



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of Dayang Enterprise Holdings Bhd recognises that sound corporate governance is essential to the long-term sustainability, resilience and performance of the Group. The Board believes that good corporate governance underpins the effective, accountable and transparent stewardship of the Group’s business and affairs, supports long-term shareholder value, strengthens investor confidence, and safeguards the interests of the Group’s stakeholders. This approach is consistent with the Board’s role in overseeing the Group’s strategic direction, risk management, internal control, compliance and major reporting to the market and stakeholders.

This Corporate Governance Overview Statement (“CG Overview Statement”) is prepared pursuant to Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”) and with reference to the principle and practices set out in the Malaysian Code of Corporate Governance (“MCCG”) issued by the Securities Commission Malaysia. It also reflects the Group’s governance framework as supported by the Board Charter and the Terms of Reference of the relevant Board Committees, including the Audit Committee, Risk Management Committee and Corporate Sustainability Committee.

This CG Overview Statement outlines the principal corporate governance practices of the Group for the financial year ended 31 December 2025. It should be read together with the Corporate Governance Report (“CG Report”), which is available on the Company’s corporate website at www.desb.net. The CG Report provides a more detailed description of how the Company has applied each applicable Practice under the MCCG during the financial year.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES

The Board recognises that its primary role is to protect and promote the interests of shareholders while ensuring the long-term sustainability and resilience of the Group. In discharging its fiduciary duties, the Board provides oversight of the Group’s business operations, financial performance, risk management, internal controls as well as sustainability and climate-related matters.

In line with the Board Charter, the Board acknowledges that sustainability and climate-related risks and opportunities are increasingly relevant to the Group’s long-term strategy and risk management. The Board ensures that appropriate governance structures, processes and controls are in place to support reliable sustainability-related disclosures in accordance with applicable regulatory requirements.

The Board plays an active role in reviewing and approving the Group’s strategic plans, monitoring management performance and overseeing key business risks.

There is a clear division of responsibilities between Chairman, Managing Director, Executive Directors, Independent Non-Executive Directors and Non-Independent Non-Executive Directors. The roles of the Chairman and Managing Director are held by separate individuals to ensure a balance of power and authority. The Chairman is responsible for the effective conduct of the Board, while the Managing Director and Executive Directors are responsible for the day-to-day management of the Group. Independent Directors provide objective judgement and contribute to the Board’s decision-making process.

Senior Management is responsible for implementing the strategies and decisions of the Board, while the Board retains overall oversight of management’s performance and the achievement of the Group’s objectives.

To support the effective discharge of its responsibilities, the Board has established the following Board Committees with clearly defined Terms of Reference:

- i) Audit Committee (AC);
- ii) Joint Remuneration & Nomination Committee (JRNC);
- iii) Risk Management Committee (RMC);
- iv) Anti-Bribery & Corruption Compliance Committee (ABCCC); and
- v) Corporate Sustainability Committee (CSC)

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

1. BOARD RESPONSIBILITIES (Cont'd)

Each Committee operates within its respective Terms of Reference and provides focused oversight in its designated areas. Matters are deliberated at the respective Committee level before being recommended to the Board for approval, and the Board retains full responsibility for all decisions.

Sustainability and Climate-Related Governance

The Board recognises the increasing importance of sustainability and climate-related matters in ensuring the long-term resilience of the Group. The Board has strengthened its governance framework to support enhanced sustainability reporting and disclosures in line with evolving regulatory expectation.

The governance of sustainability and climate-related matters is structured as follows:

Board

Provides overall oversight of sustainability strategies, climate-related risks and opportunities, and ensures integration into the Group's strategy, risk management and reporting.

Corporate Sustainability Committee (CSC)

Oversees sustainability strategies, initiatives, stakeholder engagement and disclosures, including climate-related matters, and recommends the Sustainability Statement to the Board for approval.

Risk Management Committee (RMC)

Oversees the identification, assessment and monitoring of sustainability and climate-related risks, including physical and transition risks, and ensures these are integrated into the Group's enterprise risk management framework.

Audit Committee (AC)

Oversees the integrity of sustainability and climate-related disclosures, including the adequacy of controls, systems and processes supporting such disclosures, and assesses alignment with financial reporting assumptions and regulatory requirements.

