HEXTAR INDUSTRIES BERHAD
201101044580 (972700-P)

2025 ANNUAL REPORT

TURNING VISION INTO REALITY

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Proxy Form

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato Sri Dr Chee Hong Leong
Independent Non-Executive Chairman

Ang Sui Aik
Group Managing Director

Sham Weng Kong
Executive Director

AUDIT COMMITTEE

Oon Seow Ling *(Chairperson)*
Independent Non-Executive Director

Shahjanaz Binti Datuk Kamaruddin *(Member)*
Independent Non-Executive Director

Liew Jee Min @ Chong Jee Min *(Member)*
Senior Independent Non-Executive Director

RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

Dato Sri Dr Chee Hong Leong *(Chairman)*
Independent Non-Executive Chairman

Sham Weng Kong *(Member)*
Executive Director

Liew Jee Min @ Chong Jee Min *(Member)*
Senior Independent Non-Executive Director

NOMINATION AND REMUNERATION COMMITTEE

Liew Jee Min @ Chong Jee Min *(Chairman)*
Senior Independent Non-Executive Director

Oon Seow Ling *(Member)*
Independent Non-Executive Director

Shahjanaz Binti Datuk Kamaruddin *(Member)*
Independent Non-Executive Director

COMPANY SECRETARIES

Tan Tong Lang
(MAICSA 7045482 / SSM PC No. 202208000250)

Lim Wen Theng
(MAICSA 7073397 / SSM PC No. 202308000441)

Lee Kok Ping
(MIA 44986 / SSM PC No. 202008004407)

REGISTERED OFFICE

B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Tel No : 03-9770 2200
Fax No : 03-2201 7774
Email : boardroom@boardroom.com.my

HEAD OFFICE/PRINCIPAL PLACE OF BUSINESS

No. 63 & 64, Jalan Bayu Laut 4/KS09
Kota Bayuemas, 41200 Klang
Selangor
Tel no : 03-3003 3333
Fax no : 03-3003 3330

CORPORATE INFORMATION
cont'd

Ong Tzu Chuen
Non-Independent Non-Executive Director

Liew Jee Min @ Chong Jee Min
Senior Independent Non-Executive Director

Oon Seow Ling
Independent Non-Executive Director

Shahjanaz Binti Datuk Kamaruddin
Independent Non-Executive Director

AUDITORS

Messrs Ecovis Malaysia PLT
[Registration No. 201404001750
(LLP 0003185-LCA) & AF 001825]
D-10-03, Level 10, Exsim Tower
Millerz Square@Old Klang Road
Megan Legasi, No. 357, Jalan Kelang Lama
58000 Kuala Lumpur
Tel no : 03-7986 0066
Email : kuala-lumpur@ecovis.com.my

PRINCIPAL BANKERS

Al Rajhi Banking & Investment Corporation (Malaysia) Berhad
Alliance Bank Malaysia Berhad
Alliance Islamic Bank Berhad
AmBank (M) Berhad
AmBank Islamic Berhad
Bangkok Bank Berhad
Bank of China (Malaysia) Berhad
CIMB Islamic Bank Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
Maybank Islamic Berhad
OCBC Al-Amin Bank Berhad
OCBC Bank (Malaysia) Berhad
RHB Bank Berhad

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel no : 03-2783 9299
Email : is.enquiry@vistra.com

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Ordinary Shares
Stock Name : HEXIND
Stock Code : 0161

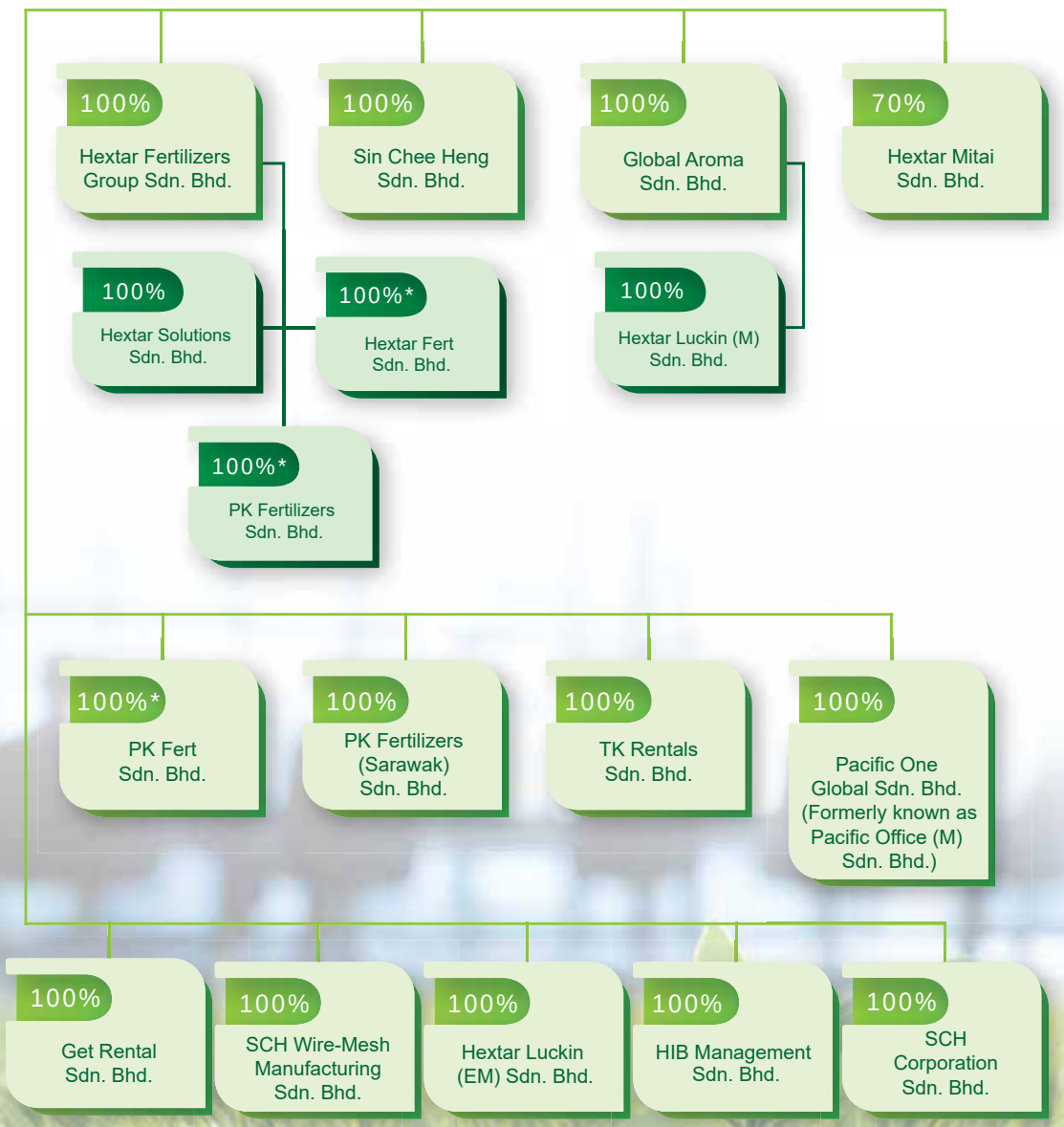
WEBSITE

www.hextarindustries.com

INVESTOR RELATIONS

Email : finance.hexind@hextar.com
Tel no : 03-3003 3333
Fax no : 03-3003 3330

CORPORATE STRUCTURE

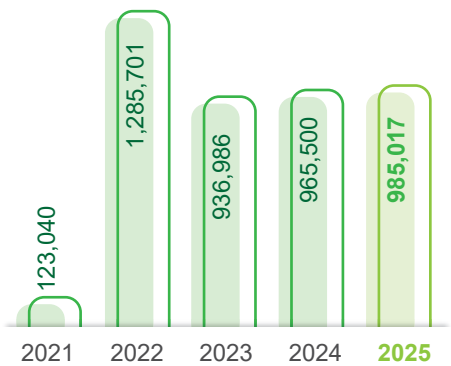


** The Company has commenced disposal of these subsidiaries on 23 December 2025*

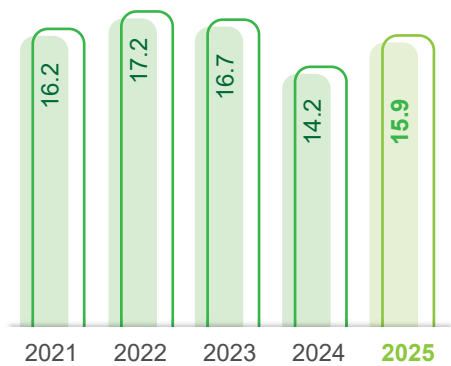
FINANCIAL HIGHLIGHTS

Financial Year/ Period Ended		31 August 2021 (12 months)	31 August 2022 (16 months)	31 December 2023 (12 months)	31 December 2024 (12 months)	31 December 2025 (12 months)
KEY FINANCIALS						
Revenue	RM'000	123,040	1,285,701	936,986	965,500	985,017
Gross Profit (GP)	RM'000	19,949	221,139	156,179	136,808	156,556
GP Margin	%	16.2	17.2	16.7	14.2	15.9
Profit Before Tax (PBT)	RM'000	537	115,615	57,182	39,341	16,791
PBT Margin	%	0.4	9.0	6.1	4.1	1.7
Profit After Tax (PAT)	RM'000	1,916	98,041	42,078	28,273	11,408
PAT Margin	%	1.6	7.6	4.5	2.9	1.2
Basic Earnings Per Share (Basic EPS)	sen	0.68	4.01	1.53	1.00	0.39

