont'd)

PEOPLE (Cont'd)

Talent Attraction and Retention (Cont'd)

Employee Compensation and Benefits

The Company offers benefits to recognize and appreciate employees' contributions and commitment. Dufu pays wages and salaries based on relevant local competitive market data, consistently adhering to legal minimum wage requirements. Consequently, Dufu's starting salaries are higher than the statutory minimum.

Full-time employees are entitled to various benefits, including semi-flexible work arrangements, medical coverage, personal accident insurance, group hospitalization and surgical schemes, festive gifts, uniforms, and personal protective equipment. Employees also receive annual and special leave, such as hospitalization, compassionate, maternity, and paternity leave. In FY2025, Dufu observed 14 public holidays and provided employee bonuses based on company performance and profitability. Eligible employees were offered an Employees' Shares Option Scheme ("ESOS") and cash incentives tied to the Group's profitability.

Dufu's in-house facilities include hostels for operators, lockers, prayer rooms, automated teller machines, car parking, transport services, and a canteen. We also accommodate employees with special needs by providing a dedicated nursing room for mothers and a sickbay for ill employees.

Performance-oriented Compensation Scheme

Dufu offers a structured reward framework comprising two main types of bonuses: annual bonuses and performance-based bonuses. These variable compensation components represent up to 22% of an employee's total annual remuneration for 2025, underscoring Dufu's commitment to recognising and rewarding high performance that contributes to the Group's success.

Eligibility for salary increments and variable rewards is determined through the Dufu Performance Evaluation Matrix, which assesses employees across key dimensions such as discipline, work attitude, performance, creativity, and innovation. For managerial positions, the Management Achievement KPI contributes 30% toward the overall evaluation for salary increment eligibility and also influences the performance bonus. The key dimensions under the Management Achievement KPI include sustainability, profitability, and sales performance. The sustainability component accounts for 20% to 80% of the Management Achievement KPI, depending on the degree of sustainability impact associated with the respective department's operations and initiatives.

Performance appraisals are conducted biannually for all employees to facilitate regular progress reviews and meaningful dialogue between employees and their supervisors. This approach ensures timely feedback, continuous monitoring of key performance indicators, and alignment with organisational goals.

Managers work closely with employees to identify development priorities and design personalised growth strategies that reflect individual work styles, competencies, career aspirations, and project objectives. These development plans are jointly formulated to address areas for improvement while supporting long-term professional advancement. Employees who encounter performance challenges receive constructive feedback and targeted coaching, complemented by structured improvement plans aimed at enhancing efficiency and overall effectiveness.

This structured performance management framework underscores Dufu's commitment to talent development, accountability, and continuous professional growth, fostering a culture of excellence and sustainability across the organisation.

Employees' Shares Option Scheme ("ESOS")

The ESOS serves as an integral part of Dufu's talent retention and recognition strategy, designed to strengthen employee engagement and reward individuals who make significant contributions to the Group's long-term success. Selection for share grants is based on a comprehensive assessment of performance, leadership, and overall impact on organisational growth. In 2025, a total of 4,000,000 shares were granted under the ESOS, with 59% allocated to managerial positions and above. This demonstrates Dufu's continued focus on recognising high-performing leaders and aligning reward mechanisms with succession planning to ensure sustainable growth and future leadership continuity.

Semi-Flexible Work Arrangements

Effective from 1 October 2025, employees are provided with a three-hour flexible window in their daily work schedules to support work-life balance and enhance overall well-being. This semi-flexible arrangement allows individuals to adjust their hours based on personal needs and commitments, helping to improve morale, boost productivity, and reduce absenteeism. Employees may also request time off and replace the hours on another day, offering additional flexibility in managing responsibilities. The level of flexibility depends on the nature of work and individual circumstances, including family care or coordination across different time zones. This initiative reflects the organisation's commitment to fostering a supportive and adaptable workplace that attracts and retains talent while promoting sustainable engagement and performance.

Sustainability Statement (Cont'd)

PEOPLE (Cont'd)

Talent Attraction and Retention (Cont'd)

Long Service Award

The Long Service Award is established to recognise and appreciate employees for their loyalty, dedication, and sustained contributions to the Company over the years. This initiative celebrates individuals who have demonstrated long-term commitment, consistent performance, and strong alignment with Dufu's values and organisational culture. In 2025, the Long Service Award ceremony was held on 25 September 2025, honouring a total of 68 employees for their years of service including 53 recipients for 10 years, 2 for 15 years, 3 for 20 years, 6 for 25 years, and 4 for 30 years of dedicated service.

Talent Referral Incentive

The Talent Referral Incentive Programme serves as a triple-edge advantage in strengthening our talent acquisition and retention framework.

Firstly, through our local hiring initiatives, the programme leverages employees' personal and professional networks to identify individuals who share the Dufu's core values and are aligned with our culture. Each employee plays an active role in promoting Dufu as an employer of choice, helping to connect talented individuals with meaningful career opportunities

Secondly, the initiative aims to foster a more engaged and connected workforce. When employees refer their friends or family members to join us, it enhances their sense of contribution to Dufu's growth and success. Referred employees also benefit from a stronger sense of belonging and smoother integration from the start, supported by existing relationships within the workplace, ultimately promoting team cohesion and employee engagement.

Thirdly, the programme provides monetary rewards of up to RM1,200 for successful referrals in key positions such as engineers, technical specialists, and other critical roles that support our current needs. Additionally, referred employees tend to remain with the company longer compared to those recruited through other channels, contributing positively to overall employee retention and long-term workforce sustainability.

Parental Benefits

Supporting working parents, all eligible employees are granted paid maternity and paternity leave in accordance with the Employment Act and relevant local regulations. In addition to statutory parental leave benefits, we celebrate the arrival of newborns by presenting congratulatory baby gift sets to employees as a gesture of care and appreciation.

In FY2025, a total of 17 employees took parental leave.

Parental Benefit	2025	2024	2023
Total number of employees entitled to parental leave			
Female	68	60	55
Male	153	153	144
	221	213	199
Total number of employees who took parental leave			
Female	7	7	5
Male	10	12	14
	17	19	19
Total number of employees that returned to work after parental leave			
Female	7	7	5
Male	10	12	14
	17	19	19
Total number of employees still employed 12 months after returning			
Female	4	3	6
Male	10	13	11
	14	16	17
Return to work rate (%)			
Female	100	100	100
Male	100	100	100
Retention rate (%)			
Female	57	60	86
Male	83	93	85

Sustainability Statement (Cont'd)

PEOPLE (Cont'd)

Employee Development

At Dufu, we recognize the critical importance of personal and professional growth and believe that learning and development are essential for individuals to realize their full potential. We place significant emphasis on enhancing our staff's skills and knowledge through training and development, which serves as a fundamental pillar of our talent management strategy. Our training initiatives aim to improve job performance, cultivate competencies, and foster career progression, all of which are integral to the Group's succession planning program.

Approach

Dufu is committed to providing comprehensive training opportunities for both Board members and employees. These initiatives encompass a wide range of areas, including technical skills, professional qualifications, soft skills development, leadership training, and transition assistance programs to support continued employability during career changes, such as retirement or termination. Each year, Department Heads are required to assess their staff's training needs, evaluate training course content and outcomes, and develop programs that not only meet Dufu's business requirements but also enhance individual knowledge and skills.

Initiatives and Programmes

Newly recruited employees undergo an orientation program designed to welcome them and familiarize them with the organization's culture and background. They also participate in structured on-the-job training tailored to their specific roles.

The training and development programs at Dufu are summarized as follows:

Training and Development Programmes	Description
Orientation	The HR Department conducts monthly orientations to introduce new employees to their roles, colleagues, and workplace environment. These sessions cover organizational overviews, labour practices, human rights, compensation, benefits, attendance policies, system operations, and established policies. For managerial and higher positions, orientation is conducted one-on-one on the first day for a personalized introduction.
On-the-Job Training	This informal training, curated by department leaders, provides practical, hands-on knowledge within the workplace, allowing employees to learn while integrating into their daily routines.
Technical Skills Development	These sessions cover the specific knowledge and expertise needed for employees to perform complex tasks related to their daily responsibilities. The HR team arranges these trainings based on feedback from various departments. Topics may include software proficiency and updates on tax or accounting standards.
Soft Skills Development	These periodic training sessions focus on enhancing employees' communication, leadership, problem-solving, and critical thinking skills, typically tailored for executive staff.
Mandatory Training	This includes training required by governing authorities or certification bodies, such as workplace safety training, ensuring that all employees receive adequate instruction on health and safety measures.

Sustainability Statement (Cont'd)

PEOPLE (Cont'd)

Employee Development (Cont'd)

Initiatives and Programmes

Our training and development programs include both internal and external elements, each offering distinct advantages. Internal training sessions leverage real-life examples and challenges that participants commonly encounter, enabling focused and relatable learning. In FY2025, we conducted a total of 9,254 hours of in-house training programs. The internal training investments were concentrated in the following areas:

Areas of Internal Training Investment	FY2025 No. of Hours	FY2024 No. of Hours	FY2023 No. of Hours
Communication Skills Enhancement	-	356	479
Industrial Safety & Environmental Management	3,954	5,256	2,740
Information Technology	450	328	-
Machinery, Engineering & Maintenance	150	281	78
Management and Performance Development	1,213	1,041	516
Quality Systems and Productivity Improvement	3,487	1,727	2,105
Total	**9,254**	**8,989**	**5,918**

External training programs are arranged for employees at all levels to enhance the skills essential for career progression and personal growth. In FY2025, we allocated 6,640 hours to external training, averaging 7.5 hours of external training per employee. Notable external training courses offered in 2025 included:

i) Skills Upgrade Training

- Mastercam Training – Lathe with C/Y Axis
- Statistical Process Control with Minitab (SPC)
- Microsoft Excel (Advanced)
- Harnessing AI for Business Impact
- GenAI Design Thinking for Innovation and Problem Solving
- Cloud & AI for Business Innovation
- Carbon Accounting and Reporting: From Basic to Best Practices
- Sustainability-Related Risks and Opportunities
- Product Environmental Compliance
- Empowering Responsible Business: Compliance, ESG, and Ethical Recruitment
- Business Impact Analysis (BIA) and Business Continuity Plans (BCP)
- Business Continuity Management System – ISO 22301:2019 Awareness Training
- Crisis Management Training Course
- Employment Law and Industrial Relations Masterclass
- Fortifying Mental Well-Being
- Smart Meters: Bringing ESG and Digital Transformation

ii) Health and Safety Training

- Emission Calculation and Reduction Webinar
- Energy Management & Energy Audit for Industrial Installation
- CDP Electronic – Semiconductor Working Group Supplier Support Webinar
- Systematic Occupational Enhancement Level Program (SOHELP) Bersama Tempat Kerja Berisiko Tinggi 2025
- Plant Safety and Psychosocial Management in the Workplace
- Safe Handling, Inspection, and Maintenance of LPG Systems
- ERT Training – Pertandingan Kawad Kecekapan ERT 2025
- Certified Environmental Professional in Bag Filter Operation (CePBFO)
- Certified Environmental Professional in the Operation of Industrial Effluent Treatment System (CePIETSO) PCP

Sustainability Statement (Cont'd)

PEOPLE (Cont'd)

Employee Development (Cont'd)

Initiatives and Programmes (Cont'd)

Areas of External Training Investment	FY2025	FY2024	FY2023
Administrative Skills	0	0	160
Machinery, Engineering and Maintenance	46	16	0
Industrial Safety and Environmental Management	1,224	2,560	2,245
Information Technology	464	424	696
Management and Performance Development	2,760	1,109	558
Quality System and Productivity Improvement	2,146	2,424	576
Total Hours of External Training	6,640	6,533	4,235

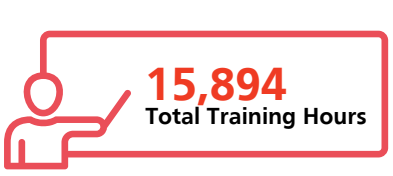
Training Investment in Hours by Gender and Employee Category

Category	FY2025	FY2024	FY2023
Management	2,237	843	470
Executive	3,878	3,411	1,946
Non-executive / Technical Staff	3,799	5,204	4,024
General Workers	5,980	6,064	3,713
Total Hours by Category	15,894	15,522	10,153

Gender	FY2025	FY2024	FY2023
Male	11,095	11,450	7,133
Female	4,799	4,072	3,020
Total Hours by Gender	15,894	15,522	10,153

Average Hours of Training Investment by Gender and Employee Category

	FY2025	FY2024	FY2023
Exempt Staff			
Male	44.4	35.5	21.4
Female	38.5	36.4	28.8
Non-Exempt Staff			
Male	12.2	14.2	8.9
Female	12.0	10.7	9.6
Average Hours	17.9	17.6	11.8



Investment of
18 HOURS Per Employee
FY2024 | 18 hours per employee
FY2023 | 12 hours per employee

Sponsorship Programme

Dufu has established the "Employer Sponsorship Programme" to collaborate with exceptional employees and prepare them for management roles within the organization. This initiative provides an opportunity for talented employees to pursue ongoing higher education, fostering their growth and commitment to the company. By investing in the development of high-potential employees, we enhance retention, drive innovation, and strengthen succession planning. Our willingness to sponsor employees reflects our confidence in their future potential, and in turn, they leverage their acquired knowledge to make greater contributions in the workplace.

Sustainability Statement (Cont'd)

PEOPLE (Cont'd)

Employee Welfare and Well-being

The welfare and well-being of Dufu's employees are our top priorities, beginning with our commitment to being a fair and responsible employer. We focus on providing welfare facilities that enhance employee satisfaction and improve overall quality of life at work. Dufu employs various mechanisms to support the welfare and well-being of its employees through a holistic approach that encompasses both development and support across multiple areas.

Healthier Work-Life Practices

We strive to cultivate a healthy workplace environment that promotes employee well-being. Through enjoyable and impactful programs, we aim to help employees address challenges that may hinder their focus and productivity. To foster a healthier work-life balance, we've introduced a range of activities designed for employee participation, including:

- (Bi)weekly indoor interactive classes, such as Speak-Up Club and pickleball sessions
- Yearly in-house sports tournaments, including bowling, futsal and badminton
- Team-building activities for both exempt and non-exempt staff
- Health screenings at the workplace
- Greeting cards and gifts for employees celebrating birthdays
- A wellness program offering free medical check-ups for employees aged 40 and above
- Cash contributions for newlywed employees and newborns, congratulatory vouchers for birthdays, and bereavement support for immediate family losses.
- Gift packs are provided in celebration of Labour Day, New Year and Hari Raya.
- Email notifications to inform and congratulate employees on the birth of their newborns

Team-building

Bowling

Sustainability Statement (Cont'd)

PEOPLE (Cont'd)

Healthier Work-Life Practices (Cont'd)

Health screening

Futsal

Labour Day

Long Service 10yrs

The number of employee involvement on wellness activities held in 2025 are as follows:

Category	Activity	Number of employee involvement
Sport tournament	Bowling	224
	Futsal	198
Wellness session	Health screening	142
	Team-building	221
	Charity run	107
	Charity hike	85

Sustainability Statement (Cont'd)

PEOPLE (Cont'd)

Occupational Health and Safety

Dufu is dedicated to adhering to health and safety principles to minimize the incidence of occupational injuries and illnesses through effective safety and emergency preparedness. We ensure industrial hygiene, support physically demanding work, safeguard machinery, and provide all stakeholders with access to appropriate sanitation, food, and living conditions.

Approach

Our Occupational Health and Safety ("OHS") Policy serves as a guide to fostering a safety culture across all manufacturing facilities within the Group. This policy applies to all stakeholders present in our manufacturing sites, including employees, contractors, vendors, and visitors. To ensure effective implementation, the entity-specific Environmental, Health, and Safety ("EHS") & Compliance Department is responsible for executing the OHS Policy at their respective facilities. A copy of the OHS Policy is available at https://www.dufutechnology.com/employee-well-being-safety-health/.

We invest in the health, safety, and wellness of our employees, with our systems and processes modelled on the internationally recognized ISO 45001:2018 Occupational Health and Safety Management System Requirements. Through this framework, we continually improve our methods for identifying hazards, assessing risks, and consistently applying risk controls across our operations to safeguard employee health and safety. The Company complies with the Occupational Safety and Health Act 1994 ("OSHA") and maintains occupational safety and health standards that meet or exceed best practices. In Malaysia, 100% of our manufacturing sites are certified to ISO 45001:2018 standards (formerly known as OHSAS 18001).

We are fully committed to preventing workplace accidents and health issues related to operational activities through the continuous improvement of the Plan-Do-Check-Act ("PDCA") cycle in our OHS Management System. Our commitments include:

- Compliance with relevant Malaysian OHS legal and other requirements;
- Recognizing hazards and minimizing associated risks to protect employees;
- Ensuring the suitability and effective implementation of OHS management programs through periodic management reviews of policies, objectives, and targets;
- Communicating OHS awareness, skills, knowledge, competencies, and compliance obligations to all employees;
- Promoting awareness among customers, suppliers, contractors and interested parties, with the policy made available to the public upon request; and
- Encouraging employees and management to consult, participate in, and support the Group's overall OHS management programs and inviting suggestions for improvement.

EHS Leadership and Structure

At Dufu, the Board of Directors holds ultimate responsibility for overseeing OHS across the organisation. The Board ensures that robust governance mechanisms are in place to protect the well-being of employees and promote a safe, sustainable, and compliant workplace.

To support this oversight, Dufu has established a Safety, Health and Environmental Management System Committee ("SHEMSC"), which is responsible for monitoring, managing, and reporting on all aspects of the Company's OHS performance. The SHEMSC plays an instrumental role in setting strategic objectives, performance targets, and improvement initiatives to uphold Dufu's commitment to workplace safety and environmental stewardship. Dato' Lee Hui-Ta also known as Li Hui Ta, our Executive Chairman, chairs the SHEMSC to oversee the occupational health and safety matters.

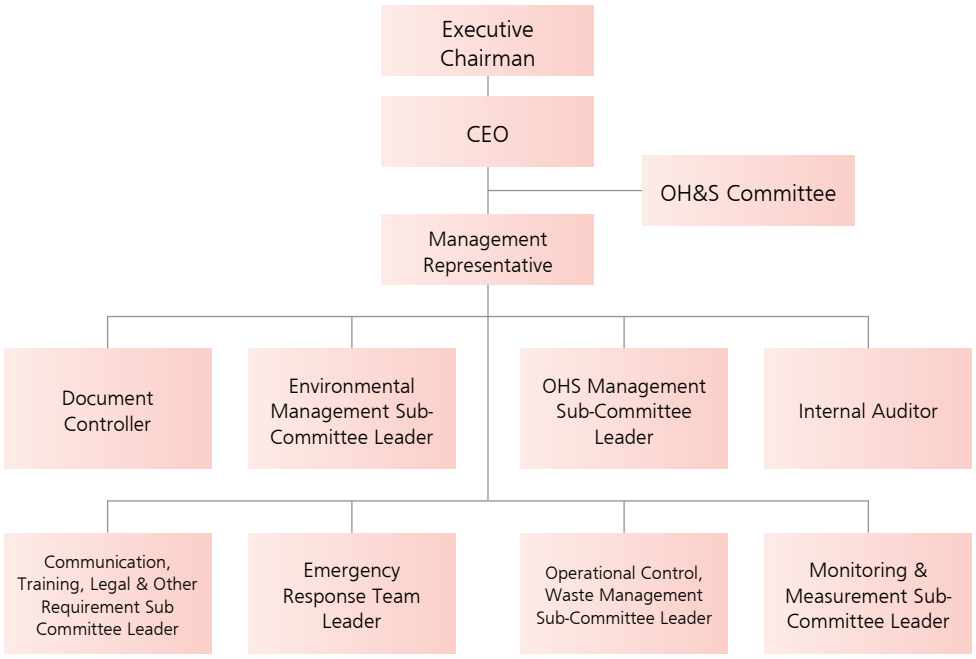
The designated member of the OH&S Committee, which is the sub-committee of the SHEMSC conducts at least quarterly inspections to proactively identify potential hazards, evaluate the effectiveness of safety controls, and recommend corrective or preventive measures to minimise risks. Safety and Health Committee are held at least once every three months to review the implementation of OHS programmes, inspection findings, and records of workplace incidents, injuries, and illnesses

To ensure transparency and accountability, the SHEMSC thru RMSWG provides yearly performance update to the Board, enabling continuous review and enhancement of Dufu's safety and environmental management strategies.

Sustainability Statement (Cont'd)

PEOPLE (Cont'd)

EHS Leadership and Structure (Cont'd)



EHS Performance Management

For our OHS program to be effective, it is essential for management at all levels to demonstrate their support. This is achieved through participation in safety and health leadership training, involvement in committee activities, attending meetings, conducting inspection tours, and engaging in incident investigations. Some key activities related to Safety, Health, and Environmental Management System in FY2025 included:

- Conducting a Chemical Health Risk Assessment ("CHRA") to identify hazardous chemicals, assess associated risks, and implement control measures;
- Performing a Noise Risk Assessment ("NRA") to identify noise hazards, evaluate risks, and implement control measures;
- Carrying out health surveillance and audiometric testing to monitor and mitigate potential health risks;
- Carrying out annual Hazard Identification, Risk Assessment, and Risk Control ("HIRARC") processes, ensuring remedial actions are implemented;
- Performing Ergonomic Risk Assessments ("ERA") to identify, evaluate, and mitigate ergonomic hazards in the workplace, ensuring employee comfort, safety, and productivity;
- Providing free access to Personal Protective Equipment ("PPE") and training employees on its proper use;
- Investigating occupational accidents and illnesses to determine root causes and implementing preventive and corrective actions to avoid recurrence;
- Raising awareness about chemical management and handling among all employees;
- Regularly monitoring employee exposure to indoor pollutants, including noise and air quality in factories;
- Examine and testing of local exhaust ventilation and fume extraction systems:
- Maintaining and inspecting firefighting systems and equipment according to schedule to ensure they are operational;
- Offering information, instructions, and training regarding workplace safety and health hazards, as well as controls for those hazards;
- Continuously improving machine guarding and safety measures, training employees on safe handling of machinery, and implementing the Lock Out Tag Out protocol during maintenance;
- Strengthen contractor management enforcement through enhancement of the Permit-to-Work procedure;
- Conducting in-house safety inspections; and
- Tracking OHS performance to assess risks and recommend necessary improvements to ensure compliance with relevant regulations.

We take reasonable steps to remove pregnant women and nursing mothers from high-hazard work environments, providing practical break times and accommodations to support their lactation needs.

Sustainability Statement (Cont'd)

PEOPLE (Cont'd)

Occupational Health and Safety (Cont'd)

EHS Performance Management (Cont'd)

Dufu has approximately 72 (2024: 74) individuals trained as part of the Emergency Response Team ("ERT"), ready to respond swiftly to emergencies. This team is equipped to provide first aid, assist with fire drills and evacuations, manage chemical spills, and offer various forms of support during crises. We conduct annual fire drills in collaboration with external agencies, such as fire and public service departments, to ensure comprehensive emergency preparedness and coordination. Additionally, various other training sessions are held to enhance the capabilities and maintain the performance of all ERT members.

In addition to maintaining an on-site first-aid room, Dufu has further enhanced its emergency medical preparedness by installing Automated External Defibrillators ("AEDs") across its facilities with two units at the Precision Plant and one unit at the Fabrication Plant. These installations strengthen the Group's ability to provide a swift and effective response in the event of medical emergencies, ensuring greater workplace safety and employee well-being.

Incident Reporting and Investigation

Dufu has established formal programs to maintain an effective OHS Management System aimed at minimizing occupational injuries and illnesses. Both employees and contractors are trained on our incident reporting platform. In the unfortunate event of an incident on our premises, all individuals are responsible for initiating an investigation. For serious incidents, as determined by severity and hazard type, reporting to the relevant regulatory body is also required.

Our incident reporting and investigation processes exceed legislative obligations, providing essential tools to gather and analyze incident-related information. This enables our Investigation Team to identify "contributing factors" leading up to incidents, allowing us to implement controls and preventive action plan to prevent future occurrences.

The number of major and minor incidents reported at the Group's manufacturing sites is as follows:

Number of Incident		2025	2024	2023
1.	Minor incident	0	1	0
2.	Major incident	6	1	2

Note: Major incident is defined as an injury with a Lost Time Injury ("LTI") of more than 4 days.

In FY2025, 6 major incidents were reported. The details of these incidents are summarized below:

No.	Severity & Injury Type	Root Cause	Corrective / Preventive Action
1	Finger Injury (Major)	The index finger was caught by the grinder disc during grinding work.	a) Installed an auxiliary handle on the hand grinder to improve grip and control. b) Enhanced hand protection by introducing improved anti-cut gloves.
2	Upper Arm Injury (Major)	The machine repairer fell from the machine while carrying out repair work.	Enhanced the Permit-to-Work procedure to require contractors to provide their own safety equipment, including PPE and work platforms. Any additional support must be identified at least one week prior to work commencement. The permit issuer is responsible for ensuring surrounding hazards are controlled and for supervising the contractor throughout the maintenance work until completion.
3	Finger Injury (Major)	Fingers were caught between the machine and the workpiece during bending operations.	Install a laser safety line at the pinch point of the bending machine to provide a visual warning if a worker's fingers approach or enter the restricted zone.
4	Finger Injury (Major)	Finger was pinched between the gear and the press during maintenance work.	a) Installed a mounting on the hydraulic press ram to accommodate small-sized press items. b) Implemented the use of a part catcher to cushion and reduce impact force, preventing dropped items from striking workers' feet. c) Displayed warning signage on tools and equipment to remind personnel to keep hands clear during operation.

Sustainability Statement (Cont'd)

PEOPLE (Cont'd)

Occupational Health and Safety (Cont'd)

Incident Reporting and Investigation (Cont'd)

No.	Severity & Injury Type	Root Cause	Corrective / Preventive Action
5	Mouth and Knee Injury (Major)	The employee fell while crossing a yellow piping barrier in the car park.	a) Removed the yellow parking barrier and replaced it with a rubber wheel stop. b) Installed caution signage to warn of potential tripping hazards associated with the rubber wheel stop. c) Updated induction training materials to include awareness of fall and trip hazards in the car park area.
6	Finger Injury (Major)	Finger was caught between the motor pump and the rack during coolant tank servicing.	a) Installed warning signage at the bracket to remind personnel to keep hands clear during coolant tank servicing. b) Added a dedicated holder at the bracket to facilitate safer repositioning during coolant pump installation and adjustment.

In FY2025, the total severity rate increased to 59.93, while both the incident rate and frequency rate rose to 6.44 and 2.68, respectively, compared with 2.14 and 1.07 in FY2024.

During the year, the Group recorded a higher number of safety incidents, primarily related to machine operation and manual handling activities. A detailed analysis of incident data identified recurring causal factors, including exposure to pinch points, inconsistent adherence to safe work procedures, and gaps in task-specific training.

In response, management conducted focused risk assessments and implemented targeted control measures, including enhanced machine guarding, the installation of visual safety warnings at high-risk equipment, and refresher training for operators and supervisors. These measures were reinforced through increased safety audits and stronger leadership engagement to ensure effective implementation.

As a result of these concerted efforts, Dufu has strengthened its safety management systems and established a clear action plan aimed at reducing incident rates and driving continuous improvement in workplace safety.

In addition, no occupational fatalities have been recorded over the past three years. However, 12 cases of occupational noise-related hearing disorders were reported in FY2025 without any Lost Time Incident arising from Occupational, Poisoning and Disease cases. Some reported cases of hearing disorders may be influenced by non-occupational factors such as age-related hearing loss or hereditary conditions. Nevertheless, the Group continues to adopt a precautionary approach by strengthening noise monitoring, enhancing engineering controls, and reinforcing the use of appropriate hearing protection in identified high-risk areas.

Health and Safety Key Data

	2025		2024		2023	
	Occupational Accident cases	Occupational, Poisoning and Disease cases	Occupational Accident cases	Occupational, Poisoning and Disease cases	Occupational Accident cases	Occupational, Poisoning and Disease cases
Fatality Rate *	-	-	-	-	-	-
Incident Rate *	6.44	12.88	2.14	10.68	2.19	-
Frequency Rate **	2.68	5.37	1.07	5.34	1.10	-
Lost Time Incident (Severity Rate) **	59.93	-	13.89	-	17.01	-

* Fatality and Incident Rate are based on 1,000 employees. Calculation is based on average number of monthly employees.
** Frequency and Severity rate are based on number of employee / 8hr / 6 days / 50 weeks

Frequency rate is the no. of lost time injuries / illnesses per 1,000,000 exposure hours worked for a year
Severity rate is lost time injuries per 1,000,000 hours work
Note: 1 death = 6,000 lost days

Sustainability Statement (Cont'd)

PEOPLE (Cont'd)

Occupational Health and Safety (Cont'd)

OHS Awareness and Training

Dufu is committed to fostering a safety-oriented culture through ongoing training and safety programs. Our objective is to enhance employee awareness of OHS matters by offering annual training sessions that cover a wide array of topics, including:

- Chemical handling
- Waste Management
- Proper use of PPE
- Disaster recovery plans
- Fire safety protocols
- Contractor safety management
- Machinery hazards
- Lock Out Tag Out procedures
- Work at Height
- Noise-induced hearing conservation
- Ergonomics
- Hot work hazards
- First aid administration
- Safe operation of stackers

We also provide targeted safety training for employees who may encounter various hazards, such as moving parts, sharp edges, or chemicals. Detailed information regarding OHS-related training can be found in the "Initiatives and Programmes" section under "Employee Development" within this Sustainability Statement.

	FY2025	FY2024	FY2023
Number of Staff trained on health and safety protocols/ standards/ policy	889	883	860

We have successfully conducted a Fire and Chemical Drill in Phase IV, Penang and Bukit Minyak factories on 5 August 2025 and 4 November 2025 respectively, ensuring our team is fully prepared to handle emergencies with confidence and precision.

Sustainability Statement (Cont'd)

ENVIRONMENT AND MANAGING CLIMATE CHANGE

Environmental Stewardship and Sustainable Operations

We are committed to upholding the highest standards of environmental stewardship by embedding sustainable practices across all operational activities. Guided by our Environmental Policy and certified Environmental Management System ("EMS") under ISO 14001:2015, we continuously work to minimize our environmental footprint through efficient resource utilization, pollution prevention, and strict compliance with Malaysian environmental regulations.

Recognizing the impact of our operations on energy and water consumption, waste generation, and logistics, we have adopted the Refuse, Reduce, Repair, Reuse, and Recycle ("5Rs") principle throughout our manufacturing processes. Our energy and resource management initiatives focus on optimizing efficiency, reducing consumption, and promoting material reuse to support circular economy practices.

Through active collaboration with employees, suppliers, contractors, and customers, we aim to strengthen environmental awareness, address stakeholder concerns, and drive continuous improvement in our sustainability performance. This integrated approach reflects our long-term commitment to protecting the environment and contributing to a more sustainable future.

Environmental Approach and Policy

As outlined in our Environmental Policy, Dufu is committed to protecting the environment and preventing pollution across all operations by collaborating with employees, suppliers, contractors, and customers. This commitment is guided by our continual improvement of the EMS, which is structured around the Plan-Do-Check-Act ("PDCA") cycle to ensure effective environmental performance.

Our Environmental Policy emphasizes the following principles:

Compliance

Strict adherence to all relevant Malaysian environmental laws, regulations, and industry standards.

Conservation

Efficient use of energy and natural resources, reduction of waste, and maintenance of a clean, pollution-free workplace.

Continuous Improvement

Ongoing review and enhancement of environmental programs, objectives, and performance targets.

Awareness

Empowering employees through training and awareness programs to strengthen environmental responsibility and competency.

Engagement

Promoting environmental awareness among customers, suppliers, and stakeholders while maintaining transparency by making our policy available to the public upon request.

Sustainability Statement (Cont'd)

ENVIRONMENT AND MANAGING CLIMATE CHANGE (Cont'd)

Environmental Approach and Policy (Cont'd)

Following our Environmental Policy, Dufu is committed to conducting its business operations in alignment with sustainable practices across eight key aspects:

8
KEY ASPECTS

Environmental Permits and Reporting

We acquire, maintain, and update all necessary environmental permits and adhere strictly to operational and reporting requirements.

Pollution Prevention and Resource Reduction

We minimize resource usage and waste generation at the source through meticulous monitoring, engineering controls, material substitution, and recycling.

Hazardous Substances

We identify and manage hazardous chemicals and materials to ensure safe handling, storage, and disposal.

Solid Waste

We implement systematic approaches to identify, manage, and responsibly dispose of or recycle non-hazardous solid waste.

Air Emissions

We monitor, control, and treat air emissions from our operations, ensuring compliance with environmental standards.

Materials Restrictions

We adhere to laws and regulations regarding the prohibition of specific substances in our products and maintain proper labelling for recycling and disposal.

Water Management

We have a water management program to document and monitor water sources, usage, and discharge, with efforts to conserve water and control contamination.

Energy Consumption and Greenhouse Gas Emissions

We track energy consumption and greenhouse gas emissions, continually seeking cost-effective methods to enhance energy efficiency and reduce emissions.

Through these initiatives, Dufu strives to minimize its environmental footprint, uphold compliance, and foster a culture of sustainability across the organization and its value chain.

Sustainability Statement (Cont'd)

ENVIRONMENT AND MANAGING CLIMATE CHANGE (Cont'd)

Our Climate Change Approach

Dufu adopts a holistic carbon management approach across its value chain by engaging suppliers, customers, operations, and local communities. We collaborate with suppliers to uphold corporate social responsibility standards and promote energy-efficient practices, while providing customers with GHG data and optimizing energy use in production. Within our operations, we disclose and monitor GHG emissions, aiming to reduce them relative to sales and reporting progress transparently in our Sustainability Report. Additionally, we support local climate initiatives at our operational sites to strengthen community-level environmental stewardship.

Dufu's Climate Change Management Approach

Supply Chain
- Collaborate closely with our suppliers, requiring adherence to our corporate social responsibility ("CSR") standards.
- Share our energy-efficient programs with suppliers to help them reduce their environmental impact.

Customers
- Provide GHG information to customers.
- Optimize energy efficiency in our manufacturing processes.

Operations
- Disclose GHG emissions as required.
- Aim to reduce GHG emissions relative to sales generated.
- Report GHG data and progress in our Sustainability Report.

Communities
- Support local change policies at our operational sites.

Climate Change Strategy and Low Carbon Transformation

We support both global and national objectives, including the Paris Agreement, which aim to achieve net-zero carbon emissions. In alignment with these goals, we are committed to advancing our own initiatives to mitigate climate change and accelerate the transition toward a low-carbon future. Recognising the urgency of addressing climate challenges, we have developed four strategic pillars to guide our transformation and strengthen climate resilience. These strategies focus on reducing our carbon footprint, improving energy efficiency, transitioning to renewable energy sources, and enhancing our adaptability to climate-related risks.