This structured governance approach ensures clear accountability, effective oversight and alignment with evolving regulatory expectations and reporting frameworks.

Qualified and Competent Company Secretary

The Board has full access to the Company Secretary, who provides advisory services on matters relating to the Company's constitution, as well as ensuring compliance with the Main Market Listing Requirements and relevant laws and regulations.

The Company Secretary also supports the execution of corporate proposals and facilitates effective communication between the Board and Management.

In accordance with the Board's procedures, the Company Secretary attends all Board meetings and ensures that deliberations and decisions are accurately recorded. Proper records of the proceedings and resolutions passed are maintained in the minutes book at the registered office of the Company.

Access to Information and Advice

All Directors have unrestricted access to the advice and services of the Company Secretary on compliance matters, as well as to information necessary to discharge their duties effectively. The Directors may also seek independent professional advice at the Company's expense, where necessary, in the course of their duties.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

1. BOARD RESPONSIBILITIES (Cont'd)

Access to Information and Advice (Cont'd)

The Board meets on a quarterly basis and additionally as and when required. An annual meeting calendar is prepared and circulated to the Directors at the beginning of each year, providing Directors with scheduled dates for Board meetings, the Annual General Meeting, as well as closed periods for dealings in securities in accordance with the targeted dates of the Group's quarterly results announcements.

Directors are provided with the agenda and relevant Board papers, normally at least five (5) days prior to each meeting, to enable sufficient time for review, deliberation and to seek clarification, where necessary.

All deliberations and decisions of the Board are recorded in the minutes of meetings. The minutes are circulated to all Directors for their review and confirmation, and any Director may request clarification or propose amendments prior to confirmation.

Board Charter

The Board has adopted a Board Charter which sets out the roles, composition and responsibilities of the Board. The Board reviewed the Charter periodically, or as and when necessary, to ensure it remains relevant and aligned with evolving regulatory requirements as well as expectations of the Company's stakeholders.

The Board Charter is available on the Company's corporate website at www.desb.net.

Code of Ethics and Conduct

The Code of Ethics, which forms part of the Board Charter, sets out the standards of conduct and guiding principles to assist the Board in discharging their duties with integrity and professionalism.

The Code outlines key requirements relating to, among others, conflict of interest, confidentiality, insider information, protection of the Group's assets and compliance with applicable laws and regulations.

The Group has also established a Code of Ethics for its employees, which governs day-to-day business conduct. Directors and employees are expected to uphold high standards of integrity and ensure compliance with applicable laws, rules and regulations in the performance of their duties.

Anti-Bribery & Corruption Policies and Procedures

In line with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (as amended in 2018), the Group adopted Anti-Bribery and Corruption Policies and Procedures on 28 May 2020. The policies set out the Group's commitment to preventing bribery and corruption and provide guidance to employees and persons associated with the Group on compliance with applicable anti-corruption laws and the implementation of adequate procedures.

The Anti-Bribery and Corruption Policies and Procedures are available on the Company's corporate website at www.desb.net.

The Group has also established an Anti-Bribery and Corruption Compliance Committee on 22 February 2022 to provide oversight on the implementation and effectiveness of the Group's anti-bribery and corruption framework.

Whistle Blowing Policy

The Company has adopted a Whistle Blowing Policy to encourage employees and members of the public to report any improper conduct within the Group. The Group is committed to ensuring confidentiality and fair treatment of all reports made in good faith, and to protecting whistleblowers from any form of reprisal.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

1. BOARD RESPONSIBILITIES (Cont'd)

Fit and Proper Policy

The Board established the Directors' Fit and Proper Policy ("FPP") on 30 June 2022 to ensure that individuals appointed or elected/re-elected as Directors possess the necessary character, integrity, experience, competence and time commitment to effectively discharge their roles and responsibilities in the best interest of the Company and its stakeholders.

Sustainability Policy

The Company established the Sustainability Policy on 22 February 2024, which sets out the Group's commitments in managing key sustainability matters. A supporting framework has also been developed to strengthen the Group's approach to sustainability management and reporting, in line with the Listing Requirements.

The Group's sustainability practices for the financial year under review are set out in the Sustainability Report of this Annual Report.

Conflict of Interest Policy

The Company adopted the Conflict of Interest Policy on 21 November 2024 to enhance the identification, assessment and management of conflict of interest situations within the Group. The policy promotes transparency, accountability and good governance practices, and provides guidance to the Board and Management in managing potential and actual conflicts of interest.