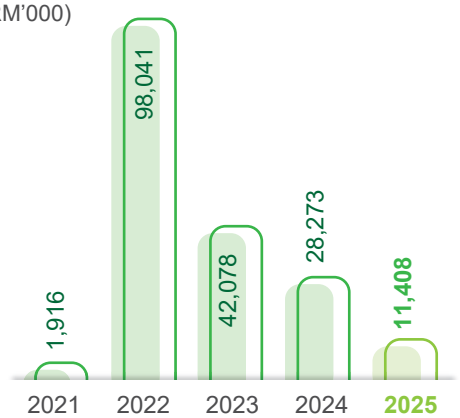
REVENUE
(RM'000)



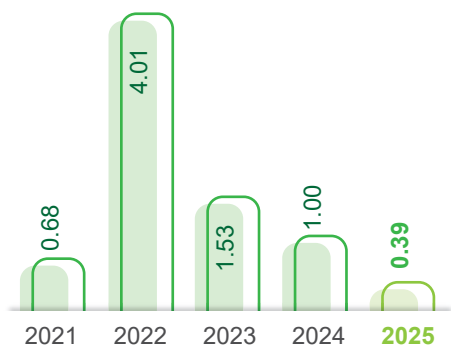
GP MARGIN
(%)



PROFIT AFTER TAX (PAT)
(RM'000)



BASIC EARNINGS PER SHARE (BASIC EPS)
(Sen)



SEAKING +Alga

Biostimulant

CHB SEAKING 1
(10:10:12+Alga)

CHB SEAKING 3
(12:6:26+Alga)

CHB SEAKING GOLD
(12:10:20+Alga)

NUTRI GARD™

NANO BIO POLYMER

NUTRI-GARD 44
(12:6:22:3 + NBP)

NUTRI-GARD 45
(12:12:17:2 + NBP)

NUTRI-GARD 38
(11:9:18:2 + B)

NUTRI-GARD 65
(15:15:15 + NBP)

NUTRI-GARD NK
(10.5:30 + NBP)

NUTRI-GARD 105
(10:5:25 + 0.5B_2O_3)

SEA HORSE
Since 1980

CHERRI
13:6:26+S+TE
(Nitrate Based)

CHERRI
15:15:15+S+TE
(Nitrate Based)

KAKA 666
Plant Organic
TRANSFORMER + E.M

KAKA 828+B
(8:28+B)
Enriched with TRANSFORMER

*KAKA 44
(12:6:22:3+TE)

*KAKA 45
(12:12:17:2+TE)

*KAKA 55
(15:15:6:4+TE)

*KAKA 65
(15:15:15)

KAKA 105
(10:5:20:2+TE)

BAJA KAWAN 136
(13:6:23:2+TE)

KAMAS SUPER
(12:32:MgO+CaO)

CERIA 123
(12:5:23:1+0.5B_2O_5+OM)
Enriched with TRANSFORMER

CERIA 118
(10:10:18:2 + B + OM + Si)
Enriched with TRANSFORMER

Since 1963

CHB

Hextar • Baja

CHB 44
(12:6:22:3+TE)

CHB 45
(12:12:17:2+TE)

CHB 55
(15:15:6:4+TE)

CHB 65
(15:15:15+TE)

CHB EMAS 118
(10:10:18:2 + B + OM + Si)
Enriched with TRANSFORMER

CHB EMAS 123
(12:5:23:1+0.5B_2O_5+OM)
Enriched with TRANSFORMER

MPOB F2
(10.7:9.1:17.3:1.4+B)

SUPER-K
(7:3:30+B+Si)

CHB 828+B
(8:28+B)
Enriched with TRANSFORMER

CHB KING 15:15:15+S+TE
(Nitrate Based)

CHB KING 13:6:26+S+TE
(Nitrate Based)

CHB 666
Plant Organic +E.M.

A Brand You Trust

PK FERTILIZERS

REZEKIE PLUS

RH RED

RH BLUE

SUPER 7

COMPOUND 44

COMPOUND 45

COMPOUND 55

COMPOUND 13/13/21

AS COARSE

NUTREX SUPER 6

NEO DASH

BLACK KING KONG

HIGH GREEN

A Brand You Trust

PK FERTILIZERS SARAWAK

PK POWER
COMPACTED 10-4-30-2

COMPACTED COMP
NPK 8-4-24-2+0.5B+HG

COMPACTED
10.5/30

COMPACTED COMP
RH 9-4-34+0.5B

MIX NK 10.5/30

MOP

TOMOE

COPPER
SULPHATE

ERP 26-28%

PK SUPER 10
(10-4-27+HG)

UREA

KIESERITE

BOARD OF DIRECTORS

From left to right :

1. **Shahjanaz Binti Datuk Kamaruddin**
2. **Ong Tzu Chuen**
3. **Oon Seow Ling**
4. **Dato Sri Dr Chee Hong Leong**
5. **Ang Sui Aik, Benny**
6. **Sham Weng Kong, Alex**
7. **Liew Jee Min @ Chong Jee Min**

PROFILE OF DIRECTORS

DATO SRI DR CHEE HONG LEONG

AGED	NATIONALITY	GENDER
62	*Malaysian*	*Male*

Independent Non-Executive Chairman

Chairman of Risk Management and Sustainability Committee

Dato Sri Dr Chee Hong Leong was appointed to the Board on 10 May 2021 as an Independent Non-Executive Director. He was subsequently re-designated to Independent Non-Executive Chairman of the Company on 1 March 2025.

He graduated with a Bachelor of Engineering (Computer) in 1987 and a Master of Business Administration in 1989, both from McMaster University, Hamilton, Ontario, Canada. In 2023, he was awarded an Honorary Doctor of Business Administration from Segi University. In 2024, he successfully earned a Doctor of Business Administration from Asia e University, Malaysia, further solidifying his expertise in the field. He began his career in 1990, coordinating the development of corporate and annual strategic plans for Leisure Holidays Group of Companies. In 1992, he ventured into various businesses, including designing and building individual bungalows for landowners of various housing projects in the Klang Valley, as well as constructing and operating a 100,000 square feet Information Technology Incubation Centre in University Putra Malaysia. Subsequently, he joined Tanco Resort Berhad from year 1998 to year 2002, where he held various positions, from General Manager to Executive Director/ Chief Operating Officer.

In 2003, he joined M&A Equity Holdings Berhad, as an Independent Non-Executive Director and was subsequently appointed as Executive Director on 2 December 2011 till to-date. He is also a Commission Member of the Malaysian Communications and Multimedia Commission.

He does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest and/or potential conflict of interest, including any interest in any competing business with Hextar Industries Berhad or its subsidiaries.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2025.

PROFILE OF DIRECTORS
cont'd

ANG SUI AIK

AGED ***68***

NATIONALITY ***Malaysian***

GENDER ***Male***

Group Managing Director

Mr Ang Sui Aik was appointed as the Group Managing Director on 1 January 2021.

He graduated from the University of Western Australia with a Bachelor of Science in Agriculture (Hons.), majoring in soil science and plant nutrition.

He has been in the agricultural industry since his graduation in 1982. He commenced his career with Behn Meyer (M) Sdn Bhd where he gained extensive experience in business development, agronomy advisory services to plantations, fertilisers and agrochemicals over 17 years. Thereafter, he joined Taiko Fertilizer Marketing Sdn Bhd ("Taiko"), where he spent 13 years expanding Taiko's fertiliser business into East Malaysia and Indonesia. The last position he held in Taiko was Managing Director. In 2013, he joined Hextar Fertilizers Group of Companies ("Hextar Fertilizers") as Managing Director. He was involved in managing, overseeing the operations of Hextar Fertilizers as well as the expansion of Hextar Fertilizers in the overseas market. In 2018, he was promoted to Group Managing Director of Hextar Fertilisers where he continues undertaking his previous responsibilities. He was subsequently redesignated as Hextar Industries Berhad's Group Managing Director in January 2021 where he assumed his current responsibilities.

He does not hold directorship in any other public listed companies. He does not have any family relationship with any director and/or major shareholder of the Company and no conflict of interest and/or potential conflict of interest, including any interest in any competing business with Hextar Industries Berhad or its subsidiaries.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2025.