Our Four Climate Strategies

Strategic Pillar	Key Focus Areas	Initiatives and Actions
Low-Carbon Strategies	Reduce emissions and improve operational efficiency	• Implement low-carbon and energy-saving programmes • Increase use of green and renewable energy • Incorporate green theme concepts, process automation, and smart resource management • Invest in clean technologies that enhance resource efficiency
Performance-Oriented Results	Drive measurable, data-based progress	• Establish long-term, ambitious targets to accelerate climate adaptation and mitigation • Align company-wide strategies with sustainability objectives • Monitor progress using quantitative metrics and data-driven indicators
Robust Management Framework	Strengthen governance and risk oversight	• Adopt recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") • Integrate climate-related risk management into the Enterprise Risk Management ("ERM") framework • Conduct scenario analyses to identify and mitigate climate-related risks and opportunities
Climate Advocacy and Education	Foster awareness and stakeholder collaboration	• Participate in sustainability initiatives such as Consumer Sustainability Industry Readiness Index "COSIRI" and CDP (formerly known as the Carbon Disclosure Project) • Engage in ESG assessments by rating agencies such as FTSE Russell • Promote climate awareness through ESG seminars, training, and internal engagement programmes

Sustainability Statement (Cont'd)

ENVIRONMENT AND MANAGING CLIMATE CHANGE (Cont'd)

Climate Change Strategy and Low Carbon Transformation (Cont'd)

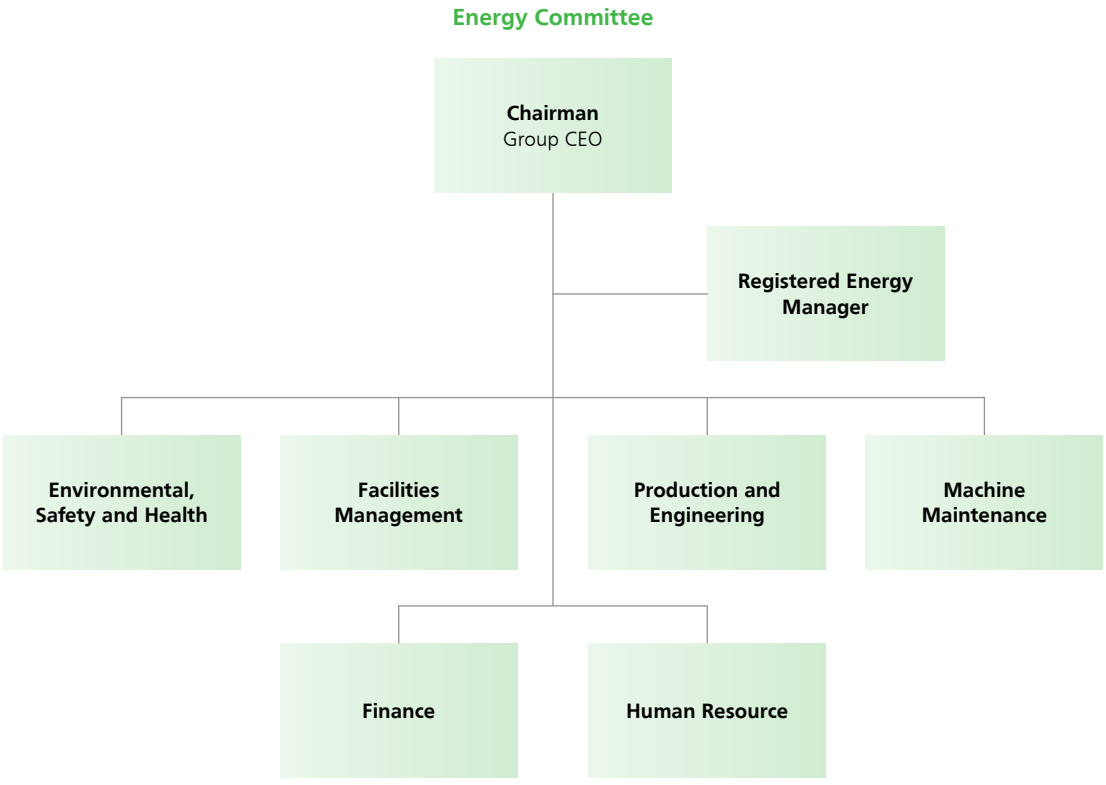
Dufu has strengthened its climate action commitment through the Sustainability Plan 2026, which sets a five-year roadmap to reduce carbon emissions, using 2023 as the baseline year. The plan outlines targeted initiatives to enhance energy efficiency and lower greenhouse gas emissions across our operations. In 2025, we further elevated our ambition by revising our GHG emissions and energy consumption intensity reduction targets from 10% to 25% over the same five-year period. This enhanced target reflects our determination to accelerate decarbonization efforts and build a more sustainable, energy-efficient future.

Climate Governance

A robust governance framework has been established to oversee and manage climate-related risks within our existing corporate governance structure. The Board of Directors provides strategic direction, resources and oversight on all sustainability and climate-related matters, ensuring that environmental and climate considerations are embedded into Dufu's long-term business strategy.

The Risk Management and Sustainability Working Group ("RMSWG"), reporting to the Risk Management and Sustainability Committee ("RMSC"), plays a central role in identifying, assessing, and managing climate-related risks and opportunities across our operations. The RMSC conducts an annual review of the climate-related risks and opportunities register to maintain proactive oversight and strategic alignment.

Supporting the RMSWG, the Energy Committee is chaired by the Chief Executive Officer and includes heads of key business functions such as Production, Engineering, Machine Maintenance, Facility, Safety, and Environmental Officers, together with an external energy consultant. The Energy Committee focuses on managing energy consumption, enhancing efficiency, and promoting green manufacturing initiatives. It reports its findings and progress to the RMSWG, ensuring a structured and data-driven approach to monitoring energy performance, identifying climate risks, and implementing emission reduction strategies. Through this integrated governance framework, guided by the leadership of the Board and senior management, Dufu continues to strengthen its resilience to climate-related impacts, progress toward a low-carbon future, and deliver long-term value for stakeholders.



Sustainability Statement (Cont'd)

ENVIRONMENT AND MANAGING CLIMATE CHANGE (Cont'd)

Climate-related Risks and Opportunities

The Task Force on Climate-related Financial Disclosures ("TCFD") was established in 2015 to provide a voluntary reporting framework that enables companies to consistently communicate climate risks to investors. Recognizing the importance of assessing climate-related risks and opportunities in addressing climate change and transitioning to a low-carbon economy, Dufu has proactively begun disclosing its climate-related initiatives using the TCFD framework, effective FY2023. Various potential risks and opportunities have been identified, with our RMSC overseeing these aspects to ensure close monitoring, measurement, and effective mitigation.

In 2023, we incorporated climate scenarios into our risk assessment process. We evaluated risk exposure and likelihood under two distinct scenarios guided by TCFD recommendations. The 'business-as-usual' scenario examined physical risks under conditions of high greenhouse gas emissions and limited climate action, while the 'Paris-aligned' scenario informed our climate strategy by aligning with the ambitious target of the Paris Agreement to limit global temperature increases to well below 2°C above pre-industrial levels. The outcomes are visually represented in a climate risk matrix that highlights identified risk levels. Our aim is to seamlessly integrate this analysis into our existing risk management framework, with a commitment to periodically re-evaluate our climate risks to ensure alignment with the latest developments within our Group, industry trends, and changes in governmental policies.

	Business-as-usual Scenario	Paris-aligned Scenario
Model Referenced	IPCC Representative Concentration Pathway ("RCP") 8.5	International Energy Agency's Sustainable Development Scenario ("SDS")
Rationale	RCP 8.5 assesses the impact of physical risks under a high-emissions scenario, allowing us to evaluate our adaptability to the severe consequences of climate change.	SDS assesses the impact of transition risks as we shift towards a low-carbon economy, enabling strategic planning in support of the Paris Agreement commitment.
Assumptions	Global average temperature increases by around 4°C by 2100, with high frequency and intensity of extreme weather events. (N1)	All current net zero pledges are achieved in full, with extensive policy efforts and technological advancement to realise emissions reductions. The temperature rise could be limited to below 2°C by 2100. (N2)

(N1) *These assumptions consider the potential physical impacts of extreme weather, flooding, heat waves, sea level rise, etc., under the business-as-usual scenario, referencing TCFD (2020) Guidance on Risk Management Integration and Disclosure.*

(N2) *These assumptions take into account the potential impacts of transition risks, including shifts in energy mix, net-zero commitments, and advancements in clean technology, under the Paris-aligned scenario, referencing the International Energy Agency (IEA) World Energy Outlook 2021.*

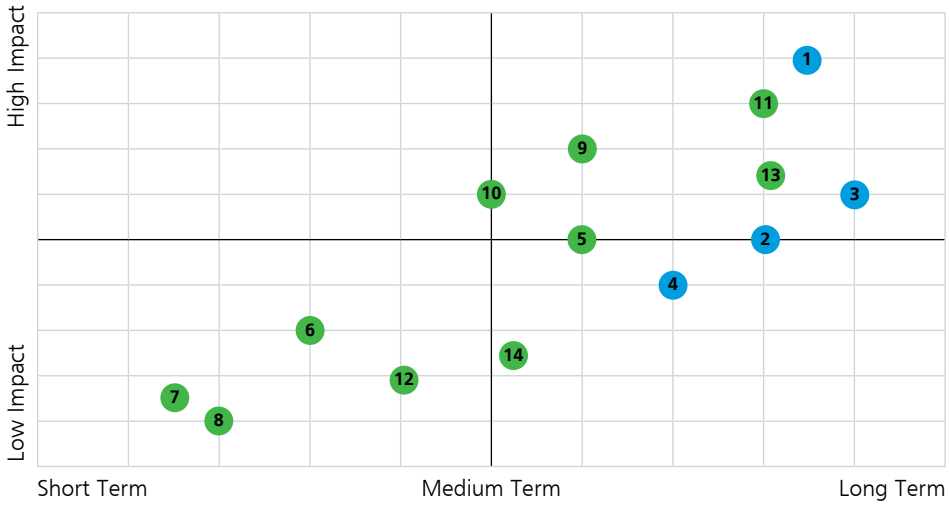
Dufu systematically assesses climate-related risks, categorizing them into Physical Risks and Transition Risks, based on their nature and potential impact on operations. These risks are further classified by time horizon as short-term (0–1 year), medium-term (1–5 years), and long-term (beyond 5 years) to facilitate strategic planning and mitigation efforts. The Climate Change Risk Register was last reviewed and updated on 12 February 2025, with no material changes identified in the overall risk profile or risk ratings, indicating stable and well-managed exposure levels.

Sustainability Statement (Cont'd)

ENVIRONMENT AND MANAGING CLIMATE CHANGE (Cont'd)

Climate-related Risks and Opportunities (Cont'd)

Climate-related Risk Matrix



Type	No	Risk Event
Physical Risk	1	Extreme weather events
	2	Chronic heat waves
	3	Shortage of natural resources
	4	Rise of sea levels
Transition Risk	5	Increase carbon pricing
	6	Tightened climate-related regulations
	7	Tightened emission reporting obligations
	8	Exposure to litigation
	9	Shift to low-carbon technology
	10	Increased procurement cost
	11	Changing customer behaviour
	12	Changing investor preference
	13	Stigmatization of sector
	14	Workforce Management

Climate-related Physical Risks

In the medium term, our assessment of physical risks includes acute threats from extreme weather events such as floods, tropical cyclones, and natural disasters. Looking further ahead, we anticipate chronic physical risks, including water shortages, changes in precipitation patterns, and significant fluctuations in weather conditions. Both medium- and long-term acute and chronic physical risks could significantly impact Dufu's operations, potentially leading to asset write-offs, increased insurance premiums, and reduced revenue due to decreased production capacity and supply chain disruptions. To mitigate these risks, we have diligently implemented and continuously review our Disaster Recovery Plan and other emergency measures, ensuring our preparedness and resilience in the face of climate-related challenges.

Sustainability Statement (Cont'd)

ENVIRONMENT AND MANAGING CLIMATE CHANGE (Cont'd)

Climate-related Transition Risks

As we move toward a low-carbon economy, we have identified transition risks that require our attention. These include the shift toward low-carbon technology, which may necessitate increased long-term capital expenditures. Unpredictable fluctuations in fuel and energy prices, influenced by evolving climate policies, could drive up our procurement costs. In the short term, we expect heightened emissions-reporting obligations from regulatory authorities, resulting in increased compliance costs. In the medium term, we foresee new regulatory standards impacting our operations, products, and services. Costs associated with GHG emissions, such as carbon taxes and emissions trading schemes, could lead to increased operational expenses in the long run. Additionally, market risks may arise from potential loss of market share due to changing customer preferences for sustainable products. Ignoring stakeholder concerns about our role in the low-carbon transition could also harm our reputation.

The potential cost increases from these transition risks span operational, compliance, and research and development expenses, potentially leading to reduced revenues as consumer preferences evolve. To effectively manage these risks, we closely monitor regulatory changes and continuously enhance our internal capabilities to mitigate adverse impacts on our business.

The challenges posed by climate risks also present significant opportunities for Dufu to align our strategies with the evolving landscape of climate change. To capitalize on these opportunities, we have implemented various sustainability initiatives focused on improving material yields, responsibly recycling packaging materials, components, and trays, and increasing our utilization of renewable energy. Additionally, we aim to integrate more eco-friendly transportation modes into our supply chain management.

In the short, medium, and long term, we remain committed to transforming our operations into a high-performance production chain. Through close collaboration with our suppliers, we aim to enhance resource efficiency, reduce material usage, decrease electricity consumption, and ultimately lower manufacturing costs. Our plans also involve streamlining distribution processes to shorten transportation distances, thereby minimizing GHG emissions. Looking ahead, our strategy includes transitioning toward lower-emission or renewable energy sources, which aims to mitigate our exposure to future fluctuations in fossil fuel prices.

	Risk Description	Potential Financial Impact	Timeframe	Impact Level	Our Response - Risk and Opportunities
Physical Risks					
Acute Risk	Frequent extreme weather events	• Decreased revenue due to reduced production capacity and supply chain disruptions. • Increased operational costs from higher insurance premiums and emergency response expenses. • Asset write-offs and premature retirement due to facility damage.	Long-term	***	The RMSWG conducts an annual review of the Business Disaster Recovery Plan to ensure adequate contingency policies, safeguarding employees and minimizing losses. This includes expanding manufacturing sites to other continents and enhancing climate resilience through financial resources, equipment, and employee training.
Chronic Physical Risk	Chronic heat waves	• Increased operational costs from maintaining productivity.	Long-term	**	Implement more efficient production and distribution processes. Monitor operations susceptible to chronic risks and integrate these considerations into critical business decisions, including the establishment of new manufacturing sites.
	Shortage of natural resources	• Reduced revenue due to diminished production capacity and supply chain interruptions. • Heightened operational costs from increased water and energy expenses.	Long-term	**	
	Rise of sea levels	• Elevated capital costs, write-offs, and premature retirement of existing assets. • Diminished revenue resulting from supply chain disruptions.	Long-term	**	

Sustainability Statement (Cont'd)

ENVIRONMENT AND MANAGING CLIMATE CHANGE (Cont'd)

Climate-related Transition Risks (Cont'd)

	Risk Description	Potential Financial Impact	Timeframe	Impact Level	Our Response - Risk and Opportunities
Physical Risks					
Technology Risk	Shifts to low-carbon technology	• Escalation in production and product development costs to explore eco-friendly solutions for products and services. • Uncertainty in investment returns on lower emissions technology. • Write-offs and premature retirement of existing equipment due to the adoption of new technology.	Long-term	***	Continuously developing and expanding low GHG emission products and services through Research and Development ("R&D"), innovation, and strategic collaboration with suppliers. Our commitment extends to achieving sustainability in energy and resource utilization by embracing efficient production processes. Additionally, we are actively transitioning towards automation and smart manufacturing model to further curtail resource consumption.
Policy and Legal Risk	Increased carbon pricing	• Increased GHG emissions cost from carbon tax and/or GHG emissions trading scheme.	Long-term	**	Stay abreast of the implementation of carbon taxes and the emissions trading market in the regions where we operate.
	Tightened climate-related regulations	• New regulatory requirements affecting operations and products, leading to increased costs and potential revenue shifts.	Mid-term	*	Enhance adaptive capabilities by refining organizational structure to manage updated policies effectively.
	Tightened emissions reporting obligations	• Higher compliance costs due to increased emissions reporting obligations.	Short-term	*	Adapt data collection systems to meet necessary disclosure requirements.
	Exposure to litigation	• Increased compliance costs from potential fines for environmental non-compliance.	Mid-term	*	Stay updated on environmental laws and regulations, adjusting internal policies to ensure compliance.
Market Risks	Increased procurement cost	• Elevated operational costs from unexpected rises in fuel and energy prices.	Long-term	**	Sustain emergency mechanisms and leverage lower emission or renewable energy sources to mitigate exposure to potential fluctuations in future fossil fuel prices. Invest in R&D initiatives to improve materials consumption yield.
	Changing customer behaviour	• Loss of market share and diminished competitiveness due to evolving customer preferences.	Long-term	***	Diversify into green-related products that cater to shifting consumer preferences.
Reputation Risks	Changing investor preference	• Decline in share price and capital availability due to reputation damage.	Mid-term	*	Establish a green branding strategy backed by innovation and R&D efforts. Enhance communication with stakeholders regarding sustainability initiatives.
	Stigmatization strategy of sector	• Revenue decline from heightened stakeholder concerns regarding low-carbon transitions.	Long-term	**	
	Workforce management	• Increased operational costs to attract and retain employees focused on environmental performance.	Mid-term	*	

Sustainability Statement (Cont'd)

ENVIRONMENT AND MANAGING CLIMATE CHANGE (Cont'd)

Energy Management

Dufu's plants primarily rely on electricity, which we source directly from Tenaga National Berhad ("TNB"). This electricity mainly powers electric motors in air compressors and pumps used for manufacturing machinery and process engineering equipment. It also supports measurement and control technologies, as well as lighting systems. Notably, none of our plants utilize steam, coal, or natural gas as energy sources.

Energy Conservation Programmes

Dufu is dedicated to ongoing energy conservation, evidenced by several initiatives:

- Continuous re-engineering of manufacturing facilities to enhance energy efficiency, including consolidating production lines and reducing unnecessary use of air conditioning, ventilation, and lighting in idle areas. Regular maintenance and retrofitting of machinery with new energy-saving technologies are part of this effort;
- Integration of renewable energy through the installation of an industrial-scale Solar Photovoltaic (PV) System on our rooftops;
- Close monitoring of high-energy consumption items like chillers and air compressors to ensure efficiency;
- Installation of LED lights to replace fluorescent ones, promoting energy efficiency;
- Transitioning office air-conditioning units to inverter models to improve energy efficiency;
- Proactively engaged independent energy consultants and specialized firms to assess and enhance the effectiveness of our energy consumption management;
- Encouraging daily energy conservation habits in the office, including smart movement sensors, maintaining air conditioning at 23-24°C, and turning off computers and lights when not in use.

In the previous year, Sky Vision Dynamic Sdn Bhd was appointed to conduct an independent energy audit for Dufu Industries Sdn Bhd. The primary objective of the audit was to assess the overall energy performance of the facility inline with Dufu's Sustainability Plan to reduce electricity usage intensity by 10% by FY2028. This involved analyzing historical energy consumption data from 2022 to 2024, measuring the facility's power load profile, and investigating the energy usage of major building systems. The audit also aimed to identify the distribution of energy loads across the building and evaluate the efficiency of key systems. Additionally, the building's indoor environment was assessed and compared to the Malaysian Standard MS 1525:2019 (Code of Practice on Energy Efficiency and the Use of Renewable Energy for Non-residential Buildings). The audit was completed in December 2024. The report identified several areas for energy improvement, including:

- Investigating the weekend energy load for production machinery efficiency
- Enhancing energy management programs
- Installing Digital Power Meters ("DPM") with Energy Monitoring System ("EMS") implementation
- Addressing air-leak issues through improved maintenance
- Installing Pressure Flow Controllers for the air-compressor system
- Combining air-cooled chillers by adding chilled water pumps and piping circuits
- Implementing a High Efficiency Magnetic Bearing Chiller System and/or a Variable Refrigerant Flow ("VRF") system.

Following the energy audit findings, in 2025, the Energy Committee successfully addressed the identified air leakage issues and installed power meters at critical points to enhance real-time energy monitoring and performance tracking. Additionally, in December 2025, we replaced one air-cooled chiller with a water-cooled chiller at our CNC4 facility. Studies indicate that this transition could deliver 15%–30% energy savings, reducing power consumption from approximately 1.23–1.25 kW/ton to 0.55–0.8 kW/ton, significantly improving operational efficiency.

As part of our ongoing commitment to improving energy efficiency and reducing greenhouse gas emissions, Dufu is conducting a feasibility study and pilot assessment of the EcoPowerFit system in one section of its facilities. EcoPowerFit is an intelligent energy management solution that optimizes air-conditioning performance by monitoring power usage and automatically adjusting compressor operations for maximum efficiency. The system is projected to reduce air-conditioning energy consumption by 10–30% while maintaining indoor comfort and operational stability. Its real-time monitoring capabilities also enable data-driven decision-making, supporting Dufu's transition toward a low-carbon and resource-efficient operation. If the pilot proves successful, the system will be implemented across all facilities.

We have implemented a climate change risk and opportunity strategy, anchored by the installation of a rooftop solar photovoltaic (PV) system at our Bayan Lepas manufacturing site in December 2021. The second phase, completed on 19 June 2024, added an additional 432.6 kWp, bringing the total installed capacity to 1,245.81 kWp. Furthermore, the third phase, comprising 109.6 kWp of solar panels installed on the rooftop car park, is due for completion in March 2026. Upon full implementation, the renewable energy generated from the solar PV system is expected to supply approximately 20% of the site's total electricity consumption on a monthly basis, significantly reducing our reliance on grid electricity and supporting our decarbonization efforts.

Sustainability Statement (Cont'd)

ENVIRONMENT AND MANAGING CLIMATE CHANGE (Cont'd)

Energy Management (Cont'd)

Energy Conservation Programmes (Cont'd)

Further to the above initiative, we are currently in discussions with a vendor to implement advanced AI and machine learning technologies aimed at delivering predictive insights, intelligent automation, and optimized energy performance, thus setting a new benchmark in energy efficiency. The system will provide real-time, continuous energy audits, automatically detect inefficiencies, generate and assign corrective action tickets to our dedicated energy team. With implementation targeted in early 2026, this initiative is expected to deliver an additional 5% annual energy savings by proactively identifying and addressing issues such as poor load factors, load imbalances, idle loads, and other potential sources of energy waste.

Energy Type	Unit	FY2025	FY2024	FY2023
Electricity consumption				
Purchased electricity consumption	MWh	8,029.86	8,170.41	7,989.89
Renewable solar energy consumption	MWh	1,305.80	1,419.12	1,061.81
Total electricity consumption	MWh	9,335.66	9,589.53	9,051.70
Renewable energy over total electricity consumption	%	14.0	14.8	11.7
Fuel consumption				
Petrol	MWh	406.73	428.62	385.62
Diesel	MWh	197.53	184.05	188.95
Total fuel consumption	MWh	604.26	612.67	574.57
Total energy consumption	MWh	9,939.92	10,202.22	9,626.27
Fuel consumption				
Electricity (MWh/ Sales RM'million)		38.04	39.63	49.14

In FY2025, the Group generated 1,305.80 MWh of green energy, resulting in a reduction of approximately 1,009 tonnes of CO_2 emissions, which is equivalent to planting 45,000 trees.

During the year, the Group also achieved a notable improvement in energy efficiency, with total energy consumption of 9,939.92 MWh in FY2025, representing a 2.6% reduction compared with FY2024. This improvement was primarily driven by the proactive energy-saving initiatives and operational enhancements outlined in the preceding sections.

There were no significant cases of noncompliance with environmental laws or regulations or fines in FY2025.

Sustainability Statement (Cont'd)

ENVIRONMENT AND MANAGING CLIMATE CHANGE (Cont'd)

GHG Emissions

The signing of the 2015 Paris Agreement has heightened global attention on climate change, leading to increased expectations from stakeholders regarding the role of private companies in addressing this issue. Recognizing that our Group consumes a significant amount of energy, we actively promote the reduction of GHG emissions across the entire product life cycle, from business planning to product disposal, thereby contributing to a sustainable society.

The intensity of our operational GHG emissions is measured and disclosed as follows:

Scope	Emission Type	Definition	Status
1	Direct emissions	GHG emissions from Dufu's owned mobile combustion sources and on-site LPG combustion used for canteen cooking and oven heating.	Measured and disclosed
2	Indirect emissions	GHG emissions from the consumption of purchased electricity.	Measured and disclosed
3	Indirect emissions	GHG emissions from business travel and employee commuting.	Measured and disclosed. Efforts to quantify the remaining Scope 3 emissions are ongoing

GHG Emissions	Unit	FY2025	FY2024	FY2023
Scope 1	tCO_2e	146.86	391.49	367.15
Scope 2	tCO_2e	6,215.11	5,220.89	5,105.54
Total Scope 1 and 2	tCO_2e	6,361.97	5,612.38	5,472.69
Scope 3				
Business Travel	tCO_2e	56.14	67.93	70.86
Employee Commuting	tCO_2e	398.77	410.67	431.75
Total	tCO_2e	6,816.88	6,090.98	5,975.30
Intensity (tCO_2e/ Sales RM'million)		26.1	25.2	32.4

Notes:

1 The emission factor used in FY2025 is based on the Suruhanjaya Tenaga grid emission factor of 0.774 tCO_2/MWh, using a 2022 baseline. In contrast, the emission factor applied prior to FY2025 was based on the Sustainability Energy Development Authority (SEDA) 2016 baseline CO_2 emission factor for Peninsular Malaysia, which was 0.639 tCO_2/MWh.

In FY2025, the GHG emissions intensity ratio measured over sales in million increased to 26.1 from 25.2 recorded in FY2025 mainly due to the changes in the emission factor used in FY2025.

Over the years, our commitment to reducing carbon emissions has been evident, particularly following the acquisition of the Bukit Minyak plant, where we replaced all fluorescent lighting with LED fixtures and reduced artificial lighting by optimizing the use of natural light. Aligned with our Energy Conservation Programmes, Dufu is dedicated to carbon emissions reduction through various initiatives, including re-engineering manufacturing processes, installation of rooftop Solar Photovoltaic System, monitoring high-energy consumption items, and promoting efficient use of office lighting and air conditioning. We have also engaged with independent energy audit for DISB main plant at Bayan Lepas

Since 2023, we collected data on Scope 3 emissions related to business travel and employee commuting. However, we have yet to compile data on other Scope 3 categories, such as the purchase of goods and services, capital goods, transportation and distribution, and waste generated in operations.

Additionally, Dufu does not produce any Nitrogen Oxides (NOx) or Sulfur Oxides (SOx) emissions, as none of our business activities involve biomass combustion. Our manufacturing sites also do not emit CO_2e from flaring or methane (CH4).

Sustainability Statement (Cont'd)

ENVIRONMENT AND MANAGING CLIMATE CHANGE (Cont'd)

Water Management

Dufu adheres to stringent environmental regulations, strategically locating its plants in integrated industrial parks to ensure that our operations do not impact surrounding residential areas or local flora and fauna.

Water is crucial in the manufacturing process of hard disk drive components, particularly during double disk grinding and washing. A reliable and clean water supply is essential, and we closely monitor our water consumption. We have implemented initiatives to reduce waste and maximize water recycling and reuse within our factories, aiming to decrease our reliance on municipal water supplies.

	FY2025	FY2024	FY2023
Water withdrawal by source*			
Water (cubic meter)	68,536	74,086	83,720
Water consumption intensity			
Water (cubic meter)/ Sales (RM'000)	0.26	0.31	0.45

* Dufu soley draws water from local water grids namely Perbadanan Bekalan Air Pulau Pinang Sdn Bhd. ("PBA")

Efficient water management remains a central focus of our sustainability efforts. Dufu continues to implement water-saving initiatives across its facilities, including the installation of self-push button taps and spray bidets to minimize unnecessary water use.

To further strengthen our commitment to sustainable water management, we have implemented an enhanced water reuse strategy. Reverse Osmosis ("RO") water used in our CNC production process is recycled and repurposed for toilet flushing, the tumbling process, and double-disk grinding operations. This approach creates a closed-loop water circulation system that significantly reduces our dependence on freshwater resources. In addition, we have introduced daily water consumption monitoring to track usage trends and promptly identify potential water leaks. The total amount of water reused in FY2025 was 18,482 cubic meter, compared to 933 cubic meter in FY2024.

The wastewater generated during the reporting year had no measurable impact on biodiversity. All process water and effluent discharges are treated through Dufu's IETS to ensure safe and compliant disposal. Weekly discharge samples are collected and analyzed by independent third-party laboratories to verify compliance with all relevant environmental regulations. In addition, monthly effluent monitoring reports are submitted to the Department of Environment ("DOE"), reflecting our strong commitment to regulatory compliance and responsible wastewater management in line with legislative guideline specifications.

Throughout 2025, there were no significant spills into water sources, and we upheld full compliance with water quality standards and regulations.

Effluents and Waste Management

Effective waste management is integral to Dufu's commitment to environmental stewardship and sustainable operations. We ensure full compliance with the Environmental Quality Act 1974 and all relevant regulations, while aligning our practices with the principles of ISO 14001:2015 to minimize environmental impact.

Dufu adopts a structured approach to waste management, emphasizing the 5R principles of "Refuse, Reduce, Repair, Reuse, and Recycle" to promote efficient resource utilization and responsible waste handling. Both hazardous and non-hazardous wastes are managed in accordance with regulatory requirements, with proper segregation, disposal, and regular monitoring to ensure environmental integrity and operational efficiency.

Our waste management strategy focuses on optimizing material usage, reducing waste generation, and minimizing landfill disposal. This approach not only enhances operational efficiency but also prioritizes workplace safety and health, particularly in the handling of hazardous materials. Aligned with our strategic priorities of operational excellence and environmental responsibility, these initiatives aim to optimize costs while reducing our environmental impact.

At each operational site, the Facility Department oversees day-to-day waste management activities. Simultaneously, Dufu's EHS and Compliance Department ensures strict compliance with our Environment Policy and waste management procedures, adhering to all relevant laws, regulations, and internal policies. The Facility and Logistics Department diligently maintains records detailing waste management processes, including quantities recycled, reused, and disposed of.

Sustainability Statement (Cont'd)

ENVIRONMENT AND MANAGING CLIMATE CHANGE (Cont'd)

Effluents and Waste Management (Cont'd)

Non-Hazardous Waste Management

We follow the 5Rs principle to manage non-hazardous waste and minimize direct disposal. Our ongoing efforts include increasing our internal reuse rate by repurposing disposable cardboard boxes and plastic trays for internal packaging. Recycling centers operate at all our manufacturing sites, where staff collect and compress recyclable materials like cardboard, plastics, and metals. These materials are repurposed internally at material recovery centers before being sent to licensed recyclers for further processing. Waste materials generated from our production processes such as titanium, aluminium, mild steel, and stainless steel are recyclable and can be reintegrated into a circular economy for industrial use. A significant achievement of our waste minimization strategy has been the continuous reduction in metal bar end wastage. Like other metalworking facilities, Dufu generates substantial quantities of scrap metal chips containing cutting oils. These waste materials undergo compaction before being sent to licensed scrap metal recyclers.

In 2025, Dufu implemented a complete ban on single-use plastics for food consumption within its facilities. The use of single-use plastic containers, wrappers, and bags for takeaway food is strictly prohibited. Canteen operators are not permitted to sell food in single-use plastic packaging, and employees are encouraged to use their own reusable containers for takeaways. To further reduce plastic usage, drinking water for guests is now served in glass bottles instead of single-use plastic, reinforcing our commitment to a plastic-free workplace and responsible consumption. To further strengthen our recycling and CSR initiatives, we also introduced dedicated waste-segregation bins across our facilities. These bins are clearly separated into categories such as cans, paper, and plastics, enabling employees and visitors to dispose of recyclable materials responsibly.

In addition to minimizing plastic waste, Dufu has strengthened its food waste management initiatives. In collaboration with a licensed local waste management company, food waste collected from our cafeterias is recycled and converted into compost fertilizer. This initiative helps divert food waste from the Penang landfill, prevent the generation of landfill gases especially methane and promotes circular waste practices within our operations.

During FY2025, a total of 8,411 (FY2024: 6,761) kg of food waste was collected and recycled, underscoring Dufu's ongoing commitment to sustainable resource management and environmental stewardship.

Hazardous Waste Management

Due to the nature of our operations, a considerable portion of our waste arises from cutting oils and cooling lubricants used in metal fabrication and machining. We meticulously manage mixed contaminated metal chips in full compliance with the Environmental Quality (Scheduled Wastes) Regulations of 2005 and our internal policies. Our waste reduction efforts adhere to best practices, including:

- Providing clear work instructions and personal protective equipment to employees at all times.
- Ensuring that employees receive training in hazardous waste and chemical management before engaging in operations.

We are committed to minimizing hazardous waste generation through ongoing reviews of our manufacturing processes, machinery upgrades, and material reduction during product design. The Group actively reduces coolant consumption and waste disposal costs by promoting the use of long-life cutting fluids in our CNC machining centers. This initiative extends the lifespan of cutting tools, reduces the frequency of coolant replacement, minimizes waste, and enhances workplace safety. Whenever possible, we avoid using hazardous or environmentally harmful substances, assessing their potential risks using safety data sheets.

At Dufu, we partner exclusively with reputable and licensed local waste recovery contractors for the recycling or disposal of scheduled waste. Our selection process for these contractors is rigorous, involving comprehensive audits that encompass social and environmental considerations, ensuring that we engage only those who meet our high standards and align with our values.

We consistently raise awareness about waste management among our employees by educating them on proper waste labelling and segregation by material type. Furthermore, we encourage all departments to adopt waste minimization strategies, including inventory management changes to prevent stock obsolescence, equipment upgrades, material alterations, product design improvements, and adjustments to operational and maintenance procedures.

Sustainability Statement (Cont'd)

ENVIRONMENT AND MANAGING CLIMATE CHANGE (Cont'd)

Effluents and Waste Management (Cont'd)

Hazardous Waste Management

Our on-going 5R program managing various operation waste generated at Dufu are as follows:

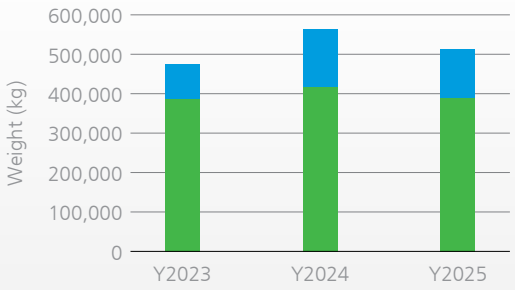
Recovery/ Recycle

- **Scheduled Waste Management:** We responsibly send scheduled waste to licensed recovery facilities for processing. The categories of scheduled waste generated include:
- Liquid Recovery
  - (SW307) Spent coolant
  - (SW306) Spent hydraulic oil
  - (SW305) Spent lubricating oil
  - (SW323) Waste of halogenated organic solvent
  - (SW322) Waste of Spent Non-Halogenated Organic Solvent
  - (SW402) Spent alkaline
  - (SW109) Used COD Reagents

1) Solid Recovery
   - (SW104) Dust, slag, dross, ash contained metal
   - (SW109) Fluorescent tube /LED wastes
   - (SW110) Electrical & electronic assemblies' wastes
   - (SW204) Metal hydroxide sludge
   - (SW325) Uncured resin
   - (SW409) Empty contaminated containers
   - (SW410) Contaminated rags/ paper/ filter
   - (SW416) Sludge of paints
   - (SW417) Waste of Paints
   - (SW422) Metal chips contaminated with coolant/ oil

The scheduled waste generated are as follows:

Scheduled Waste Disposal



	Y2023	Y2024	Y2025
Physical Chemical Treatment	0	42	28
Liquid Recovery	88,134	144,199	121,959
Solid Recovery	383,968	415,595	387,205

Reuse

- **Collaboration with Suppliers:** We partner with chemical suppliers to facilitate the return of empty drums for reuse in similar applications.
- **Internal Packaging Solutions:** We repurpose industrial plastic bags, trays, carton boxes and pallets for internal packaging needs and warehouse operations.
- **Process Optimization:** Plastic bags and trays are reused in production processes, including stock management for turning and disk grinding.