Availability of Policies

All of the above policies are available on the Company's corporate website at www.desb.net.

2. BOARD COMPOSITION

Board Balance

The current Board composition is comprised as follows:

Designation	Number of Directors	Percentage (%)
Non-Independent Executive Directors	5	45
Independent Non-Executive Directors	5	45
Non-Independent Non-Executive Director	1	10
Total	11	100.00

Based on the above, the current Board complies with Paragraph 15.02 of the MMLR of Bursa Securities, which requires at least one-third (1/3) of the Board to be independent directors. This composition supports objective deliberation and balanced decision-making.

The size and composition of the Board are considered appropriate, taking into account the nature, scale and complexity of the Group's operations. The Board collectively possesses a diverse mix of skills, expertise, knowledge, and experience necessary to effectively lead and guide the Group.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

2. BOARD COMPOSITION (Cont'd)

Board Balance (Cont'd)

The key competencies of the Board are set out below:

Skill/Competence	Description
Leadership	Overall Stewardship of the Group, business leadership, and experience in public listed companies
Strategy and Entrepreneurial Acumen	Business development, project management and evaluation of existing and emerging opportunities
Sustainability and Stakeholder Management	Sustainability, Environmental, Social and Governance ("ESG"), corporate governance, governmental relations and stakeholder engagement
Technical	Oil and gas, real estate and property development, construction, information technology, contracting procurement and related technical capabilities
Finance and Corporate	Accounting and audit, corporate finance, legal, risk management and financial oversight

The Independent Non-Executive Directors do not participate in the day-to-day management of the Group and are free from any business or other relationships that could materially interfere with the exercise of their independent judgement. They provide objective and independent views to safeguard the interests of the Group and its shareholders.

Board Diversity

The Board acknowledges the importance of diversity in the Board, including gender, age, ethnicity, and tenure of the Independent Director. Diversity in the Board composition facilitates optimal decision-making by harnessing different insights and perspective.

Ethnic Diversity

During the year under review, the Board comprised 55% Bumiputra and 45% Non-Bumiputra. The Board believes that diversity enhances the quality of deliberations and leads to better decision-making and overall performance.

Ethnicity	Number of Directors	Percentage (%)
Bumiputra	6	55
Non-Bumiputra	5	45
Total	11	100.00

Gender Diversity

The Board currently comprises six (6) male directors (55%) and five (5) female directors (45%). Female representation exceeds the 30% target recommended under Practice 5.9 of the Malaysia Code on Corporate Governance ("MCCG").

Gender	Number of Directors	Percentage (%)
Male	6	55
Female	5	45
Total	11	100.00

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

2. BOARD COMPOSITION (Cont'd)

Board and Senior Management Diversity

The Board regularly reviews its composition to ensure an appropriate balance of skills, experience and diversity to effectively discharge its responsibilities. The Directors bring with them a wide range of expertise and industry experience, as set out in their profiles on pages 17 to 27 of this Annual Report.

The appointment of Key Senior Management is also made with due regard to diversity in skills, experience, age and cultural background, to support the Group's operational and strategic needs.

During the financial year under review, the Key Senior Management team comprised three (3) male members (75%) and one (1) female member (25%).

Gender of Key Senior Management ("KSM")	Number of KSM	Percentage (%)
Male	3	75
Female	1	25
Total	4	100.00

Tenure of Independent Director

The Malaysian Code on Corporate Governance ("MCCG") recommends that the tenure of the Independent Director should not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the board as a non-independent director.

Board Appointment

The appointment of new Directors is guided by the recommendation of the Joint Remuneration & Nomination Committee ("JRNC"), which assesses candidates based on their skills, experience, competencies and other relevant qualities, in accordance with the Directors' Fit and Proper Policy adopted by the Company.

In considering new appointments, the Board is committed to diversity and provides equal opportunity to suitably qualified candidates regardless of gender, ethnicity and age. The Board may also consider sourcing suitable candidates through independent channels, where appropriate.

Appointment and Retirement of Directors

The process adopted by the Company for the appointment of Directors is as follows. The Joint Remuneration & Nomination Committee ("JRNC") evaluates and assesses potential candidates, taking into consideration the Directors' Fit and Proper Policy, before making recommendations to the Board for approval.