PROFILE OF DIRECTORS
cont'd

SHAM WENG KONG

AGED	NATIONALITY	GENDER
49	*Malaysian*	*Male*

Executive Director

Member of Risk Management and Sustainability Committee

Mr Sham Weng Kong was appointed to the Board as the Executive Director of the Company on 30 December 2022.

He graduated with a Bachelor's Degree in Business and Marketing from University Tun Abdul Razak and has more than 20 years of working experience in the fertiliser industry. He started his career as a Sales Executive in a local fertiliser company. In 2003, he was promoted to Sales Manager and subsequently to General Manager in 2005, where he was responsible for the entire operations of the fertiliser business. In 2007, he joined Hextar Fertilizers Sdn Bhd as General Manager, where he was involved in the start-up and growth of the fertilisers business of the company. In 2010, he was promoted to Marketing Director, where he played a key role in expanding the fertiliser business into the export market. In 2018, he was promoted to Managing Director of Hextar Fertilizers Limited ("HFL") group where he was responsible for managing the fertiliser segment of the group covering Malaysia as well as the export markets including Indonesia, Vietnam, Myanmar and Thailand. In 2019, he was appointed as Director of Hextar Solutions Sdn Bhd to oversaw its entire operations in Malaysia. In 2022, following the HFL Acquisition, he was redesignated as the Executive Director of HIB Group where he assumed his current responsibilities.

He does not hold directorships in any other public listed companies. He does not have any family relationship with any director and/or major shareholder of the Company and no conflict of interest and/or potential conflict of interest, including any interest in any competing business with Hextar Industries Berhad or its subsidiaries.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year 31 December 2025.

PROFILE OF DIRECTORS
cont'd

OON SEOW LING

AGED	NATIONALITY	GENDER
54	*Malaysian*	*Female*

Independent Non-Executive Director

Chairperson of Audit Committee

Member of Nomination and Remuneration Committee

Madam Oon Seow Ling was appointed to the Board as an Independent Non-Executive Director of the Company on 1 July 2023.

She graduated from Tunku Abdul Rahman College (now known as Tunku Abdul Rahman University of Management and Technology) with a foundation in the Malaysian Association of Certified Public Accountants ("MACPA") in 1994. She has also been certified as a Public Accountant by the Malaysian Institute of Accountants ("MIA") in 2000, and subsequently a Chartered Accountant since 2001.

In 1995, she began her career at BDO Binder (now known as BDO PLT) as an Audit Assistant, where she was involved in providing auditing services. She was promoted to Audit Senior in 1999, where her scope of responsibilities expanded to include planning and supervising audit engagements and ensuring compliance with accounting standards. In 2000, she left BDO Binder and joined RNC Corporation Berhad (Special Administrators Appointed) ("RNC") as Group Finance Manager, where she oversaw the company's financial operations.

Thereafter, in 2005, she left RNC and joined K-One Technology Berhad, a company listed on the ACE Market of Bursa Malaysia Securities Berhad, as Group Finance Manager. She was subsequently promoted to Group Finance Director in 2008, where she was responsible for overseeing the financial operations of the Group, establishing strategies and budgets as well as leading cost control measures undertaken by the Group. She was also involved in the group financial statements reporting and ensuring compliance with listing requirements.

In 2011, she left K-One Technology Berhad and joined Peter Ooi & Co PLT as a Business Consulting Director, where she is responsible for spearheading business growth, researching new market opportunities and developing a network of contracts for business opportunities. In 2026, she became a Partner of Peter Ooi & Co PLT, a position she continues to hold to date. In 2015, she co-founded OSL Consulting Sdn Bhd, where she presently serves as Director and oversees the company's operations.

She currently also an Independent Non-Executive Director in Rentak Segar Group Berhad.

She does not have any family relationship with any director and/or major shareholder of the Company and no conflict of interest and/or potential conflict of interest, including any interest in any competing business with Hextar Industries Berhad or its subsidiaries.

She has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2025.

PROFILE OF DIRECTORS
cont'd

ONG TZU CHUEN

AGED	NATIONALITY	GENDER
43	*Malaysian*	*Female*

Non-Independent Non-Executive Director

Madam Ong Tzu Chuen was appointed to the Board as a Non-Independent Non-Executive Director of the Company on 27 July 2020.

She graduated from Macquarie University, Australia in 2003 with a Bachelor of Accounting. Upon completing her undergraduate education, she obtained her professional CPA Australia in 2004.

She spent two years servicing audit and tax services in Sydney, Australia. She then started her career in Malaysia, where she held various finance and management positions. Over the years, she has accumulated more than 10 years of corporate management experience, including identifying, evaluating and developing investment opportunities to invest, as well as directing the setup and expansion of various companies across multiple industries in Southeast Asia.

Currently, she is the Executive Director for KIP REIT Management Sdn. Bhd., which manages KIP Real Estate Investment Trust that is listed on the Main Market of Bursa Malaysia Securities Berhad. She does not hold directorship in other public listed companies. She is the sister of Dato' Ong Choo Meng, and daughter of Dato' Ong Soon Ho, both the Major Shareholders of the Company and other than that, she has no other conflict of interest and/or potential conflict of interest, including any interest in any competing business with Hextar Industries Berhad or its subsidiaries.

She has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2025.

PROFILE OF DIRECTORS
cont'd

SHAHJANAZ BINTI DATUK KAMARUDDIN

AGED *62*

NATIONALITY *Malaysian*

GENDER *Female*

Independent Non-Executive Director

Member of Audit Committee

Member of Nomination and Remuneration Committee

Puan Shahjanaz Binti Datuk Kamaruddin was appointed to the Board as an Independent Non-Executive Director of the Company on 1 March 2024.

She graduated from the University of Kent at Canterbury with a Bachelor's Degree in Law and was called to the Bar at Lincoln's Inn, London, in 1987. She was also called to the Malaysian Bar the following year. As an in-house general counsel she was an active member of the Malaysian Corporate Counsels Association until 2018. As a senior legal practitioner with decades of experience, she continues to commit to high standards of the law through her support of leading associations such as the Inns of Court Malaysia and the Lincoln's Inn Alumni Association of Malaysia.

Puan Shahjanaz is a UK trained legal professional with 30 years of in-depth experience in legal and company secretarial roles within leading Government-Linked Companies. Beginning her career at Golden Hope Plantations Berhad (now part of Sime Darby), she subsequently transitioned to Malaysia Airlines where she held various key positions, including Group General Counsel and Company Secretary. Following a period when she became a freelance content writer with clients ranging from government ministries, training institutes, retail websites and non-profit bodies, in 2019 Puan Shahjanaz became a partner at Azlin Shaharbi and Associates, a boutique law firm founded in 1990 specialising in conveyancing and corporate advisory work. Her dual background as an in-house and private legal practitioner provides her with a unique 360-perspective blending risk assessment with business pragmatism.

She does not hold directorships in any other public listed companies. She does not have any family relationship with any director and/or major shareholder of the Company and no conflict of interest and/or potential conflict of interest, including any interest in any competing business with Hextar Industries Berhad or its subsidiaries.

She has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2025.

PROFILE OF DIRECTORS
cont'd

LIEW JEE MIN @ CHONG JEE MIN

AGED	NATIONALITY	GENDER
67	*Malaysian*	*Male*

- *Senior Independent Non-Executive Director*
- *Chairman of Nomination and Remuneration Committee*
- *Member of Audit Committee*
- *Member of Risk Management and Sustainability Committee*

Mr Liew Jee Min @ Chong Jee Min ("Mr Chong") was appointed to the Board on 1 March 2025.

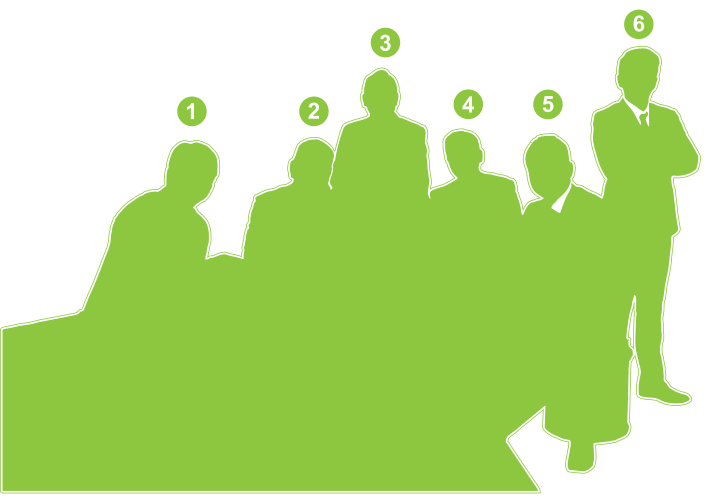
He graduated from the University of Leeds, England in 1984 with an Honours Degree in Law. He obtained his Certificate of Legal Practice in Malaya in 1985 and was admitted as an advocate and solicitor to the High Court of Malaya in 1986. In December 1986, he established the legal firm Messrs. J.M. Chong, Vincent Chee & Co. Advocates & Solicitors, where he has been practicing law, specialising in banking, corporate, commercial and real estate matters. He is the managing partner of the firm.