Sustainability Statement (Cont'd)

ENVIRONMENT AND MANAGING CLIMATE CHANGE (Cont'd)

Effluents and Waste Management (Cont'd)

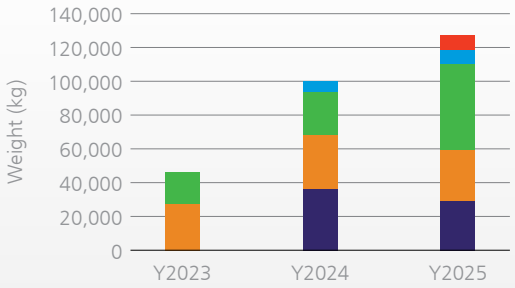
Hazardous Waste Management (Cont'd)

Recycle

- **Recyclable Materials:** Our recycling efforts encompass metals (titanium, aluminum, iron, etc.), paper, carton boxes, plastic trays and food waste.
- **Centralized Recycling Process:** Recycling bins are provided at multiple locations across the facility. Recyclable materials are collected in a centralized recycling area and disposed of through approved, licensed collectors for proper processing.
- **Food waste:** Conversion into compost fertilizer.

The scheduled waste generated are as follows:

Recyclable Non-scheduled Waste



	Y2023	Y2024	Y2025
Plastic bag/sheet/ wrapper	-	-	8,668
Food waste	-	6,761	8,411
Plastic Tray	18,458	25,374	50,474
Paper & Carton	27,129	31,750	30,263
Wooden Pallet & Crates	-	36,271	29,214

Refuse

- Prohibits single-use plastics for food packaging within factory premise
- Refuse the use of single use plastics bottles for drinking water for guest.

Repair

- Rectify computer, machinery equipment and facilities instead of sourcing for new alternative.

Reduce

- **Waste Minimization Initiatives:** We strive to reduce waste from titanium and aluminium bar ends in metal components.
- **Paper Usage Reduction:** We aim to minimize office paper consumption by transitioning to electronic invoicing, purchase requisitions, and other digital practices.

Disposal

- **General Waste Management:** Non-scheduled and non-recyclable waste is disposed of in enclosed bins at designated areas, which are collected by licensed contractors.

Sustainability Statement (Cont'd)

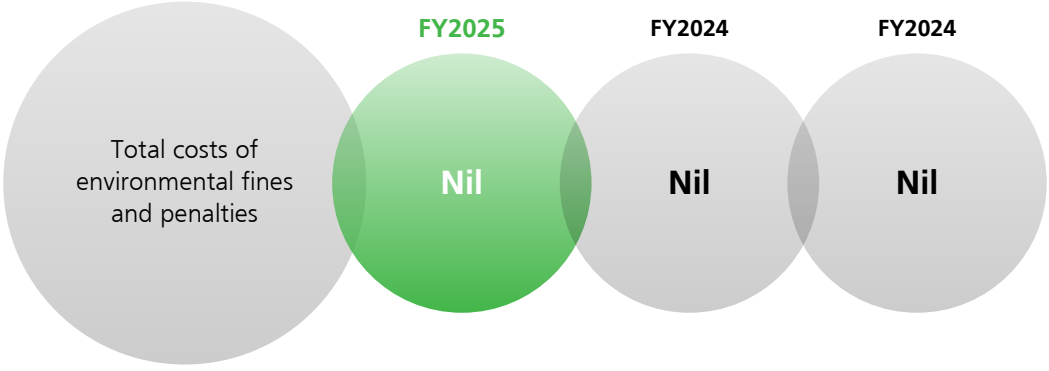
ENVIRONMENT AND MANAGING CLIMATE CHANGE (Cont'd)

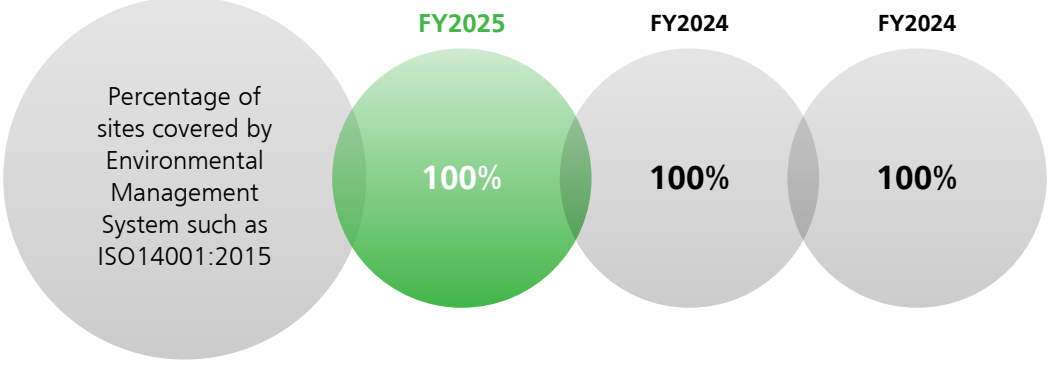
Effluents and Waste Management (Cont'd)

Summary of Waste Handling

	FY2025 tonne	FY2024 tonne	FY2023 tonne
Diverted from disposal			
- Non-hazardous waste [1]	127	100	46
Directed to disposal			
- Non-hazardous waste	177	178	182
- Hazardous waste [3]	509	560	472
Total waste disposal	686	738	654
Represented by:			
Total non-hazardous waste	304	278	228
Total hazardous waste [3]	509	560	472
Total waste generated [2]	813	838	700

Notes:
(1) This consists of recycled waste. Effective 2024, we segregated food waste and pallets/crates from general non-hazardous waste. In 2025, segregation was further enhanced to include plastic bags, sheets, and wrappers.
(2) Total waste generated is the sum of total waste diverted from disposal and total directed to disposal.
(3) Scheduled waste are hazardous waste.





Sustainability Statement (Cont'd)

ENRICHING COMMUNITIES

At Dufu, community enrichment is a core value that guides our operations and interactions with the neighbourhoods where we work. We define a community as any group of individuals who share a common goal of creating a positive impact. By recognizing the power of collaboration, we partner with suppliers, customers, and vendors to enhance our collective influence and amplify the benefits we bring to the community. Our commitment goes beyond mere words; we actively invest in programs designed to improve education, promote environmental conservation, and support underserved groups in developing skills and securing employment opportunities. This strategic approach aligns seamlessly with our objective of recruiting local talent and fostering sustainable operations.

Our community development strategy encompasses a holistic approach, focusing on social mapping that leads to three key objectives:

a) Providing Quality Education

We believe that every child deserves access to quality education, regardless of their background or geographical location. To achieve this, we harness technology and cultivate collaborative partnerships with educational institutions and organizations. Our initiatives aim to create an inclusive educational environment that empowers young minds and prepares them for future challenges.

b) Promoting Health and Wellness

Health is a cornerstone of vibrant communities. We organize and support various events that promote health and wellness among local residents. By collaborating with health professionals and community organizations, we aim to raise awareness about health issues and encourage healthy lifestyles.

c) Supporting Vulnerable Groups

We are committed to uplifting marginalized communities by providing financial aid, in-kind donations, and engaging in volunteer efforts. These initiatives aim to foster social equality and ensure that all community members have access to essential resources and opportunities.

Dufu leverages its expertise and resources to support the communities in which it operates. Our focus is on uplifting those in need, collaborating with local schools and charities, offering training opportunities for young people, and fostering an innovative and healthy environment.

Dufu provides a dedicated online channel for individuals or organisations to submit sponsorship or charitable contribution requests via our official website at https://www.dufutechnology.com/request-sponsorship/. Upon receiving a request, the Company conducts a thorough evaluation to assess its suitability and alignment with available resources as well as its relevance to Dufu's current community engagement themes. All submissions are reviewed in accordance with the Company's Sponsorship and Charitable Contribution Policy, which can be accessed at https://www.dufutechnology.com/charity-sponsorship-policy/.

In FY2025, we proudly supported our CSR initiatives by investing a total of RM179,606 (2024: RM191,891). This investment included several noteworthy contributions:

- We proudly sponsored RM54,890 for Dufu's "Pledge a Library" initiative, which focuses on enriching library resources in schools. This program is designed to foster a culture of reading among students, helping to cultivate future generations of learners;
- Donation of RM50,000 to Sekolah Jenis Kebangsaan Boon Beng at Bandar Tasek Mutiara, Simpang Ampat for their expansion project;
- Our commitment to education continued with a RM5,000 donation to Persatuan Pengajian dan Pembelajaran STEM Malaysia, supporting their STEM Innovation Competition for primary school students. This initiative encourages young minds to explore science, technology, engineering, and mathematics;
- Contributed RM20,000 to Silver Jubilee Home for the Aged to support their "Charity With Love Fun Run" held on 21 December 2025;
- As the principal sponsor, we contributed RM18,000 to the Penang International Hiker for the Perpaduan Charity Hike, an event aimed at fostering community unity and supporting social welfare. The proceeds from the event were ultimately donated to 10 charitable homes across Penang;

Sustainability Statement (Cont'd)

ENRICHING COMMUNITIES (Cont'd)

- A contribution of RM2,000 to PIBG Kolej Vokasional Batu Lanchang;
- We supported the Husco United Way Campaign with a contribution of RM16,910, a philanthropic initiative by one of our valued customers aimed at enhancing their local community outreach efforts;
- In our effort to support the elderly, we distributed "Ang Pao" totalling RM5,200 to senior residents and provided in-kind contributions of food and basic necessities valued at RM6,606 to the Silver Jubilee Home for the Aged;
- Lastly, we made a RM1,000 donation to the Association of Resource and Education for Autistic Children ("REACh"), supporting their mission to provide educational resources and assistance to autistic children.

"Pledge a Library" initiative

Our annual "Pledge a Library" initiative, which began in 2020, has made significant strides in FY2025 by reaching 10 schools. We distributed 1,200 books and monthly educational magazines to secondary school students and teachers, enhancing their libraries with a wide range of reading materials. These resources cover topics such as science, geography, financial management, languages, personal development, psychology, history, information technology, and social issues. The schools that benefitted from our year-long supply of reading materials include:

1) Jit Sin Independent High School, Penang
2) Penang Chinese Girls' Private High School, Penang
3) Chung Ling Private High School, Penang
4) Phor Tay Private High School, Penang
5) Sabah Tshung Tsin Secondary School, Kota Kinabalu, Sabah
6) Catholic High School (Sibu), Sarawak
7) Chung Hua Middle School (Kuching), Sarawak
8) Kiang Hin Middle School (Sibu), Sarawak
9) Yu Yuan Secondary School (Sandakan), Sabah
10) Beaufort Middle School, Sabah

Perpaduan Charity Hike

Dufu Technology Corp. Berhad was privileged to serve as the Main Sponsor of this meaningful event, contributing RM18,000 in support of its fundraising efforts. Demonstrating our ongoing commitment to corporate social responsibility and community engagement, approximately 85 Dufu employees also participated in the hike, exemplifying the Company's ethos of leading by example and fostering a culture of compassion and volunteerism.

The Perpaduan Charity Hike 2025 which was held on 29 June 2025, went beyond physical achievement, representing a collective act of generosity and social impact. Funds raised through the event were channelled to ten charitable organisations across Penang, benefitting underprivileged children and vulnerable groups. The beneficiaries were as follows:

- AGAPE Home, Island Glades
- RU YI Children's Home, Georgetown
- The Children's Protection Society, Air Itam
- Pusat Jagaan Persekutuan Kebajikan Anak-Anak Yatim Islam Pulau Pinang, Air Itam
- Pertubuhan Rumah Kebajikan Seri Cahaya Pulau Pinang, Permatang Damar Laut
- Pertubuhan Kebajikan Insan Penyayang Pulau Pinang (PKIPPP), Jelutong
- Persatuan Orang Pekak Pulau Pinang, Georgetown
- Crystal Family Home, Air Itam
- Persatuan Kebajikan Sinar Cahaya, Seberang Perai
- PK Bersikap Murah Hati, Butterworth

Sustainability Statement (Cont'd)

ENRICHING COMMUNITIES (Cont'd)

Perpaduan Charity Hike (Cont'd)

	FY2025	FY2024	FY2023
Total amount invested in the community where the target beneficiaries are external to the Group ("RM")	179,606	191,891	218,333
Total number of beneficiaries of the investment in communities	26	17	15

Volunteerism Cultivation

At Dufu, we place a strong emphasis on the importance of volunteering, understanding that these experiences significantly enrich both the personal and professional lives of our employees. Engaging in volunteer activities offers our team members a unique opportunity to build meaningful connections, foster camaraderie, and create a sense of community within and beyond the workplace.

Volunteering not only enhances interpersonal skills but also promotes teamwork and collaboration, key elements that contribute to a thriving work environment. Through these shared experiences, our employees develop a deeper understanding of diverse perspectives and backgrounds, fostering a culture of inclusivity that aligns with our organizational values. Dufu actively encourages our employees to participate in various volunteer programs that resonate with their passions and interests. Whether through environmental initiatives, educational outreach, or community service projects, our team members have the chance to make a positive impact while developing invaluable skills.

Since the establishment of Dufu's voluntary teams, we have been actively involved in a wide range of volunteer initiatives. These efforts have not only made a meaningful difference in the lives of those in need but have also fostered a strong social network within our company. Our volunteerism approach is built on the principle of encouraging participation at all levels. We actively invite and inspire employees and their families to engage in volunteer activities, creating opportunities for them to contribute to the well-being of local communities. This involvement is not only beneficial to those receiving help, but it also enriches the lives of our employees, fostering a sense of purpose, unity, and fulfilment.

Through these volunteer programs, we aim to address diverse social needs, including supporting education, providing relief to disadvantaged groups, improving environmental sustainability, and promoting health and wellness. Whether it's organizing fundraising campaigns, providing hands-on support in local communities, or offering professional expertise, Dufu's volunteer teams consistently deliver positive and lasting impacts.

As we continue to expand and deepen our volunteer efforts, we remain committed to fostering a culture of giving and service, ensuring that our initiatives reach those who need it most, while also enriching the lives of our employees and their families.

Sustainability Statement (Cont'd)

ENRICHING COMMUNITIES (Cont'd)

Visit to Silver Jubilee Home for the Aged

In conjunction with its third anniversary community outreach initiative, Dufu organised a return visit to the Silver Jubilee Home for the Aged in Bayan Lepas, a non-governmental organisation (NGO) that provides care and shelter for about 100 elderly individuals who are financially disadvantaged or without suitable family support. The programme, held under the theme "Dufu Cares, Dufu Shares" reflected the Company's enduring commitment to compassion, community service, and social responsibility.

The event was marked by warmth, gratitude, and a strong sense of purpose. Dufu's 119 volunteers engaged in a range of meaningful activities, including cleaning and tidying the wards, where every bed frame was carefully moved to ensure a spotless environment.

The day's activities also featured interactive games, singing, and dancing by our volunteers, which brought joy and laughter to the residents. In a gesture of appreciation and goodwill, angpows were presented to the elderly, symbolising care and respect for their contributions to society. The event not only uplifted the residents' spirits but also strengthened the bond between Dufu and the local community, embodying the Company's belief that corporate success is best measured through shared happiness and social impact.

Sustainability Statement (Cont'd)

ENRICHING COMMUNITIES (Cont'd)

Blood Donation Campaign

An extension of the "Dufu Cares, Dufu Shares" campaign, a Blood Donation event was held on 3 August 2025 at the Dufu factory premises, in collaboration with Hospital Sultan Abdul Halim in Sungai Petani. A total of 82 employees participated, and following a detailed screening process, 62 employees successfully contributed to the cause.

Management Trainee Programme

Dufu's Management Trainee Programme provides participants with valuable learning experiences and comprehensive exposure across the Company's key business functions. Through this structured programme, trainees gain an in-depth understanding of the industry landscape, organisational culture, and core operational processes, equipping them with the knowledge and skills necessary to excel in their future careers.

The programme also fosters cross-functional collaboration and peer engagement, bringing together participants from diverse academic and cultural backgrounds. Through hands-on projects and experiential learning, trainees are encouraged to explore their interests, develop their capabilities, and build a strong foundation for professional growth.

Under its social responsibility and talent development agenda, Dufu supports youth employability through the Khazanah Youth Development Programme ("K-Youth"), equipping participants with industry-relevant skills and real-world experience. In 2025, Dufu trained 6 K-Youth participants, offering structured learning, mentorship, and practical exposure within the organisation of which 4 participants were subsequently employed by Dufu, reinforcing the Company's commitment to inclusive talent development and long-term workforce sustainability.

Starting from 2026, Dufu will begin tracking the conversion rate of interns to fulltime employees as part of its commitment to local talent development and retention. This initiative underscores the Company's dedication in its first year of "Building Youth for Nation" to nurturing future leaders and contributing to the sustainable growth of Malaysia's workforce.

	Unit	FY2025	FY2024	FY2023
Number of interns intake	pax	33	23	10
Number of interns converted	pax	5	2	0
Intern conversion rate to new hire	%	15.2	8.7	0

Sustainability Statement (Cont'd)

ENRICHING COMMUNITIES (Cont'd)

Collaboration with Educational Institutions

In the inaugural year of Dufu's "Building Youth for Nation" development initiative, the Company collaborated with Kolej Vokasional Batu Lanchang to conduct a comprehensive three-day industrial training programme on CNC milling for vocational student Muhammad Noor Dicky Zulkarnain Bin Mohd Zakaria. Following the completion of the training, the student achieved a Silver Medal at the KV Skill Competition, reflecting the effectiveness of Dufu's structured training approach, technical mentorship, and commitment to skill development.

This initiative demonstrates Dufu's continued dedication to advancing quality education (SDG 4) and promoting decent work and economic growth (SDG 8) through strategic industry–academia partnerships that empower youth and strengthen Malaysia's future workforce.

	FY2025	FY2024	FY2023
Total volunteer activities initiated	5	5	2
Total volunteer hours	2,366	1,599	508
Number of employees involved	270	224	105

GRI Content Index

GRI Content Index	
Statement of use	Dufu Technology Corp. Berhad has reported the information cited in this GRI content Index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure		Location
GRI 2: General Disclosures 2021	2-1	Organizational details	Scope and Boundaries, p 25 Group Structure, p 5 Corporate Information, p 3
	2-2	Entities included in the organization's sustainability reporting	Scope and Boundaries, p 25
	2-3	Reporting period, frequency and contact point	Reporting Period, p 25 Feedback and Contact, p 26 Contact point for questions: David Khoo Chong Beng Chief Financial Officer Tel: 604-6161328 Email: corporateaffairs@dufu.com.my
	2-4	Restatements of information	Restatements of information is disclosed at the relevant sections, where applicable
	2-5	External assurance	Assurance, p 26
	2-6	Activities, value chain, and other business relationships	Management Discussion and Analysis, p 16-24
	2-7	Employees	Workforce Overview, p 72-73
	2-8	Workers who are not employees	All workers perform work for Dufu are in employment relationship with Dufu.
	2-9	Governance structure and composition	Sustainability Governance, p 28 Corporate Governance Overview Statement, p 127-134
	2-10	Nomination and selection of the highest governance body	Corporate Governance Report
	2-11	Chair of the highest governance body	Corporate Governance Overview Statement, p 127-134
	2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Overview Statement, p 127-134 Sustainability Governance, p 28
	2-13	Delegation of responsibility for managing impacts	Sustainability Governance, p 28
	2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance, p 28
	2-15	Conflicts of interest	Corporate Governance Report

GRI Content Index (Cont'd)

GRI Standard	Disclosure		Location
	2-16	Communication of critical concerns	Corporate Governance, p 58-62
	2-17	Collective knowledge of the highest governance body	Corporate Governance Report
	2-18	Evaluation of the performance of the highest governance body	Dufu currently does not implement performance evaluation of its Board members based on our impacts on the economy, environment, and people.
	2-19	Remuneration policies	Corporate Governance Report
	2-20	Process to determine remuneration	Corporate Governance Report
	2-21	Annual total compensation ratio	Human Rights Policy, p 63-66
	2-22	Statement on sustainable development strategy	Chairman's Statement, p 13-15
	2-23	Policy commitments	Corporate Governance, p 58-62
	2-24	Embedding policy commitments	Embedding of Dufu's policy commitments is disclosed at the relevant sections, where applicable.
	2-25	Processes to remediate negative impacts	Grievance and Complaint Channels, p 71 Remediate and Advise Impacts, p 71
	2-26	Mechanisms for seeking advice and raising concerns	Corporate Governance Report Whistleblowing Mechanism, p 61 Grievance and Complaint Channels, p 71
	2-27	Compliance with laws and regulations	There were no significant instances of non-compliance with the laws and regulations during reporting period.
	2-28	Membership associations	Membership of Associations, p 26
	2-29	Approach to stakeholder engagement	Stakeholder Engagement, p 29-30
	2-30	Collective bargaining agreements	We do not have any collective bargaining agreement in place. Nevertheless, we respect the rights of employees to associate or join workers' councils with local laws.
GRI 3: Material Topics 2021	3-1	Process to determine material topic	Materiality Assessment, p 30 Materiality Matrix Assessment, p 31
	3-2	List of material topics	Materiality Matrix Assessment, p 31 Prioritisation of Sustainability Matters, p 32
	3-3	Management of material topics	Mapping our Materiality Matrix, p 34-39

GRI Content Index (Cont'd)

GRI Standard	Disclosure		Location
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Direct Economic Value Generated and Distributed, p 47
	201-2	Financial implications & other risks & opportunities due to climate change	Mapping our Materiality Matrix, p 34-39 Climate-related Risk and Opportunities, p 90-91
	201-3	Defined benefit plan obligations and other retirement plans	Dufu merely subscribed and is fully adhered to the requirements of the statutory retirement benefit plan obligations.
	201-4	Financial assistance received from government	There was no financial assistance received from government in 2025.
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Human Rights Policy, p 63-66 On employees compensated based on wages subject to minimum wage rules, the ratios of standard entry level wage by either male or female compared to local minimum wage is 1 to 1.
	202-2	Proportion of senior management hired from the local community	All our Senior Management Team as disclosed in the Annual Report FY2025 is hired from their respective local countries in which they are operating.
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Enriching Communities, p 102-107
	203-2	Significant indirect economic impacts	Enriching Communities, p 102-107 Dufu's activities as an employer, as a consumer of local products and services, and as a payer of taxes and fees as well as providing local employment support local economic development.
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Local Procurement Practices, p 57
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	Anti-Bribery and Anti- Corruption, p 59-60
	205-2	Communication and training about anti-corruption policies and procedures	Anti-Bribery and Anti- Corruption, p 59-60
	205-3	Confirmed incidents of corruption and actions taken	Anti-Bribery and Anti- Corruption, p 59-60
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	There were no incidents reported in 2025.

GRI Content Index (Cont'd)

GRI Standard	Disclosure		Location
GRI 301: Materials 2016	301-1	Materials used by weight or volume	The information is currently unavailable. For future consideration
	301-2	Recycled input materials used	The percentage of recycled input material used is low due to the nature of the production process, as recycled raw materials cannot be used very often due to the requirements regarding purity or because customer's standards must be met.
	301-3	Reclaimed products and near packaging materials	Dufu provides fresh packaging materials and trays when supplying to customers mainly due to the concern of its highly sensitive precision parts. Dufu uses mostly reusable packaging and trays for in-process treatments.
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Energy Management, p 94-95
	302-2	Energy consumption outside of the organization	Energy Management, p 94-95
	302-3	Energy intensity	Energy Management, p 94-95
	302-4	Reduction of energy consumption	Energy Management, p 94-95
	302-5	Reductions in energy requirements of products and services	Energy Management, p 94-95
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Water Management, p 97
	303-2	Management of water discharge-related impacts	Water Management, p 97
	303-3	Water withdrawal	Water Management, p 97
	303-4	Water discharge	Dufu currently does not keep track on the volume of the water discharge from it sites. Notwithstanding this, Dufu conform with legislative requirements to ensure all the priority substances of concern are being treated before the discharge.
	303-5	Water consumption	Dufu currently does not keep track on the volume of the water consumption.

GRI Content Index (Cont'd)

GRI Standard	Disclosure		Location
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable as all factories are located in Industrial Estates designated by the respective state governments.
	304-2	Significant impacts of activities, products and services on biodiversity	Not applicable as all factories are located in Industrial Estates designated by the respective state governments.
	304-3	Habitats protected or restored	The Group did not take part in the protection or restoration of any habitat areas in 2025.
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable as there are no reports of IUCN Red List species in the areas of operations. All factories are located in Industrial Estates designated by the respective state governments.
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	GHG Emissions, p 96
	305-2	Energy indirect (Scope 2) GHG emissions	GHG Emissions, p 96
	305-3	Other indirect (Scope 3) GHG emissions	GHG Emissions, p 96
	305-4	GHG emissions intensity	GHG Emissions, p 96
	305-5	Reduction of GHG emissions	Energy Conservation Programmes, p 94-95 GHG Emissions, p 96
	305-6	Emissions of ozone-depleting substances (ODS)	GHG Emissions, p 96
	305-7	Nitrogen oxides, sulphur oxides, and other significant air emissions	GHG Emissions, p 96
GRI 306: Waste 2016	306-1	Waste generation and significant waste-related impacts	Effluents and Waste Management, p 97-101
	306-2	Management of significant waste-related impacts	Effluents and Waste Management, p 97-101
	306-3	Waste generated	Effluents and Waste Management, p 97-101
	306-4	Waste diverted from disposal	Effluents and Waste Management, p 97-101
	306-5	Waste directed to disposal	Effluents and Waste Management, p 97-101
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Supply Chain Management, p 48-57
	308-2	Negative environment impacts in the supply chain and actions taken	Supply Chain Management, p 48-57

GRI Content Index (Cont'd)

GRI Standard	Disclosure		Location
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Workforce Overview, p 72-73
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Compensation and Benefits, p 74
	401-3	Parental leave	Parental Benefits, p 75
Labour/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	We do not have a fixed minimum notice regarding operational change. However, to the extent possible, we do inform our colleagues well in advance the intention and details of the change. Prior to such change, we will conduct briefing for employees to collect their feedback and try to put relevant notice within a month's time.
GRI 403: Occupational Health and Safety 2016	403-1	Occupational health and safety management system	Occupational Health and Safety, p 81-85
	403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety, p 81-85
	403-3	Occupational health services	Occupational Health and Safety, p 81-85
	403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, p 81-85
	403-5	Worker training on occupational health and safety	Occupational Health and Safety, p 81-85 Employee Development, p 76-78
	403-6	Promotion of worker health	Occupational Health and Safety, p 81-85 Employee Welfare and Wellbeing, p 79-80
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety, p 81-85
	403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety, p 81-85
	403-9	Work-related injuries	Occupational Health and Safety, p 81-85
	403-10	Work-related ill health	Occupational Health and Safety, p 81-85
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Employee Development, p 76-78
	404-2	Programs for upgrading employee skills and transition assistance programs	Employee Development, p 76-78

GRI Content Index (Cont'd)

GRI Standard	Disclosure		Location
	404-3	Percentage of employees receiving regular performance and career development reviews	Performance-oriented Compensation Scheme, p 74
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Workforce Overview, p 72-73
	405-2	Ratio of basic salary and remuneration of women to men	Human Rights Policy, p 63-66
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Non-Discrimination and Diversity, p 66
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Respect of Labour and Human Rights, p 63 Supply Change Management, p 48-57
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	Respect of Labour and Human Rights, p 63 Supply Change Management, p 48-57
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Respect of Labour and Human Rights, p 63 Supply Change Management, p 48-57
GRI 410: Security Practices	410-1	Security personnel trained in human rights policies or procedures	We ensure that our security personnel receive the necessary training on our policies.
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	There were no incidents reported in 2025.
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Enriching Communities, p 102-107
	413-2	Operations with significant actual and potential negative impacts on local communities	There were no incidents reported in 2025.
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Supply Chain Management, p 48-57
	414-2	Negative social impacts in the supply chain and actions taken	Supply Chain Management, p 48-57
GRI 415: Public Policy 2016	415-1	Political contributions	Dufu does not contribute to political parties and/or politicians. Anti Bribery and Anti-Corruption, p 59-60

GRI Content Index (Cont'd)

GRI Standard	Disclosure		Location
GRI 416: Consumer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Dufu currently does not address health and safety across the life cycle of its products or services and may consider to do so in future.
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	There were no incidents reported in 2025.
GRI 417: Marketing and Labelling 2016	417-1	Requirements for product and service information and labelling	The sourcing of components, and safe use of the product or services adhere to our customer's requirements.
	417-2	Incidents of non-compliance concerning product and service information and labelling	There were no incidents reported in 2025.
	417-3	Incidents of non-compliance concerning marketing communications	There were no incidents reported in 2025.
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were no incidents reported in 2025. Data Privacy and Security, p 62

ESG Performance Table

Indicator	Unit	2023	2024	2025
Anti-corruption				
1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	100	100	100
Executive	Percentage	100	100	100
Non-executive / Technical Staff	Percentage	100	100	100
General Workers	Percentage	100	100	100
1(b) Percentage of operations assessed for corruption-related risks	Percentage	100	100	100
1(c) Confirmed incidents of corruption and action take	Number	0	0	0
Community/Society				
2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	218,333	191,891	179,606
2(b) Total number of beneficiaries of the investment in communities	Number	15	17	26
Diversity				
3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Management Under 30	Percentage	0	5	0
Management Between 30–50	Percentage	50	50	52
Management Above 50	Percentage	50	45	48
Executive Under 30	Percentage	22	26	31
Executive Between 30–50	Percentage	60	55	50
Executive Above 50	Percentage	18	19	19
Non-executive / Technical Under 30	Percentage	39	35	32
Non-executive / Technical Between 30–50	Percentage	55	57	61
Non-executive / Technical Above 50	Percentage	6	8	7
General Workers Under 30	Percentage	52	50	48
General Workers Between 30–50	Percentage	47	49	51
General Workers Above 50	Percentage	1	1	1
Gender Group by Employee Category				
Management Male	Percentage	82	77	80
Management Female	Percentage	18	23	20
Executive Male	Percentage	62	62	57
Executive Female	Percentage	38	38	43
Non-executive / Technical Male	Percentage	79	78	79
Non-executive / Technical Female	Percentage	21	22	21
General Workers Male	Percentage	78	75	71
General Workers Female	Percentage	22	25	29
3(b) Percentage of directors by gender and age group				
Male	Percentage	83	67	67
Female	Percentage	17	33	33
Under 30	Percentage	0	0	0
Between 30–50	Percentage	33	17	0
Above 50	Percentage	67	83	100

(*)Restated

ESG Performance Table (Cont'd)

Indicator	Unit	2023	2024	2025
Energy Management				
4(a) Total Energy Consumption	Megawatt	9626.27*	10,202.22	9,939.92
Health and Safety				
5(a) Number of work-related fatalities	Number	0	0	0
5(b) Lost Time Incident Rate ("LTIR")	Rate	3.40*	2.78	11.99
5(c) Number of employees trained on health & safety standards	Number	860	883	889
Labour practices and standards				
6(a) Total hours of training by employee category				
Management	Hours	470	843	2,237
Executive	Hours	1,946	3,411	3,878
Non-executive / Technical Staff	Hours	4,024	5,204	3,799
General Workers	Hours	3,713	6,064	5,980
6(b) Percentage of employees that are contractors or temporary staff	Percentage	2	1	2
6(c) Total number of employees turnover by employee category				
Management	Number	2	0	0
Executive	Number	10	14	16
Non-executive / Technical Staff	Number	31	31	28
General Workers	Number	118	58	71
6(d) Number of sustantiated complaints concerning human rights violations	Number	0	0	0
Supply chain management				
7(a) Proportion of spending on local suppliers	Percentage	63	42	45
Data privacy and security				
8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Water				
9(a) Total volume of water used	Megalitres	83.720	74.086	68.536
Waste management				
10(a) Total waste generated	Metric tonnes	700*	838	813
10(a)(i) Total waste diverted from disposal	Metric tonnes	46*	100	127
10(a)(ii) Total waste directed to disposal	Metric tonnes	654*	738	686
Emissions management				
11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes CO2e	367.15*	391.49	146.86
11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes CO2e	5105.54*	5,220.89	6,215.11
11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes CO2e	502.61*	478.6	454.91

(*)Restated

Limited Assurance Report

LIMITED STATEMENT OF ASSURANCE ON DUFU TECHNOLOGY CORP. BERHAD'S ("DUFU" OR "THE COMPANY") SUSTAINABILITY STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

To: Board of Directors, Stakeholders and Interested Parties of Dufu

Introduction and Objective

Eco Asia Governance Advisory Sdn Bhd ("**Eco Asia**") has been engaged by Dufu, in the capacity as an outsourced Internal Auditor, to conduct a limited review on the Sustainability Statement of Dufu for the financial year ended 31 December 2025 ("**FYE 2025**") ("**Statement**").

Eco Asia is providing limited assurance on the accuracy and reliability of the specific sustainability performance information on the subject matters narrated in the "**Scope and Subject Matters**" section below. This limited assurance statement applies to the related information as described below.

Methodology

Our overall verification was conducted Bursa Malaysia Securities Berhad's Sustainability Reporting Guide 3rd Edition and the Main Market Listing Requirements in relation to the sustainability statement. In addition, we have also made reference to United Nation's Sustainability Development Goals as well as the Global Reporting Initiative for the evaluation on the overall presentation of the Statement. Furthermore, we have integrated the standards and principles set forth in the Institute of Internal Auditors' International Professional Practices Framework and also referenced the International Standard on Assurance Engagements (ISAE 3000) issued by the International Auditing and Assurance Standards Board (IAASB) while conducting the review.

Our verification and evaluation works were planned and carried out to provide a limited, rather than an absolute assurance on the information/data disclosed in the Statement. We have conducted our verification and evaluation based on the following procedures: -

(i) perform a site verification and review at the headquarter of Dufu located at No. 19, Hilir Sungai Kuang 2, Taman Perindustrian Bayan Lepas, Fasa IV, 11900 Penang, Malaysia;
(ii) interview and discussion with the key personnel who are responsible for collating relevant sustainability reporting information and writing various parts of the Statement;
(iii) review internal and external supporting documentation;
(iv) cross-reference and check on the qualitative and quantitative information collected from various sources;
(v) verify the specific sustainability performance data of the subject matters as narrated in the "Subject Matters" section below, on sampling basis; and
(vi) review the overall presentation of the Statement.

Where inaccuracies were identified in the draft Statement, there were raised with the Management of Dufu Technology Corp and subsequently rectified in the final version. All rectifications and amendments have been properly incorporated in the final Statement.

Limited Assurance Report (Cont'd)

ECO ASIA

Scope and Subject Matters

The following common sustainability indicators relates to Dufu and all its subsidiaries except for Guangzhou Futron Technology Co. Ltd, Guangzhou Futron Precision Industries Co. Ltd and Dufu Industries Services Pte. Ltd, for the period from 01 January 2025 to 31 December 2025 ("**Reporting Period**").

The selected common sustainability indicators presented in the Statement, which are subjected to our verification include: -

No.	Common Sustainability Indicator	Areas Covered
1.	Anti-Corruption	(i) Percentage of employees who have received training on anti-corruption by employee category; (ii) Percentage of operation assessed for corruption-related risks; and (iii) Confirmed incidents of corruption and action taken.
2.	Community/Society	(i) Total amount invested in the community where the target beneficiaries are external to the listed issuer; and (ii) Total number of beneficiaries of the investment in communities.
3.	Diversity	(i) Percentage of employees by gender and age group, for each employee category; and (ii) Percentage of directors by gender and age group.
4.	Energy Management	(i) Total energy consumption.
5.	Health and Safety	(i) Number of work-related fatalities; (ii) Lost time incident rate; and (iii) Number of employees trained on health and safety standards.
6.	Labour Practices and Standards	(i) Total hours of training by employee category; (ii) Percentage of employees that are contractors or temporary staff; (iii) Total number of employee turnover by employee category; and (iv) Number of substantiated complaints concerning human rights violations.
7.	Supply Chain Management	(i) Proportion of spending on local suppliers.
8.	Data Privacy and Security	(i) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data.
9.	Water	(i) Total volume of water used.
10.	Waste Management	(i) Total waste diverted from disposal; and (ii) Total waste directed to disposal.
11.	Emission Management	(i) Scope 1 emissions in tonnes of CO_2e; (ii) Scope 2 emissions in tonnes of CO_2e; and (iii) Scope 3 emissions in tonnes of CO_2e (business travel and employee commuting).