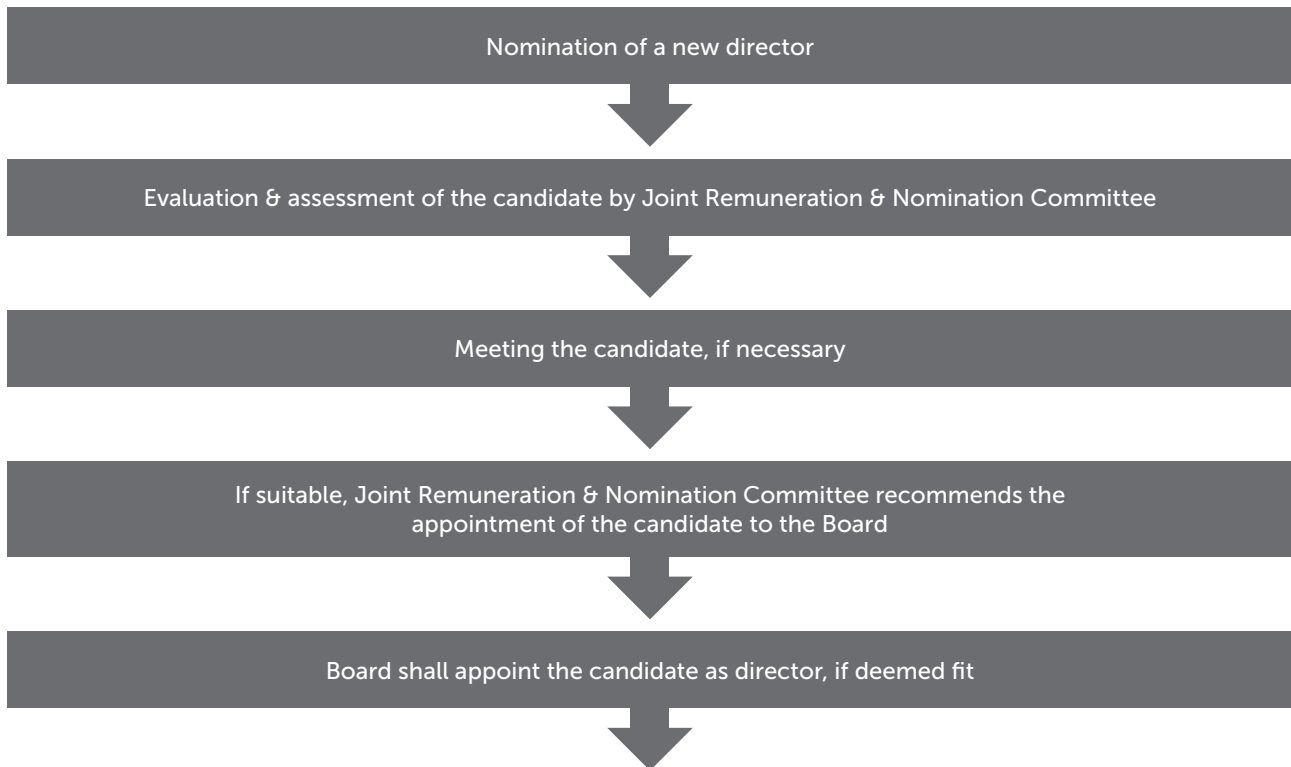
CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

2. BOARD COMPOSITION (Cont'd)

Appointment and Retirement of Directors (Cont'd)

PROCESS OF APPOINTMENT OF DIRECTOR



In accordance with Article 93(a) of the Company's Constitution, at least one-third (1/3) of the Directors, or the number nearest to one-third (1/3), shall retire from office at each Annual General Meeting ("AGM").

All Directors are subject to retirement by rotation at least once every three (3) years, with those longest in office since their last appointment being eligible for retirement.

Newly appointed Directors shall hold office until the next AGM and are eligible for re-election by shareholders in accordance with Article 100 of the Company's Constitution.

The Directors standing for re-election at the forthcoming AGM are set out in the Notice of Meeting.

Board Effectiveness

The Board is committed to ensuring that its members devote sufficient time to effectively discharge their responsibilities. In line with Paragraph 15.06 of the Main Market Listing Requirements, Directors are required not to hold more than five (5) directorships in public listed companies.