He holds several prominent positions, including the Vice President of the Klang Chinese Chamber of Commerce & Industry ("KCCCI"), the Chairman of the Legal Affairs Committee of the KCCCI and The Associated Chinese Chamber of Commerce & Industry of Coastal Selangor, a council member of The Chinese Chamber of Commerce and Industry of Kuala Lumpur and Selangor, and also the Chairman of its Legal Affairs Committee, and a member of the Legal Affairs Committee of The Associated Chinese Chamber of Commerce & Industry of Malaysia. He is a legal advisor to the Malaysia Used Vehicle Autoparts Traders' Association, The Kuala Lumpur & Selangor Furniture Entrepreneur Association, Sekolah Menengah Chung Hua (PSDN) Klang, Zhang Association Selangor & Kuala Lumpur, and The Federation of Malaysian Manufacturers. Additionally, he is a council member of The Kuala Lumpur & Selangor Hopo Association.

He currently serves on the Board of Directors of Hextar Healthcare Berhad, Lion Posim Berhad and Parkson Holdings Berhad. He does not have any family relationship with any director and/or major shareholder of the Company and no conflict of interest and/or potential conflict of interest, including any interest in any competing business with Hextar Industries Berhad or its subsidiaries.

He has not been convicted of any offences within the past 5 years other than traffic offences, if any, nor any public sanction or penalty imposed by regulatory bodies during the financial year ended 31 December 2025.

KEY SENIOR MANAGEMENT



From left to right :

1.Lee Kok Ping, Sean
2. Leong Hin Kieat
3. Wong Kin Seng
4. Martin Lee
5. Ke Tung Chen
6. Dr Lim Chee Lip, Jeff

KEY MANAGEMENT PROFILES

Managing Director of
PK Fertilizers Group of Companies

LEONG HIN KIEAT

Nationality	Malaysian
Age	59
Gender	Male

Leong Hin Kieat is the Managing Director of PK Fertilizers Group of Companies and is responsible for leading and spearheading the strategic direction, as well as managing the daily operations of the group.

In 1991, he graduated with a Bachelor's Degree (Hons) in Agricultural Science from University Pertanian Malaysia. In the same year, he began his career as a techno-commercial executive at Peladang Kimia Berhad (later known as PK Resources Berhad) in sales and marketing. In 2008, he was appointed as the Executive Director, overseeing operations and expanding the business into Indonesia and Pacific Island countries. In 2018, he assumed his current position as the Managing Director where he is responsible for managing the fertiliser business of PK Fertilizers Group of Companies.

Currently, he serves as the Chairman of the Fertilizer Industry Association of Malaysia (FIAM) and an Honorary Exco Member of the Chemical Industry Council of Malaysia (CICM). Through his leadership roles, he has played a vital role in advancing the growth of the industry and promoting its sustainable development.

He does not hold directorships in any other public listed companies. He does not have any family relationship with any director and/or major shareholder of the Company and no conflict of interest and/or potential conflict of interest, including any interest in any competing business with Hextar Industries Berhad or its subsidiaries.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year 31 December 2025.

KEY MANAGEMENT PROFILES
cont'd

Managing Director of
Heavy Equipment Division

WONG KIN SENG

Nationality	Malaysian
Age	56
Gender	Male

Wong Kin Seng joined the team in 1988. With over three decades of experience in his career, he has gained an extensive knowledge of our organization through various operations and sales roles. He was promoted to Managing Director in 2018, where he was responsible for overseeing the entire operations of the heavy equipment division. His dedication to learning and passion for the industry have allowed him to develop a deep understanding of the market, enabling him to effectively lead our group's heavy equipment business.

He does not hold directorships in any other public listed companies. He does not have any family relationship with any director and/or major shareholder of the Company and no conflict of interest and/or potential conflict of interest, including any interest in any competing business with Hextar Industries Berhad or its subsidiaries.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year 31 December 2025.

KEY MANAGEMENT PROFILES
cont'd

Managing Director of Engineering Solutions Division

KE TUNG CHEN

Nationality	Malaysian
Age	51
Gender	Male

Ke Tung Chen, the founder of Hextar Mitai Sdn Bhd, holds a Bachelor of Engineering with honours, specializing in Mechanical and Manufacturing System Engineering from Sheffield Hallam University in 1999.

He commenced his career as an engineer at renowned establishments such as Sumitomo Electric and the Staedtler manufacturing plant. However, driven by an innate entrepreneurial spirit, he ventured into the realm of entrepreneurship, establishing his own engineering company.

With a robust tenure spanning over 20 years, he has amassed invaluable expertise in multidisciplinary Project Management and Construction. His proficiencies extend across a diverse spectrum, encompassing oil and gas upstream offshore skid fabrication, downstream refinery, petrochemical plant EPC projects, as well as ventures in world-class amusement theme park projects and the food and beverage industry.

He does not hold directorships in any other public listed companies. He does not have any family relationship with any director and/or major shareholder of the Company and no conflict of interest and/or potential conflict of interest, including any interest in any competing business with Hextar Industries Berhad or its subsidiaries.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year 31 December 2025.

KEY MANAGEMENT PROFILES
cont'd

Chief Executive Officer of Equipment Rental Division

MARTIN LEE

Nationality	Malaysian
Age	48
Gender	Male

Martin was appointed as the Chief Executive Officer of Equipment Rental Division on 1 July 2022.

He holds a Bachelor of Science (Hons) in Computing from the University of Portsmouth, U.K., and a Master of Science in Business Information Technology from the University of Northumbria, U.K. With over 20 years of experience in the Heating, Ventilation and Air Conditioning (HVAC) industry, he has been involved in the construction, operations and maintenance of multiple District Cooling Plants with various public listed companies. Prior to joining the group, he gained experience in the rental industry, where he rented HVAC equipment to various industries including commercial, residential, manufacturing, oil and gas, healthcare, semiconductors, and chemical.

He does not hold directorships in any other public listed companies. He does not have any family relationship with any director and/or major shareholder of the Company and no conflict of interest and/or potential conflict of interest, including any interest in any competing business with Hextar Industries Berhad or its subsidiaries.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year 31 December 2025.

KEY MANAGEMENT PROFILES
cont'd

Company Secretary &
Chief Financial Officer

LEE KOK PING, SEAN

Nationality	Malaysian
Age	43
Gender	Male

Sean is a Chartered Accountant by qualification from the Association of Chartered Certified Accountants (ACCA) in December 2006 and is a member of the Malaysia Institute of Accountants (MIA). He currently serves as the Chief Financial Officer (CFO), a role he was promoted to on 1 February 2024, having previously held the position of Financial Controller since his joining on 2 April 2020. In addition to his CFO responsibilities, Sean has been serving as a Joint Company Secretary since 11 December 2020, showcasing his versatility and leadership in corporate governance.

Sean has engaged in the corporate development and successfully led the transfer of Company's listing from ACE Market to Main Market in 2024. In addition, he also played pivotal role in the corporate transformation, fundraising activities, mergers and acquisitions (M&A), which have been instrumental in growing the company's market capitalisation by more than 10 times since his joining in 2020.

Sean is an accomplished finance professional with over 15 years of extensive experience in the public listed corporate sector. Prior joining the Company, he was the Head of Finance of a public listed company, where he delivered strategic financial leadership and drove organisational growth with proven track records. His exceptional contributions were consistently recognised by his employers, highlighting his ability to deliver impactful results spanning various industries.

He does not hold directorships in any other public listed companies. He does not have any family relationship with any director and/or major shareholder of the Company and no conflict of interest and/or potential conflict of interest, including any interest in any competing business with Hextar Industries Berhad or its subsidiaries.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year 31 December 2025.

KEY MANAGEMENT PROFILES
cont'd

Chief Executive Officer of Luckin Coffee Malaysia

DR LIM CHEE LIP, JEFF

Nationality	Malaysian
Age	39
Gender	Male

Dr. Lim Chee Lip, Jeff was appointed as the Chief Executive Officer of Global Aroma Sdn. Bhd. on 15 July 2024 and Hextar Luckin (M) Sdn. Bhd. on 10 December 2024, where he is responsible for Luckin business affairs.

He holds a Postgraduate Diploma (PgDip) in Business Administration from the University of Wales Trinity Saint David, a Master in Construction Law and Arbitration (LLM) as well as a Bachelor degree in Quantity Surveying from Robert Gordon University, United Kingdom. In July 2024, he successfully earned a Doctor of Business Administration from Asia E University.