Collectively known as ("**Subject Matters**").

Limited Assurance Report (Cont'd)

ECO ASIA

Responsibility

The Management of Dufu is solely responsible for the preparation and presentation of the Statement. This responsibility includes the selection and application of appropriate methods in the preparation and collection of the information/data of the Subject Matters and ensure that the information/data presented are free from material misstatement, whether due to fraud or error. Furthermore, the responsibility also includes the use of assumptions and estimates for disclosures made by Dufu which are reasonable in the circumstances.

Eco Asia was not involved in the preparation of the Statement to ensure impartiality. Our responsibility is to provide a limited assurance on whether the information/data of the Subject Matters have been disclosed appropriately in the Statement.

Limitation

Our responsibility to provide a limited assurance is subjected to the following limitation as our procedures excludes the verification and evaluation of the following: -

(i) other information contained in Dufu's Annual Report for the FYE 2025;
(ii) information/data of the Subject Matters from Guangzhou Futron Technology Co. Ltd, Guangzhou Futron Precision Industries Co. Ltd and Dufu Industries Services Pte. Ltd;
(iii) information/data of the Subject Matters outside of the Reporting Period; and
(iv) data from any contractor or third-party.

This limited assurance engagement relies on a risk-based sampling basis for data samples selection and hence this limited assurance statement should not be relied upon to detect all errors, omissions or misstatements that may potentially exist.

Conclusion

Based on our methodology and the evidence that we have obtained on the matters covered in the Subject Matters as described above, Eco Asia is of the view that the Subject Matters as disclosed in the Statement are fairly stated, properly prepared and supported.

Yours faithfully,

Eco Asia

Eco Asia Governance Advisory Sdn Bhd

Date: 13 March 2026

Dufu Technology Corp Berhad

BMLR Transition Period

Date & Time: 2026-03-13_14:02:12

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Anti-Corruption	1(a) Percentage of employees who have received training on anti-corruption by employee category - Management	Percentage	100	100	Internal
Anti-Corruption	1(a) Percentage of employees who have received training on anti-corruption by employee category - Executive	Percentage	100	100	Internal
Anti-Corruption	1(a) Percentage of employees who have received training on anti-corruption by employee category - Non-executive/Technical Staff	Percentage	100	—	Internal
Anti-Corruption	1(a) Percentage of employees who have received training on anti-corruption by employee category - General Workers	Percentage	100	—	Internal
Anti-Corruption	1(b) Percentage of operations assessed for corruption-related risks	Percentage	100	—	Internal
Anti-Corruption	1(c) Confirmed incidents of corruption and action take	Number	0	0	Internal
Community/Society	2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	179,606	100,000	Internal
Community/Society	2(b) Total number of beneficiaries of the investment in communities	Number	26	—	Internal
Diversity	3(a) Percentage of employees by gender and age group, for each employee category: Management Under 30	Percentage	0	—	Internal

Dufu Technology Corp Berhad

BMLR Transition Period

Date & Time: 2026-03-13_14:02:12

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	3(a) Percentage of employees by gender and age group, for each employee category: Management Between 30–50	Percentage	52	—	Internal
Diversity	3(a) Percentage of employees by gender and age group, for each employee category: Management Above 50	Percentage	48	—	Internal
Diversity	3(a) Percentage of employees by gender and age group, for each employee category: Executive Under 30	Percentage	31	—	Internal
Diversity	3(a) Percentage of employees by gender and age group, for each employee category: Executive Between 30–50	Percentage	50	—	Internal
Diversity	3(a) Percentage of employees by gender and age group, for each employee category: Executive Above 50	Percentage	19	—	Internal
Diversity	3(a) Percentage of employees by gender and age group, for each employee category: Non-executive / Technical Under 30	Percentage	32	—	Internal
Diversity	3(a) Percentage of employees by gender and age group, for each employee category: Non-executive / Technical Between 30–50	Percentage	61	—	Internal
Diversity	3(a) Percentage of employees by gender and age group, for each employee category: Non-executive / Technical Above 50	Percentage	7	—	Internal

Dufu Technology Corp Berhad

BMLR Transition Period

Date & Time: 2026-03-13_14:02:12

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	3(a) Percentage of employees by gender and age group, for each employee category: General Workers Under 30	Percentage	48	—	Internal
Diversity	3(a) Percentage of employees by gender and age group, for each employee category: General Workers Between 30–50	Percentage	51	—	Internal
Diversity	3(a) Percentage of employees by gender and age group, for each employee category: General Workers Above 50	Percentage	1	—	Internal
Diversity	Gender Group by Employee Category: Management Male	Percentage	80	—	Internal
Diversity	Gender Group by Employee Category: Management Female	Percentage	20	—	Internal
Diversity	Gender Group by Employee Category: Executive Male	Percentage	57	—	Internal
Diversity	Gender Group by Employee Category: Executive Female	Percentage	43	—	Internal
Diversity	Gender Group by Employee Category: Non-executive / Technical Male	Percentage	79	—	Internal
Diversity	Gender Group by Employee Category: Non-executive / Technical Female	Percentage	21	—	Internal
Diversity	Gender Group by Employee Category: General Workers Male	Percentage	71	—	Internal

Dufu Technology Corp Berhad

BMLR Transition Period

Date & Time: 2026-03-13_14:02:12

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Gender Group by Employee Category: General Workers Female	Percentage	29	—	Internal
Diversity	3(b) Percentage of directors by gender and age group: Male	Percentage	67	—	Internal
Diversity	3(b) Percentage of directors by gender and age group: Female	Percentage	33	—	Internal
Diversity	3(b) Percentage of directors by gender and age group: Under 30	Percentage	0	—	Internal
Diversity	3(b) Percentage of directors by gender and age group: Between 30–50	Percentage	0	—	Internal
Diversity	3(b) Percentage of directors by gender and age group: Above 50	Percentage	100	—	Internal
Energy Management	4(a) Total Energy Consumption	Megawatt	9,939.92	—	Internal
Health and Safety	5(a) Number of work-related fatalities	Number	0	—	Internal
Health and Safety	5(b) Lost Time Incident Rate ("LTIR")	Rate	11.99	—	Internal
Health and Safety	5(c) Number of employees trained on health & safety standards	Number	889	—	Internal
Labour practices and standards	6(a) Total hours of training by employee category: Management	Hours	2,237	—	Internal
Labour practices and standards	6(a) Total hours of training by employee category: Executive	Hours	3,878	—	Internal

Prescribed Table (Cont'd)

Dufu Technology Corp Berhad

BMLR Transition Period

Date & Time: 2026-03-13_14:02:12

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Labour practices and standards	6(a) Total hours of training by employee category: Non-executive / Technical Staff	Hours	3,799	—	Internal
Labour practices and standards	6(a) Total hours of training by employee category: General Workers	Hours	5,980	—	Internal
Labour practices and standards	6(b) Percentage of employees that are contractors or temporary staff	Percentage	2	—	Internal
Labour practices and standards	6(c) Total number of employees turnover by employee category: Management	Number	0	—	Internal
Labour practices and standards	6(c) Total number of employees turnover by employee category: Executive	Number	16	—	Internal
Labour practices and standards	6(c) Total number of employees turnover by employee category: Non-executive / Technical Staff	Number	28	—	Internal
Labour practices and standards	6(c) Total number of employees turnover by employee category: General Workers	Number	71	—	Internal
Labour practices and standards	6(d) Number of substantiated complaints concerning human rights violations	Number	0	—	Internal
Supply chain management	7(a) Proportion of spending on local suppliers	Percentage	45	—	Internal
Data privacy and security	8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	Internal
Water	9(a) Total volume of water used	Megalitres	68.536	—	Internal

Dufu Technology Corp Berhad

BMLR Transition Period

Date & Time: 2026-03-13_14:02:12

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Waste management	10(a) Total waste generated	Metric tonnes	813	—	Internal
Waste management	10(a)(i) Total waste diverted from disposal	Metric tonnes	127	—	Internal
Waste management	10(a)(ii) Total waste directed to disposal	Metric tonnes	686	—	Internal
Emissions management	11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes CO2e	146.86	—	Internal
Emissions management	11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes CO2e	6,215.11	—	Internal
Emissions management	11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting	Metric tonnes CO2e	454.91	—	Internal

Corporate Governance Overview Statement

The Board of Directors ("the Board") of Dufu Technology Corp. Berhad ("Dufu" or "the Company") presents this statement to provide shareholders and investors with an overview of the Company's corporate governance practices under the Board's leadership during the financial year 2025 ("FY2025"). This overview is guided by the key corporate governance principles outlined in the Malaysian Code on Corporate Governance ("the Code" or "MCCG").

This statement is prepared in compliance with the Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and should be read in conjunction with the Corporate Governance Report 2025 of the Company ("CG Report"), which is available on the Company's website at www.dufutechnology.com/investor-relations/.

The CG Report provides detailed information on how the Company has implemented each practice set forth in the MCCG during FY2025.

Dufu and its subsidiaries ("Dufu Group") recognize the importance of adopting strong corporate governance practices and are committed to upholding the principles established in the MCCG. We strive to maintain high standards of corporate governance to protect the interests of our shareholders and relevant stakeholders while enhancing shareholder value.

The Board continues to take proactive steps to elevate the Group's corporate governance standards as outlined in the Code through the implementation of various measures over time.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITES

The Board is committed to ensuring the long-term success of the Company and delivering sustainable value to its stakeholders. In fulfilling its fiduciary duties and leadership responsibilities, the Board governs and sets the Company's strategic direction while exercising oversight of management. The Board will continue to establish a strong tone at the top, providing thought leadership and championing good governance and ethical practices throughout the Group.

Following the top-down strategic planning process, the Executive Directors periodically formulate the Group's strategy and communicate it throughout the organization for implementation. The Chairman will lead the Board in establishing and monitoring effective corporate governance practices by focusing on strategy, governance, and compliance.

The Company maintains a clear division of responsibilities between the Chairman and the CEO. Their roles are distinctly defined in the Board Charter, which serves as a primary resource for all Board members and management, outlining the fiduciary and leadership functions of the Board. The Charter also details the respective roles and responsibilities of the Board, Board Committees, individual directors, and management.

To assist in overseeing the Company's affairs, the Board has established various committees, each entrusted with specific responsibilities and authority. The powers and functions of these committees are clearly outlined in their respective Terms of Reference. The Board reviews its Charter periodically to ensure it aligns with regulatory changes and best practices, maintaining its relevance to the Board's strategic objectives and corporate governance standards. Additionally, the Board has implemented a Code of Conduct and Ethics ("CCE") that outlines standards of responsibility and promotes integrity and ethical conduct among Dufu's Directors and employees. The CCE covers areas such as managing conflicts of interest, preventing abuse of power, handling business gifts, insider trading, and money laundering. The Board has also established and reviewed policies and procedures for whistleblowing.

Copies of the Board Charter (last reviewed by the Board on 26 February 2026), CCE Policy and Whistleblowing Policy last reviewed by the Board on 26 February 2025 are available on the Company's website at www.dufutechnology.com/investor-relations/.

The Board has implemented the Group's Anti-Corruption and Bribery Policy, which outlines the Group's commitment to conducting business ethically and complying with applicable laws, including the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) ("MACC Act"). This policy provides guidance to Directors, employees, and business associates on recognizing and addressing potential acts of corruption and bribery that may arise in daily operations. Additionally, the Group's Charitable and Sponsorship Policy provides comprehensive guidelines for responding to requests for charitable donations, event sponsorships, and in-kind contributions, including an approval matrix for relevant personnel. Both the Anti-Corruption and Bribery Policy and the Charitable and Sponsorship Policy were last reviewed by the Board on 26 February 2025 and are available on the Company's website at www.dufutechnology.com/investor-relations/.

The Board is responsible for developing and driving ongoing sustainability programs that address the Environmental, Social, and Governance ("ESG") aspects of the business.

Corporate Governance Overview Statement (Cont'd)

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

I. BOARD RESPONSIBILITES (CONT'D)

The Risk Management and Sustainability Committee ("RMSC"), chaired by Independent Director Ms. Joyce Wong Ai May, comprised four Independent Directors, the Chief Executive Officer ("CEO"), and the Chief Financial Officer ("CFO"). Under her leadership, the RMSC played a pivotal role in overseeing the Group's sustainability initiatives, ensuring alignment with business strategies, risk management processes, and overall corporate objectives.

Following the retirement of Ms. Joyce Wong Ai May on 2 March 2025, Ms. Ng Phaik Lee was appointed as the new Chairperson of the RMSC. The Board remains confident that the Committee will continue to effectively address sustainability matters and uphold strong governance practices. The Board believes that this leadership transition will further enhance the Committee's effectiveness in integrating sustainability considerations into the Group's strategies, business plans, and risk management framework.

The RMSC continues to provide oversight and approval of strategic initiatives and policies related to the Group's sustainability agenda, reporting regularly to the Board. The Committee is supported by the Risk Management and Sustainability Working Group ("RMSWG"), led by the Group's CEO and comprising Department Heads from various divisions across the organization. Details of the Group's corporate sustainability efforts are presented in the Sustainability Statement.

Dufu's Board is supported by two Company Secretaries, both of whom have legal credentials and are qualified to serve under Section 235(2) of the Companies Act 2016. The Company Secretary plays a crucial advisory role, assisting the Board with statutory and regulatory requirements, particularly in corporate governance matters, and ensuring compliance with relevant laws and regulations.

The Company Secretary and management provide regular updates to the Board regarding training programs available from regulators and professional bodies.

During the financial year, current Board members have participated in the following training sessions:

Director	Date	Description
Dato' Lee, Hui-Ta also known as Li Hui Ta	25 November 2025	Business Continuity Management System ISO 22301:2019 Awareness Training
Wu, Mao-Yuan	25 November 2025	Business Continuity Management System ISO 22301:2019 Awareness Training
Tsai, Kun- Chang	22-23 September 2025	Mandatory Accreditation Programme Part II: Leading for Impact
Ng Phaik Lee	20-21 January 2025 7-8 October 2025 29 October 2025	Mandatory Accreditation Programme Part I Mandatory Accreditation Programme Part II: Leading for Impact Federation of Malaysian Manufacturing: Post Budget 2026 Outlook: Tax Updates and Insights for the Manufacturing Industries
Khaw Mui Suan	23-24 April 2025 7-8 October 2025	Mandatory Accreditation Programme Part I Mandatory Accreditation Programme Part II: Leading for Impact

Mr. Hsu, Shih-Mu, who was appointed as an Independent Director on 10 November 2025, did not attend any training in 2025, but has registered for the Mandatory Accreditation Programme (Part I), scheduled for the first quarter of 2026.

The Board's rights to access all information related to the Group, along with independent access to senior management for clarification and information necessary for fulfilling its duties, are detailed in the Board Charter. Additionally, the Charter allows Directors, individually or collectively, to seek and obtain independent professional advice, at the Company's expense, when necessary to effectively discharge their responsibilities.

Corporate Governance Overview Statement (Cont'd)

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

I. BOARD RESPONSIBILITES (CONT'D)

Directors have unrestricted access to senior management for updates or information about the Group. Senior management provides this information either personally or during meetings. The Board emphasizes the importance of timely and high-quality information from management to facilitate effective deliberation and decision-making. Generally, notices for Board meetings and respective Committee meetings are circulated seven (7) days prior to the meetings.

The Directors understand the time commitment required of them, which includes attending Board meetings, Board Committee meetings, and the Company's Annual General Meeting ("AGM"). To help them manage their schedules, Board meetings, Board Committee meetings, and the AGM for each financial year are scheduled in advance. The proposed timetable for Board meetings in 2026 was circulated on 28 October 2025.

The Board is satisfied with the time commitment demonstrated by the Directors in fulfilling their roles and responsibilities, as evidenced by their attendance at respective meetings during FY2025:

Director			Board Committees			Annual General Meeting
	Board	AC	NC	RC	RMSC	
Dato' Lee, Hui-Ta also known as Li Hui Ta	4/4	N/A	N/A	N/A	N/A	1/1
Wu, Mao-Yuan	4/4	N/A	N/A	N/A	N/A	1/1
Ng Phaik Lee	4/4	4/4	3/3	1/1	4/4	1/1
Tsai, Kun-Chang	4/4	4/4	3/3	1/1	4/4	1/1
Khaw Mui Suan [(1)]	4/4	4/4	3/3	1/1	4/4	1/1
Joyce Wong Ai May [(2)]	1/1	1/1	1/1	1/1	1/1	N/A
Yin, Chih-Chu also known as Laurence Yin [(3)]	4/4	4/4	3/3	1/1	4/4	1/1
Hsu, Shih-Mu [(4)]	N/A	N/A	N/A	N/A	N/A	N/A

Note:
[(1)] Appointed as Director on 17 February 2025.
[(2)] Retired on 2 March 2025.
[(3)] Retired on 10 November 2025.
[(4)] Appointed as Director on 10 November 2025.

II. BOARD COMPOSITION

To achieve the intended outcomes of the Code, the Board makes decisions objectively, prioritizing the best interests of the Company while considering diverse perspectives and insights. The Group has met most of the recommended practices outlined in the Code, as detailed in the CG Report 2025.

According to the Policy on the Independence of Directors, effective 25 February 2022, the tenure of an Independent Director shall not exceed a cumulative nine years and cannot be extended. The Board, through the Nominating Committee ("NC"), will begin the search for a replacement Independent Director before the end of the anticipated nine-year term, as it is not expected that any Independent Director will transition to a Non-Independent Director role.

The Board recognizes that diversity is essential for effective decision-making and sound governance. The Board Diversity Policy, effective from 25 February 2022, is available on the Company's website. This policy takes into account a broad range of diversity dimensions, including differences in thought, perspective, knowledge, skills, regional and industry experience, as well as cultural, geographical, age, ethnic, racial, and gender diversity when determining the optimal composition of the Board.

In accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board ensures the presence of at least one female director. Furthermore, the Malaysian Code on Corporate Governance ("MCCG") recommends a best practice target of 30% female representation on the Board.

Through continuous efforts to identify and appoint qualified female directors with the requisite expertise and experience, the Board successfully achieved the 30% female representation target following the appointment of its second female director on 17 February 2025. This milestone underscores the Group's ongoing commitment to fostering inclusivity, enhancing Board effectiveness, and strengthening corporate governance practices.

Corporate Governance Overview Statement (Cont'd)

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

II. BOARD COMPOSITION (CONT'D)

Selection of candidates for Senior Management positions will also reflect a diverse range of perspectives, including gender, age, cultural and educational background, professional experience, skills, and knowledge. All decisions related to career advancement such as promotions, transfers, and other assignments will be based on merit, skills, performance, and contributions, regardless of age, gender, or ethnicity.

The NC conducts an annual assessment of the Board's size and composition. Based on this assessment, the NC is satisfied that the Board comprises a diverse mix of qualified and experienced directors, which enhances its effectiveness. The combination of professionals with varied backgrounds and expertise in finance and corporate affairs enables the Board to fulfil its responsibilities efficiently and effectively.

During the year, there were changes in the composition of the Board, including the appointment of new directors in place of the retiring Director in line with the Group Policy on the Independence of Directors. These changes reflect the Board's commitment to continuous renewal and succession planning while maintaining the right balance of skills, experience, and diversity. Despite these transitions, the NC is confident that the Board remains well-equipped to provide strategic leadership and oversight to the Group.

The skill sets and diversity of the current Board are as follows:

			Industry / Background Experience											
									Age		Ethic		Gender	
Directors	Nationality	Designation	Technology	Marketing	Industrial	Corporate	Accounting / Finance	Law / legal	50 – 59 years	60 – 69 years	Chinese	Foreigner	Male	Female
Dato Lee, Hui-Ta also known as Li Hui Ta	Taiwanese	Executive Chairman	√	√	√	√	√			√		√	√	
Wu, Mao-Yuan	Taiwanese	Executive Director	√	√	√	√				√		√	√	
Ng Phaik Lee	Malaysian	Independent Non-Executive Director	√	√	√	√	√		√		√			√
Tsai, Kun-Chang	Taiwanese	Independent Non-Executive Director	√	√	√	√	√			√		√	√	
Khaw Mui Suan	Malaysian	Independent Non-Executive Director		√		√	√	√	√		√			√
Hsu, Shih-Mu	Taiwanese	Independent Non-Executive Director	√	√	√	√	√			√		√	√	

Corporate Governance Overview Statement (Cont'd)

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

II. BOARD COMPOSITION (CONT'D)

The activities carried out by the Nominating Committee ("NC") during FY2025 to fulfil its functions include:

- Reviewing the structure, size, and diversity of the Board, considering factors such as gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, and length of service;
- Assessing the training needs of the Directors;
- Evaluating the suitability and eligibility of candidates nominated to fill Board vacancies for a replacement of Independent Director before the end of the anticipated nine-year term for Board approval; and
- Conducting a review of the independence of Independent Directors.

III. REMUNERATION

The Board has established the Remuneration Committee ("RC"), comprising Independent Non-Executive Directors, to assist in developing formal and transparent policies and procedures on remuneration. The objective is to attract, motivate, and retain Directors and key Senior Management to drive the Company's long-term success.

The RC is responsible for reviewing, determining, and recommending appropriate remuneration packages for Executive Directors, the Chief Executive Officer ("CEO"), and Senior Management. The current remuneration framework comprises a basic salary and variable performance-based incentives, designed to remain competitive within the industry and aligned with the Group's performance objectives.

The Board formalised its remuneration policies and practices on 25 February 2022 with subsequent update on 26 February 2026, and the Directors' and Senior Management Remuneration Policies are publicly available on the Company's website at www.dufutechnology.com/investor-relations/.

Remuneration for Directors and Senior Management is determined with due consideration of the scope, complexity, and performance of the Company and the Group, as well as the skills, experience, and responsibilities of the individuals concerned. The Group's remuneration policies and decisions are made through a transparent and independent process, and are periodically reviewed to ensure continued competitiveness and alignment with the Company's business strategy and long-term objectives.

Corporate Governance Overview Statement (Cont'd)

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

III. REMUNERATION (CONT'D)

The aggregate remuneration of Directors for FY2025, categorized into appropriate components, is as follows:

Category	Fee	Salaries	Bonus	Allowances	Share-based payments	Benefits-in-kind	Total
	RM	RM	RM	RM	RM	RM	RM
Executive Directors							
Dato' Lee, Hui-Ta also known as Li Hui Ta							
- Company	42,000	-	-	6,000	-	-	48,000
- Subsidiaries	-	818,976	179,658	-	-	15,500	1,014,134
	42,000	818,976	179,658	6,000		15,500	1,062,134
Wu Mao-Yuan							
- Company	42,000	-	-	6,000	-	-	48,000
- Subsidiaries	-	601,998	146,567	-	24,303	-	772,868
	42,000	601,998	146,567	6,000	24,303	-	820,868
Total Executive Directors							
- Company	84,000	-	-	12,000	-	-	96,000
- Subsidiaries	-	1,420,974	326,225	-	24,303	15,500	1,787,002
	84,000	1,420,974	326,225	12,000	24,303	15,500	1,883,002
Non-Executive Directors							
- Company							
Tsai Kun-Chang	36,000	-	-	6,000	-	-	42,000
Ng Phaik Lee	55,871	-	-	9,000	-	-	64,871
Khaw Mui Suan (Appointed on 17 February 2025)	31,286	-	-	6,000	-	-	37,286
Hsu, Shih-Mu (Appointed on 10 November 2025)	5,000	-	-	-	-	-	5,000
Joyce Wong Ai May (Retired on 2 March 2025)	11,355	-	-	2,500	-	-	13,855
Yin, Chih-Chu also known as Laurence Yin (Retired on 10 November 2025)	36,166	-	-	6,000	-	-	42,166
	175,678	-	-	29,500	-	-	205,178
Non-Executive Directors							
- Subsidiaries							
Yin, Chih-Chu also known as Laurence Yin	-	42,719	-	-	-	-	42,719
Total							
- Company	259,678	-	-	41,500	-	-	301,178
- Subsidiaries	-	1,463,693	326,225	-	24,303	15,500	1,829,721
	259,678	1,463,693	326,225	41,500	24,303	15,500	2,130,899
Group Chief Executive Officer							
Teoh Chiew Hong							
- Company	-	-	-	-	-	-	-
- Subsidiaries	-	422,644	248,244	2,520	24,303	9,900	707,611
	-	422,644	248,244	2,520	24,303	9,900	707,611

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

The Audit Committee ("AC") comprises Independent Non-Executive Directors only, with a Chairman who is not the Chairman of the Board. This composition complies with the requirements of Paragraphs 15.09(1)(a) and (b) of the Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad.

To uphold the integrity and independence of the Committee, the Board has implemented a policy requiring a former key audit partner to observe a cooling-off period of at least three financial year-ends before being eligible for appointment as a member of the AC. The AC has also adopted a Policy for the Assessment of the Suitability and Independence of External Auditors, which is guided by the relevant provisions of the Main LR and the Auditors Independence Policy. This policy ensures a rigorous and transparent evaluation process in maintaining auditor objectivity and independence.

II. Risk Management and Internal Control Framework

The Board assumes overall responsibility for maintaining a robust system of risk management and internal control across the Group. This framework is designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, compliance with applicable laws and regulations, and adherence to internal policies and procedures in pursuit of the Group's corporate objectives.

The Audit Committee ("AC") supports the Board in reviewing the adequacy and effectiveness of the Group's risk management and internal control systems. This is facilitated through an independent outsourced internal audit function, which conducts regular audits and reports its findings to the AC. The reports include agreed-upon remedial actions and improvement plans proposed by Management to address identified issues.

To further strengthen governance, the Risk Management and Sustainability Committee ("RMSC") assists the Board in overseeing the risk management framework and related policies. Meanwhile, Management of the respective business units and subsidiaries is responsible for identifying, assessing, and managing business risks including the development, implementation, monitoring, and mitigation of measures to ensure risks remain within acceptable levels.

Comprehensive details of the Group's risk management framework, key activities undertaken during the financial year, and the risk reporting process are presented in the Statement on Risk Management and Internal Control contained in this Annual Report.

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

I. Communication with Stakeholders

Dufu is committed to maintaining continuous and effective communication with its stakeholders to foster mutual understanding of each party's objectives, expectations, and concerns. The Board and Management actively engage with shareholders and other stakeholders through various channels to ensure transparency and accountability.

Current modes of communication include:

(i) Bursa Malaysia Securities Berhad ("Bursa Securities") website – Announcements, disclosures, and corporate information are made available in accordance with regulatory requirements.
(ii) Company website and investor relations channel – Updated information on the Group's business activities, financial performance, and corporate governance matters is accessible to the public.
(iii) Analyst briefings and direct correspondence – Regular interactions are conducted with analysts, investors, and other stakeholders to provide updates on the Group's performance and strategic direction.

Corporate Governance Overview Statement (Cont'd)

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

II. Conduct of General Meetings

Dufu's Annual General Meeting ("AGM") serves as a key platform for the Board of Directors and Senior Management to engage directly with shareholders. It provides shareholders with the opportunity to participate, seek clarifications, and make informed voting decisions on matters presented at the meeting.

In line with best corporate governance practices, the Notice of AGM is circulated to shareholders at least 28 days prior to the meeting. This advance notice allows shareholders sufficient time to review the agenda and make the necessary arrangements to attend and participate whether in person, through a corporate representative, by proxy, or by attorney.

The 23rd AGM was convened on 6 May 2025, at the Spice Convention Centre, in Penang, Malaysia. The venue was selected for its accessibility, being located near the Penang International Airport and within convenient driving distance from the Penang Island city centre.

Following the formal proceedings, the Board hosted an interactive Q&A session, during which all Directors were present to address shareholders' questions and provide insights on the Group's performance and strategies.

While Practice 13.3 encourages the use of technology to facilitate voting in absentia and remote shareholder participation at General Meetings, the Board has carefully evaluated this approach and concluded that, given the current number and geographical distribution of shareholders, implementing remote or hybrid meetings would not be cost-effective at this stage.

Nevertheless, the Board recognizes the advantages of enabling voting in absentia and remote participation and remains open to adopting such mechanisms in the future as the Company's shareholder base and requirements continue to evolve.

This Statement is made in accordance with the resolution of the Board of Directors dated 25 March 2026.

Audit Committee Report

The Board of Directors ("the Board") presents the Audit Committee ("AC") report, which provides insights into how the AC fulfilled its responsibilities for the Group in the financial year ended 31 December 2025 ("FY2025").

Introduction

The AC was established to assist the Board in meeting its oversight responsibilities. The AC is committed to ensuring the integrity of the Group's financial reporting process, monitoring risk management and internal control systems, overseeing both external and internal audit processes, ensuring compliance with legal and regulatory requirements, and addressing other matters specifically delegated to the AC by the Board.

Composition and Meeting

During the period from January 2025 to February 2025, the Audit Committee ("AC"), chaired by Ms. Joyce Wong Ai May, provided strong leadership in guiding the Committee's oversight of the Company's financial reporting and internal control processes.

Following Ms. Wong's retirement on 2 March 2025, Ms. Ng Phaik Lee assumed the role of Chairman of the AC. During the year, there were changes to the composition of the Committee, as reflected in the records of AC meeting attendance. The current members of the AC are as follows:

- Chairman: Ng Phaik Lee
- Members:
  - Tsai, Kun-Chang
  - Khaw Mui Suan
  - Hsu, Shih-Mu (Appointed on 10 November 2025)
  - Yin, Chih-Chu also known as Laurence Yin (Retired on 10 November 2025)

The current composition of the AC consists of four (4) members, all of whom are Independent Non-Executive Directors. This structure continues to meet the requirements outlined in paragraph 15.09(1)(a) and (b) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Main LR").

Ms. Ng Phaik Lee, the AC Chairman, graduated from Nottingham Trent University, United Kingdom with a Master of Business Administration. She is a chartered accountant and a member of the Malaysian Institute of Accountants as well as a Fellow of the Chartered Certified Accountant ("FCCA"). Her qualifications meet the requirement of paragraph 15.09(1)(c) of the Main LR, which stipulates that at least one member of the AC must be a qualified accountant. Both Mr. Tsai, Kun-Chang and Mr. Hsu, Shih-Mu bring substantial expertise in both the financial and industrial sectors by virtue of their respective occupations and extensive working experience. With the addition of Ms. Khaw Mui Suan, a corporate lawyer by profession, her expertise in regulatory compliance and corporate law further strengthens and compliments the financial focus of the AC. All AC members are financially literate and proficient in analyzing and interpreting financial statements effectively.

On 26 February 2026, the Board assessed the performance of the AC and its members through an annual committee effectiveness evaluation. The Nominating Committee concluded that the AC and its members had fulfilled their functions and responsibilities in accordance with the AC's Terms of Reference, supporting the Board in upholding appropriate corporate governance standards.

During the FY2025, the AC held four (4) meetings and the records of the attendance of AC members (within the tenure of their appointment) are as follows:

Directors	Designation	No. of AC Meetings attended	%
Ng Phaik Lee [(1)]	Chairman	4	100
Tsai, Kun-Chang	Member	4	100
Khaw Mui Suan [(2)]	Member	4	100
Hsu, Shih-Mu [(3)]	Member	N/A	N/A
Joyce Wong Ai May [(4)]	Chairman	1	100
Yin, Chih-Chu also known as Laurence Yin [(5)]	Member	4	100

Note:
(1) Appointed as a Member on 8 October 2024 and re-designated as Chairman of the AC on 2 March 2025.
(2) Appointed on 17 February 2025.
(3) Appointed on 10 November 2025.
(4) Retired on 2 March 2025.
(5) Retired on 10 November 2025.

Audit Committee Report (Cont'd)

Composition and Meeting (Cont'd)

The AC meetings were of adequate length to address the agenda and foster meaningful discussion on emerging issues. The AC conducted its meetings in an open and constructive manner, encouraging focused discussions, questions, and diverse opinions. The External Auditors and Internal Auditors attended AC meetings to present their reports, and relevant personnel were invited to brief the AC on specific issues as needed. The Chief Financial Officer presented the unaudited quarterly financial statements and related financial matters for the AC's deliberation and recommendation to the Board. The Group Chief Executive Officer provided updates on the Group's outlook and operations when appropriate.

At each meeting, the AC Chairman reported the deliberations and recommendations to the Board. Minutes of each AC meeting were recorded and presented for confirmation at the subsequent AC meeting before being submitted to the Board for notation.

Summary of Activities

In discharging its functions, the AC is guided by the Terms of Reference approved by the Board, which align with the provisions of the Main LR, the Malaysian Code on Corporate Governance ("MCCG"), and other best practices.

The activities of the AC for FY2025 are summarized as follows:

Financial Reporting

The AC reviewed the Group's fourth quarterly financial statements and draft financial statements for FY2024 on 26 February 2025. Additionally, the AC reviewed and recommended the first, second, and third quarterly financial statements of the Group for FY2025 during meetings held on 6 May 2025, 29 July 2025, and 28 October 2025, respectively. Subsequent to the FY2025, the AC reviewed the Group's fourth quarterly financial statements and draft financial statement for FY2025 on 26 February 2026 and recommended the same for approval at the forthcoming Board of Directors' Meeting.

The AC was satisfied that these quarterly financial statements complied with Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting, as well as IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board and the Main LR.

External Auditors

On 26 February 2025, the AC met with the External Auditors without the presence of Executive Directors and Management to understand the audit progress of the Company and Group's financial statements for FY2024 and to discuss the outstanding audit areas as summarized in the Audit Review Memorandum. In compliance with ISA 701: Communicating Key Audit Matters ("KAM") in the Independent Auditor's Report, the External Auditors highlighted the identified KAM and the audit procedures used to address them for the AC's reference. The AC also discussed audit issues raised by the External Auditors and the necessary action plans to address them.

During this meeting, the AC inquired whether the External Auditors encountered any issues that could hinder their work and required the AC's attention. The External Auditor, Messrs. Crowe Malaysia PLT ("Crowe"), reported full cooperation from Management during the audit.

On 26 February 2025, the AC recommended the re-appointment of Crowe as the External Auditors for the ensuing financial year ending 31 December 2025, which was subsequently approved by shareholders at the Annual General Meeting on 6 May 2025.

On 28 October 2025, the External Auditors presented the Audit Plan prior to commencing the audit for FY2025, outlining the audit approach, areas of emphasis, and updates on new accounting standards. The External Auditors confirmed their compliance with independence requirements as per their firm's policies and the provisions of the By-Laws of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics.

The AC noted key changes in financial reporting standards relevant to the Group and deliberated on areas requiring improvement to facilitate a smooth audit process.

During FY2025, the AC held two private meetings with the External Auditors on 26 February 2025 and 28 October 2025 respectively, without the presence of Executive Directors or Management, to reinforce the independence of the external audit function.

On 26 February 2026, the AC assessed the suitability and independence of the External Auditors, considering factors such as the firm's experience, resources, independence, audit fees, the Crowe Transparency Report 2025, and the extent of non-audit services rendered. The Board maintains a transparent relationship with the External Auditors.

Based on the assessment, the AC recommended the re-appointment of Crowe as the External Auditors for the year ending 31 December 2026, having been satisfied with their independence and performance during FY2025.

Audit Committee Report (Cont'd)

Internal Audit Function

The AC is responsible for reviewing and monitoring the adequacy and effectiveness of the Group's internal control systems through the internal audit function.