All Directors are required to notify the Board prior to accepting any new directorships in other listed issuers, to ensure that they are able to devote sufficient time and attention to their responsibilities on the Board and Board Committees.

The Board meets at least five (5) times a year, with meeting dates scheduled in advance before the end of the preceding year to facilitate planning. Additional meetings are convened, where necessary, to deliberate on matters requiring urgent attention.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

2. BOARD COMPOSITION (Cont'd)

Board Effectiveness (Cont'd)

Where Directors are unable to attend meetings physically, the Company's Constitution allows for participation via telephone, video conferencing or other electronic means.

During the meetings, the Board reviews the Group's financial performance, business operations and reports from the Board Committees. The Board also deliberates on key strategic matters and issues that may impact the Group's operations and performance.

During the financial year ended 31 December 2025, the Board met five (5) times to deliberate on various matters, including the Group's financial results, business plans and strategic direction. All proceedings of the Board meetings are duly recorded by the Company Secretary and signed by the Chairman of the meeting.

The details of Directors' attendance at Board meetings during the financial year are set out below:

Name of Director	No of Meetings Attended
Datuk Hasmi Bin Hasnan	5/5
Datuk Ling Suk Kiong	5/5
Tengku Dato' Yusof Bin Tengku Ahmad Shahrudin	5/5
Joe Ling Siew Loung @ Lin Shou Long	5/5
Jeanita Anak Gamang	5/5
Koh Ek Chong (Resigned on 20 February 2025)	1/1
Datu Hasmawati Binti Sapawi	5/5
Chin Hsiun	5/5
Siti Nazrah Binti Ahmad Zaiden	5/5
Professor Dr Ho Poh Ling (Appointed on 1 February 2025)	5/5
Zahirudin Khan Bin Asghar Khan (Appointed on 20 February 2025)	4/4
Wong Ping Eng (Appointed on 20 February 2025)	4/4

Directors' Training

The Board recognises the importance of continuous education to ensure that its members remain abreast of industry developments, regulatory changes and evolving business challenges. Accordingly, Directors are encouraged to participate in relevant training programmes to enhance their knowledge and enable them to effectively discharge their responsibilities.

During the financial year under review, the Directors have individually or collectively attended the following training programmes, seminars and briefings:



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

2. BOARD COMPOSITION (Cont'd)

Directors' Training (Cont'd)

Training / Course Name	Provider	Completion Date
Provision of Financial Assistance	In-house training under Gadang Holdings - Facilitator: Leong Oi Wah	5 March 25
Mandatory Accreditation Programme (MAP)	Institute of Corporate Directors Malaysia	24-26 March 2025 23-24 April 2025
The Directors' and Company Secretaries' Guide to Anti-Money Laundering Reporting Obligations	MAICSA Malaysian Institute of Chartered Secretaries and Administrators	16 May 2025
Preventing oversights under the Companies Act 2016: A guide for directors and company secretaries	MAICSA Malaysian Institute of Chartered Secretaries and Administrators	30 May 2025
Online Secretarial Course	KL Management & Secretarial Services	12, 19 & 26 July 2025
Enhanced COI Framework (Updated Edition)	CKM Advisory Sdn Bhd	17 July 25
Finance for Non-Finance Professionals	MAICSA Malaysian Institute of Chartered Secretaries and Administrators	22 July 25
Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	Institute of Corporate Directors Malaysia	30-31 July 2025 26-27 November 2025
Effective Board Governance: Principles and Practices for High-Performing Boards	MAICSA Malaysian Institute of Chartered Secretaries and Administrators	1 August 2025
Handling Challenges in Corporate Disclosures	CKM Advisory Sdn Bhd	7 August 2025
In Building Digital Trust: Safeguarding the Crown Jewel	Chartered Accountants Australia-New Zealand	8 August 2025
Exploring Various RPT Exemptions	CKM Advisory Sdn Bhd	11 September 2025
Related Party Transactions Simplified	CKM Advisory Sdn Bhd	18 September 2025
Program SCS One Team Retreat	Unit Transformasi dan Inovasi Sarawak	13-15 October 2025
Anti-Bribery and Anti-Corruption	Galton Advisory PLT	30 October 2025
The New SORMIC Guide 2025: What It Is All About & Its Implications to Listed Issuers, Directors, Management & Auditors	Minority Shareholders Watch Group	3 November 2025
ACCA Virtual Seminar - Post Budget 2026	Association of Chartered Certified Accountants	4 November 2025
Common Pitfalls in Transactions & RPT Rules	CKM Advisory Sdn Bhd	6 November 2025
Compliance with Listing Requirements: Reporting of Financial Statements	CKM Advisory Sdn Bhd	13 November 2025
Contract & Procurement Fraud - Internal Controls, 3rd Party Due Diligence and Reporting Mechanism	Malaysian Institute of Accountants	13 November 2025
Audit Oversight Board's Conversation with Audit Committees	Securities Commission Malaysia	25 November 2025
MIA Webinar Series: Half Yearly Tax Updates	Institute of Corporate Directors Malaysia	26-27 November 2025
Key Disclosure Obligations of a Listed Company	CKM Advisory Sdn Bhd	10 December 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