Upon graduation, he worked for Steward Milne Group Limited and Hill International Inc., one of the largest public-listed U.S. consulting firms. He is a member of the Chartered Institute of Arbitrators in the United Kingdom and Malaysia and has more than fifteen (15) years of professional work experience in the United Kingdom, Middle East and Asia, in the areas of Dispute Resolution, Contract Management, Corporate Finance and Advisory. He has also accumulated vast corporate management experience including directing, strategic planning and expansion of various private and public companies in Malaysia.

He is also an Executive Director and Chief Commercial Officer of Hextar Retail Berhad. He does not have any family relationship with any director and/or major shareholder of the Company and no conflict of interest and/or potential conflict of interest, including any interest in any competing business with Hextar Industries Berhad or its subsidiaries.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year 31 December 2025.

CHAIRMAN'S STATEMENT

DATO SRI DR CHEE HONG LEONG
Independent Non-Executive Chairman

Navigating a Shifting Economic Landscape

The year 2025 continued to present a mixed macroeconomic backdrop, with lingering geopolitical uncertainties and evolving trade dynamics. Against this environment, the Group demonstrated agility and strategic foresight. While our legacy fertiliser segment is increasingly challenged by global price volatility and supply chain disruption, we moved decisively to reallocate capital and management attention toward higher-growth consumer-facing businesses. Our diversified model proved invaluable once again, allowing us to absorb sector-specific pressures while unlocking new revenue streams.

Luckin Coffee Rollout in Malaysia

In November 2024, our subsidiary, Global Aroma Sdn Bhd ("GASB"), forged an exclusive partnership with Luckin Coffee Holding Singapore Pte Ltd. I am pleased to report that in 2025, we successfully launched the first Luckin Coffee outlet in Malaysia, and by the end of the year 2025, a total of 70 outlets were operating at satisfactory result. The rollout proceeded strictly on schedule, marking a strong entry into the fast-growing café segment and diversifying the Group's income base.

Acquisition of 51% stake in Woodpeckers

In a further step toward building a resilient consumer portfolio, HIB acquired a 51% equity interest in Woodpeckers Group Sdn. Bhd. ("Woodpeckers") immediately provide HIB with significant foodprint in the frozen dessert market through their nationwide store network operating under the franchise name "Ilaollao". Together with this acquisition, the Group has proposed a diversification of its existing business operations. These moves underscore our conviction that the consumer retail and F&B sectors offer compelling opportunities for sustainable returns. Following the proposed acquisition, HIB represents two district global franchise brands namely "Luckin Coffee" and "Ilaollao"

Strategic Milestones: Reshaping HIB's Future

Several transformative initiatives defined 2025, reflecting the Board's commitment to long-term shareholder value creation. This included the Group proposed the disposal of a portion of our three (3) fertiliser subsidiaries in Peninsular Malaysia at the total value of RM120 million, which is aligns with our objective to redeploy capital into businesses with higher growth and margin potential, but subject to shareholders' approval.

Advancing Sustainability and Governance

Our Environmental, Social, and Governance ("ESG") commitments remained integral to every decision. HIB achieved a significant milestone with its first-time inclusion as a constituent of the FTSE4Good Bursa Malaysia Index and FTSE4Good Bursa Shariah Index, effective 22 December 2025. This recognition reflects our continued efforts to strengthen ESG practices, enhance transparency and align our operations with responsible business standards. Throughout this period of transformation, we continued to embed responsible practices across our retained operations.

CHAIRMAN'S STATEMENT

Gratitude and Forward Outlook

I extend my deepest gratitude to my fellow Board members for their steadfast guidance and rigorous oversight. My thanks also go to the Management team and all employees for their professionalism, adaptability, and relentless pursuit of excellence during a year of significant change.

As we move into 2026, the Board and I are cautiously optimistic. With a strengthened F&B portfolio, a streamlined industrial base, and a clear strategic direction, HIB is well-positioned to capture emerging opportunities while managing residual risks. We remain resolute in our mission to deliver enduring value for our shareholders, customers, and communities.

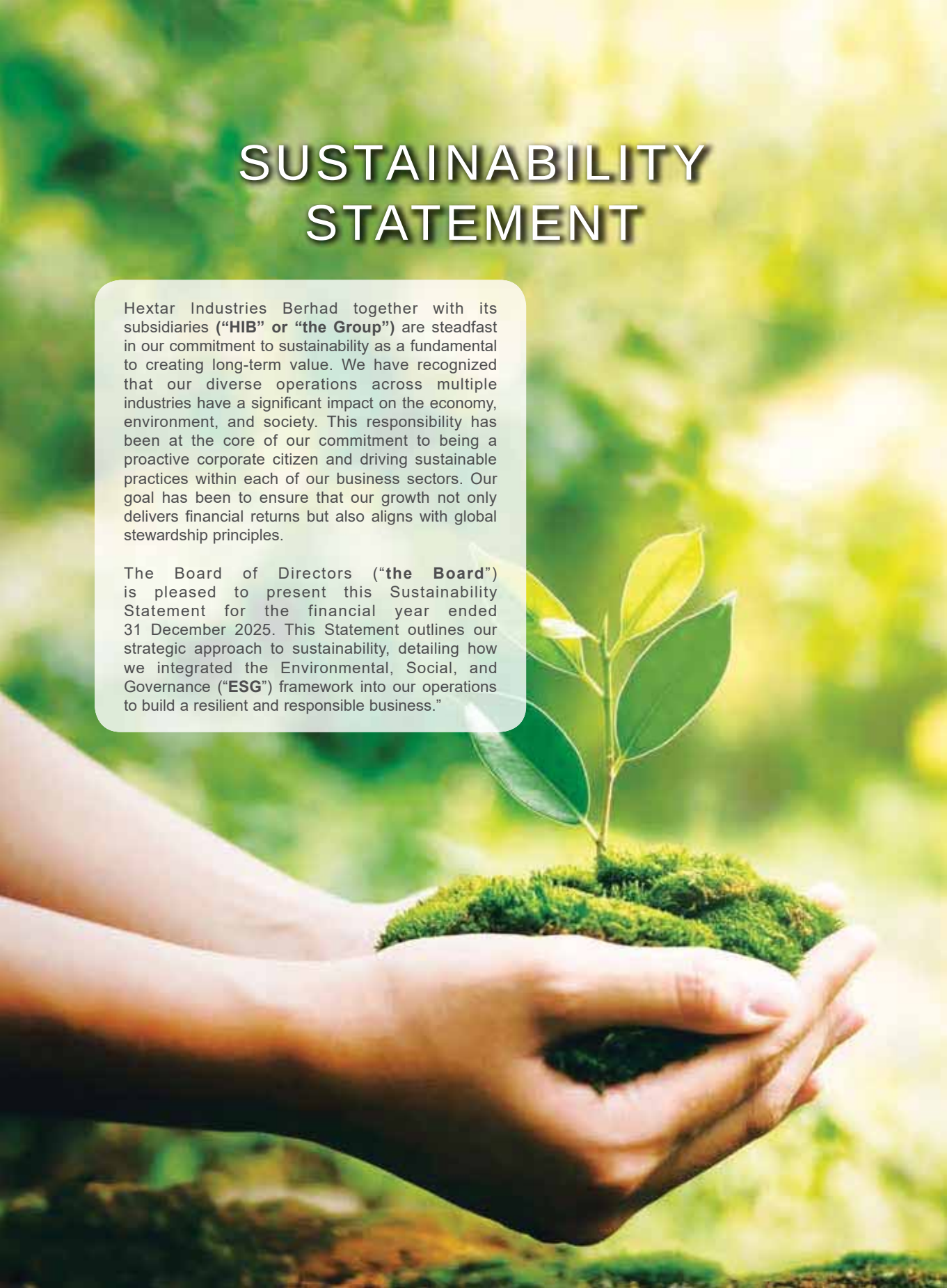
Thank you for your continued trust in Hextar Industries Berhad.

Dato Sri Dr Chee Hong Leong
Independent Non-Executive Chairman

SUSTAINABILITY STATEMENT

Hextar Industries Berhad together with its subsidiaries **("HIB" or "the Group")** are steadfast in our commitment to sustainability as a fundamental to creating long-term value. We have recognized that our diverse operations across multiple industries have a significant impact on the economy, environment, and society. This responsibility has been at the core of our commitment to being a proactive corporate citizen and driving sustainable practices within each of our business sectors. Our goal has been to ensure that our growth not only delivers financial returns but also aligns with global stewardship principles.

The Board of Directors ("**the Board**") is pleased to present this Sustainability Statement for the financial year ended 31 December 2025. This Statement outlines our strategic approach to sustainability, detailing how we integrated the Environmental, Social, and Governance ("**ESG**") framework into our operations to build a resilient and responsible business."