The Company outsourced its Internal Audit functions to Eco Asia Advisory Sdn. Bhd. ("Eco Asia"), an independent professional firm, for FY2025. During the year, Eco Asia conducted three (3) audit assignments comprising six (6) operating cycles per the audit plan and also the review of the Group's sustainability statement. Additionally, Eco Asia performed a limited review of the sustainability statement for inclusion in the Group's Annual Report FY2025. The Internal Auditors reported their findings to the AC on a quarterly basis.

On 26 February 2025, the Internal Audit Plan for the year was presented to the AC for review and approval. The AC approved the plan, which was developed based on Eco Asia's methodology focusing on the Group's core business processes, incorporating feedback from the Committee and advice from the Internal Auditors. The findings of internal audits, including recommendations from the Internal Auditors and Management's responses, are reported directly to the AC. The AC directed Management to rectify and enhance control and workflow procedures based on the Internal Auditors' recommendation when appropriate.

The AC also followed up on updates and corrective actions taken by Management regarding weaknesses reported in prior quarters.

Risk Management and Internal Control

On 26 February 2026, the AC reviewed the Statement on Risk Management and Internal Control for inclusion in this Annual Report. The AC believes that the resources allocated in FY2025 were adequate for an effective internal audit function.

Others

On 26 February 2025, the AC reviewed and verified the allocation of options pursuant to the Employees' Share Option Scheme ("ESOS") for FY2024 and satisfied that it is in compliance with the criteria set out in the By-Laws and the provision of the Scheme.

The AC reviewed the Conflict of Interest (COI) situation that arose, persist or may arise within the Group. During FY2025, apart from COIs reported due to declaration of familial relationship, the AC was satisfied that no COI situation that arose, persist or may arise including any interest in competing business involving directors, key senior management and legal representative.

This Statement is made in accordance with the resolution of the Board of Directors dated 25 March 2026.

Statement on Risk Management and Internal Control

Introduction

The Malaysian Code on Corporate Governance requires the Board of Directors ("Board") to establish a robust risk management framework and internal control system to safeguard shareholders' investments and the Group's assets. According to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of listed issuers must include a statement on the Group's internal control status in its Annual Report. The Board acknowledges its responsibility for, and the importance of, maintaining a sound system of Risk Management and Internal Controls. Below is the Board's Statement on Risk Management and Internal Control, which provides an overview of the Group's Risk Management and Internal Control system.

Board Responsibility

The Board affirms its overall responsibility for maintaining a sound system of internal controls and risk management for the Group. It recognizes the importance of this system, which encompasses not only financial risks but also operational, compliance, and integrity risks, along with the relevant controls designed to manage these risks systematically and continuously. Given the inherent limitations of any internal control and risk management system, the current framework is designed to manage risks within tolerable and acceptable limits efficiently, rather than completely eliminate the possibility of failing to achieve the Group's business objectives. While the system provides reasonable assurance against material misstatements, financial losses, defalcations, or fraud, it does not offer absolute assurance. The Audit Committee, Risk Management and Sustainability Committee, and Investment Committee have been entrusted with assisting the Board in fulfilling its fiduciary duties related to the management of principal risks and internal controls.

- **Audit Committee ("AC")**
  The AC, composed solely of Independent Non-Executive Directors, assists the Board in obtaining assurance regarding the adequacy and effectiveness of the Group's Risk Management and Internal Control systems. This is achieved through ongoing, independent reviews conducted by the internal audit function.

- **Risk Management and Sustainability Committee ("RMSC")**
  The RMSC consists of four (4) Independent Non-Executive Directors, the Group Chief Executive Officer, and the Chief Financial Officer. It has been established to oversee risk management and sustainability matters in an integrated manner within the Group. Led by Independent Non-Executive Director, Ms. Ng Phaik Lee, the RMSC's primary responsibilities include assisting the Board in identifying principal risks related to business sustainability strategies and ensuring the implementation of action plans, as well as adherence to appropriate risk mitigation and sustainability efforts within the Group.

- **Investment Committee ("IVC")**
  The Investment Committee ("IVC"), which is comprised primarily of Independent Non-Executive Directors, is entrusted with the authority to review, deliberate, and approve the acquisition or disposal of investments or assets for the Group.

This statement does not cover associate companies over which the Group does not have direct control. However, the Board has appointed representatives to the boards of these associate companies to oversee their operations and to provide updates on key matters and significant information to the Board.

KEY COMPONENTS OF INTERNAL CONTROL PROCESSES

Risk Management Framework

The Board has implemented a risk management framework and an ongoing process to assess various types of risks that may impact the profitable operation of the Group's business. These risks include strategic, operational, financial, and project risks. The Group's risk management objectives are outlined as follows:

(a) to assess the principal risks faced by the Group in its business operations and implement appropriate internal control systems to mitigate these risks;

(b) to review the adequacy and integrity of internal controls in compliance with guidelines, laws, and regulations, and to adapt to changes in the business environment as needed;

(c) to evaluate business decisions against the philosophy that business risks are necessary if the associated rewards are expected to enhance shareholder value;

(d) to ensure that risks with significant potential impact on the Group are identified and addressed promptly; and

(e) to provide assurance regarding the Group's compliance with regulatory requirements and the effectiveness of its policies and procedures.

Statement on Risk Management and Internal Control (Cont'd)

KEY COMPONENTS OF INTERNAL CONTROL PROCESSES (CONT'D)

Risk Management Framework (Cont'd)

As part of the Group's Risk Management Framework, the Risk Management and Sustainability Working Group ("RMSWG") and the RMSC have been established. The RMSWG is responsible for conducting periodic reviews, assessments, and updates of the Risk Register during its quarterly meetings. The Group continues to enhance its Enterprise Risk Management ("ERM") system, which is a systematic and ongoing process for identifying, assessing, responding to, and monitoring risks.

The RMSWG is led by the Group CEO, with the CFO serving as Secretary and Department Heads as members. The RMSWG identifies major business and compliance risks within their respective units, ensuring that risk management is integrated into business processes to protect the Group's interests across seventeen (17) risk areas, including Purchasing, Sales and Marketing, Conversion and Production, Management Information Systems, Human Resource Management, Cash Management, Finance and Corporate, Inventory Management, Asset Management, Anti-Corruption and Bribery Management, Logistics, General Safety and Security, Intellectual Property, External Environment, Climate Change Management, Product and Process Development, and Quality Systems.

The risks are identified and assessed using the following methodologies:

- Identification of risks by process owners;
- Assessment of the likelihood and impact of identified risks;
- Evaluation of control strategies related to these risks;
- Formulation of action plans to address control deficiencies; and
- Establishment of Key Risk Indicators to monitor risks.

A formal database of risks and controls resulting from the quarterly risk assessment will be captured in the Risk Register format. Identified risks are assessed and rated as low, moderate, significant, or high, based on the severity of consequences, likelihood of occurrence, and financial impact on the Group's cash flow and profit. The CFO, along with the respective risk profile owners when applicable, will present the Group's Risk Report and provide updates to the RMSC quarterly regarding the status of the Group's ERM process, changes in risk profiles, and the controls currently in place.

Board Meetings

The Board meets at least quarterly and follows a formal agenda for discussions. The Executive Chairman leads the presentation of board papers, while the Executive Director, when applicable, provides explanations of pertinent issues. Additionally, the Group CEO or Executive Director updates the Board on key business and operational matters, such as product performance, growth, business plans, corporate affairs, and future prospects. Before making any decisions based on Management's recommendations, the Board engages in thorough deliberation and discussion.

Organizational Structure

There is a clearly defined organizational structure with established lines of job responsibilities and delegation of authority. This structure helps ensure effective communication of risk control objectives and establishes authority and accountability in line with Management criteria.

Additionally, committees composed predominantly of non-executive directors such as the AC, Remuneration Committee, Nominating Committee, RMSC, and IVC have defined terms of reference and functions, providing essential support to the Board.

Internal Policies and Procedures

Internal policies and procedures have been developed throughout the Group and are updated regularly to reflect changes in systems, the work environment, and guidelines. As a testament to our commitment, the Group's Standard Operating Procedures (SOPs) align with and adhere to the Responsible Business Alliance (RBA) standards, EMS 14001 Environmental Management System, ISO 45001:2018 Occupational Health and Safety Management System, as well as Quality Management System ISO 9001:2015 and IATF 16949:2016 accreditations.

Additionally, documented Limits of Approving Authority are established for key business areas. This framework ensures clear authority and accountability within the organization, facilitating appropriate corporate decision-making at all levels of the hierarchy. The delegation of authority is subject to periodic reviews to ensure its effectiveness and continued alignment with the Group's business objectives and operational needs.

Statement on Risk Management and Internal Control (Cont'd)

KEY COMPONENTS OF INTERNAL CONTROL PROCESSES (CONT'D)

Performance Management Framework

Management reports are generated regularly to assist the Board and the Group's Management in conducting financial and operational reviews of various business units. These reviews encompass financial and non-financial Key Performance Indicators (KPIs), variances between standard and actual results, and compliance with laws and regulations. KPI meetings, chaired by the Group CEO, include Senior Management, Department Heads, and supporting staff, and are held monthly to assess the performance and risks of different business units. Additionally, an annual "Management Review" meeting provides an overview of key business operations results for the year.

Internal Audit

The AC is responsible for reviewing and monitoring the adequacy and effectiveness of the Group's internal control system through the internal audit function. This function helps the AC achieve the following objectives:

- assess and report on the effectiveness of the risk management and internal control systems;
- assess and report on the reliability of systems and reporting information;
- evaluate the operational efficiency of various business units and departments within the Group and identify potential cost-saving opportunities where applicable; and
- review compliance with Group policies, standing instructions, guidelines requested by Management, and relevant laws and regulations.

Since 2018, the Company has outsourced its internal audit functions to Eco Asia Advisory Sdn. Bhd. ("Eco Asia"), an independent professional firm. During the financial year ended 31 December 2025 ("FY2025"), Eco Asia conducted three audit assignments covering six operating cycles within the Group and also performed a limited verification on the Company's Sustainability Statement for the inclusion of this Annual Report, in accordance with their audit plan tabled and approved during the AC Meeting held on 26 February 2025. The Internal Auditors provide their findings and reports to the AC on a quarterly basis. The Internal Audit Review Report for FY2025 prepared by Eco Asia included reviews of the Company ("DTC") and the Group's three subsidiaries: Dufu Industries Sdn Bhd ("DISB"), Guangzhou Futron Technology Co., Ltd ("Futron") and Dufusion Sdn Bhd ("Dufusion"), focusing on the following areas:

- Anti-Bribery and Anti-Corruption Policy - DTC
- Quality Assurance - DISB
- General Safety and Security - Futron
- Human Resources Management - Futron
- Conversion and Production – Dufusion
- Quality Assurance – Dufusion
- Sustainability Statement - Group

The findings of internal audits, including recommendations made by the Internal Auditors and Management's responses, are reported directly to the AC. When appropriate, the AC directs Management to rectify and improve control and workflow procedures based on the Internal Auditors' recommendations.

Additionally, the AC periodically follows up on updates and corrective actions taken by Management regarding previously reported weaknesses.

The total cost incurred for the Internal Audit function in FY2025 was RM100,548.

On 26 February 2026, the Internal Audit Plan for 2026 was presented to the AC for review and approval. The AC evaluated the plan, developed using Eco Asia's methodology, which focuses on the Group's core business processes. The AC approved the plan after incorporating comments from the Committee and advice from the Internal Auditors.

Statement on Risk Management and Internal Control (Cont'd)

REVIEW OF THIS STATEMENT

The Internal Auditor has reported to the AC that all internal control weaknesses identified during the FY2025 audit assignments have been, or are being, addressed, and that none of these weaknesses have resulted in any material losses, contingencies, or uncertainties requiring disclosure in the Company's Annual Report.

The Board has received assurance from the Group CEO and the Chief Financial Officer that the Group's Risk Management and Internal Control system is operating adequately and effectively in all material aspects.

In accordance with Paragraph 15.23 of the Bursa Malaysia Securities Berhad Listing Requirements, the External Auditors have reviewed this Statement for inclusion in the 2025 Annual Report. As outlined in their terms of engagement, the limited assurance review was conducted following the Malaysian Approved Standards on Assurance Engagements, ISAE 3000 (Revised), and Audit and Assurance Practice Guide 3, which provides guidance for auditors on engagements to report on the Statement on Risk Management and Internal Control included in the Annual Report.

Based on their review, the External Auditors reported to the Board that nothing came to their attention that would lead them to believe that this Statement, intended for inclusion in the Annual Report, is not prepared in all material respects according to the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is it factually inaccurate.

The Board believes that the Enterprise Risk Management system and internal controls in place for FY2025 and up to the date of this report's approval are sound and sufficient to safeguard shareholders' investments and the interests of customers, regulators, employees, and other stakeholders of the Group.

This Statement is made in accordance with the resolution of the Board of Directors dated 25 March 2026.

Additional Compliance Information

1. Utilisation Of Proceeds

During the financial year, there were no proceeds raised by the Company from any corporate proposals.

2. Audit And Non-Audit Fees

The amount of audit and non-audit fees incurred for services rendered to the Company and its subsidiaries for the financial year ended 31 December 2025 ("FY2025") by the Company's Auditors, or a firm or company affiliated to the Auditors' firm are as follows:-

Category	Audit Fees (RM)	Non-Audit Fees* (RM)
Company	150,000	13,000
Subsidiaries	134,000	24,750
Total	284,000	37,750

* The non-audit services rendered are in connection with income tax compliance and advisory matters, due diligence works rendered on business acquisitions, and other assurance related matters.

3. Employee Share Scheme

The shareholders of the Company, by a resolution passed at the extraordinary general meeting held on 12 June 2019, approved the Company's Employees' Share Option Scheme ("ESOS"). The ESOS became effective on 17 June 2019 for a period of 5 years. On 8 May 2024, the Board of Directors approved the extension of the ESOS for a further period of 5 years from 17 June 2024 to 16 June 2029 in accordance with terms of the By-Laws. The features of the ESOS are disclosed in Note 19 to the financial statements.

The share options granted and exercise price since the effective date of the ESOS to each category of employees are as follows:

	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
Grant date	1.7.2019	6.10.2021	1.3.2022	19.12.2023	6.11.2024	17.9.2025
Exercise Price (RM)	1.39	3.78	2.57	1.64	1.55	1.05
Number of Options granted by category						
Director	860,000	98,500	170,000	250,000	250,000	250,000
CEO	1,075,000	120,000	212,000	250,000	250,000	250,000
Senior Management	1,719,000	242,000	292,000	350,000	380,000	363,000
Managers	3,593,000	436,000	813,500	1,628,400	1,725,000	1,515,000
Executives	1,785,000	309,000	612,500	1,221,600	1,395,000	1,622,000
Total	9,032,000	1,205,500	2,100,000	3,700,000	4,000,000	4,000,000

Additional Compliance Information (Cont'd)

3. Employee Share Scheme (Cont'd)

The movement in the total number of aggregate options by each category of employees during the financial year are follows:

		← Options Granted →			← Options Exercised →				
Category	**Balance at 1 January 2025**	**Number**	**%**	**Number of employees**	**Exercised**	**%**	**Number of employees**	**Lapse / Forfeited**	**Balance at 31 December 2025**
Director	518,500	250,000	6.2	1	-	-	-	-	768,500
CEO	666,000	250,000	6.2	1	-	-	-	-	916,000
Senior Management	1,026,000	363,000	9.1	2	-	-	-	-	1,389,000
Managers	2,976,000	1,515,000	37.9	25	(443,000)	95.0	5	-	4,048,000
Executives	2,762,000	1,622,000	40.6	99	(23,500)	5.0	2	(342,000)	4,018,500
Total	7,948,500	4,000,000	100	128	(466,500)	100	7	(342,000)	11,140,000

Under the Company's ESOS, no more than 50% of the total options available under the scheme may be allocated, in aggregate, to Executive Directors and Senior Management. During the year, 21.6% of the available options were granted, while 33.4% have been granted to the Executive Directors and Senior Management since the scheme's inception.

4. Disclosure of Financial Data for Shariah Screening

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

(a) Group Total Income and Total Assets

	Group	
	2025	**2024**
Total Income	**RM**	**RM**
Revenue	276,994,467	259,598,504
Other Income	7,145,829	10,457,532
Share of associate's profit	-	71,668
Total	**284,140,296**	**270,127,704**
Total Assets	**448,252,183**	**447,298,290**

(b) Business Activities

	Group	
	2025	**2024**
Shariah Non-Compliant Activities	**RM**	**RM**
Interest Income	1,914,579	2,234,914
Total	**1,914,579**	**2,234,914**

Additional Compliance Information (Cont'd)

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

(c) Component of Financial Position

(i) Cash Component

	Group	
	2025	2024
	RM	RM
Islamic Account/ Instruments		
Cash at bank	114,583	2,000,711
Total cash	**114,583**	**2,000,711**
Conventional Account/ Instruments		
Cash at bank	100,592,554	88,038,361
Money market instruments	10,800,000	8,500,000
Short-term funds	2,042,632	3,055,714
Total cash	**113,435,186**	**99,594,075**

(ii) Debt Component

	Group	
	2025	2024
	RM	RM
Conventional Borrowing		
Current		
Banker's acceptances	-	5,000,000
Term loans	10,615,761	12,131,669
Non-Current		
Term loans	43,023,682	46,676,358
Total debt	**53,639,443**	**63,808,027**

MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

There were no material contracts entered into by the Company and its subsidiaries involving the Directors, Chief Executive Officer (who is not a director or major shareholders) and Major Shareholders' interests, either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

Statement On Directors' Responsibilities

Pursuant to Paragraph 15.26(a) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad

The Directors are required to prepare financial statements that give a true and fair view of the state of affairs, including the cash flows and results, of the Group and of the Company as at the end of each financial year.

In preparing these financial statements, the Directors have considered the following:

- That the Group and the Company have used appropriate accounting policies, and these are applied consistently
- That reasonable and prudent judgements and estimates were made
- That the approved accounting standards in Malaysia have been adopted
- That the financial statements have been prepared on a going concern basis

The Directors are responsible for ensuring that the Company and subsidiaries maintain proper accounting records which disclose with reasonable accuracy the financial positions of the Group and of the Company, and which enable them to ensure that the financial statements comply with the Companies Act 2016.

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

This statement is made in accordance with the resolution of the Board of Directors dated 25 March 2026.

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Directors' Report

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

Principal activities

The principal activity of the Company is that of investment holding. The principal activities and other details of the subsidiaries are disclosed in Note 7 to the financial statements.

Results

	Group RM	Company RM
Profit/(Loss) for the financial year attributable to:		
- Owners of the Company	28,073,357	23,227,301
- Non-controlling interests	(127,479)	0
	27,945,878	23,227,301

Dividends

During the financial year, the Company paid the following dividends:

	RM
Final single tier dividend of 2.00 sen per share in respect of the financial year ended 31 December 2024	10,651,865
Interim tax exempt dividend of 1.50 sen per share in respect of the financial year ended 31 December 2025	7,988,899
	18,640,764

A final tax exempt dividend of 2.00 sen per share in respect of the financial year ended 31 December 2025 will be proposed for shareholders' approval at the forthcoming annual general meeting.

Reserves and provisions

All material transfers to or from reserves or provisions during the financial year have been disclosed in the financial statements.

Issue of shares or debentures

During the financial year, the Company issued 466,500 new ordinary shares at RM1.55 per share pursuant to its Employees' Share Option Scheme ("ESOS").

The Company did not issue any debentures during the financial year.

Share options

The shareholders of the Company, by a resolution passed at the Extraordinary General Meeting held on 12 June 2019, approved the ESOS of the Company. The ESOS became effective on 17 June 2019. On 8 May 2024, the Board of Directors approved the extension of the ESOS for a further period of 5 years from 17 June 2024 to 16 June 2029 in accordance with terms of the By-Laws.

Directors' Report (Cont'd)

Share options (Cont'd)

The principal features of the ESOS are disclosed in Note 19 to the financial statements.

The movements in the number of options during the financial year are as follows:

Grant date	Exercise price RM	Number of options over ordinary shares				
		Balance at 1.1.2025	Granted	Exercised	Forfeited	Balance at 31.12.2025
1 July 2019	0.695	133,000	0	0	(102,000)	31,000
6 October 2021	3.780	867,500	0	0	(23,000)	844,500
1 March 2022	2.570	1,620,000	0	0	(40,000)	1,580,000
19 December 2023	1.640	1,328,000	0	0	(63,000)	1,265,000
6 November 2024	1.550	4,000,000	0	(466,500)	(114,000)	3,419,500
17 September 2025	1.050	0	4,000,000	0	0	4,000,000
		7,948,500	4,000,000	(466,500)	(342,000)	11,140,000

Bad and doubtful debts

Before the financial statements were prepared, the directors took reasonable steps to ascertain that 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 all known bad debts had been written off and that adequate provision had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent.

Current assets

Before the financial statements were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records have been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to current assets in the financial statements misleading.

Valuation methods

At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group or the Company misleading or inappropriate.

Contingent and other liabilities

At the date of this report, there does not exist:

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

Directors' Report (Cont'd)

Contingent and other liabilities (Cont'd)

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, in the opinion of the directors, will or may affect the ability of the Group or the Company to meet their obligations when they fall due.

Change of circumstances

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

Items of an unusual nature

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

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group or the Company for the financial year in which this report is made.

Directors

The names of directors who served during the financial year and up to the date of this report are as follows:

Dato' Lee, Hui-Ta also known as Li Hui Ta	
Wu, Mao-Yuan	
Yin, Chih-Chu also known as Laurence Yin	(retired on 10.11.2025)
Joyce Wong Ai May	(retired on 2.3.2025)
Tsai, Kun-Chang	
Ng Phaik Lee	
Khaw Mui Suan	(appointed on 17.2.2025)
Hsu, Shih-Mu	(appointed on 10.11.2025)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:

Wong Ser Yian	
Teoh Chiew Hong	
David Khoo Chong Beng	
Wu, Kung also known as Chris Wu	
Nah Ren Howe	
Lee, Yi-Hsuan	(appointed on 1.1.2026)

Directors' Report (Cont'd)

Directors' interests

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

	Number of ordinary shares					
	Direct interest				Deemed interest	
Name of director	Balance at 1.1.2025/*	Bought	(Sold)	Balance at 31.12.2025	Balance at 1.1.2025/*	Balance at 31.12.2025
Dato' Lee, Hui-Ta also known as Li Hui Ta	49,635,698	0	(6,000,000)	43,635,698	56,410,000[(a)]	56,410,000[(a)]
Wu, Mao-Yuan	14,769,000	286,000	0	15,055,000	0	0
Tsai, Kun-Chang	35,000	19,000	0	54,000	0	0
Hsu, Shih-Mu	10,000	10,000	0	20,000	0	0

	Number of options over ordinary shares			
Name of director	Balance at 1.1.2025	Granted	Exercised	Balance at 31.12.2025
Wu, Mao-Yuan	518,500	250,000	0	768,500

[(a)] *Deemed interest by virtue of shares held by a company in which the director has interest*

* *Date of appointment*

By virtue of his interests in shares in the Company, Dato' Lee, Hui-Ta also known as Li Hui Ta is deemed to have interests in shares in the subsidiaries to the extent of the Company's interests, pursuant to Section 8 of the Companies Act 2016.

Directors' benefits

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" section of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company a party to any arrangement, apart from the Company's ESOS, whose object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' remuneration

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:

	From the Company RM	From subsidiaries RM	Total RM
Fees	259,678	0	259,678
Other short-term employee benefits	41,500	1,652,190	1,693,690
Defined contribution plans	0	137,728	137,728
Share-based payments	0	24,303	24,303
Estimated money value of benefits-in-kind	0	15,500	15,500
	301,178	1,829,721	2,130,899

Directors' Report (Cont'd)

Indemnity and insurance for directors and officers

There was no indemnity given to any director or officer of the Group or the Company during the financial year. The amount of insurance effected for the directors and officers of the Group and the Company was RM10,000,000.

Subsidiaries

The details of the subsidiary name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are disclosed in Note 7 to the financial statements.

Auditors

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The auditors' remuneration of the Group and of the Company for the financial year were RM284,000 and RM150,000 respectively.

Signed in accordance with a resolution of the directors dated 25 March 2026

Dato' Lee, Hui-Ta also known as Li Hui Ta **Wu, Mao-Yuan**

Statement By Directors

In the opinion of the directors, the financial statements set out on pages 157 to 204 give a true and fair view of the financial position of the Group and the Company as at 31 December 2025 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed in accordance with a resolution of the directors dated 25 March 2026

Dato' Lee, Hui-Ta also known as Li Hui Ta **Wu, Mao-Yuan**

Statutory Declaration

I, David Khoo Chong Beng (MIA membership no.: 20159), being the officer primarily responsible for the financial management of Dufu Technology Corp. Berhad, do solemnly and sincerely declare that the financial statements set out on pages 157 to 204 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed David Khoo Chong Beng at George Town in the State of Penang on this 25 March 2026

David Khoo Chong Beng
Chief Financial Officer

Before me

Shamini A/P M Shanmugam
No. P157
Commissioner for Oaths

Independent Auditors' Report

To The Members Of Dufu Technology Corp. Berhad

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Dufu Technology Corp. Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 157 to 204.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2025, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting 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 are independent of the Group and 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 Ethics Standards Board for Accountants' *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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 the Company of the current period. These matters were addressed in the context of our audit of the financial statements of the Group and the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	*How our audit addressed the key audit matter*

Valuation of inventories (Refer to Notes 3 and 11 to the financial statements)
 	
The Group carries significant inventories. The assessment of inventory write-downs due to excess quantities, obsolescence and decline in net realisable value below cost involves judgements and estimation uncertainty in forming expectations about future sales and demands.
	Our audit procedures included, among others:
	• Obtaining an understanding of:
	  • the Group's inventory management process;
	  • how the Group identifies and assesses inventory write-downs; and
	  • how the Group makes the accounting estimates for inventory write-downs.
	• Reviewing the ageing analysis of inventories and testing the reliability thereof.
	• Examining the perpetual records for inventory movements and to identify slow moving aged items.
	• Making inquiries of management regarding the action plans to clear slow moving aged and obsolete inventories.
	• Reviewing the net realisable value of major inventories.
	• Evaluating the reasonableness and adequacy of the allowance for inventories recognised for identified exposures.

Independent Auditors' Report (Cont'd)

To The Members Of Dufu Technology Corp. Berhad

Key audit matters (Cont'd)

Key audit matter	*How our audit addressed the key audit matter*

Impairment of receivables (Refer to Notes 3 and 12 to the financial statements)
 	
The Group carries significant receivables and is subject to major credit risk exposure. The Group recognises loss allowance for expected credit losses on receivables based on an assessment of credit risk. Such assessment involves judgements and estimation uncertainty in analysing information about past events, current conditions and forecasts of future economic conditions.
	Our audit procedures included, among others:
	• Obtaining an understanding of:
	  • the Group's control over the receivable collection process;
	  • how the Group identifies and assesses the impairment of receivables; and
	  • how the Group makes the accounting estimates for impairment.
	• Reviewing the ageing analysis and past due status of receivables and testing the reliability thereof.
	• Reviewing the subsequent cash collections for major receivables and overdue amounts.
	• Making inquiries of management regarding the action plans to recover overdue amounts.
	• Comparing and challenging management's view on the recoverability of overdue amounts to historical patterns of collections.
	• Reviewing the computation of historical observed default rates and adjustment for forward-looking estimates used to develop the provision matrix.
	• Evaluating the reasonableness and adequacy of the resulting loss allowance recognised.

We have determined that there are no key audit matters to communicate in our report in respect of the audit of the financial statements of the Company.

Information other than the financial statements and auditors' report thereon

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

Our opinion on the financial statements of the Group and 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 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 the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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 the Company that give a true and fair view in accordance with Malaysian Financial Reporting 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 the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and 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.

Independent Auditors' Report (Cont'd)

To The Members Of Dufu Technology Corp. Berhad

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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.

- 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 the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and 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 units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and the Company of the current period 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 (Cont'd)

To The Members Of Dufu Technology Corp. Berhad

Report on other legal and regulatory requirements

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 7 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.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Eddy Chan Wai Hun
02182/10/2027 J
Chartered Accountant

Date: 25 March 2026

Penang

Consolidated Statement of Financial Position

As at 31 December 2025

	Note	2025 RM	2024 RM
Non-current assets			
Property, plant and equipment	4	87,587,126	163,742,258
Investment properties	5	68,380,660	0
Right-of-use assets	6	16,032,465	17,245,797
Goodwill		159,018	159,018
Investments in associates	8	14,121,872	8,530,421
Investments in club memberships	9	42,001	42,001
Deferred tax assets	10	2,227,391	840,812
		188,550,533	190,560,307
Current assets			
Inventories	11	61,758,671	70,900,864
Receivables	12	77,631,783	80,167,604
Prepayments	13	3,500,891	2,218,888
Current tax assets		3,260,536	1,855,841
Cash and cash equivalents	14	113,549,769	101,594,786
		259,701,650	256,737,983
Current liabilities			
Payables	15	41,890,064	34,785,714
Loans and borrowings	16	10,615,761	17,131,669
Hire purchase payables	17	65,642	78,603
Contract liabilities	18	374,847	695,720
Current tax liabilities		854,009	0
		53,800,323	52,691,706
Net current assets		205,901,327	204,046,277
Non-current liabilities			
Loans and borrowings	16	43,023,682	46,676,358
Hire purchase payables	17	0	74,518
Deferred tax liabilities	10	1,854,579	3,280,147
		44,878,261	50,031,023
Net assets		349,573,599	344,575,561
Equity			
Share capital	19	112,436,867	111,434,358
Treasury shares	19	(3,452,490)	(3,452,490)
Currency translation reserve		(1,477,662)	5,538,674
Share option reserve		5,283,327	3,768,968
Statutory reserve		6,527,998	5,993,838
Reverse acquisition reserve		(24,110,002)	(24,110,002)
Retained profits		253,665,056	244,574,231
Equity attributable to owners of the Company		348,873,094	343,747,577
Non-controlling interests	20	700,505	827,984
Total equity		349,573,599	344,575,561

The annexed notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2025

	Note	2025 RM	2024 RM
Revenue	21	276,994,467	259,598,504
Other income		7,145,829	10,457,532
Impairment losses on financial assets	22	(400,000)	0
Depreciation	23	(11,276,453)	(12,116,942)
Changes in inventories of work-in-progress and finished goods		(1,931,084)	(3,089,522)
Purchase of work-in-progress and finished goods		(4,566,225)	(2,807,375)
Raw materials consumed		(52,356,374)	(56,508,448)
Employee benefits expense	23	(78,111,930)	(75,232,637)
Finance costs		(1,417,068)	(2,052,498)
Other expenses		(101,601,050)	(88,686,853)
Share of associates' (loss)/profit		(803,851)	71,668
Profit before tax	23	31,676,261	29,633,429
Tax expense	24	(3,730,383)	(7,087,548)
Profit for the financial year		27,945,878	22,545,881
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss:			
- Currency translation differences for foreign operations		(7,016,336)	(5,129,704)
Other comprehensive income for the financial year		(7,016,336)	(5,129,704)
Comprehensive income for the financial year		20,929,542	17,416,177

The annexed notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income (Cont'd)

For the financial year ended 31 December 2025

	Note	2025 RM	2024 RM
Profit/(Loss) for the financial year attributable to:			
- Owners of the Company		28,073,357	22,565,116
- Non-controlling interests	20	(127,479)	(19,235)
		27,945,878	22,545,881
Comprehensive income for the financial year attributable to:			
- Owners of the Company		21,057,021	17,435,412
- Non-controlling interests		(127,479)	(19,235)
		20,929,542	17,416,177
Earnings per share:	25		
- Basic (sen)		5.27	4.24
- Diluted (sen)		5.27	4.24

The annexed notes form an integral part of these financial statements.

Consolidated Statement of Changes In Equity

For the financial year ended 31 December 2025

	Non-distributable						Distributable			
	Share capital RM	Treasury shares RM	Currency translation reserve RM	Share option reserve RM	Statutory reserve* RM	Reverse acquisition reserve RM	Retained profits RM	Equity attributable to owners of the Company RM	Non-controlling interests RM	Total equity RM
Balance at 1 January 2024	107,012,648	(3,452,490)	10,668,378	3,934,041	5,993,838	(24,110,002)	240,377,324	340,423,737	0	340,423,737
Share-based payments	0	0	0	798,667	0	0	0	798,667	0	798,667
Issue of shares pursuant to Employees' Share Option Scheme	4,421,710	0	0	(730,430)	0	0	0	3,691,280	0	3,691,280
Transfer of share option reserve	0	0	0	(233,310)	0	0	233,310	0	0	0
Dividends (Note 26)	0	0	0	0	0	0	(18,601,519)	(18,601,519)	0	(18,601,519)
Total transactions with owners	4,421,710	0	0	(165,073)	0	0	(18,368,209)	(14,111,572)	0	(14,111,572)
Acquisition of subsidiary	0	0	0	0	0	0	0	0	847,219	847,219
Profit/(Loss) for the financial year	0	0	0	0	0	0	22,565,116	22,565,116	(19,235)	22,545,881
Currency translation differences for foreign operations (representing other comprehensive income for the financial year)	0	0	(5,129,704)	0	0	0	0	(5,129,704)	0	(5,129,704)
Comprehensive income for the financial year	0	0	(5,129,704)	0	0	0	22,565,116	17,435,412	(19,235)	17,416,177
Balance at 31 December 2024	111,434,358	(3,452,490)	5,538,674	3,768,968	5,993,838	(24,110,002)	244,574,231	343,747,577	827,984	344,575,561

* *This represents the cumulative amount transferred from the retained profits of a subsidiary under the statutory requirements of the People's Republic of China.*

The annexed notes form an integral part of these financial statements.