2. BOARD COMPOSITION (Cont'd)

Remuneration

The Joint Remuneration & Nomination Committee ("JRNC") reviews and recommends the remuneration packages of the Non-Independent Executive Directors to the Board for approval. The remuneration of the Non-Executive Directors is recommended by the Board for shareholders' approval at the Annual General Meeting. Directors abstain from deliberations and decisions in respect of their own remuneration.

In reviewing remuneration, the JRNC takes into consideration, among others, the Group's financial performance, individual performance, level of responsibilities and overall contribution to the Group, to ensure that the remuneration structure is aligned with the Group's performance and supports long-term value creation.

The remuneration of the Non-Independent Executive Directors is determined based on factors such as experience, scope of responsibilities, seniority and performance. Non-Executive Directors are remunerated by way of Directors' fees and meeting allowances, commensurate with their roles and responsibilities.

Details of each Director's remuneration are disclosed in the Corporate Governance Report under Practice 8.1.

The Board also maintains the confidentiality of employees' remuneration to avoid any adverse implications, including dissatisfaction and disharmony within the organisation.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

1. AUDIT COMMITTEE ("AC")

The composition of the Audit Committee complies with the Main Market Listing Requirement, where the majority of its members are Independent Non-Executive Directors. The members of the Audit Committee are as follow:

Member	Designation
Professor Dr Ho Poh Ling (Chairman) (Appointed on 1 February 2025)	Independent Non-Executive Director
Koh Ek Chong (Chairman) (Resigned on 20 February 2025)	Independent Non-Executive Director
Chin Hsiun	Independent Non-Executive Director
Datu Hasmawati Binti Sapawi	Independent Non-Executive Director
Wong Ping Eng (Appointed on 20 February 2025)	Non-Independent Non-Executive Director

The role of the Audit Committee, including the number of meetings held during the financial year and the attendance of each member, is set out in the Audit Committee Report in this Annual Report.

In line with its revised Terms of Reference, the Audit Committee oversees the financial reporting process and the effectiveness of the Group's internal control and risk management systems. The Audit Committee also reviews the governance, processes and internal controls supporting sustainability-related disclosures, including the consistency of such disclosures with the financial statements and the underlying assumptions and estimates applied.

The Board aims to present a balanced, clear and timely assessment of the Group's financial performance and prospects through the release of its annual audited statements and quarterly financial results to the stakeholders, including shareholders, investors and the regulatory authorities.

The Audit Committee assists the Board in reviewing the financial statements of the Group and the Company to ensure compliance with the Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS) and the requirements of the Companies Act 2016 in Malaysia. The Audit Committee also reviews the quarterly financial results prior to recommending them to the Board for approval.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

1. AUDIT COMMITTEE (“AC”) (Cont'd)

The AC maintains a transparent and professional relationship with the external auditors and undertakes an annual assessment of their suitability, objectivity and independence, guided by the criteria set out in Paragraph 15.21 of the Main Market Listing Requirements.

During the year, the Audit Committee met with the external auditors twice to discuss, among others, the audit planning, audit findings and the review of the Group’s financial statements. The external auditors also attend the Annual General Meeting and are available to respond to shareholders’ queries on the conduct of the audit and the contents of their audit report.