SUSTAINABILITY STATEMENT
cont'd

ABOUT OUR ESG PHILOSOPHY

HIB recognises that integrating ESG considerations into our strategic decisions is both a moral imperative and a strategic necessity. We are committed to aligning our operations with these principles to drive long-term, sustainable value for all our stakeholders. Through this commitment, we aim to empower communities, advance social inclusivity, and protect the environment, ensuring a meaningful contribution to a better future.

In response to the urgent challenge of climate change, HIB is intensifying its decarbonisation efforts. We acknowledge that climate-related risks pose both direct and indirect threats to our profitability and growth, and we are proactively addressing these challenges. By integrating ESG priorities with stakeholder interests, we not only enhance investor confidence and strengthen public trust but also reinforce our role as a responsible corporate leader.

REPORTING PERIOD

This Report covers the financial year ending 31 December 2025 ("**FY2025**") and presents the Group's sustainability performance and initiatives to be undertaken from 1 January 2025 to 31 December 2025. Where relevant, comparative data from previous years will be included to provide context and illustrate progress over time.

REPORTING SCOPE AND BOUNDARY

This report outlines the Group's sustainability strategies, initiatives, and performance within the ESG framework.

The reporting scope encompasses our core business segments — Fertilisers, and Industrial and Consumer — and reflects our dynamic growth. This includes the establishment of Hextar Luckin (M) Sdn. Bhd., which began operations in January 2025 and expanded to 70 outlets by 31 December 2025, along with the launch of Get Rental Sdn. Bhd., which commenced its new business operations in March 2025. The ESG data and initiatives for these growing segments are fully integrated into this report from their respective commencement dates, demonstrating our commitment to managing sustainability across an evolving business portfolio.

REPORTING GUIDELINES AND PRINCIPLES

This Sustainability Statement has been prepared with reference to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia) and Global Reporting Initiative (GRI) Universal Standards.

To further strengthen our approach, we have incorporated key ESG considerations as outlined in the FTSE4Good Bursa Malaysia Index, along with guidance from the Bursa Malaysia Sustainability Reporting Guide (3rd Edition).

We have also aligned our sustainability efforts with the United Nations Sustainable Development Goals ("**UNSDGs**"). These global goals serve as a foundational framework for identifying our material sustainability matters and shaping our strategic priorities.

BURSA MALAYSIA GRI FTSE4Good SUSTAINABLE DEVELOPMENT GOALS

SUSTAINABILITY STATEMENT
cont'd

In alignment with the National Sustainability Reporting Framework (NSRF), we are monitoring developments around climate-related disclosure standards and are preparing our internal processes to support compliance within the applicable timeframe.

This updated statement reflects our ongoing commitment to transparency, accountability, and alignment with global sustainability standards. It also responds to the evolving expectations of stakeholders, demonstrating how we are turning our ESG commitments into tangible actions and outcomes.

RELIABILITY OF INFORMATION DISCLOSED

Our Sustainability Statement has been reviewed by the Sustainability Committee and formally approved by the Board. To further reinforce the credibility, transparency, and accuracy of our disclosures, we engaged our internal auditors, Baker Tilly Monteiro Heng Governance Sdn. Bhd, to conduct an internal audit review of all sustainability matters and indicators.

STATEMENT OF ASSURANCE

Baker Tilly Monteiro Heng Governance Sdn Bhd ("Baker Tilly" or "we") has been engaged to perform an outsourced function to provide internal audit services for the review of Hextar Industries Berhad's ("HIB" or "the Company") Sustainability Reporting Process for the audit period from 1 January 2025 to 31 December 2025 for reporting to the Audit Committee ("AC").

Subject Matter

The subject matters covered by the internal audit review includes all common sustainability matters and accompanying indicators identified by Bursa, as presented in the Sustainability Report Financial Year 2025.

Scope

The scope of the internal review includes all operations within the control of HIB across Malaysia. The boundary of internal review includes the company's operations in the following locations: Peninsular Malaysia, Sabah, and Sarawak.

FEEDBACK

HIB welcomes all stakeholders' feedback and suggestions regarding this Sustainability Statement or any related sustainability matters. Relevant comments can be submitted via our website at: www.hextarindustries.com/enquiry/.

SUSTAINABILITY RECOGNITION AND ESG PERFORMANCE

At HIB, sustainability remains integral to our long-term business strategy and value creation agenda. During the year under review, the Group achieved a significant milestone with its first-time inclusion as a constituent of the FTSE4Good Bursa Malaysia Index and the FTSE4Good Bursa Malaysia Shariah Index, effective 22 December 2025. This recognition reflects our continued efforts to strengthen ESG practices, enhance transparency and align our operations with responsible business standards.

HIB attained a FTSE Russell ESG score of 3.5 within the Chemicals ICB Supersector, demonstrating progress in our sustainability performance and disclosure. Following an independent assessment by FTSE Russell against the FTSE4Good criteria, the Group was confirmed to have met the requirements for inclusion in the FTSE4Good Index Series, a globally recognised benchmark used by investors to assess companies with strong ESG practices.

This recognition complements the Group's broader efforts to strengthen sustainability governance, improve ESG disclosures and support long-term value creation for stakeholders.

Recognition at a glance

First-time constituent
Effective: 22 Dec 2025

- FTSE4 Good Bursa Malaysia Index
- FTSE4Good Bursa Malaysia Shariah Index

FTSE Score

3.5

FTSE4Good

WHY THIS MATTERS

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Hextar Industries Berhad has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

HALAL INTEGRITY

Luckin Coffee is pleased to announce that a number of our outlets have obtained official Halal certification. This milestone reflects our commitment to inclusivity, cultural respect, and responsible service. By ensuring that certified locations meet stringent Halal standards, we aim to better serve diverse communities, uphold transparency in our operations, and support equitable access to quality coffee experiences. This initiative is part of our broader sustainability journey, reinforcing our dedication to social responsibility and ethical practices across all touchpoints.

SUSTAINABILITY STATEMENT
cont'd

CORE VALUES DRIVING OUR SUSTAINABILITY

Guided by our core values, we have deeply embedded these principles into our sustainability efforts. We firmly believe that responsible investing and sustainable practices are essential to creating a better world and ensuring long-term value for our stakeholders.

Humility	We recognise the importance of listening and learning. We treat sustainability as an ongoing journey of continuous improvement, openly evolving our practices based on new science and stakeholder feedback.
Excellence	We are committed to the highest standards of environmental and social performance.This drives us to exceed regulatory requirements and set ambitious, measurable goals for reducing our footprint across our operations and supply chain.
X-Factor	Our unique innovative spirit fuels creative solutions to complex sustainability challenges. By applying our distinct expertise in fertiliser and industrial consumer products, we develop differentiated products and processes that drive positive change.
Trustworthy	We build confidence through transparency, integrity, and accountability. In all our sustainability efforts, we strive to earn and maintain the trust of our stakeholders by consistently doing what we say and being honest about both our progress and our challenges.
Adaptability	We remain agile in responding to emerging environmental issues, societal needs, and evolving regulations. This ensures our sustainability strategy is resilient, relevant, and effective in a changing world.
Responsibility	We take full ownership of our impact on the planet and communities. We are committed to balancing economic growth with tangible environmental stewardship and a firm dedication to social equity.

SUSTAINABILITY STATEMENT
cont'd

OUR KEY SUSTAINABILITY COMMITMENTS

Grounded in our ESG philosophy and guided by our core values, HIB's sustainability commitments are structured around three key pillars: Environmental, Social, and Governance. These pillars reflect our responsibility to operate with care for the planet, support for our people, and integrity in our business conduct.

Our ESG Policy serves as the ethical foundation and strategic guide for our long-term business success. We are committed to balancing ESG priorities with the interests of our stakeholders to enhance investor confidence, build public trust, and deliver sustainable value as a responsible corporate citizen.

In a constantly evolving business environment, we continuously review and update our ESG policy and practices to ensure their relevance and effectiveness. This commitment ensures that all our business activities are guided by principles that support our long-term growth while contributing meaningfully to a sustainable future.

- **Environmental**

  We are focused on reducing our environmental footprint by pursuing improvements in energy efficiency, responsible resource management, and sustainable practices across our operations and supply chain. In response to climate change, we are accelerating our decarbonisation journey, exploring innovative solutions to minimise our impact and support the transition to a low-carbon economy.

- **Social**

  We are committed to fostering a safe, inclusive, and high-performing workplace. We actively invest in our people by promoting employee well-being, supporting professional development, and upholding fair labour practices and diversity. Beyond our walls, we seek to strengthen the communities we serve through meaningful engagement and empowerment initiatives.

- **Governance**

  We are committed to the highest standards of transparency, accountability, and ethical conduct. We uphold robust corporate governance frameworks, ensure diligent compliance with all regulatory requirements, and systematically integrate ESG risk and opportunity assessments into our strategic decision-making to build enduring stakeholder trust.

These commitments are central to how we create sustainable value, navigate risks, and contribute to a more resilient, equitable future.