Consolidated Statement of Changes In Equity (Cont'd)

For the financial year ended 31 December 2025

	Non-distributable						Distributable			
	Share capital RM	Treasury shares RM	Currency translation reserve RM	Share option reserve RM	Statutory reserve* RM	Reverse acquisition reserve RM	Retained profits RM	Equity attributable to owners of the Company RM	Non-controlling interests RM	Total equity RM
Balance at 1 January 2025	111,434,358	(3,452,490)	5,538,674	3,768,968	5,993,838	(24,110,002)	244,574,231	343,747,577	827,984	344,575,561
Share-based payments	0	0	0	1,986,185	0	0	0	1,986,185	0	1,986,185
Issue of shares pursuant to Employees' Share Option Scheme	1,002,509	0	0	(279,434)	0	0	0	723,075	0	723,075
Transfer of share option reserve	0	0	0	(192,392)	0	0	192,392	0	0	0
Dividends (Note 26)	0	0	0	0	0	0	(18,640,764)	(18,640,764)	0	(18,640,764)
Total transactions with owners	1,002,509	0	0	1,514,359	0	0	(18,448,372)	(15,931,504)	0	(15,931,504)
Profit/(Loss) for the financial year	0	0	0	0	0	0	28,073,357	28,073,357	(127,479)	27,945,878
Currency translation differences for foreign operations (representing other comprehensive income for the financial year)	0	0	(7,016,336)	0	0	0	0	(7,016,336)	0	(7,016,336)
Comprehensive income for the financial year	0	0	(7,016,336)	0	0	0	28,073,357	21,057,021	(127,479)	20,929,542
Transfer to statutory reserve	0	0	0	0	534,160	0	(534,160)	0	0	0
Balance at 31 December 2025	112,436,867	(3,452,490)	(1,477,662)	5,283,327	6,527,998	(24,110,002)	253,665,056	348,873,094	700,505	349,573,599

* *This represents the cumulative amount transferred from the retained profits of a subsidiary under the statutory requirements of the People's Republic of China.*

The annexed notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2025

	Note	2025 RM	2024 RM
Cash flows from operating activities			
Profit before tax		31,676,261	29,633,429
Adjustments for:			
Depreciation		11,276,453	12,116,942
Fair value gains on financial instruments		(78,821)	(172,993)
Impairment losses on financial assets		400,000	0
Interest expense		1,417,068	2,052,498
Interest income		(1,835,758)	(2,061,921)
Inventories written down		470,894	1,022,364
Loss/(Gain) on disposal of property, plant and equipment		721	(11,203)
Property, plant and equipment written off		8,927	10,025
Reversal of inventories written down		(590,307)	(354,983)
Share of associates' loss/(profit)		803,851	(71,668)
Share-based payments		1,986,185	798,667
Unrealised loss/(gain) on foreign exchange		2,540,016	(2,644,096)
Operating profit before working capital changes		48,075,490	40,317,061
Changes in:			
Inventories		9,261,606	(3,064,918)
Receivables		63,145	2,108,136
Prepayments		(1,282,003)	1,410,522
Payables		7,698,906	8,676,286
Contract liabilities		(320,873)	(348,962)
Cash generated from operations		63,496,271	49,098,125
Interest and fund distributions received		1,914,579	2,234,914
Tax paid		(7,492,915)	(7,258,444)
Tax refunded		388,784	0
Net cash from operating activities		58,306,719	44,074,595
Cash flows from investing activities			
Acquisition of associate		(6,317,931)	0
Acquisition of investment properties		(519,349)	0
Acquisition of property, plant and equipment		(6,254,292)	(46,165,937)
Acquisition of subsidiary, net of cash acquired		0	571,279
Proceeds from disposal of property, plant and equipment		94	23,033
Net cash used in investing activities		(13,091,478)	(45,571,625)

The annexed notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows (Cont'd)

For the financial year ended 31 December 2025

	Note	2025 RM	2024 RM
Cash flows from financing activities			
Change in bank balance pledged as security		(144,825)	0
Dividends paid		(18,640,764)	(18,601,519)
Drawdown of term loans	27	9,504,295	27,956,214
Interest paid		(1,417,068)	(2,052,498)
Issue of shares		723,075	3,691,280
Net (decrease)/increase in short-term loans and borrowings	27	(5,000,000)	5,000,000
Payment of hire purchase payables	27	(77,288)	(132,845)
Repayment of term loans	27	(12,758,989)	(13,977,028)
Net cash (used in)/from financing activities		(27,811,564)	1,883,604)
Currency translation differences		(5,593,519)	(1,992,904)
Net increase/(decrease) in cash and cash equivalents		11,810,158	(1,606,330)
Cash and cash equivalents brought forward		101,594,786	103,201,116
Cash and cash equivalents carried forward	27	113,404,944	101,594,786

The annexed notes form an integral part of these financial statements.

Statement of Financial Position

As at 31 December 2025

	Note	2025 RM	2024 RM
Non-current assets			
Investments in subsidiaries	7	188,973,667	186,987,482
Investments in associates	8	13,911,261	7,593,330
		202,884,928	194,580,812
Current assets			
Current tax assets		21,121	43,509
Cash and cash equivalents	14	2,900,001	3,933,600
		2,921,122	3,977,109
Current liabilities			
Payables	15	179,567	227,235
		179,567	227,235
Net current assets		2,741,555	3,749,874
Net assets		205,626,483	198,330,686
Equity			
Share capital	19	112,436,867	111,434,358
Treasury shares	19	(3,452,490)	(3,452,490)
Share option reserve		5,283,327	3,768,968
Retained profits		91,358,779	86,579,850
Total equity		205,626,483	198,330,686

The annexed notes form an integral part of these financial statements.

Statement of Comprehensive Income

For the financial year ended 31 December 2025

	Note	2025 RM	2024 RM
Revenue	21	24,000,000	45,000,000
Other income		87,684	209,601
Employee benefits expense	23	(301,178)	(307,986)
Other expenses		(557,514)	(774,450)
Profit before tax	23	23,228,992	44,127,165
Tax expense	24	(1,691)	(765)
Profit for the financial year		23,227,301	44,126,400
Other comprehensive income for the financial year		0	0
Comprehensive income for the financial year		23,227,301	44,126,400

The annexed notes form an integral part of these financial statements.

Statement of Changes In Equity

For the financial year ended 31 December 2025

	Non-distributable		Distributable	
	Share capital	Treasury shares	Share option reserve	Retained profits	Total equity
	RM	RM	RM	RM	RM
Balance at 1 January 2024	107,012,648	(3,452,490)	3,934,041	60,821,659	168,315,858
Share-based payments	0	0	798,667	0	798,667
Issue of shares pursuant to Employees' Share Option Scheme	4,421,710	0	(730,430)	0	3,691,280
Transfer of share option reserve	0	0	(233,310)	233,310	0
Dividends (Note 26)	0	0	0	(18,601,519)	(18,601,519)
Total transactions with owners	4,421,710	0	(165,073)	(18,368,209)	(14,111,572)
Profit (representing comprehensive income) for the financial year	0	0	0	44,126,400	44,126,400
Balance at 31 December 2024	111,434,358	(3,452,490)	3,768,968	86,579,850	198,330,686
Share-based payments	0	0	1,986,185	0	1,986,185
Issue of shares pursuant to Employees' Share Option Scheme	1,002,509	0	(279,434)	0	723,075
Transfer of share option reserve	0	0	(192,392)	192,392	0
Dividends (Note 26)	0	0	0	(18,640,764)	(18,640,764)
Total transactions with owners	1,002,509	0	1,514,359	(18,448,372)	(15,931,504)
Profit (representing comprehensive income) for the financial year	0	0	0	23,227,301	23,227,301
Balance at 31 December 2025	112,436,867	(3,452,490)	5,283,327	91,358,779	205,626,483

The annexed notes form an integral part of these financial statements.

Statement of Cash Flows

For the financial year ended 31 December 2025

	2025 RM	2024 RM
Cash flows from operating activities		
Profit before tax	23,228,992	44,127,165
Adjustments for:		
Fair value gains on financial instruments	(78,821)	(172,993)
Interest income	(8,751)	(36,403)
Operating profit before working capital changes	23,141,420	43,917,769
Change in payables	(47,668)	56,735
Cash generated from operations	23,093,752	43,974,504
Interest and fund distributions received	87,572	209,396
Tax paid	(11,064)	(13,008)
Tax refunded	31,761	0
Net cash from operating activities	23,202,021	44,170,892
Cash flows from investing activities		
Acquisition of associate	(6,317,931)	0
Subscription for shares in subsidiary	0	(30,000,000)
Net cash used in investing activities	(6,317,931)	(30,000,000)
Cash flows from financing activities		
Dividends paid	(18,640,764)	(18,601,519)
Issue of shares	723,075	3,691,280
Net cash used in financing activities	(17,917,689)	(14,910,239)
Net decrease in cash and cash equivalents	(1,033,599)	(739,347)
Cash and cash equivalents brought forward	3,933,600	4,672,947
Cash and cash equivalents carried forward	2,900,001	3,933,600

The annexed notes form an integral part of these financial statements.

Notes to the Financial Statements

31 December 2025

1. General information

The Company is a public company limited by shares, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 7.

The registered office of the Company is located at 57-G, Persiaran Bayan Indah, Bayan Bay, Sungai Nibong, 11900 Bayan Lepas, Penang, Malaysia and its principal place of business is located at 19, Hilir Sungai Keluang 2, Taman Perindustrian Bayan Lepas, Fasa IV, 11900 Bayan Lepas, Penang, Malaysia.

The consolidated financial statements set out on pages 157 to 163 together with the notes thereto cover the Company and its subsidiaries ("Group") and the Group's interests in associates. The separate financial statements of the Company set out on pages 164 to 167 together with the notes thereto cover the Company solely.

The functional and presentation currency of the financial statements is Ringgit Malaysia ("RM").

The financial statements were authorised for issue in accordance with a resolution of the directors dated 25 March 2026.

2. Basis of preparation of financial statements

The financial statements of the Group and the Company are prepared under the historical cost convention, modified to include other bases of measurement as disclosed in other sections of the material accounting policy information, and in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

For the financial year under review, the Group and the Company have applied the Amendments to MFRS 121 *Lack of Exchangeability* which are effective for annual periods beginning on or after 1 January 2025.

The initial application of the above MFRSs did not have any significant impacts on the financial statements.

The Group and the Company have not applied the following MFRSs which have been issued as at the end of the reporting period but are not yet effective:

MFRS (issued as at the end of the reporting period)	Effective for annual periods beginning on or after
MFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
MFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to MFRS 9 and MFRS 7 *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
Amendments to MFRS 9 and MFRS 7 *Contracts Referencing Nature-dependent Electricity*	1 January 2026
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred
Amendments to MFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to MFRS 121 *Translation to a Hyperinflationary Presentation Currency*	1 January 2027
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026

Except for the adoption of MFRS 18, management foresees that the initial application of the above MFRSs will not have any significant impacts on the financial statements.

Notes to the Financial Statements (Cont'd)

31 December 2025

2. Basis of preparation of financial statements (Cont'd)

MFRS 18 *Presentation and Disclosure in Financial Statements*

MFRS 18, which will replace MFRS 101 *Presentation of Financial Statements* upon its adoption, aims to provide better information about entities' financial performance and enhance financial reporting quality. The key changes introduced by MFRS 18 are:

- classification of income and expenses into five categories (i.e. operating, investing, financing, income taxes and discontinued operations);
- presentation of two defined subtotals (i.e. operating profit or loss and profit or loss before financing and income taxes) in the statement of profit or loss;
- disclosures about management-defined performance measures; and
- new principles for aggregation and disaggregation of information.

The Group and the Company will initially apply the new requirements of MFRS 18 in the financial year ending 31 December 2027.

3. Material accounting policy information

3.1 Critical accounting estimates and judgements

Key sources of estimation uncertainty

The key assumptions about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Valuation of inventories

Reviews are made periodically by management on inventories for excess inventories, obsolescence and decline in net realisable value below cost. These reviews involve judgements and estimation uncertainty in forming expectations about future sales and demands. Any changes in these accounting estimates will result in revisions to the valuation of inventories (Note 11).

Impairment of receivables

The Group recognises loss allowance for expected credit losses on receivables based on an assessment of credit risk. Such assessment involves judgements and estimation uncertainty in analysing information about past events, current conditions and forecasts of future economic conditions. Any changes in these accounting estimates will affect the carrying amounts of receivables (Note 12).

Critical judgements made in applying accounting policies

In the process of applying the accounting policies of the Group and the Company, management is not aware of any judgements, apart from those involving estimations, that can significantly affect the amounts recognised in the financial statements.

3.2 Business combinations

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. If the assets acquired are not a business, the transaction or other event is accounted for as an asset acquisition.

Business combinations are accounted for using the acquisition method. Under the acquisition method, the consideration transferred, the identifiable assets acquired and the liabilities assumed are measured at their acquisition-date fair values. The components of non-controlling interests that are present ownership interests are measured at the present ownership instruments' proportionate share in the recognised amounts of the identifiable net assets acquired. All other components of non-controlling interests are measured at their acquisition-date fair values. In a business combination achieved in stages, the previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and any resulting gain or loss is recognised in profit or loss. All acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss as incurred.

Notes to the Financial Statements (Cont'd)

31 December 2025

3. Material accounting policy information (Cont'd)

3.2 Business combinations (Cont'd)

Goodwill at the acquisition date is measured as the excess of (a) over (b) below:

(a) the aggregate of:

(i) the acquisition-date fair value of the consideration transferred;
(ii) the amount of any non-controlling interests; and
(iii) in a business combination achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree.

(b) the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed.

Goodwill is recognised as an asset at the aforementioned amount less accumulated impairment losses, if any. The impairment policy is disclosed in Note 3.9. When the above (b) exceeds (a), the excess represents a bargain purchase gain and, after reassessment, is recognised in profit or loss.

3.3 Basis of consolidation

A subsidiary is an entity that is controlled by another entity. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

A subsidiary is consolidated from the acquisition date, being the date on which control is obtained, and continues to be consolidated until the date when control is lost. Intragroup balances, transactions, income and expenses are eliminated in full on consolidation. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Upon loss of control of a subsidiary, the assets (including any goodwill) and liabilities of, and any non-controlling interests in the subsidiary are derecognised. All amounts recognised in other comprehensive income in relation to the subsidiary are accounted for on the same basis as would be required if the related assets or liabilities had been directly disposed of. Any consideration received and any investment retained in the former subsidiary are recognised at their fair values. The resulting difference is then recognised as a gain or loss in profit or loss.

3.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The impairment policy is disclosed in Note 3.9.

Capital work-in-progress is not depreciated. Other property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets using the following annual rates:

Buildings	5% - 6.67%
Plant and machinery	10% - 20%
Furniture, fixtures and office equipment	8% - 33%
Renovation and electrical installation	10% - 33%
Motor vehicles	10% - 25%

Notes to the Financial Statements (Cont'd)

31 December 2025

3. Material accounting policy information (Cont'd)

3.5 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 operating 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 stated at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any remeasurement of lease liabilities. The impairment policy is disclosed in Note 3.9.

The right-of-use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

(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.

3.6 Investments in subsidiaries

As required by the Companies Act 2016, the Company prepares separate financial statements in addition to the consolidated financial statements. In the separate financial statements of the Company, investments in subsidiaries are stated at cost less impairment losses, if any. The impairment policy is disclosed in Note 3.9.

3.7 Investments in associates

An associate is an entity over which an investor has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

In the consolidated financial statements, investments in associates are accounted for using the equity method. Under the equity method, the investment is initially recognised at cost and adjusted thereafter for the post-acquisition changes in the investor's share of the investee's net assets. After application of the equity method, the investment is assessed for any objective evidence of impairment. If any such evidence exists, the carrying amount of the investment is tested for impairment in accordance with Note 3.9.

In the separate financial statements of the Company, investments in associates are stated at cost less impairment losses, if any. The impairment policy is disclosed in Note 3.9.

3.8 Investments in club memberships

Investments in club memberships are stated at cost less accumulated amortisation and accumulated impairment losses, if any. The impairment policy is disclosed in Note 3.9.

Investments in club memberships with limited membership terms are amortised over the membership terms.

3.9 Impairment of non-financial assets

At the end of each reporting period, the Group and the Company assess whether there is any indication that a non-financial asset, other than deferred tax assets and inventories, may be impaired. If any such indication exists, the recoverable amount of the asset, being the higher of its fair value less costs of disposal and its value in use, is estimated. Irrespective of whether there is any indication of impairment, goodwill is tested for impairment annually. Any excess of the carrying amount of the asset over its recoverable amount represents an impairment loss and is recognised in profit or loss.

An impairment loss on an asset, other than goodwill, is reversed if there has been a change in the estimates used to determine the recoverable amount and it is reversed only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised. The reversal is recognised in profit or loss. An impairment loss on goodwill is not reversed.

Notes to the Financial Statements (Cont'd)

31 December 2025

3. Material accounting policy information (Cont'd)

3.10 Inventories

Inventories of materials and goods are valued at the lower of cost (determined principally on the first-in, first-out basis) and net realisable value. Cost consists of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

3.11 Financial instruments

(a) Financial assets

Financial assets through profit or loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes include interest income.

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.

(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.

(c) Equity

Ordinary shares are classified as equity. Transaction costs that relate to the issue of new shares are accounted for as a deduction from equity.

Own shares purchased are held as treasury shares in accordance with the requirements of Section 127 of the Companies Act 2016. The total amount of consideration paid, including directly attributable costs, is recognised directly in equity. When treasury shares are distributed as share dividends or cancelled, the cost of the shares distributed or cancelled is applied in the reduction of distributable reserves. When treasury shares are resold in the open market, any excess of sale consideration over the cost of the shares resold is adjusted to share capital, whereas any deficit is applied in the reduction of distributable reserves.

4. Property, plant and equipment

Group

	Buildings RM	Plant and machinery RM	Furniture, fixtures & office equipment RM	Renovation & electrical installation RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
Cost							
Balance at 1 January 2024	109,764,659	153,859,825	6,871,452	4,518,245	4,383,737	6,805,200	286,203,118
Acquisition of subsidiary	0	0	20,832	0	40,055	0	60,887
Additions	9,743,283	3,434,581	86,777	143,042	0	32,758,254	46,165,937
Transfer from right-of-use assets	0	1,594,788	0	0	0	0	1,594,788
Disposals/Write-offs	0	(966,587)	(698,649)	0	(66,038)	0	(1,731,274)
Reclassifications	3,795,714	0	0	0	0	0	3,795,714
Currency translation differences	(4,390,612)	(2,575,939)	(123,319)	(244,273)	(64,878)	0	(7,399,021)
Balance at 31 December 2024	118,913,044	155,346,668	6,157,093	4,417,014	4,292,876	39,563,454	328,690,149
Additions	0	4,499,597	912,222	174,234	0	668,239	6,254,292
Transfer from right-of-use assets	0	0	0	0	600,449	0	600,449
Transfer to investment properties	(72,806,068)	0	0	0	0	0	(72,806,068)
Disposals/Write-offs	0	(1,904,274)	(33,746)	0	0	0	(1,938,020)
Reclassifications	0	140,905	(140,905)	0	0	0	0
Adjustments	0	(27,405)	0	0	0	0	(27,405)
Currency translation differences	(2,225,141)	(2,279,059)	(154,705)	(225,032)	(103,649)	0	(4,987,586)
Balance at 31 December 2025	43,881,835	155,776,432	6,739,959	4,366,216	4,789,676	40,231,693	255,785,811
Depreciation and impairment losses							
Balance at 1 January 2024	30,730,114	114,030,217	4,400,098	3,787,332	3,517,760	0	156,465,521
Accumulated depreciation	0	682,184	0	0	0	0	682,184
Accumulated impairment losses	30,730,114	114,712,401	4,400,098	3,787,332	3,517,760	0	157,147,705
Acquisition of subsidiary	0	0	3,867	0	8,812	0	12,679
Depreciation	2,580,775	7,449,981	632,000	391,245	410,598	0	11,464,599
Transfer from right-of-use assets	0	850,554	0	0	0	0	850,554
Disposals/Write-offs	0	(954,760)	(688,621)	0	(66,038)	0	(1,709,419)
Currency translation differences	(181,521)	(2,270,767)	(79,363)	(227,963)	(58,613)	0	(2,818,227)
Balance at 31 December 2024							
Accumulated depreciation	33,129,368	119,444,106	4,267,981	3,950,614	3,812,519	0	164,604,588
Accumulated impairment losses	0	343,303	0	0	0	0	343,303
	33,129,368	119,787,409	4,267,981	3,950,614	3,812,519	0	164,947,891

4. Property, plant and equipment (Cont'd)

	Buildings RM	Plant and machinery RM	Furniture, fixtures & office equipment RM	Renovation & electrical installation RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
Depreciation and impairment losses (Cont'd)							
Balance at 1 January 2025							
Accumulated depreciation	33,129,368	119,444,106	4,267,981	3,950,614	3,812,519	0	164,604,588
Accumulated impairment losses	0	343,303	0	0	0	0	343,303
	33,129,368	119,787,409	4,267,981	3,950,614	3,812,519	0	164,947,891
Depreciation	872,914	7,105,592	646,805	206,453	311,581	0	9,143,345
Transfer from right-of-use assets	0	0	0	0	240,179	0	240,179
Transfer to investment properties	(1,561,374)	0	0	0	0	0	(1,561,374)
Disposals/Write-offs	0	(1,896,444)	(31,834)	0	0	0	(1,928,278)
Currency translation differences	(155,972)	(2,070,079)	(115,976)	(215,399)	(85,652)	0	(2,643,078)
Balance at 31 December 2025							
Accumulated depreciation	32,284,936	122,583,175	4,766,976	3,941,668	4,278,627	0	167,855,382
Accumulated impairment losses	0	343,303	0	0	0	0	343,303
	32,284,936	122,926,478	4,766,976	3,941,668	4,278,627	0	168,198,685
Carrying amount							
Balance at 1 January 2024	79,034,545	39,147,424	2,471,354	730,913	865,977	6,805,200	129,055,413
Balance at 31 December 2024	85,783,676	35,559,259	1,889,112	466,400	480,357	39,563,454	163,742,258
Balance at 31 December 2025	11,596,899	32,849,954	1,972,983	424,548	511,049	40,231,693	87,587,126

Certain buildings with total carrying amounts of RM611,546 (2024 : RM73,928,603) have been pledged as security for credit facilities granted to the Group.

A motor vehicle with carrying amount of RM285,530 was acquired under hire purchase financing which remained outstanding as at the end of the reporting period.

Notes to the Financial Statements (Cont'd)

31 December 2025

4. Property, plant and equipment (Cont'd)

The Group lease certain portions of their buildings under operating leases for 1 to 12 years. The undiscounted lease payments to be received are as follows:

	2025 RM	2024 RM
Within 1 year	0	1,258,155
1 to 2 years	0	1,240,777
2 to 3 years	0	1,185,611
3 to 4 years	0	1,192,241
4 to 5 years	0	1,192,241
After 5 years	0	5,966,928
	0	12,035,953

5. Investment properties

Group

	Buildings RM
Cost	
Balance at 1 January 2025	0
Additions	519,349
Transfer from property, plant and equipment	72,806,068
Currency translation differences	(1,828,661)
Balance at 31 December 2025	71,496,756
Accumulated depreciation	
Balance at 1 January 2025	0
Depreciation	1,634,421
Transfer from property, plant and equipment	1,561,374
Currency translation differences	(79,699)
Balance at 31 December 2025	3,116,096
Carrying amount	
Balance at 1 January 2025	0
Balance at 31 December 2025	68,380,660

The carrying amounts of the investment properties approximate to their fair value. The fair values of the investment properties were measured based on appraisals performed by independent professional valuers using a combination of the income and cost approaches. Under the income approach, the fair values were derived from the capitalisation of estimated future rental income, using inputs such as future lease payments and market rental yields. Under the cost approach, the fair values were based on the estimated replacement cost of the properties, adjusted for physical deterioration and functional and economic obsolescence. The fair value measurement is based on unobservable inputs and is categorised within Level 3 of the fair value hierarchy.

Investment properties have been pledged as security for credit facilities granted to the Group.

Notes to the Financial Statements (Cont'd)

31 December 2025

5. Investment properties (Cont'd)

The Group lease certain portions of their buildings under operating leases for 1 to 12 years. The undiscounted lease payments to be received are as follows:

	2025 RM	2024 RM
Within 1 year	1,831,400	n/a
1 to 2 years	1,886,610	n/a
2 to 3 years	1,976,206	n/a
3 to 4 years	1,976,206	n/a
4 to 5 years	2,035,831	n/a
After 5 years	7,193,199	n/a
	16,899,452	n/a

6. Right-of-use assets

Group

	Leasehold land RM	Plant and machinery RM	Motor vehicles RM	Total RM
Balance at 1 January 2024	17,767,886	823,974	453,644	19,045,504
Depreciation	(508,336)	(79,740)	(64,267)	(652,343)
Transfer to property, plant and equipment	0	(744,234)	0	(744,234)
Currency translation differences	(390,797)	0	(12,333)	(403,130)
Balance at 31 December 2024	16,868,753	0	377,044	17,245,797
Depreciation	(498,687)	0	0	(498,687)
Transfer to property, plant and equipment	0	0	(360,270)	(360,270)
Currency translation differences	(337,601)	0	(16,774)	(354,375)
Balance at 31 December 2025	16,032,465	0	0	16,032,465

The Group acquired the rights to use the leasehold land as its principal places of business for 38 to 57 years.

Certain leasehold land with total carrying amount of RM8,516,309 (2024 : RM9,083,255) has been pledged as security for credit facilities granted to the Group.

7. Investments in subsidiaries

Company

	2025 RM	2024 RM
Unquoted shares - at cost	181,582,241	181,582,241
Contributions under ESOS	14,165,118	12,178,933
Impairment losses	(6,773,692)	(6,773,692)
	188,973,667	186,987,482

Impairment losses have been recognised for investments in certain loss-making subsidiaries.

Notes to the Financial Statements (Cont'd)

31 December 2025

7. Investments in subsidiaries (Cont'd)

The details of the subsidiaries are as follows:

Name of subsidiary	Principal place of business/ Country of incorporation	Effective ownership interest 2025	Effective ownership interest 2024	Principal activity
Dufu Industries Sdn. Bhd.	Malaysia	100%	100%	Design, development, manufacture, assembly and trading of die components and precision machining of vice, computer peripherals and parts for hard disk drive
Dufusion Sdn. Bhd.	Malaysia	100%	100%	Design, develop, manufacture, fabricate, assembly and trading of precision steel mould, metal products and steel parts, medical industry's chairs and instrument tables and etc
Guangzhou Futron Technology Co., Ltd.*	People's Republic of China	100%	100%	Manufacture and trading of optics, magnetism driver and parts
Guangzhou Futron Precision Industries Co., Ltd.*	People's Republic of China	100%	100%	Engaging in metal precision manufacturing and processing parts such as metal components for special equipment for electronics industry, air conditioning compressor accessories, auto parts and etc
Subsidiary of Dufu Industries Sdn. Bhd.				
Dufu Industries Services Pte. Ltd.*	Singapore	100%	100%	Processing and trading of high quality computer disk-drive related components
Subsidiary of Dufusion Sdn. Bhd.				
SMIF Automation Sdn. Bhd.	Malaysia	51%	51%	Servicing automation and fabrication of semiconductors and semiconductors devices

* *Not audited by Crowe Malaysia PLT*

Notes to the Financial Statements (Cont'd)

31 December 2025

8. Investments in associates

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Unquoted shares - at cost	13,911,261	7,593,330	13,911,261	7,593,330
Share of post-acquisition changes in net assets	(350,347)	453,504	0	0
	13,560,914	8,046,834	13,911,261	7,593,330
Currency translation differences	560,958	483,587	0	0
	14,121,872	8,530,421	13,911,261	7,593,330
Attributable to:				
Superior Plating Technology (Thailand) Co., Ltd.	7,799,527	8,530,421	7,593,330	7,593,330
DWZ Industries Sdn. Bhd.	6,322,345	0	6,317,931	0
	14,121,872	8,530,421	13,911,261	7,593,330

The details of the associates are as follows:

Name of associate	Principal place of business/ Country of incorporation	Effective ownership interest 2025	Effective ownership interest 2024	Principal activity
Superior Plating Technology (Thailand) Co., Ltd. ("SP")	Thailand	17.94%	17.94%	Plating and polishing computer disk-drive related components
DWZ Industries Sdn. Bhd. ("DWZ")	Malaysia	25.00%	0.00%	Surface treatment and finishing of metal parts

SP is principally engaged in the plating and polishing of computer disk-drive related components. It is a strategic investment which enhances the Group's involvement in complementary manufacturing processes within the disk-drive industry.

DWZ is principally engaged in the surface treatment and finishing of metal parts. It is a strategic investment which complements the Group's precision machining and manufacturing activities.

The management has considered SP as its associate company of the Group despite its shareholding is below 20 per cent of the voting power on the presumption that the Group has significant influence evidenced as follows:

(a) Representation on the board of directors;
(b) Participation in major financial, investment and operation decisions of the associate company; and
(c) Entitlement of certain reserve matters which require specific consent from the Company.

Notes to the Financial Statements (Cont'd)

31 December 2025

8. Investments in associates (Cont'd)

SP and DWZ are considered to be material associates to the Group. Their summarised financial information is as follows:

	SP RM	DWZ RM
2025		
Non-current assets	51,265,915	16,650,757
Current assets	9,381,177	9,666,168
Current liabilities	(9,746,295)	(3,256,156)
Non-current liabilities	(7,425,174)	(3,413,921)
Net assets	43,475,623	19,646,848
Revenue	21,363,044	20,617,974
(Loss)/Profit/Comprehensive income	(4,505,379)	17,657
Reconciliation of net assets to carrying amounts		
Net assets	43,475,623	19,646,848
Effective ownership interest	17.94%	25.00%
Share of net assets	7,799,527	4,911,712
Goodwill	0	1,410,633
Carrying amounts	7,799,527	6,322,345
2024		
Non-current assets	40,606,227	n/a
Current assets	17,658,302	n/a
Current liabilities	(8,872,145)	n/a
Non-current liabilities	(1,842,652)	n/a
Net assets	47,549,732	n/a
Revenue	11,117,513	n/a
Profit/Comprehensive income	399,487	n/a
Reconciliation of net assets to carrying amounts		
Net assets	47,549,732	n/a
Effective ownership interest	17.94%	n/a
Share of net assets / Carrying amounts	8,530,421	n/a

Notes to the Financial Statements (Cont'd)

31 December 2025

9. Investments in club memberships

Group

	RM
Cost	
Balance at 1 January 2024	124,406
Currency translation differences	(3,528)
Balance at 31 December 2024	120,878
Currency translation differences	(3,107)
Balance at 31 December 2025	117,771
Amortisation and impairment losses	
Balance at 1 January 2024	
Accumulated amortisation	63,405
Accumulated impairment losses	19,000
	82,405
Currency translation differences	(3,528)
Balance at 31 December 2024	
Accumulated amortisation	59,877
Accumulated impairment losses	19,000
	78,877
Currency translation differences	(3,107)
Balance at 31 December 2025	
Accumulated amortisation	56,770
Accumulated impairment losses	19,000
	75,770
Carrying amount	
Balance at 1 January 2024	42,001
Balance at 31 December 2024	42,001
Balance at 31 December 2025	42,001

Notes to the Financial Statements (Cont'd)

31 December 2025

10. Deferred tax assets and deferred tax liabilities

Group

	2025 RM	2024 RM
Balance at 1 January	(2,439,335)	(1,691,668)
Acquisition of subsidiary	0	(3,000)
Deferred tax income/(expense) relating to origination and reversal of temporary differences	1,911,732	(562,582)
Deferred tax liabilities over/(under) provided in prior year	948,526	(148,000)
Currency translation differences	(48,111)	(34,085)
Balance at 31 December	372,812	(2,439,335)
Disclosed as:		
- Deferred tax assets	2,227,391	840,812
- Deferred tax liabilities	(1,854,579)	(3,280,147)
	372,812	(2,439,335)
In respect of:		
- (Taxable)/Deductible temporary differences of:		
- Property, plant and equipment	(3,484,009)	(3,983,111)
- Inventories	1,510,218	1,384,573
- Financial instruments	2,031,603	159,203
- Unused tax losses	315,000	0
	372,812	(2,439,335)

Save as disclosed above, as at 31 December 2025, deferred tax liabilities and deferred tax assets have also effectively been recognised and offset against each other by the Group to the extent of RM5,000 (2024 : RM176,000). No further deferred tax assets have been recognised for the following excess of deductible temporary differences, unused capital allowances and tax losses over taxable temporary differences:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Deductible temporary differences of:				
- Inventories	0	1,100,000	0	0
- Financial instruments	0	1,188,000	0	0
Unused capital allowances	24,000	15,000	0	0
Unused tax losses with:				
- Expiry date in 2028	1,164,000	5,506,000	1,164,000	1,164,000
- Expiry date in 2030	0	540,000	0	0
- Expiry date in 2034	302,000	302,000	0	0
- Expiry date in 2035	248,000	0	0	0
Taxable temporary differences of property, plant and equipment	(20,000)	(735,000)	0	0
	1,718,000	7,916,000	1,164,000	1,164,000

The deductible temporary differences and unused capital allowances have no expiry date.

Notes to the Financial Statements (Cont'd)

31 December 2025

11. Inventories

Group

	2025 RM	2024 RM
Raw materials	16,778,808	24,402,320
Work-in-progress	10,839,515	8,393,472
Finished goods	32,532,841	36,909,968
Consumable tools	1,607,507	1,195,104
	61,758,671	70,900,864
Recognised in profit or loss:		
- Inventories recognised as cost of sales	205,601,175	198,112,325
- Inventories written down	470,894	1,022,364
- Reversal of inventories written down	(590,307)	(354,983)

12. Receivables

Group

	2025 RM	2024 RM
Trade receivables	77,412,264	79,952,321
Loss allowance	(1,080,000)	(680,000)
	76,332,264	79,272,321
Other receivables	1,046,912	719,581
Deposits	252,607	175,702
	77,631,783	80,167,604

The credit terms of trade receivables range from 30 to 150 (2024 : 30 to 120) days.

13. Prepayments

Group

	2025 RM	2024 RM
Prepayments for acquisition of property, plant and equipment	2,142,367	656,672
Prepayments for operating expenses	1,358,524	1,562,216
	3,500,891	2,218,888

Notes to the Financial Statements (Cont'd)

31 December 2025

14. Cash and cash equivalents

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Cash and bank balances	100,707,137	90,039,072	857,369	877,886
Term deposits with licensed banks	10,800,000	8,500,000	0	0
Short-term funds - at fair value	2,042,632	3,055,714	2,042,632	3,055,714
	113,549,769	101,594,786	2,900,001	3,933,600

Short-term funds represent highly liquid investments in money market funds managed by financial institutions that invest in low-risk instruments, and are readily redeemable with insignificant risk of changes in value.

The effective interest rates of term deposits as at 31 December 2025 was 2.95% (2024 : 2.70% to 3.20%) per annum. The term deposits have maturity periods of 28 (2024 : 14 to 22) days.

15. Payables

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Trade payables:				
- Associate	527,815	0	0	0
- Unrelated parties	22,849,956	19,470,885	0	0
	23,377,771	19,470,885	0	0
Other payables	3,636,574	2,156,277	0	0
Deposit received	150,036	2,000	0	0
Accruals	14,725,683	13,156,552	179,567	227,235
	41,890,064	34,785,714	179,567	227,235

The credit terms of trade and other payables range from 30 to 90 days.

Notes to the Financial Statements (Cont'd)

31 December 2025

16. Loans and borrowings

Group

	2025 RM	2024 RM
Current liabilities		
Secured		
Term loans	10,615,761	12,131,669
Unsecured		
Banker acceptances	0	5,000,000
	10,615,761	17,131,669
Non-current liabilities		
Secured		
Term loans	43,023,682	46,676,358
Total		
Banker acceptances	0	5,000,000
Term loans	53,639,443	58,808,027
	53,639,443	63,808,027

Term loans are secured against certain property, plant and equipment (Note 4), investment properties (Note 5) and right-of-use assets (Note 6).

The effective interest rates of loans and borrowings as at 31 December 2025 ranged from 2.50% to 4.47% (2024 : 3.20% to 4.72%) per annum.

17. Hire purchase payables

Group

	2025 RM	2024 RM
Current liabilities	65,642	78,603
Non-current liabilities	0	74,518
	65,642	153,121

Hire purchase payables are secured against certain property, plant and equipment (Note 4).

The effective interest rate of hire purchase payables as at 31 December 2025 was 3.91% (2024 : 3.91%) per annum.

18. Contract liabilities

Group

	2025 RM	2024 RM
Balance at 1 January	695,720	1,044,682
Revenue recognised from opening contract liabilities	(320,873)	(348,962)
Balance at 31 December	374,847	695,720

The Group generally satisfies its performance obligations at a point in time upon delivery of goods. Any consideration received or due in advance before a performance obligation is satisfied is presented as contract liability.

As a practical expedient, information about remaining performance obligations for contracts with original duration of one year or less has not been disclosed.

Notes to the Financial Statements (Cont'd)

31 December 2025

19. Share capital

	Number of ordinary shares with no par value	RM
Issued and fully paid		
Balance at 1 January 2024	544,125,734	107,012,648
Issue of shares pursuant to ESOS	2,260,000	4,421,710
Balance at 31 December 2024	546,385,734	111,434,358
Issue of shares pursuant to ESOS	466,500	1,002,509
Balance at 31 December 2025	546,852,234	112,436,867

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company.