2. RISK MANAGEMENT COMMITTEE AND INTERNAL CONTROL FRAMEWORK

The Board has established a risk management and internal control framework to manage risks affecting the Group’s business and operations, as set out in the Statement on Risk Management and Internal Control (“SORMIC”). A structured process is in place to identify, assess and manage risks arising from the Group’s operations, including the use of risk impact assessments and risk matrices to guide appropriate mitigation actions.

The Risk Management Committee supports the Board in overseeing the Group’s enterprise risk management framework, including the review of principal business and operational risks, and the effectiveness of mitigation measures implemented by Management.

Sustainability and climate-related matters are primarily overseen by the Corporate Sustainability Committee, which monitors and reports such matters to the Board, with reference to the Group’s overall risk management framework where relevant.

The Risk Management Committee reviews key risk areas identified by Management and provides updates to the Board on the Group’s risk profile and mitigation actions.

The Risk Management Committee has access to all relevant information, records and reports of the Group, and may invite any Director and/or employee to attend its meetings to assist in the deliberation of matters relating to business and operational risks.

The Board confirms that the Group’s risk management and internal control framework is continuously reviewed to ensure its adequacy and effectiveness in safeguarding the Group’s assets and supporting reliable financial reporting.

During the financial year under review, the Risk Management Committee met twice with the respective Heads of Departments and project teams to review and discuss key risk areas and the corresponding mitigation measures.

The members of the Risk Management Committee are as follows:

Member	Designation
Siti Nazrah Binti Ahmad Zaiden (Chairman)	Independent Non-Executive Director
Datuk Ling Suk Kiong	Executive Deputy Chairman
Tengku Dato’ Yusof Bin Tengku Ahmad Shahrudin	Managing Director
Joe Ling Siew Loung @ Lin Shou Long	Deputy Managing Director

The internal audit function of the Group is outsourced to an independent professional firm Baker Tilly Consulting Sdn. Bhd., which reports directly to the Audit Committee and is independent of the activities it audits.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

2. RISK MANAGEMENT COMMITTEE AND INTERNAL CONTROL FRAMEWORK (Cont'd)

The internal audit function conducts audits based on an approved audit plan and also performs follow-up reviews to assess the implementation status of Management's action plans arising from prior audit findings. The results of these follow-up reviews are reported to the Audit Committee on a quarterly basis, including updates on outstanding issues and the timelines for their resolution.

All internal audit activities are carried out in accordance with the standards promulgated by the Institute of Internal Auditors Inc., a globally recognised professional body for internal auditors.

Further details of the internal audit function, including the scope of work undertaken during the financial year, are set out in the Audit Committee Report on page 111 of this Annual Report.

The Statement on Risk Management and Internal Control, which has been reviewed by the external auditors, is set out on pages 112 to 117 of this Annual Report.

3. JOINT REMUNERATION & NOMINATION COMMITTEE ("JRNC")

The Joint Remuneration & Nomination Committee comprises entirely Independent Non-Executive Directors, ensuring objectivity in its deliberation and recommendation. The members of the JRNC are as follows:

Member	Designation
Zahirudin Khan Bin Asghar Khan (Chairman) (Appointed on 20 February 2025)	Independent Non-Executive Director
Koh Ek Chong (Resigned on 20 February 2025)	Independent Non-Executive Director
Datu Hasmawati Binti Sapawi	Independent Non-Executive Director
Professor Dr Ho Poh Ling (Appointed on 20 February 2025)	Independent Non-Executive Director

The JRNC meets at least once a year and as and when required. During the financial year under review, the JRNC met two (2) times to discharge its responsibilities.

The JRNC undertakes an annual assessment of the Board, Board Committees and individual Directors, including evaluation of their performance, effectiveness, and fitness and propriety. For the financial year under review, the evaluation was conducted internally through a combination of self and peer assessments using structured questionnaires. The results were compiled and presented to the Board for deliberation.

Based on the evaluation, the Board is satisfied that it possesses an appropriate mix of skills, experience and competencies to effectively discharge its responsibilities. The Board also continues to review its size and composition to ensure its effectiveness.

The Terms of Reference of the JRNC are available on the Company's corporate website at www.desb.net

4. ANTI-BRIBERY & CORRUPTION COMPLIANCE COMMITTEE ("ABCCC")

In line with its Terms of Reference, the ABCCC oversees the implementation and effectiveness of anti-bribery and corruption controls, including the review of corruption risk assessments and mitigation measures, as part of the Group's overall risk management and internal control framework.