SUSTAINABILITY STATEMENT
cont'd

SUSTAINABILITY GOVERNANCE

HIB has established a robust Sustainability Governance Structure that clearly defines the roles and responsibilities for developing, implementing, and overseeing our sustainability policies and performance.

Sustainability Governance Structure

Board of Directors ("the Board")

The Board of Directors provides ultimate oversight and strategic direction for the Group's sustainability agenda. The Board is responsible for evaluating and endorsing the Group's long-term sustainability strategy, ensuring it is integrated into corporate objectives and properly managed.

The Board promotes good governance and sets the "tone from the top," acknowledging its critical role in overseeing material sustainability matters, including climate-related risks and opportunities. Actions to manage these risks are integrated into the Group's strategic corporate plans.

Risk Management and Sustainability Committee ("RMSC")

The Risk Management and Sustainability Committee ("RMSC") plays a key role in assisting the Board to fulfil its oversight responsibilities on sustainability governance and risk management. Operating under a formal Terms of Reference, the RMSC has clear authority delegated by the Board to oversee and guide the Group's sustainability journey.

The RMSC is led by the Independent Non-Executive Chairman and includes the Executive Director and Senior Independent Non-Executive Director. The Committee meets at least once a year, with additional meetings convened as necessary to address emerging risks and opportunities promptly.

The key responsibilities of the RMSC include:

- Setting the Group's sustainability strategies, priorities and targets;
- Overseeing the management of sustainability-related risks, including environmental compliance, labour and human rights, and occupational safety and health;
- Monitoring the progress of sustainability initiatives and performance against goals;
- Reviewing and recommending the annual Sustainability Statement to the Board for approval.

The RMSC ensures that sustainability matters remain aligned with the Group's overall strategic objectives.

SUSTAINABILITY STATEMENT
cont'd

Team Leads

Departmental and divisional Team Leads are the key drivers for embedding sustainability into daily operations. They are accountable for the execution of HIB's sustainability objectives within their respective areas, ensuring effective implementation, data collection, and progress reporting on material sustainability matters.

COMMITMENT TO STAKEHOLDER ENGAGEMENT

We strive to maintain strong, transparent relationships with our stakeholders. Recognizing that their concerns directly influence our strategic priorities, we actively engage with them through various platforms to understand their perspectives on our sustainability performance.

The insights gathered from these engagements are integral to our materiality assessment process, helping us to identify key risks and opportunities, shape our business strategy, and ensure our sustainability initiatives remain relevant and impactful.

The following summary showcases our engagement efforts with key stakeholder groups:

Stakeholders	Stakeholders' Concerns/ Material Matters	Engagement Methods
Shareholders/ Investors	• Share price performance • Business performance • Business growth plans • Return on investments • Corporate governance	• Company website • General meetings • Quarterly financial results and annual report • Bursa announcement
Government/ Authorities	• Corporate governance • Permits and licenses • Regulatory compliance • Occupational safety and health	• Meetings/visits • Verification/compliance audit • Bursa announcement • Ad-hoc report submission as and when needed by regulators/law enforcers
Board	• Financial and operational performance • Business strategic planning • Continuous business and operational improvements • Interest of various stakeholders and shareholders	• Board meetings • General meetings • Company events
Employees	• Training and career development opportunities • Talent and performance management • Occupational safety and health • Competitive remuneration and benefit packages	• Training programs • Regular engagement with Senior Management • Performance appraisal • Company events • Memo/newsletter • In-house mobile application
Bankers	• Financial and operational performance • Repayment capabilities	• Meetings/visits • Bursa announcement • Media release

SUSTAINABILITY STATEMENT
cont'd

Stakeholders	Stakeholders' Concerns/ Material Matters	Engagement Methods
Customers	• Product quality and pricing • Customer satisfaction • Technological innovation • New products development • Competitive pricing and on-time delivery	• Regular meetings • Feedback survey • Product training • Advertisement and marketing events • Company website/social media • Phone calls/email communications
Suppliers	• Long-term business relationships • Supply chain management • Selection of suppliers and credit terms • Compliance to anti-corruption standards/ integrity	• Face-to-face interaction • Email communications • Supplier evaluation
Community	• Local job creation opportunities • Environmental impact arising from daily operation • Domestic economic support	• Corporate Social Responsibility ("CSR") program • Company website/social media
Analyst/Media	• Financial and operational performance • Business strategic plan • Corporate governance	• General meetings • Media interviews and conferences • Media release

MATERIALITY ASSESSMENT: INTRODUCTION

Materiality assessment is a vital component of HIB Group's sustainability strategy. It enables us to identify, prioritise, and address the ESG matters that are most significant to our business operations and stakeholders. This process ensures that our sustainability efforts are aligned with both stakeholder expectations and our corporate objectives, allowing us to focus on the areas where we can create the most value and manage the greatest risks.

To determine these priorities, we draw insights from a combination of internal and external sources. Internally, we engage with the Board and employees, assess our business strategy and policies, and review enterprise risk management processes. Externally, our approach is guided by insights from our stakeholder engagements, the Main Market Listing Requirements, as well as the Bursa Malaysia Sustainability Reporting Guide (3rd Edition) and its supporting toolkits. These references ensure that our disclosures are consistent, comprehensive, and aligned with best practices in sustainability reporting.

MATERIALITY ASSESSMENT: OUR APPROACH AND METHODOLOGY

We adopt a structured and transparent methodology to guide our materiality assessment process, ensuring consistent identification and prioritisation of sustainability matters that are most relevant to HIB Group and our stakeholders. Our materiality assessment methodology is anchored in the Materiality Assessment Policy, which provides a structured framework to ensure consistent execution, robust governance, and alignment with regulatory requirements and leading sustainability reporting standards.

SUSTAINABILITY STATEMENT
cont'd

The assessment process consists of four key phases:

1 Scoping and Identification

Define objectives and review matters

- Define the scope, boundaries, and objectives of the materiality assessment.
- Review internal and external sources including risk registers, ESG disclosures, relevant sustainability frameworks, media and peer reviews.
- Compile a preliminary list of sustainability matters for further evaluation.

2 Stakeholder Engagement

Identify stakeholders and gather feedback

- Identify and prioritise key stakeholders based on their level of influence and dependence on the Group.
- Conduct stakeholder surveys to gather perspectives on ESG priorities.
- Analyse the feedback to determine the relative importance of each sustainability matter to our stakeholders.

3 Materiality Assessment

Evaluate matters and plot on matrix

- Evaluate each matter against our defined sustainability risks and opportunities to determine the X-axis (impact on HIB Group).
- Plot the X-axis results against the Y-axis (importance to stakeholders) on the Materiality Matrix for final prioritisation.

4 Review and Validation

Validate outcomes and file documentation

- The preliminary results are consolidated by the Team Leads, reviewed by the RMSC and subsequently validated by the Board.
- All documentation is securely archived in accordance with our Materiality Assessment Policy and internal governance protocols.

SUSTAINABILITY STATEMENT
cont'd

MATERIALITY MATRIX

The outcome of our materiality assessment highlights the significance of each sustainability topic to the Group's business operations and stakeholder groups. It is important to clarify that a topic identified as significant does not necessarily indicate a high-risk issue for the Group or imply challenges in managing it. Instead, it reflects the topic's potential importance in sustaining value creation for both the Group and its stakeholders, considering the current operating environment and business context.

Based on our comprehensive assessment, we have prioritized eleven key material matters. These are visualized in our Materiality Matrix, which serves as a guiding framework to ensure our efforts remain aligned with our evolving corporate strategy and stakeholder expectations. We will continue to monitor these matters closely, adapting our strategies as needed to uphold our commitment to sustainability and long-term value creation.

Environmental
- Energy Management
- Emission Management
- Water Usage
- Waste Management

Social
- Community Investment
- Supply Chain Management
- Health and Safety
- Labour Practice and Standards
- Diversity

Governance
- Anti-corruption
- Data Privacy and Security

SUSTAINABILITY STATEMENT
cont'd

RISKS AND OPPORTUNITIES

We have broadened our Risk Management framework to include sustainability and climate-related risks, further enhancing our comprehensive oversight across corporate, financial, and operational dimensions. We recognise that sustainability encompasses more than just environmental issues. It represents a critical framework for ensuring long-term business resilience and growth. In light of this, we actively evaluate the risks and opportunities associated with the material matters, aiming to effectively mitigate these risks while seizing opportunities to generate value for our stakeholders and make a positive impact on the community.