Treasury shares

The shareholders of the Company, by a resolution passed at the extraordinary general meeting held on 24 February 2016, approved the Company's plan to purchase its own shares. The details of the shares purchased from the open market using internally generated funds and held as treasury shares during the financial year are as follows:

	2025		2024	
	Number of ordinary shares	Cost RM	Number of ordinary shares	Cost RM
Balance at 1 January / 31 December	13,792,488	3,452,490	13,792,488	3,452,490

The number of outstanding shares in issue after excluding the treasury shares is as follows:

	2025 Number of ordinary shares	2024 Number of ordinary shares
Balance at 1 January	532,593,246	530,333,246
Shares issued	466,500	2,260,000
Balance at 31 December	533,059,746	532,593,246

Employees' Share Option Scheme ("ESOS")

The shareholders of the Company, by a resolution passed at the extraordinary general meeting held on 12 June 2019, approved the Company's ESOS. The ESOS became effective on 17 June 2019 for a period of 5 years. On 8 May 2024, the Board of Directors approved the extension of the ESOS for a further period of 5 years from 17 June 2024 to 16 June 2029 in accordance with terms of the By-Laws.

The principal features of the ESOS are as follows:

(i) At any point of time when the offer is made, the maximum number of shares to be issued under the ESOS shall not exceed 10% of the total issued share in the capital of the Company (excluding treasury shares, if any) during the duration of the ESOS.

(ii) Eligible employee (including executive directors) of the Group shall participate in the ESOS if, as at the date of offer, the employee is at least 18 years of age and has been confirmed and completed at least 24 months of service within the Group on a full time basis.

(iii) The ESOS shall be in force for a period of 5 years from the effective date. The Company may, if the Board deems fit and upon the recommendation of the ESOS Committee, extend the Scheme for another period of up to a maximum of 5 years in aggregate, commencing from the day after the date of expiration of the original 5 years period.

(iv) The exercise price shall be determined based on the volume weighted average price of shares for the 5 market days immediately preceding the date of offer with a discount of not more than 10%.

Notes to the Financial Statements (Cont'd)

31 December 2025

19. Share capital (Cont'd)

Employees' Share Option Scheme ("ESOS") (Cont'd)

(v) The options granted are exercisable on a time proportion basis over the duration of the ESOS. The employee's entitlement to the options is vested as soon as they become exercisable.

(vi) The new shares to be issued and/or transferred upon exercise of any options granted under the scheme will rank pari passu in all respects with the existing shares in the Company, save and except that the new shares will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid, where the entitlement date precedes the date of issuance and/or transfer of the options.

The movements in the number of share options during the financial year are as follows:

	Number of options over ordinary shares	Weighted average exercise price RM	Weighted average share price RM	Range of exercise prices RM	Weighted average remaining contractual life
Outstanding at 1 January 2024	6,534,000	2.172			
Granted	4,000,000	1.550			
Exercised	(2,260,000)	1.633	2.126		
Forfeited	(325,500)	2.426			
Outstanding at 31 December 2024	7,948,500	2.002		0.695-3.780	4.5 years
Exercisable at 31 December 2024	3,948,500	2.460			
Outstanding at 1 January 2025	7,948,500	2.002			
Granted	4,000,000	1.050			
Exercised	(466,500)	1.550	2.007		
Forfeited	(342,000)	1.581			
Outstanding at 31 December 2025	11,140,000	1.692		0.695-3.780	3.5 years
Exercisable at 31 December 2025	7,140,000	2.052			

The fair value of share options granted since the effective date of the ESOS was measured using the Trinomial Option Pricing Model with the following inputs:

	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
Grant date	1.7.2019	6.10.2021	1.3.2022	19.12.2023	6.11.2024	17.9.2025
Fair value at grant date	RM0.7864	RM1.3933	RM0.7906	RM0.3227	RM0.5990	RM0.4500
Weighted average share price	RM1.5374	RM4.1955	RM2.8504	RM1.8171	RM1.7191	RM1.1644
Exercise price	RM1.3900	RM3.7800	RM2.5700	RM1.6400	RM1.5500	RM1.0500
Expected volatility	57.348%	46.007%	40.727%	43.418%	36.618%	47.875%
Option life	5 years	3 years	2 years	0.5 year	5 years	4 years
Expected dividends	1.02%	1.36%	2.67%	4.48%	2.02%	2.90%
Risk-free interest rate	3.43%	2.43%	2.68%	3.16%	3.64%	4.50%

The expected volatility reflects the assumption that historical volatility is indicative of future trends but may not necessarily be the actual outcome. No other features of the share options granted were incorporated into the measurement of fair value.

Notes to the Financial Statements (Cont'd)

31 December 2025

20. Non-controlling interests ("NCI")

Group

	Accumulated NCI		Loss allocated to NCI	
	2025	2024	2025	2024
	RM	RM	RM	RM
SMIF Automation Sdn. Bhd.	700,505	827,984	127,479	19,235

The details of the subsidiary that has NCI are as follows:

Name of subsidiary	Principal place of business/ Country of incorporation	Effective ownership interest held by NCI 2025	2024	Principal activity
SMIF Automation Sdn. Bhd.	Malaysia	49%	49%	Servicing automation and fabrication of semiconductors and semiconductors devices

The summarised financial information of the above subsidiary has not been disclosed as its NCI are not material to the Group.

21. Revenue

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Revenue from contracts with customers				
Sale of goods	276,994,467	259,598,504	0	0
Revenue from other sources				
Dividend income	0	0	24,000,000	45,000,000
	276,994,467	259,598,504	24,000,000	45,000,000

Disaggregation of revenue from contracts with customers

	Group	
	2025	2024
	RM	RM
Major products and services:		
- Precision components for:		
- Hard disk drive	205,974,299	189,077,442
- Control and sensor	33,429,419	34,087,884
- Others	37,590,749	36,433,178
	276,994,467	259,598,504

Notes to the Financial Statements (Cont'd)

31 December 2025

21. Revenue (Cont'd)

	Group	
	2025	2024
	RM	RM
Geographical areas:		
- Malaysia	30,635,838	29,676,785
- China	49,389,282	47,288,091
- Thailand	160,296,117	148,785,286
- Others	36,673,230	33,848,342
	276,994,467	259,598,504

Revenue from sale of goods is recognised at a point in time when goods have been delivered and accepted by customers.

There is no significant financing component in the revenue from contracts with customers as the sales are made on the normal credit terms not exceeding 12 months. There were no variable elements in the sales consideration and no warranties were given to the customers.

Revenue from other sources

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

22. Impairment losses on financial assets

Group

	2025	2024
	RM	RM
Trade receivables from contracts with customers	400,000	0

23. Profit before tax

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Profit before tax is arrived at after charging:				
Auditors' remuneration:				
- Auditors of the company:				
- Current year	284,000	264,000	150,000	135,000
- Prior year	20,000	500	15,000	0
- Other auditors	113,561	84,850	0	0
Depreciation for:				
- Investment properties	1,634,421	0	0	0
- Property, plant and equipment	9,143,345	11,464,599	0	0
- Right-of-use assets	498,687	652,343	0	0
	11,276,453	12,116,942	0	0

Notes to the Financial Statements (Cont'd)

31 December 2025

23. Profit before tax (Cont'd)

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Employee benefits expense (including key management personnel compensation as disclosed in Note 28):				
- Fees	274,678	260,986	259,678	260,986
- Other short-term employee benefits	70,964,782	69,566,651	41,500	47,000
- Defined contribution plans	4,886,285	4,606,333	0	0
- Share-based payments	1,986,185	798,667	0	0
	78,111,930	75,232,637	301,178	307,986
Interest expense for financial liabilities not measured at fair value through profit or loss:				
- Loans and borrowings	1,412,870	2,044,660	0	0
- Hire purchase payables	4,198	7,838	0	0
Inventories written down	470,894	1,022,364	0	0
Lease expense relating to:				
- Short-term leases	2,047,611	1,428,405	6,048	9,007
- Leases of low value assets (other than short-term leases)	34,353	35,487	0	0
	2,081,964	1,463,892	6,048	9,007
Loss on disposal of property, plant and equipment	721	0	0	0
Loss on foreign exchange:				
- Realised	6,961,464	5,715,115	0	0
- Unrealised	2,540,016	0	0	0
Property, plant and equipment written off	8,927	10,025	0	0
and crediting:				
Fair value gains on financial instruments mandatorily measured at fair value through profit or loss	78,821	172,993	78,821	172,993
Gain on disposal of property, plant and equipment	0	11,203	0	0
Grants related to income	9,687	46,210	0	0
Interest income for financial assets measured at amortised cost	1,835,758	2,061,921	8,751	36,403
Operating lease income	1,893,018	827,510	0	0
Reversal of inventories written down	590,307	354,983	0	0
Unrealised gain on foreign exchange	0	2,644,096	0	0

Notes to the Financial Statements (Cont'd)

31 December 2025

24. Tax expense

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Tax based on results for the year:				
- Current tax	6,498,042	6,321,000	0	0
- Deferred tax	(1,911,732)	562,582	0	0
	4,586,310	6,883,582	0	0
Tax under/(over) provided in prior year:				
- Current tax	92,599	55,966	1,691	765
- Deferred tax	(948,526)	148,000	0	0
	3,730,383	7,087,548	1,691	765

The numerical reconciliation between the applicable tax rate, which is the statutory income tax rate, and the average effective tax rate on results for the year is as follows:

	Group		Company	
	2025	2024	2025	2024
	%	%	%	%
Applicable tax rate	24.00	24.00	24.00	24.00
Non-deductible expenses	1.76	6.41	0.89	0.59
Non-taxable income	(3.93)	(3.16)	(24.89)	(24.59)
Tax incentives claimed	(1.86)	(1.90)	0.00	0.00
Effect of differential tax rates	(0.79)	(1.31)	0.00	0.00
Decrease in unrecognised deferred tax assets	(4.70)	(0.81)	0.00	0.00
Average effective tax rate	14.48	23.23	0.00	0.00

25. Earnings per share

Group

The earnings per share is calculated by dividing the Group's profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year as follows:

	2025	2024
Profit for the financial year attributable to owners of the Company (RM)	28,073,357	22,565,116
Number of shares in issue as at 1 January	532,593,246	530,333,246
Effect of shares issued pursuant to ESOS	77,141	1,254,661
Weighted average number of shares for computing basic earnings per share	532,670,387	531,587,907
Number of shares under ESOS deemed to have been issued for no consideration	244,451	680,664
Weighted average number of shares for computing diluted earnings per share	532,914,838	532,268,571
Basic earnings per share (sen)	5.27	4.24
Diluted earnings per share (sen)	5.27	4.24

Notes to the Financial Statements (Cont'd)

31 December 2025

26. Dividends

Group and Company

	2025 RM	2024 RM
In respect of the financial year ended 31 December 2023:		
- Final single tier dividend of 2.00 sen per share	0	10,623,225
In respect of the financial year ended 31 December 2024:		
- Interim single tier dividend of 1.50 sen per share	0	7,978,294
- Final single tier dividend of 2.00 sen per share	10,651,865	0
In respect of the financial year ended 31 December 2025:		
- Interim tax exempt dividend of 1.50 sen per share	7,988,899	0
	18,640,764	18,601,519

A final tax exempt dividend of 2.00 sen per share in respect of the financial year ended 31 December 2025 will be proposed for shareholders' approval at the forthcoming annual general meeting.

27. Notes to consolidated statement of cash flows

Group

Term loans

	2025 RM	2024 RM
Balance at 1 January	58,808,027	47,050,726
Drawdowns	9,504,295	27,956,214
Repayments	(12,758,989)	(13,977,028)
Currency translation differences	(1,913,890)	(2,221,885)
Balance at 31 December (Note 16)	53,639,443	58,808,027

Short-term loans and borrowings

	2025 RM	2024 RM
Balance at 1 January	5,000,000	0
Net cash flow changes	(5,000,000)	5,000,000
Balance at 31 December (Note 16)	0	5,000,000

Hire purchase payables

	2025 RM	2024 RM
Balance at 1 January	153,121	291,411
Payments	(77,288)	(132,845)
Currency translation differences	(10,191)	(5,445)
Balance at 31 December (Note 17)	65,642	153,121

Notes to the Financial Statements (Cont'd)

31 December 2025

27. Notes to consolidated statement of cash flows (Cont'd)

Cash and cash equivalents

	2025 RM	2024 RM
Cash and cash equivalents	113,549,769	101,594,786
Bank balance pledged as security	(144,825)	0
	113,404,944	101,594,786

28. Key management personnel compensation

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors				
Directors of the Company:				
- Fees	259,678	260,986	259,678	260,986
- Other short-term employee benefits	1,693,690	1,571,625	41,500	47,000
- Defined contribution plans	137,728	124,048	0	0
- Share-based payments	24,303	49,917	0	0
	2,115,399	2,006,576	301,178	307,986
Directors of the subsidiaries:				
- Fees	15,000	0	0	0
- Other short-term employee benefits	2,172,857	1,256,663	0	0
- Defined contribution plans	250,253	108,375	0	0
- Share-based payments	59,591	49,916	0	0
	2,497,701	1,414,954	0	0
Total directors' remuneration	4,613,100	3,421,530	301,178	307,986
Other key management personnel				
Short-term employee benefits	369,733	838,440	0	0
Defined contribution plans	14,792	116,582	0	0
Share-based payments	8,166	75,874	0	0
	392,691	1,030,896	0	0
	5,005,791	4,452,426	301,178	307,986

The estimated money value of benefits received or receivable by certain directors otherwise than in cash is as follows:

	Group	
	2025 RM	2024 RM
Directors of the Company	15,500	15,500
Directors of subsidiaries	32,100	28,500
	47,600	44,000

Notes to the Financial Statements (Cont'd)

31 December 2025

29. Related party disclosures

Transactions with related parties during the financial year are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Contributions to subsidiaries under ESOS	0	0	1,986,185	798,667
Dividends declared from subsidiaries	0	0	24,000,000	45,000,000
Receiving of services from associate	1,326,916	0	0	0
Subscription for shares in subsidiary	0	0	0	30,000,000

30. Segment reporting

Group

Operating segments

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely the manufacture of industrial products and trading of high quality computer disk-drive related components.

Geographical information

In presenting the information about geographical areas, segment revenue is based on the geographical location of customers, whereas segment assets are based on the geographical location of assets:

	External revenue		Non-current assets	
	2025	2024	2025	2024
	RM	RM	RM	RM
Malaysia	30,635,838	29,676,785	89,686,989	91,671,906
China	49,389,282	47,288,091	82,127,924	89,004,266
Singapore	2,210,452	357,679	344,356	470,901
Thailand	160,296,117	148,785,286	0	0
Others	34,462,778	33,490,663	0	0
	276,994,467	259,598,504	172,159,269	181,147,073

Major customers

The major groups of customers that contributed 10% or more of the Group's total revenue are as follows:

	External revenue	
	2025	2024
	RM	RM
Group of customers I*	126,392,969	125,607,029
Group of customers II*	70,959,601	50,822,776

** The identity of the major groups of customers has not been disclosed as permitted by MFRS 8* Operating Segments.

Notes to the Financial Statements (Cont'd)

31 December 2025

31. Contractual commitments

Group

	2025 RM	2024 RM
Acquisition of property, plant and equipment	9,580,000	8,333,000

32. Financial instruments

The activities of the Group expose it to certain financial risks, including credit risk, liquidity risk, currency risk and interest rate risk. The overall financial risk management objective of the Group is to ensure that adequate financial resources are available for business development whilst minimising the potential adverse impacts of financial risks on its financial position, performance and cash flows.

The aforementioned financial risk management objective and its related policies and processes explained below have remained unchanged from the previous financial year.

32.1 Financial risk management policies

Credit risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposures to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets, the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk includes financial guarantee given to financial institutions for credit facilities granted to certain subsidiaries.

(i) Credit risk concentration profile

The Group determines credit risk concentrations in terms of counterparties and geographical areas. As at 31 December 2025, there were 2 (2024 : 2) major groups of customers that individually accounted for 10% or more of the Group's trade receivables and the total outstanding balances due from these major groups amounted to RM59,700,329 (2024 : RM58,314,370). The credit risk concentration profile by geographical areas of trade receivables is as follows:

	Group	
	2025 RM	2024 RM
Malaysia	4,393,930	9,064,571
China	16,849,161	13,884,318
Thailand	45,833,546	48,891,159
Others	10,335,627	8,112,273
	77,412,264	79,952,321

(ii) Maximum exposure to credit risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes financial guarantees provided to its subsidiaries up to a total limit of RM18,948,000 (2024 : RM28,306,000). These financial guarantees have not been recognised in the Company's financial statements since their fair values on initial recognition were not material. The maximum credit risk exposure of these financial guarantees is the total utilisation of the credit facilities granted.

Notes to the Financial Statements (Cont'd)

31 December 2025

32. Financial instruments (Cont'd)

32.1 Financial risk management policies (Cont'd)

Credit risk (Cont'd)

(iii) Assessment of impairment losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group closely monitors the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group evaluates whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

Trade receivables

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses using the simplified approach. Such lifetime expected credit losses are calculated using a provision matrix based on historical observed default rates (adjusted for forward-looking estimates).

The Group determines that a trade receivable is credit-impaired when the customer is experiencing significant financial difficulty and has defaulted in payments. Unless otherwise demonstrated, the Group generally considers a default to have occurred when the trade receivable is more than 180 days past due. The gross carrying amount of a credit-impaired trade receivable is directly written off when there is no reasonable expectation of recovery. This normally occurs when there is reasonable proof of customer insolvency.

Allowance for impairment losses

The changes in the loss allowance are as follows:

	Group	
	2025	2024
	RM	RM
Balance at 1 January	680,000	680,000
Impairment losses	400,000	0
Balance at 31 December	1,080,000	680,000

Notes to the Financial Statements (Cont'd)

31 December 2025

32. Financial instruments (Cont'd)

32.1 Financial risk management policies (Cont'd)

Credit risk (Cont'd)

(iii) Assessment of impairment losses (Cont'd)

Trade receivables (Cont'd)

Allowance for impairment losses (Cont'd)

The following table details the credit exposure and loss allowances recognised for trade receivables. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished among the diversity of customer base.

Group	Gross amount RM	Lifetime collective allowance RM	Carrying amount RM
2025			
Not past due	72,358,134	(73,795)	72,284,339
1 to 30 days past due	2,854,847	(83,738)	2,771,109
31 to 60 days past due	1,009,133	(99,096)	910,037
61 to 90 days past due	229,841	(30,999)	198,842
More than 90 days past due	960,309	(792,372)	167,937
	77,412,264	(1,080,000)	76,332,264
2024			
Not past due	73,920,715	(376,632)	73,544,083
1 to 30 days past due	3,284,709	(39,658)	3,245,051
31 to 60 days past due	2,248,700	(98,308)	2,150,392
61 to 90 days past due	220,487	(44,572)	175,915
More than 90 days past due	277,710	(120,830)	156,880
	79,952,321	(680,000)	79,272,321

The average credit loss rates were based on the payment profile of revenue over a period of 36 (2024 : 36) months and the corresponding historical credit losses experienced during the period. The rates were adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Other receivables

The Group applies the general approach to measuring expected credit losses for its other receivables. Under this approach, the Group assesses whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition.

Notes to the Financial Statements (Cont'd)

31 December 2025

32. Financial instruments (Cont'd)

32.1 Financial risk management policies (Cont'd)

Credit risk (Cont'd)

(iii) Assessment of impairment losses (Cont'd)

Other receivables (Cont'd)

Allowance for impairment losses

No expected credit loss is recognised on other receivables as it is negligible.

Term deposits with licensed banks, cash and bank balances

The Group considers the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Financial guarantee contracts

Financial guarantees for borrowing facilities granted to subsidiaries are financial guarantee contract.

The Company closely monitors the subsidiaries' financial strength to reduce the risk of loss.

The Company considers there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- the subsidiary is unlikely to repay its obligation to the bank in full; or
- the subsidiary is having a deficit in equity and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

Allowance for impairment losses

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

Liquidity risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities whilst maintaining sufficient cash and the availability of funding through standby credit facilities.

Notes to the Financial Statements (Cont'd)

31 December 2025

32. Financial instruments (Cont'd)

32.1 Financial risk management policies (Cont'd)

Liquidity risk (Cont'd)

Maturity analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period as disclosed in the respective notes to the financial statements):

	Carrying amount RM	Contractual undiscounted cash flows RM	Within 1 year RM	1 to 5 years RM	Over 5 years RM
Group					
2025					
Non-derivative financial liabilities					
Payables	41,890,064	41,890,064	41,890,064	0	0
Term loans	53,639,443	60,404,193	12,263,591	28,344,462	19,796,140
Hire purchase payables	65,642	67,482	67,482	0	0
	95,595,149	102,361,739	54,221,137	28,344,462	19,796,140
2024					
Non-derivative financial liabilities					
Payables	34,785,714	34,785,714	34,785,714	0	0
Banker acceptances	5,000,000	5,000,000	5,000,000	0	0
Term loans	58,808,027	69,241,762	14,303,738	25,196,380	29,741,644
Hire purchase payables	153,121	159,539	83,674	75,865	0
	98,746,862	109,187,015	54,173,126	25,272,245	29,741,644
Company					
2025					
Non-derivative financial liabilities					
Payables	179,567	179,567	179,567	0	0
Financial guarantee contracts*	0	18,948,000	18,948,000	0	0
	179,567	19,127,567	19,127,567	0	0
2024					
Non-derivative financial liabilities					
Payables	227,235	227,235	227,235	0	0
Financial guarantee contracts*	0	28,306,000	28,306,000	0	0
	227,235	28,533,235	28,533,235	0	0

** The disclosure represents the maximum amount that is required to be settled in the event of a default and the lenders, where applicable call on the Company to pay for a subsidiary.*

Notes to the Financial Statements (Cont'd)

31 December 2025

32. Financial instruments (Cont'd)

32.1 Financial risk management policies (Cont'd)

Currency risk

The Group's exposure to currency risk arises mainly from transactions entered into by individual entities within the Group in currencies other than their functional currencies. The major functional currencies within the Group are Ringgit Malaysia ("RM"), Renminbi ("RMB") and US Dollar ("USD"), whereas the major foreign currencies transacted are USD and Singapore Dollar ("SGD"). The gross carrying amounts of foreign currency denominated monetary items at the end of the reporting period are as follows:

	Group	
	Denominated in USD	Denominated in SGD
	RM	RM
2025		
Receivables	13,796,046	115,085
Cash and cash equivalents	64,266,275	2,790,507
Payables	(3,619,151)	(9,849,817)
Hire purchase payables	0	(65,642)
	74,443,170	(7,009,867)
2024		
Receivables	15,944,281	43,123
Cash and cash equivalents	33,300,872	6,154,287
Payables	(2,181,517)	(7,931,183)
Hire purchase payables	0	(153,121)
	47,063,636	(1,886,894)

The Group observes the movements in exchange rates and acts accordingly to minimise its exposure to currency risk. Where necessary, the Group enters into derivative contracts to hedge the exposure. Such exposure is also partly mitigated in the following ways:

(i) The Group's foreign currency sales and purchases provide a natural hedge against fluctuations in foreign currencies.

(ii) The Group maintains part of its cash and cash equivalents in foreign currency accounts to meet future obligations in foreign currencies.

Notes to the Financial Statements (Cont'd)

31 December 2025

32. Financial instruments (Cont'd)

32.1 Financial risk management policies (Cont'd)

Currency risk (Cont'd)

Based on a symmetric basis which uses the foreign currency as a stable denominator, the following table demonstrates the sensitivity of profit or loss and equity to changes in exchange rates that were reasonably possible at the end of the reporting period, with all other variables held constant:

	Group			
	Profit/(Loss)		Equity	
	2025 RM	2024 RM	2025 RM	2024 RM
Appreciation of USD against RM by 3% (2024 : 5%)	2,033,617	3,461,033	2,274,840	4,838,199
Depreciation of USD against RM by 3% (2024 : 5%)	(2,033,617)	(3,461,033)	(2,274,840)	(4,838,199)
Appreciation of SGD against RM by 2% (2024 : 3%)	(148,346)	(177,961)	0	0
Depreciation of SGD against RM by 2% (2024 : 3%)	148,346	177,961	0	0
Appreciation of USD against RMB by 1% (2024 : 3%)	245,725	626,435	0	0
Depreciation of USD against RMB by 1% (2024 : 3%)	(245,725)	(626,435)	0	0
Appreciation of SGD against USD by 2% (2024 : 2%)	47,994	100,475	0	0
Depreciation of SGD against USD by 2% (2024 : 2%)	(47,994)	(100,475)	0	0

Interest rate risk

The Group's exposure to interest rate risk arises mainly from interest-bearing financial instruments, namely term deposits, loans and borrowings and hire purchase payables.

The Group observes the movements in interest rates and always strives to obtain the most favourable rates available for new financing or during repricing. It is also the Group's policy to maintain a mix of fixed and floating rate financial instruments as follows:

	Group	
	2025 RM	2024 RM
Fixed rate instruments		
Term deposits	10,800,000	8,500,000
Banker acceptances	0	5,000,000
Term loans	9,197,752	7,672,826
Hire purchase payables	65,642	153,121
Floating rate instruments		
Term loans	44,441,691	51,135,201

Notes to the Financial Statements (Cont'd)

31 December 2025

32. Financial instruments (Cont'd)

32.1 Financial risk management policies (Cont'd)

Interest rate risk (Cont'd)

As the Group does not account for its fixed rate financial instruments at fair value through profit or loss, any change in interest rates at the end of the reporting period would not affect its profit or loss. For floating rate financial instruments measured at amortised cost, the following table demonstrates the sensitivity of profit or loss to changes in interest rates that were reasonably possible at the end of the reporting period, with all other variables held constant:

	Group	
	Profit/(Loss)	
	2025	2024
	RM	RM
Increase in interest rates by 10 (2024 : 0*) basis points	(40,707)	0
Decrease in interest rates by 10 (2024 : 0*) basis points	40,707	0

* *Using standard deviation to measure interest rate volatility for the past 12 months, the Group did not foresee any reasonably possible change in interest rate at the end of the previous reporting period.*

32.2 Capital risk management

The overall capital management objective of the Group is to safeguard its ability to continue as a going concern so as to provide fair returns to owners and benefits to other stakeholders. In order to meet this objective, the Group always strives to maintain an optimal capital structure to reduce the cost of capital and sustain its business development.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, available cash less interest-bearing debts. Capital includes equity attributable to the owners of the Group. The debt-to-equity ratio of the Group at the end of the reporting period are as follows:

	Group	
	2025	2024
	RM	RM
Available cash	113,404,944	101,594,786
Loans and borrowings	(53,639,443)	(63,808,027)
Hire purchase payables	(65,642)	(153,121)
Total interest-bearing debts	(53,705,085)	(63,961,148)
Net cash	59,699,859	37,633,638
Total equity	349,573,599	344,575,561
Debt-to-equity ratio (times)	*	*

* *Not applicable as the Group's available cash exceed its borrowings*

The aforementioned capital management objective, policies and processes have remained unchanged from the previous financial year.

Notes to the Financial Statements (Cont'd)

31 December 2025

32. Financial instruments (Cont'd)

32.3 Classification of financial instruments

		Group		Company	
		2025	2024	2025	2024
	Note	RM	RM	RM	RM
Financial assets					
Fair value through profit or loss					
Short-term funds	14	2,042,632	3,055,714	2,042,632	3,055,714
Amortised cost					
Receivables	12	77,631,783	80,167,604	0	0
Term deposits	14	10,800,000	8,500,000	0	0
Cash and bank balances	14	100,707,137	90,039,072	857,369	877,886
		189,138,920	178,706,676	857,369	877,886
Financial liabilities					
Amortised cost					
Payables	15	41,890,064	34,785,714	179,567	227,235
Loans and borrowings	16	53,639,443	63,808,027	0	0
Hire purchase payables	17	65,642	153,121	0	0
		95,595,149	98,746,862	179,567	227,235

32.4 Gains or losses arising from financial instruments

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Net gains/(losses) on:				
- Financial assets at fair value through profit or loss	78,821	172,993	78,821	172,993
- Financial assets at amortised costs	(9,300,833)	(1,467,346)	8,751	36,403
- Financial liabilities at amortised costs	(181,957)	(1,594,250)	0	0

32. Financial instruments (Cont'd)

32.5 Fair value information

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM	RM	RM
Group								
2025								
Financial assets								
Short-term funds	2,042,632	0	0	0	0	0	2,042,632	2,042,632
Financial liabilities								
Term loans	0	0	0	0	53,639,443	0	53,639,443	53,639,443
Hire purchase payables	0	0	0	0	65,642	0	65,642	65,642
2024								
Financial assets								
Short-term funds	3,055,714	0	0	0	0	0	3,055,714	3,055,714
Financial liabilities								
Term loans	0	0	0	0	58,808,027	0	58,808,027	58,808,027
Hire purchase payables	0	0	0	0	153,121	0	153,121	153,121

Notes to the Financial Statements (Cont'd)

31 December 2025

32. Financial instruments (Cont'd)

32.5 Fair value information (Cont'd)

	Fair value of financial instruments carried at fair value			Total fair value	Carrying amount
	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM
Company					
2025					
Financial assets					
Short-term funds	2,042,632	0	0	2,042,632	2,042,632
2024					
Financial assets					
Short-term funds	3,055,714	0	0	3,055,714	3,055,714

Fair value of financial instruments carried at fair value

The fair values of short-term funds are directly measured using their unadjusted market values quoted by financial institutions.

There were no transfers between Level 1, Level 2 and Level 3 during the financial year.

Fair value of financial instruments not carried at fair value

The fair values of long-term term loans and hire purchase payables are measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities.

There were no transfers between Level 1, Level 2 and Level 3 during the financial year.

List of Properties Held

Title/ Location	Tenure/ Date of expiry of lease	Description/ Existing use (approximate age of building)	Land area/ Built-up area	Net book value as at 31.12.2025 (RM)	Year of last revaluation	Year of acquisition
Registered Owner: Dufu Industries Sdn. Bhd						
Land						
P.T. No. 1886 (Resurveyed Lot 12354) held under Title No. H.S. (D) 11985, Mukim 12, Daerah Barat Daya, Penang	60 years leasehold expiring on 26.12.2051	Industrial land	177,691 sq. feet	2,422,334	1997	-
No. H.S.(D) 42631, Lot No. 320, Mukim 13, Daerah Seberang Perai Tengah, Pulau Pinang	60 years leasehold expiring on 01.3.2059	Industrial Land	87,123 sq. feet	3,178,537	-	2019
Building						
Plot 19 Free Industrial Zone, Phase IV, Bayan Lepas 11900 Penang		Industrial complex - 1 single-storey office-cum-production building (28 years) - 1 double-storey office-cum-production building (21 years) - 1 three-storey production building (19 years) - 1 three-storey office cum production building (18 years)	 18,209 sq. feet 33,793 sq. feet 65,811 sq. feet 32,816 sq. feet	611,546	-	1997 – 2025
Block 1-5-7, Block 3-3-1, Block 3-13-3, Block 5-7-1, Block 5-14-2, Block 5-16-5, Block 11-2-2, Block 11-6-2, Block 15-5-6, Block 15-8-3, Block 15-9-6, Block 15-21-3, Block 17-10-1, Block 17-17-5, Block 19-8-4, Block 19-10-2 Taman Terubong Indah, Tingkat Paya Terubong 5, 11060 Penang		16 units of hostel (freehold)	11,200 sq. feet	539,894	-	2015

List of Properties Held (Cont'd)

Title/ Location	Tenure/ Date of expiry of lease	Description/ Existing use (approximate age of building)	Land area/ Built-up area	Net book value as at 31.12.2025 (RM)	Year of last revaluation	Year of acquisition
No 691, Lorong Perindustrian Bukit Minyak 11, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Pulau Pinang		A unit of single storey factory and a double storey office building (7 years)	70,684 sq. feet	8,550,586	-	2019 – 2023
Registered Owner: Guangzhou Futron Technology Co. Ltd. **Building**						
No. 1, Gao Tian Industrial Zone, Tai Ping Town, Cong Hua City.		- 1 three-storey production building (22 years)	41,383 sq. feet	670,626	-	2003 – 2018
		- 1 steel production workshop (12 years)	8,092 sq. feet			
		- 1 warehouse (8 years)	7,089 sq. feet			
		- 1 five-storey hostel (22 years)	21,348 sq. feet	106,369	-	2003
Registered Owner: Guangzhou Futron Precision Industries Co., Ltd. **Land**						
Plot 18411320180005 at South Side of Longxing Siheng Road, Longxing District, Conghua Industrial Park, Conghua District, Guangzhou, People's Republic of China	50 years leasehold expiring on 25.11. 2068	Industrial land	216,385 sq. feet	6,093,975	-	2018
Building						
No. 123 Xing Ye Road, Aotou Town, Conghua District, Guangzhou City.		- 4 four-storey production building	347,890 sq. feet	68,380,660	-	2023 – 2025
		- 1 admin office & others	26,823 sq. feet			
		- 1 six-storey hostel	23,530 sq. feet			

List of Properties Held (Cont'd)

Title/ Location	Tenure/ Date of expiry of lease	Description/ Existing use (approximate age of building)	Land area/ Built-up area	Net book value as at 31.12.2025 (RM)	Year of last revaluation	Year of acquisition
Registered Owner: Dufusion Sdn Bhd						
Land						
Lot No. 8478 Mukim 12, District of Barat Daya, Penang	60 years leasehold expiring on 22.5.2050	Industrial land	51,451 sq. feet	4,337,619	-	2012
Lot No. 9232 Mukim 12, District of Barat Daya, Penang	60 years leasehold expiring on 10.12.2050	Industrial land	66,349 sq. feet			
Building						
Plot No. 160 & 163, Jalan Sungai Keluang, Bayan Lepas Free Industrial Zone, Phase 1, 11900 Bayan Lepas Penang		Industrial complex - 1 single-storey office-cum-production building (14 years)	61,587 sq. feet	1,117,878	-	2012
			TOTAL	96,010,024		

Share Buy-Back Statement

1. Disclaimer Statement

This Statement is important and if you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("Bursa Securities") has not perused the contents of this Share Buy-Back Statement in relation to the Proposed Share Buy-Back (as defined herein) prior to its issuance, takes no responsibility for the contents of the Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Statement.

2. Rationale for the Proposed Renewal of Authority to Dufu Technology Corp. Berhad ("DUFU" or the "Company") to Purchase Its Own Ordinary Shares ("Shares") of up to 10% of its total number of issued shares at any point in time ("Proposed Renewal of Share Buy-Back Mandate")

The Proposed Renewal of Share Buy-Back Mandate, if implemented, will enable the Company to utilize its financial resources not immediately required for use, to purchase its own Shares. The Proposed Renewal of Share Buy-Back Mandate may enhance the EPS which may have a positive impact on the market price of DUFU Shares. Other potential benefits of the Proposed Renewal of Share Buy-Back Mandate to the Company and its shareholder are as follows:-

a) To allow the Company to take preventive measures against speculation particularly when DUFU Shares are undervalued which would in turn stabilize the market price of DUFU Shares and hence, enhance investors' confidence;

b) To allow the Company flexibility in achieving the desired capital structure, in terms of the debt and equity composition, and the size of equity;

c) The Purchased Shares may be held as treasury shares and distributed to shareholders as dividends and/or resold in the open market with the intention of realising a potential capital gain if the Purchased Shares are resold at price(s) higher than their purchase price(s); and

d) The treasury shares may also be transferred for the purpose of rewarding employees under an employees' share scheme, or such other purposes as allowed under the Companies Act 2016.

3. Retained Profits

Based on the Audited Financial Statements of the Company as at 31 December 2025, the retained profits of the Company stood at RM91,358,779.

4. Source of Funding

The Proposed Renewal of Share Buy-Back Mandate will be financed from both internally generated funds and/or external borrowings as long as the amount of fund for the Share Buy-Back has not exceeded the amount of retained earnings. The Company has sufficient resource to undertake the Proposed Renewal of Share Buy-Back Mandate in view that the Company has net cash and cash equivalent balance of approximately RM2,900,001 based on the Audited Financial Statements of DUFU as at 31 December 2025.