During the financial year under review, the ABCCC met once to review updates on corruption risk assessments and related mitigation actions.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

4. ANTI-BRIBERY & CORRUPTION COMPLIANCE COMMITTEE (“ABCCC”) (Cont'd)

The members of the ABCCC are as follows:

Member	Designation
Chin Hsiun (Chairman)	Independent Non-Executive Director
Joe Ling Siew Loung @ Lin Shou Long	Deputy Managing Director
Datu Hasmawati Binti Sapawi	Independent Non-Executive Director

5. Corporate Sustainability Committee (“CSC”)

The Corporate Sustainability Committee (“CSC”) oversees the Group’s sustainability matters, including the formulation and implementation of sustainability strategies and initiatives.

In line with its Terms of Reference, the CSC monitors key sustainability matters, including ESG considerations, and supports the Board in overseeing sustainability-related risks, opportunities and disclosures as part of the Group’s overall governance framework.

The members of the CSC are as follows:

Member	Designation
Professor Dr Ho Poh Ling (Chairman) (Appointed on 20 February 2025)	Independent Non-Executive Director
Joe Ling Siew Loung @ Lin Shou Long	Deputy Managing Director
Chin Hsiun	Independent Non-Executive Director

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

1. COMMUNICATION WITH STAKEHOLDERS

The Company is guided by the Corporate Disclosure Guide issued by Bursa Malaysia Securities Berhad to ensure timely, accurate and quality disclosure of material information to the public. The Group communicates its financial performance and key developments through its annual reports, quarterly financial results, press releases and announcements on material corporate exercises.

The Annual General Meeting (“AGM”) serves as the principal forum for engagement with shareholders. It provides an opportunity for shareholders to interact with the Board and Management, and to gain a better understanding of the Company’s governance, performance and strategic direction.

The Group’s investor relations function is led by the Managing Director, Tengku Dato’ Yusof Bin Tengku Ahmad Shahrudin, together with the Head of Corporate Affairs, Mr Zaim Husni Bin Omar, who engage with shareholders, investors, fund managers and analysts.

The Group maintains a corporate website at www.desb.net, which provides access to information on the Group’s business, governance, Board and Management, terms of reference of Board Committees and financial performance.

Shareholders and stakeholders may also raise concerns through an Independent Non-Executive Director, Professor Dr Ho Poh Ling, who serves as a designated contact point. She is the Chairman of the Audit Committee and Corporate Sustainability Committee, and a member of the Joint Remuneration & Nomination Committee.

Her email contact is paulineho777@gmail.com

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)

2. CONDUCT OF GENERAL MEETINGS

The Company's Annual General Meeting ("AGM") serves as an important platform for shareholder engagement, providing shareholders with the opportunity to interact with the Board, seek clarification and express their views on the Company's performance, progress and key developments. Where appropriate, the Board will respond to shareholders' queries during the AGM or provide follow-up responses after the meeting.

The Notice of AGM, together with any Circular to Shareholders, where applicable, is issued at least 28 days prior to the AGM in line with the Malaysian Code on Corporate Governance and in compliance with the Listing Requirements and the Companies Act 2016. This allows shareholders sufficient time to consider the proposed resolutions and make informed decisions.

At the 19th AGM, the Board also shared its responses to questions submitted in advance by the Minority Shareholder Watchdog Group ("MSWG"), in line with good governance practices. The external auditors are invited to attend the AGM to address any queries relating to the audit and the contents of the auditors' report.

In accordance with the Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions tabled at general meetings are voted by poll. An independent scrutineer is appointed to validate the votes cast, and the results of the voting, together with the name of the scrutineer, are announced to Bursa Securities on the same day.

The minutes of the AGM are made available on the Company's website within two (2) weeks after the meeting, which is within the recommended thirty (30) business days.

COMPLIANCE STATEMENT

The Board is of the view that the Group has, in all material aspects, applied with the principles and practices the Malaysia Code on Corporate Governance ("MCCG") where appropriate, in its efforts to observe high standard of transparency, accountability and integrity.

This Corporate Governance Overview Statement and CG Report were approved by the Board of Directors on 9 April 2026.