In the event borrowings are used for the purchase of DUFU Shares, the Board of Directors of DUFU ("the Board") will ensure that the Company has the capability to repay the borrowings and that such repayment will not have a material effect on the Company's cash flow.

Any funds utilized by DUFU for the Proposed Renewal of Share Buy-Back Mandate will consequentially reduce the resources available to DUFU for its operations by a corresponding amount for shares bought back.

5. Interests of Directors' and Substantial Shareholders' and Persons Connected with Them

Save for the inadvertent increase in the percentage shareholdings and/or voting rights of the shareholders in the Company as a consequence of the Proposed Renewal of Share Buy-back Mandate, none of the Directors and Substantial Shareholders of DUFU nor persons connected with them has any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back Mandate and, if any, the resale of the treasury shares.

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders of DUFU as at 27 February 2026 and assuming that DUFU implements the Proposed Renewal of Share Buy-back Mandate in full, the effects of the Proposed Renewal of Share Buy-back Mandate on the shareholdings of the Directors and Substantial Shareholders of DUFU are as follows:-

	Before the Proposed Renewal of Share Buy-Back Mandate				After the Proposed Renewal of Share Buy-Back Mandate							
	As at the LPD				Minimum Scenario				Maximum Scenario			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Directors	**No. of Shares**	**%[a]**	**No. of Shares**	**%[a]**	**No. of Shares**	**%[b]**	**No. of Shares**	**%[b]**	**No. of Shares**	**%[c]**	**No. of Shares**	**%[c]**
Dato' Lee, Hui-Ta also known as Li Hui Ta [1]	43,635,698	8.18	56,410,000[7]	10.58	43,635,698	8.86	56,410,000[7]	11.46	43,635,698	8.69	56,410,000[7]	11.23
Wu, Mao-Yuan [2]	15,235,000	2.86	-	-	15,235,000	3.09	-	-	15,823,500	3.15	-	-
Tsai, Kun-Chang	54,000	0.01	-	-	54,000	0.01	-	-	54,000	0.01	-	-
Ng Phaik Lee	-	-	-	-	-	-	-	-	-	-	-	-
Khaw Mui Suan	-	-	-	-	-	-	-	-	-	-	-	-
Hsu, Shih-Mu	20,000	0.00	-	-	20,000	0.00	-	-	20,000	0.00	-	-
Substantial Shareholder												
Perfect Commerce Sdn Bhd	44,799,000	8.40	-	-	44,799,000	9.10	-	-	44,799,000	8.92	-	-
Perfect Full Yen Sdn Bhd	56,410,000	10.58	-	-	56,410,000	11.46	-	-	56,410,000	11.23	-	-
Lee, Wen-Jung	85,900	0.02	44,799,000[8]	8.40	85,900	0.02	44,799,000[8]	9.10	85,900	0.02	44,799,000[8]	8.92
Lee, Su Hui-Fen	21,500	0.00	44,799,000[8]	8.40	21,500	0.00	44,799,000[8]	9.10	21,500	0.00	44,799,000[8]	8.92
Wang, Kuei-Hua [3]	10,112,130	1.90	56,410,000[7]	10.58	10,112,130	2.05	56,410,000[7]	11.46	10,112,130	2.01	56,410,000[7]	11.23
Ooi Keng Thye	32,004,000	6.00	-	-	32,004,000	6.50	-	-	32,004,000	6.37	-	-

5. Interests of Directors' and Substantial Shareholders' and Persons Connected with Them (Cont'd)

	Before the Proposed Renewal of Share Buy-Back Mandate				After the Proposed Renewal of Share Buy-Back Mandate							
	As at the LPD				Minimum Scenario				Maximum Scenario			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Directors	No. of Shares	%[a]	No. of Shares	%[a]	No. of Shares	%[b]	No. of Shares	%[b]	No. of Shares	%[c]	No. of Shares	%[c]
Person Connected with Director and Substantial Shareholder												
Wu, Ming-Hsiu [2][4]	4,780,800	0.90	-	-	4,780,800	0.97	-	-	4,890,100	0.97	-	-
Lee, Yi-Hsuan [2][3]	2,011,000	0.38	-	-	2,011,000	0.41	-	-	2,044,000	0.41	-	-
Hsu, Sung-Hsiang [4]	210,000	0.04	-	-	210,000	0.04	-	-	210,000	0.04	-	-
Ong Kiat Cheow [5]	15,000	0.00	-	-	15,000	0.00	-	-	15,000	0.00	-	-
Wang, Kuei-Lan [6]	343,000	0.06	-	-	343,000	0.07	-	-	343,000	0.07	-	-
Lee, Shih-Chieh [3]	2,044,000	0.38	-	-	2,044,000	0.42	-	-	2,044,000	0.41	-	-
Lee, Liang-Huei also known as Lee, Lianq-Huey [3]	2,028,000	0.38	-	-	2,028,000	0.41	-	-	2,028,000	0.40	-	-

Note:
Minimum Scenario - Assuming none of the 10,875,000 ESOS Options are exercised and DUFU implements the Proposed Renewal of Share Buy-back Mandate in full.
Maximum Scenario - Assuming full exercise of the 10,875,000 ESOS Options and DUFU implements the Proposed Renewal of Share Buy-back Mandate in full.

(a) Based on the total number of issued shares of 533,324,746 Shares, exclusive of 13,792,488 shares held as treasury shares
(b) Based on the total number of issued shares of 492,405,511 Shares without exercising the ESOS Options and the Proposed Share Buy-Back is carried out in full and all that shares so purchased are held as treasury shares
(c) Based on the total number of issued shares of 502,193,011 Shares after full exercise of the 10,875,000 ESOS Options with the assumption that the Directors / Substantial Shareholders and Persons Connected with them (whom also an eligible person to the Company's ESOS) fully exercised their ESOS Options:-
- *Wu, Mao-Yuan – 588,500 ESOS Options*
- *Wu, Ming-Hsiu – 109,300 ESOS Options*
- *Lee Yi Hsuan – 33,000 ESOS Options*

(1) Also Substantial Shareholder of the Company.
(2) Also an eligible person to the Company's ESOS
(3) Person Connected to Dato' Lee, Hui-Ta also known as Li Hui Ta
(4) Person Connected to Wu, Mao-Yuan
(5) Person Connected to Khaw Mui Suan
(6) Person Connected to Wang, Kuei-Hua
(7) Indirect Interest by virtue of his/her substantial interest in Perfect Full Yen Sdn Bhd ("PFYSB").
(8) Indirect Interest by virtue of his/her substantial interest in Perfect Commerce Sdn Bhd ("PCSB").

Share Buy-Back Statement (Cont'd)

6. Potential Advantages and Disadvantages of the Proposed Renewal of Share Buy-Back Mandate

6.1 Potential advantages of the Proposed Renewal of Share Buy-Back Mandate

The potential advantages of the Proposed Renewal of Share Buy-Back Mandate are set out in section 2 of the Statement.

6.2 Potential disadvantages of the Proposed Renewal of Share Buy-Back Mandate

The potential disadvantages of the Proposed Renewal of Share Buy-Back Mandate are as follows:-

a) The Proposed Renewal of Share Buy-Back Mandate if implemented, will reduce the financial resources of DUFU and may result in DUFU foregoing interest income and/or better investment opportunities that may emerge in the future; and

b) It would also result in the reduction of financial resources available for distribution in the form of cash dividends to shareholders of DUFU in the immediate future.

Nevertheless, the Board is of the view that the Proposed Renewal of Share Buy-Back Mandate is not expected to have any potential material disadvantages to the Company and its shareholders as it will be implemented only after careful consideration of the financial resources of DUFU and the resultant impact on the shareholders of the Company.

7. Material Financial Effect of the Proposed Renewal of Share Buy-Back Mandate

The material financial effect of the Proposed Renewal of Share Buy-Back Mandate on the share capital, consolidated Net Tangible Assets ("NTA"), working capital, earnings, dividends and the substantial shareholders' shareholdings in DUFU are set out below:

7.1 Share Capital

The effects of the Proposed Renewal of Share Buy-Back Mandate on the total number of issued shares of DUFU are as follows:-

Minimum Scenario - Assuming none of the 10,875,000 ESOS Options are exercised and DUFU implements the Proposed Renewal of Share Buy-back Mandate in full

Maximum Scenario - Assuming full exercise of the 10,875,000 ESOS Options and DUFU implements the Proposed Renewal of Share Buy-back Mandate in full.

	Minimum Scenario No. of Shares	**Maximum Scenario No. of Shares**
As at 27 February 2026	547,117,234	547,117,234
Shares to be issued pursuant to the ESOS	0	10,875,000
	547,117,234	557,992,234
Proposed Renewal of Share Buy-Back Mandate (assuming all Purchased Shares are held as treasury shares)	54,711,723	55,799,223
Total number of issued share after the Proposed Renewal of Share Buy-Back Mandate	492,405,511	502,193,011

The Proposed Renewal of Share Buy-Back Mandate will not have any effect on the issued and paid-up share capital of the Company as the Shares purchased are to be retained as treasury shares. However, the rights attaching to the treasury shares as to voting, dividends and participation in other distributions or otherwise will be suspended. While these Shares remain as treasury shares, the Companies Act 2016 prohibits the taking into account of such Shares in calculating the number of percentage of Shares for a purpose whatsoever including substantial shareholdings, takeovers, notices, requisitioning of meetings, quorum for meetings and the result of votes on resolutions.

Share Buy-Back Statement (Cont'd)

7. Material Financial Effect of the Proposed Renewal of Share Buy-Back Mandate (Cont'd)

7.2 NTA

The effects of the Proposed Renewal of Share Buy-Back Mandate on the consolidated NTA of the Group would depend on the purchase price and number of Purchased Shares, the effective funding cost to DUFU to finance the Purchased Shares or any loss in interest income to DUFU.

The Proposed Renewal of Share Buy-Back Mandate will reduce the consolidated NTA per Share at the time of purchase if the purchase price exceeds the consolidated NTA per Share and conversely will increase the consolidated NTA per Share at the time of purchase if the purchase price is less than the consolidated NTA per Share.

Should the Purchased Shares be resold, the consolidated NTA will increase if the Company realizes a capital gain from the resale, and vice-versa. However, the quantum of the increase in NTA will depend on the selling price of the Purchased Shares and the number of Purchased Shares resold.

7.3 Working Capital

The Proposed Renewal of Share Buy-Back Mandate is likely to reduce the working capital of the Group, the quantum of which would depend on the purchase price of the Purchased Shares, the number of Purchased Shares and any associated costs incurred in making the purchase.

7.4 Earnings

The effects of the Proposed Renewal of Share Buy-Back Mandate on the EPS of the DUFU Group will depend on the purchase price of the DUFU Shares, the number of DUFU Shares purchased and the effective funding cost to DUFU to finance the Purchase Shares or any loss in interest income to the Group.

If the Purchased Shares are to be retained as treasury shares or cancelled subsequently, the number of Shares applied in the computation of the EPS will be reduced, and accordingly, all other things being equal, the Proposed Renewal of Share Buy-Back Mandate will have a positive impact on the EPS of the Group.

In the event the Purchased Shares are resold subsequently, depending on the price at which the said Shares are resold, the Proposed Renewal of Share Buy-Back Mandate may have a positive effect on the EPS of the Group if there is a gain on the disposal and vice-versa.

7.5 Dividends

Assuming the Proposed Renewal of Share Buy-Back Mandate is implemented in full, dividends would be paid on the remaining total number of issued Shares of DUFU (excluding the Shares already purchased). The Proposed Renewal of Share Buy-Back Mandate may have an impact on the Company's dividend policy for the financial year ending 31 December 2026 as it would reduce the cash available which may otherwise be used for dividend payments. Nevertheless, the treasury shares purchased may be distributed as dividends to shareholders of the Company, if the Company so decides.

Any dividends to be declared by DUFU in the future would depend on, *inter-alia*, the profitability and cash flow position of the Group.

7.6 Substantial Shareholders

Shares bought back by the Company under the Proposed Renewal of Share Buy-Back Mandate that are retained as treasury shares will result in a proportionate increase in the percentage shareholdings of the Substantial Shareholders in the Company. Please refer to Section 5 of this Statement for further details.

Share Buy-Back Statement (Cont'd)

8. Implications of the Proposed Renewal of Share Buy-Back Mandate relating to Rules on Take-Overs, Merger, and Compulsory Acquisitions (The "Rules")

Based on the Company's total number of issued Shares and the current shareholdings of the substantial shareholders and/or parties acting in concert as at 27 February 2026, none of the substantial shareholders and/or parties acting in concert with them will be required to make a mandatory general offer in the event of the implementation of Proposed Renewal of Share Buy-Back Mandate in full.

As it is not intended for the Proposed Renewal of Share Buy-Back Mandate to trigger the obligation to undertake a mandatory offer under the Rules by any of the Company's shareholders and/or parties acting in concert with them, the Board will ensure that such number of Shares purchased, retained as treasury shares, cancelled or distributed pursuant to the Proposed Renewal of Share Buy-Back Mandate would not result in triggering any mandatory offer obligation on the part of its shareholders and/or parties acting in concert with them.

In this connection, the Board will be mindful of the Rules when making any purchase of the Shares pursuant to the Proposed Renewal of Share Buy-Back Mandate.

9. Purchases, Resold, Transfer and Cancellation made by the Company of its own Shares in the preceding twelve (12) months

The company had not purchased, resold, transferred or cancelled any shares in the preceding twelve (12) months.

10. Proposed intention of the Directors to Deal with the Shares so Purchased

The proposed Renewal of Share Buy-Back Mandate, if exercised, the Shares shall be dealt with in the following manner:-

- to cancel the Shares so purchased; or
- to retain the Shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of the Bursa Securities or subsequently cancelled; or
- to retain part of the Shares so purchased as treasury shares and cancel the remainder; or
- to deal in such other manner as presribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authorities may allow from time to time.

11. Historical Share Prices

The monthly highest and lowest market prices of DUFU Shares traded on Bursa Securities for the preceding twelve (12) months are as follows:-

	Highest RM	Lowest RM
2025		
March	1.33	1.00
April	1.17	0.89
May	1.41	1.09
June	1.27	1.09
July	1.37	1.12
August	1.24	1.08
September	1.63	1.09
October	2.22	1.52
November	2.25	1.64
December	1,71	1.53
2026		
January	1.97	1.57
February	1.88	1.58

Last transacted market price as at 16 March 2026 (being the latest practical date prior to the printing of this Statement) was RM1.34.

(Source: Bloomberg)

Share Buy-Back Statement (Cont'd)

12. Public Shareholding Spread

As at 27 February 2026, the public shareholding spread of the Company was approximately 54.89%. In this regard, the Board undertakes to purchase Shares only to the extent that the public shareholding spread of DUFU shall not fall below 25% of the total number of issued Shares of the Company (excluding treasury shares) at all times pursuant to the Proposed Renewal of Share Buy-back Mandate, in accordance with Para 8.02(1) and 12.14 of the Bursa Securities Main Market Listing Requirements.

13. Directors' Statement

After taking into consideration all relevant factors, the Board is of the opinion that the Proposed Renewal of Share Buy-Back Mandate described above is in the best interest of the Company.

14. Directors' Recommendation

The Board recommends that you vote in favour of the ordinary resolution to be tabled at the forthcoming Annual General Meeting to give effect to the Proposed Renewal of Share Buy-Back Mandate.

15. Responsibility Statement

This statement has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

16. Documents Available For Inspection

Copies of the following documents will be available for inspection at the registered office of the Company at 57-G Persiaran Bayan Indah, Bayan Bay, Sungai Nibong, 11900 Penang during normal office hours from Monday to Friday (except on public holidays) from the date of this Statement up to and including the date of the forthcoming AGM:

(i) Constitution of DUFU; and

(ii) The audited consolidated financial statements of DUFU for the past two (2) financial years ended 31 December 2024 and 2025.

17. Further Information

There is no other information concerning the Proposed Renewal of Share Buy-Back Mandate as shareholders and other professional advisers would reasonably require and expect to find in the Statement for the purpose of making informed assessment as to the merits of approving the Proposed Renewal of Share Buy-Back Mandate and the extent of the risks involved in doing so.

Analysis of Shareholdings

As At 27 February 2026

SHARE CAPITAL

Total Number of Issued Shares	:	533,324,746 +
Class of Share	:	Ordinary Shares with equal voting rights
Number of Shareholders	:	11,831

+ *Excluding a total of 13,792,488 shares purchased and retained as treasury shares.*

DISTRIBUTION OF SHAREHOLDERS

Holdings	No. of Holders	Total Holdings	%
1 – 99	529	15,672	0.00
100 – 1,000	2,662	1,612,842	0.30
1,001 – 10,000	6,054	27,909,542	5.24
10,001 – 100,000	2,304	68,593,498	12.86
100,001 – 26,666,236	279	290,348,494	54.44
26,666,237 and above	3	144,844,698	27.16
Total	11,831	533,324,746	100.00

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS

	Name	Shareholdings	%
1.	Perfect Full Yen Sdn Bhd	56,410,000	10.58
2.	Perfect Commerce Sdn Bhd	44,799,000	8.40
3.	Dato' Lee, Hui-Ta @ Li Hui Ta	43,635,698	8.18
4.	Wong Ser Yian	26,433,786	4.96
5.	CIMB Group Nominees (Tempatan) Sdn Bhd Qualifier: CIMB Commerce Trustee Berhad for Kenanga Shariah Growth Opportunities Fund (50156 TR01)	15,974,254	3.00
6.	Wu, Mao-Yuan	15,235,000	2.86
7.	RHB Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account for Ooi Keng Thye	12,250,800	2.30
8.	RHB Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account for Ooi Keng Thye	10,566,800	1.98
9.	Wang, Kuei-Hua	10,112,130	1.90
10.	CIMSEC Nominees (Tempatan) Sdn Bhd Qualifier: CIMB for Lim Ka Kian (PB)	8,824,900	1.65
11.	Cartaban Nominees (Tempatan) Sdn Bhd Qualifier: ICapital.Biz Berhad	7,571,100	1.42
12.	Perfect Hua Ta Sdn. Bhd.	7,400,000	1.39
13.	Phillip Nominees (Tempatan) Sdn Bhd Qualifier: Exempt an for Phillip Capital Management Sdn Bhd	7,159,900	1.34
14.	CIMB Islamic Nominees (Tempatan) Sdn Bhd Qualifier: CIMB Islamic Trustee Berhad - Kenanga Syariah Growth Fund	5,495,500	1.03
15.	Maybank Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account for Ooi Keng Thye	5,178,800	0.97
16.	Wu Ming-Hsiu	4,780,800	0.90
17.	Tan Chor Oon	4,708,800	0.88
18.	HSBC Nominees (Tempatan) Sdn Bhd Qualifier: BNPP Sin/2S for Pertubuhan Keselamatan Sosial (PKSUOBAM EQ)	3,800,000	0.71
19.	CIMB Group Nominees (Tempatan) Sdn Bhd Qualifier: CIMB Commerce Trustee Berhad for Kenanga Growth Opportunities Fund (50154 TR01)	3,520,060	0.66
20.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Qualifier: Deutsche Trustees Malaysia Berhad for Hong Leong Dana Makmur	3,300,000	0.62

Analysis of Shareholdings (Cont'd)

As At 27 February 2026

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS (CONT'D)

	Name	Shareholdings	%
21.	Citigroup Nominees (Tempatan) Sdn Bhd Qualifier: Lembaga Tabung Haji (Eastspring)	3,277,600	0.61
22.	Maybank Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account for Chung Soon Kong	3,260,400	0.61
23.	Tan Yih Perng	3,226,400	0.60
24.	HSBC Nominees (Tempatan) Sdn Bhd Qualifier: HSBC (M) Trustee Bhd for Manulife Investment Shariah Progress Plus Fund	3,169,900	0.59
25.	HSBC Nominees (Tempatan) Sdn Bhd Qualifier: HSBC (M) Trustee Bhd for Manulife Investment Al-Fauzan (5170)	2,975,600	0.56
26.	Citigroup Nominees (Tempatan) Sdn Bhd Qualifier: Kumpulan Wang Persaraan (Diperbadankan) (Kenanga)	2,863,900	0.54
27.	Maybank Nominees (Tempatan) Sdn Bhd Qualifier: Maybank Trustees Berhad for Kenanga Syariahextra Fund (N14011960240)	2,820,500	0.53
28.	Universal Trustee (Malaysia) Berhad Qualifier: ETSW SBS (Clients' Acc)	2,741,800	0.51
29.	Citigroup Nominees (Tempatan) Sdn Bhd Qualifier: Employees Provident Fund Board (ABERISLAMIC)	2,583,400	0.48
30.	CIMB Group Nominees (Tempatan) Sdn Bhd Qualifier: Exempt An for Petroliam Nasional Berhad (ACF-KENANGA-EQ)	2,556,400	0.48

SUBSTANTIAL SHAREHOLDERS

	Name	Direct No. of shares held	%	Indirect No. of shares held	%
1.	Perfect Full Yen Sdn Bhd (PFYSB)	56,410,000	10.58	-	-
2.	Perfect Commerce Sdn Bhd (PCSB)	44,799,000	8.40	-	-
3.	Dato' Lee, Hui-Ta also known as Li Hui Ta	43,635,698	8.18	56,410,000#	10.58#
4.	Wang, Kuei-Hua	10,112,130	1.90	56,410,000#	10.58#
5.	Lee, Su Hui-Fen	21,500	0.00	44,799,000^	8.40^
6.	Lee, Wen-Jung	85,900	0.02	44,799,000^	8.40^
7.	Ooi Keng Thye	32,004,000	6.00	-	-

Indirect Interest by virtue of his/her substantial interest in PFYSB.
^ Indirect Interest by virtue of his/her substantial interest in PCSB.

DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S SHAREHOLDINGS

	Name	Direct No. of shares held	%	Indirect No. of shares held	%
1.	Dato' Lee, Hui-Ta also known as Li Hui Ta	43,635,698	8.18	56,410,000#	10.58#
2.	Wu, Mao-Yuan	15,235,000	2.86	-	-
3.	Tsai, Kun-Chang	54,000	0.01	-	-
4.	Hsu, Shih-Mu	20,000	-	-	-
5.	Ng Phaik Lee	-	-	-	-
6.	Khaw Mui Suan	-	-	-	-
7.	Teoh Chiew Hong *	-	-	-	-

Indirect Interest by virtue of his substantial interest in PFYSB.
* Chief Executive Officer of the Group.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 24th Annual General Meeting ("24th AGM") of the Company will be held at Jadeite Room, Level 4, Amari SPICE, No. 2 Persiaran Mahsuri, 11900 Penang, Malaysia on Thursday, 7 May 2026 at 10:00 a.m. for the following purposes:-

A G E N D A

1. To receive the Audited Financial Statements of the Company for the year ended 31 December 2025 together with the Reports of the Directors and of the Auditors thereon. *(Please refer to Note A)*

2. To declare a Tax Exempt Final Dividend of 2 sen per share for the year ended 31 December 2025. (Resolution 1)

3. To approve an increase of Directors' Fee from RM299,000/- to an amount up to RM305,500/- for the period from 1 June 2026 until the next Annual General Meeting of the Company and payment of such fee to the Directors. *(Please refer to Note B)* (Resolution 2)

4. To approve the payment of other benefits (excluding Directors' Fee) of up to RM50,000/- for the period from 1 June 2026 until the next Annual General Meeting of the Company. (Resolution 3)

5. To re-elect the following Directors retiring under the respective provision of Company's Constitution and who, being eligible offer themselves for re-election:- *(Please refer to Note C)*

a) Dato' Lee, Hui-Ta also known as Li Hui Ta	Paragraph 102(1)	(Resolution 4)
b) Khaw Mui Suan	Paragraph 102(1)	(Resolution 5)
c) Hsu, Shih-Mu	Paragraph 107(2)	(Resolution 6)

6. To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company for the ensuing year and to authorize the Directors to fix their remuneration. (Resolution 7)

SPECIAL BUSINESS

7. To consider and if thought fit, to pass the following resolutions: -

Ordinary Resolutions

a) Authority to Issue Shares *(Please refer to Note D)*

"That pursuant to Companies Act 2016 ("the Act") and approvals from the Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant governmental/ regulatory authorities where such authority shall be necessary, the Board of Directors be authorised to issue and allot shares in the Company from time to time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Board of Directors may, in its absolute discretion, deem fit provided that the aggregate number of shares to be issued shall not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being, and that the Board of Directors be empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Securities." (Resolution 8)

Notice of Annual General Meeting (Cont'd)

b) Renewal of Authority to Purchase its own Shares *(Please refer to Note E)*
"That subject to the Act, provisions of the Company's Constitution and the requirements of the Bursa Securities and other relevant governmental and regulatory authorities where such authority shall be necessary, the Board of Directors be authorised to purchase its own shares through Bursa Securities, subject to the following:- (Resolution 9)

i) The maximum aggregate number of shares which may be purchased by the Company shall not exceed ten per centum (10%) of the total number of issued shares in the ordinary share capital of the Company at any point in time;

ii) The maximum fund to be allocated by the Company for the purpose of purchasing the Company's shares shall not exceed the retained profits of the Company. As at the latest financial year ended 31 December 2025 the audited retained profits of the Company is RM91,358,779;

iii) The authority conferred by this resolution will be effective immediately upon the passing of this resolution and shall continue to be in force until the conclusion of the next AGM of the Company, at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed either unconditionally or subject to conditions or the expiration of the period within which the next AGM is required by law to be held or unless revoked or varied by ordinary resolution passed by the shareholders in a general meeting, whichever occurs first;

iv) Upon completion of the purchase(s) of the shares by the Company, the shares shall be dealt with in the following manner:-

- to cancel the shares so purchased; or
- to retain the shares so purchased in treasury for distribution as dividend to shareholders and/or resell on the market of the Bursa Securities or subsequently cancelled; or
- to retain part of the shares so purchased as treasury shares and cancel the remainder; or
- to deal in such other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of the Bursa Securities and any other relevant authorities may allow from time to time.

The Directors of the Company be and are hereby authorised to take all such steps as are necessary and entering into all other agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments, if any, as may be imposed by the relevant authorities from time to time to implement or to effect the purchase of its own shares in accordance with the Act, provisions of the Company's Constitution, the requirements of the Bursa Securities and any other regulatory authorities, and other relevant approvals."

8. To transact any other business of which due notice shall have been given in accordance with the Act.

By Order of the Board
HOW WEE LING (MAICSA 7033850) / SSM PC NO. 202008000869
OOI EAN HOON (MAICSA 7057078) /SSM PC NO. 202008000734
Secretaries

Penang
27 March 2026

Notice of Annual General Meeting (Cont'd)

Proxy

a) For the purpose of determining a member who shall be entitled to attend and vote at this 24th Annual General Meeting, the Company shall be requesting the Record of Depositors as at 29 April 2026. Only a depositor whose name appears on the Record of Depositors as at 29 April 2026 shall be entitled to attend, speak and vote at the said meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.

b) A member (except an exempt authorised nominee) may appoint up to two (2) proxies in relation to the general meeting provided that he specifies the proportion of his shareholdings to be represented by each proxy.

c) 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.

d) The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or, if the member is a corporation, shall either be executed under the corporation's seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.

e) The instrument appointing a proxy shall be deposited to Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or submitted via fax at 03-2094 9940 and/or 03-2095 0292 or emailed to info@sshsb.com.my not less than 48 hours before the time for holding the 24th AGM or any adjournment thereof i.e. by Tuesday, 5 May 2026 at 10:00 a.m.

Explanatory Notes on Ordinary and Special Business:

A. This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act and the Company's Constitution do not require a formal approval of the shareholders and hence, is not put forward for voting.

B. The Ordinary Resolution 2 is to facilitate payment of Directors' fees for the period from 1 June 2026 until the next AGM. The Directors' Fee of up to RM305,500 was calculated with 13-month provision for all Directors. The proposed Directors' Fee incorporates an increment of RM500 per month per Executive Director and RM500 per month for Chairman of Nominating Committee, Remuneration Committee and Investment Committee respectively.

C. The Board through the Nomination Committee has undertaken an annual assessment of each Director. The retiring Directors namely, Dato' Lee, Hui-Ta also known as Li Hui Ta (Executive Chairman) and Khaw Mui Suan (Independent Director ("ID")), are seeking re-election pursuant to Paragraph 102 (1) of the Company's Constitution. Whereas, Hsu, Shih-Mu (ID), who was appointed on 10 November 2025, seeks re-election pursuant to Paragraph 107 (2) of the Company's Constitution.

The Board and the Nomination Committee are satisfied with the performance assessment of the retiring Directors i.e. meeting attendance, active participation and positive contributions during Board deliberations. They also noted their competency, capability, and clear understanding of their respective roles and responsibilities. Thus, the Board recommends that the approval of the shareholders be sought for the re-election of the said Directors at the 24th AGM. Detailed information on the Directors standing for re-election is set out in the "Profile of Directors" of the Annual Report 2025.

D. The proposed Resolution No. 8 [Item 7(a)], if passed, will grant a renewed general mandate (Mandate 2026) and empower the Directors of the Company to issue and allot shares up to an amount not exceeding in total ten per centum (10%) of total number of issued shares of the Company from time to time and for such purposes as the Directors consider would be in the interest of the Company. In order to avoid any delay and costs involved in convening a general meeting, it is thus appropriate to seek shareholders' approval. This authority will, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

The Mandate 2026 will provide flexibility to the Company for allotment of shares for any possible fund raising activities, including but not limited for further placing of shares, for the purpose of funding future investment(s), acquisition(s) and/or working capital.

As at the date of this Notice, the Company did not issue any shares pursuant to the mandate granted to the Directors at the 23rd Annual General Meeting. The Company did not issue any share pursuant to the mandate granted because there was no investment, acquisition or working capital that required fund raising activity.

Notice of Annual General Meeting (Cont'd)

Explanatory Notes on Ordinary and Special Business: (Cont'd)

E The proposed Ordinary Resolution No. 9 [Item 7(b)], if passed, will give the Company the authority to purchase its own ordinary shares of up to ten percent (10%) of the total number of issued shares of the Company for the time being. This authority, unless renewed or revoked or varied by the Company at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting after that date is required by law to be held, whichever occurs first. For further information on the Proposed Renewal of Share Buy-back Mandate, please refer to the Share Buy-back Statement set out in the Annual Report 2025.

NOTES:

i. Shareholders may send questions in relation to the agenda items for the 24th AGM, electronically by email to davidkhoo@dufu.com.my no later than Tuesday, 5 May 2026 at 10:00 a.m..

ii. To enable the Company to make the necessary arrangement on the 24th AGM day, attendees who wish to attend the 24th AGM in person are encouraged to pre-register attendance by providing the following Pre-Registration details by email to info@sshsb.com.my by Tuesday, 5 May 2026 at 10:00 a.m..

- *Company Name: **Dufu Technology Corp. Berhad***
- *Full name;*
- *NRIC / Passport No.;*
- *CDS Account No.;*
- *Contact No.:*
- *Category of Attendees.: Shareholder / Proxy / Invitee*

iii. Shareholders are also reminded to monitor the Company's website and announcements from time to time for any changes to the 24th AGM arrangement.

Statement Accompanying Notice of Annual General Meeting

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

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

No individual is seeking election as a director at the 24th AGM of the Company.

2. Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

Details of the general mandate to issue securities in the Company pursuant to the Companies Act 2016 are set out in Explanatory Note (D) of the Notice of 24th AGM.

Notice of Dividend Entitlement and Payment

NOTICE IS HEREBY GIVEN that the Tax Exempt Final Dividend of 2 sen per share for the year ended 31 December 2025 if approved, will be paid on 15 June 2026 to depositors registered in the Records of Depositors on 29 May 2026:-

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

a) shares transferred into the Depositor's Securities Account before 4.30 p.m. on 29 May 2026 in respect of transfers;

b) shares deposited into the Depositor's Securities Account before 12.30 p.m. in respect of securities exempted from mandatory deposit; and

c) shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities.

By Order of the Board
HOW WEE LING (MAICSA 7033850) / SSM PC NO. 202008000869
OOI EAN HOON (MAICSA 7057078) /SSM PC NO. 202008000734
Secretaries

Penang
27 March 2026

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PROXY FORM

DUFU TECHNOLOGY CORP. BERHAD
Registration No. 200201013949 (581612-A)
(Incorporated in Malaysia)

No. of ordinary shares held		CDS Account No.	
Contact No.		Email Address	

*I/We, _____ (NRIC No. / Company No. _____) of

_____

being a *Member/Members of DUFU TECHNOLOGY CORP. BERHAD hereby appoint:-

☐ The following proxy(ies):-

Name		NRIC / Passport No.	Address	Proportions of my/our holdings to be represented (%)
(1)				
AND * / OR FAILING HIM*,				
(2)				
			Total	100.0%

In case of a vote by show of hands, Proxy 1*/Proxy 2* shall vote on our behalf.

AND * / OR FAILING HIM*,

☐ Chairman of the Meeting

as *my/our proxy to vote for *me/us and on *my/our behalf at the 24th Annual General Meeting of the Company to be held Jadeite Room, Level 4, Amari SPICE, No. 2 Persiaran Mahsuri, 11900 Penang, Malaysia on Thursday, 7 May 2026 at 10:00 a.m. and at any adjournment thereof as indicated below:-

☐ Tick (✓) whichever is applicable

* Strike out whichever is inapplicable

(Please indicate with an "X" in the space provided below on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion)

Ordinary Resolutions		**For**	**Against**
1.	To declare a Tax Exempt Final Dividend of 2 sen per share for the year ended 31 December 2025.		
2.	To approve an increase of Directors' Fee from RM299,000/- to an amount up to RM305,500/- for the period from 1 June 2026 until the next Annual General Meeting of the Company and payment of such fee to the Directors.		
3.	To approve the payment of other benefits (excluding Directors' Fee) of up to RM50,000/- for the period from 1 June 2026 until the next Annual General Meeting of the Company.		
	To re-elect the following Directors retiring under the respective provision of Company's Constitution and who, being eligible offer themselves for re-election:-		
4.	Dato' Lee, Hui-Ta also known as Li Hui Ta Paragraph 102(1)		
5.	Khaw Mui Suan Paragraph 102(1)		
6.	Hsu, Shih-Mu Paragraph 107(2)		
7.	To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company for the ensuing year and to authorize the Directors to fix their remuneration.		
	To pass the following resolution as Special Business :-		
	Ordinary Resolutions		
8.	Authority to Issue Shares pursuant to the Companies Act 2016.		
9.	To approve the proposed renewal of authority to purchase up to ten percent (10%) of its own shares in the total number of issued shares of the Company.		

Signed this _____ day of_____ 2026 Signature of Member: _____

Proxy:-

a) For the purpose of determining a member who shall be entitled to attend and vote at this 24th Annual General Meeting, the Company shall be requesting the Record of Depositors as at 29 April 2026. Only a depositor whose name appears on the Record of Depositors as at 29 April 2026 shall be entitled to attend, speak and vote at the said meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.

b) A member (except an exempt authorised nominee) may appoint up to two (2) proxies in relation to the general meeting provided that he specifies the proportion of his shareholdings to be represented by each proxy.

c) 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.

d) The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or, if the member is a corporation, shall either be executed under the corporation's seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.

e) The instrument appointing a proxy shall be deposited to Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or submitted via fax at 03-2094 9940 and/or 03-2095 0292 or emailed to info@sshsb.com.my not less than 48 hours before the time for holding the 24th AGM or any adjournment thereof i.e. by Tuesday, 5 May 2026 at 10:00 a.m.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

Share Registrar
DUFU TECHNOLOGY CORP. BERHAD
[Registration No. 200201013949 (581612-A)]
c/o: Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Malaysia

1st fold here

Dufu Technology Corp. Berhad
200201013949 (581612-A)

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