Material Matters	Important to the Group	Key Risks	Opportunities	Management Action Plan
Community Investment	Important for building strong relationships with local communities to create positive social and environmental impact.	Community opposition, reputational damage, operational disruptions.	Stronger community ties, support for local initiatives, enhancing brand image.	Engage in community development projects and establish community dialogue mechanisms.
Supply Chain Management	Supply chain management including support to local suppliers, adherence to significant environmental and social standards.	Supply disruptions, reputational damage from supplier practices, restriction to market growth and expansion	Risk mitigation, cost savings through efficiency, resilience against disruptions, competitive advantage.	Implement supplier risk assessment annually; explore strategic partnerships to diversify supply sources.
Energy Management	Strategic energy management is essential for cost reduction, operational efficiency, and alignment with national sustainability goals.	High energy costs, dependency on non-renewable sources, regulatory penalties.	Energy efficiency reduces costs and emissions. Renewable energy sources provide stability.	Invest in energy-efficient technologies, shift towards renewable energy sources. Set electricity reduction target and periodically review electricity consumptions.
Emission Management	Critical to achieving our goal of net-zero carbon emissions and demonstrates our commitment to combating climate change.	Regulatory penalties, potential operational restrictions, reputational damage.	Improve efficiency and reduced costs. Enhancing corporate image.	Adopt low-emission technologies, set emission reductions target and periodically review the emission consumptions.
Water Usage	Critical for minimising environmental impact and ensuring sustainability in operations.	Excessive use leading to restrictions and higher costs, impact on local communities.	Water recycling can reduce costs, ensure operational continuity, and promote community impact.	Develop and implement water management strategies, including efficient usage and rainwater harvesting.

SUSTAINABILITY STATEMENT
cont'd

Material Matters	Important to the Group	Key Risks	Opportunities	Management Action Plan
Waste Management	High priority due to environmental regulations and the push towards a circular economy.	Non-compliance fines, high disposal costs, negative community impact.	Opportunities for recycling and waste-to-energy projects.	Develop comprehensive waste management and recycling programs; collaborate with local recycling initiatives.
Health and Safety	Prioritising the health and safety of workforce is critical for maintaining operational excellence and corporate reputation.	Workplace accidents, non-compliance fines, increased insurance costs.	Enhance employee satisfaction, reduce operational interruptions, improve productivity.	Implement comprehensive safety training, emergency preparedness plans, and invest in safety technology.
Diversity	Enhances innovation, company culture, and market competitiveness. Important for attracting talent and gaining insights into diverse market.	Lack of innovation, potential for discrimination claims, talent acquisition challenges.	Broader talent pool, improved decision-making, better customer insights.	Implement diversity and inclusion programs, provide training, and set diversity goals.
Labour Practices and Standards	Adherence to equitable labour practices ensures compliance with labour legislation, promotes a positive organisational culture, and enhances our reputation as an employer of choice.	Non-compliance fines, low employee morale, high turnover rates, labour disputes affecting operations.	Attract and retain talent, enhance productivity and drive innovation.	Develop fair labour practices, ensure safe working conditions, and engage in continuous dialogue with employees.
Anti-corruption	Critical for legal compliance, reputation, and fostering a culture of integrity and ethical business practices.	Legal penalties, damage to reputation and investor trust, financial losses.	Strengthening stakeholder confidence, enhancing business opportunities and competitive advantage.	Implement strict anti-corruption policies and training, transparent auditing processes and a whistleblower mechanism.
Data Privacy and Security	Crucial for protecting sensitive information and maintaining customer trust.	Data breaches, legal penalties, loss of customer trust.	Competitive advantage by ensuring robust data security, customer trust.	Adopt robust cybersecurity measures and conduct regular data security training.

SUSTAINABILITY STATEMENT
cont'd

ALIGNMENT WITH GRI AND UNSDGs

The following table outlines the alignment between our material sustainability matters, the relevant Global Reporting Initiative (GRI) Standards, and the corresponding United Nations Sustainable Development Goals (UNSDGs). This alignment reflects our commitment to integrating ESG principles into our operations and reporting framework. Each material topic has been mapped to specific SDGs to demonstrate how our sustainability initiatives contribute to global development priorities and responsible business practices.

Pillars	Material Sustainability Matters	GRI Reference	UNSDGs
Environmental	1. Energy Management	GRI 302: Energy 2016	
	2. Emission Management	GRI 305: Emissions 2016	
	3. Water Usage	GRI 303: Water and Effluents 2018	
	4. Waste Management	GRI 306: Waste 2020	
Social	5. Community Investment	GRI 413: Local Communities 2016	
	6. Supply Chain Management	GRI 204: Procurement Practices 2016 GRI 308: Supplier Environment Assessment 2016 GRI 414: Supplier Social Assessment 2016	
	7. Health and Safety	GRI 403: Occupational Health and Safety 2018	
	8. Labour Practices and Standards	GRI 401: Employment 2016 GRI 404: Training and Education 2016	
	9. Diversity	GRI 405: Diversity and Equal Opportunity 2016	
Governance	10. Anti-corruption	GRI 205: Anti-corruption 2016	
	11. Data privacy and Security	GRI 418: Customer Privacy 2016	

SUSTAINABILITY STATEMENT
cont'd

Quick Glance: FY2025 Highlights And Forward-Looking Objectives

Environment

- **Targeted a 10% reduction in GHG emissions by 2030**
  Installed solar PV and EV charging station at the corporate office in Klang, Selangor. The Group is continued monitoring the performance of the installed solar PV and commence the evaluation of the feasibility of installing the new solar PV in 2026.

Social

- **30% women representation on the Board**
  43% of the Board of Directors are women as of FYE2025
- **30% of Management are women**
  34% of the Management are women as of FYE2025
- **ZERO tolerance to discrimination, harassment, violence, forced labour and child labour in the workplace**
  Zero incidence of discrimination or any violence in labour law in FYE2025
- **ZERO incidence of fatalities**
  Zero incidence of fatalities in FYE2025
- **60% of new suppliers that were screened using environmental & social criteria in FYE2026**
  56% of new suppliers that were screened using environmental & social criteria in FYE2025
- **150 suppliers assessed for environmental & social impacts in FYE2026**
  139 suppliers assessed for environmental & social impacts in FYE2025

Governance

- **ZERO tolerance to bribery and corruption**
  Zero bribery or corruption case in FYE2025
- **ZERO tolerance to avoidable incidence of work-related injuries**
  Zero incidences of work-related injuries in FYE2025
- **ZERO tolerance to privacy breaches or data loss**
  Zero complaints of privacy breaches and data loss in FYE2025

ENVIRONMENTAL

We recognise the urgent challenge of climate change and its profound impact on the planet's ecosystems and long-term business resilience. As a responsible publicly listed company, we are committed to mitigating our environmental impact across all operations in Malaysia. We rigorously comply with all relevant environmental laws and continuously seek innovative solutions to exceed standards. In line with the National Sustainability Reporting Framework (NSRF), we are proactively preparing our internal processes for the future adoption of climate-related disclosure standards.

Our Environmental Policy

Our comprehensive Environmental Policy integrates sustainability into our decision-making and daily operations. The policy outlines our commitment to:

- Complying with all applicable environmental laws and regulations.
- Implementing a robust plan to manage environmental and climate-related risks.
- Minimizing the environmental impact of our operations, products, and services.
- Reducing energy and water consumption to conserve natural resources.
- Collaborating with partners to reduce their environmental footprint.
- Enhancing our environmental management system for continual improvement.
- Building environmental awareness among employees and stakeholders.

Environmental Initiatives

In support of local biodiversity and climate resilience, we organized a tree planting program at Jeti Ranger, Pelabuhan Klang. A total of 41 employee volunteers participated in this initiative, contributing to enhanced ecosystem carbon absorption capacity and supporting broader environmental health.

(Tree Planting Program - 15 November 2025)

SUSTAINABILITY STATEMENT
cont'd

Environmental Performance

Fertilisers

	FY2025	FY2024	FY2023
Raw materials used (MT)	445,746	495,853	450,716
Product packaging – Bag (pcs)	11,015,795	11,713,229	12,966,258

Bulk bag utilisation decreased to 11,015,795 bags in FY2025, reflecting lower production volumes compared to the previous year. The reduction was further supported by the Company's continued investment in bulk transport capacity (tankers), which reduces reliance on bulk packaging by delivering more products directly to customers.

Recycled resin continues to be part of our packaging approach. By continuing to prioritize recycled materials, we persistently reduce demand for new raw materials, conserve natural resources, and lower greenhouse gas emissions. This ongoing approach helps minimize plastic waste in landfills and remains central to our commitment to advancing a circular economy. While we are proud of this sustained progress, we continue to explore ways to increase the proportion of recycled materials in our packaging and further enhance our sustainability efforts. These enduring practices reflect our steadfast dedication to environmental responsibility

Industrial Consumer - Luckin Coffee

Packaging Materials Used	FY2025 (MT)	FY2024 (MT)	FY2023 (MT)
Paper	55	0	0
Plastic	92	0	0
Total	**147**	**0**	**0**

Our packaging materials are primarily composed of paper-based and plastic-based. **Plastic materials** include items such as cold beverage cups, lids, straws, and drink stoppers used for beverage sealing and consumption. **Paper-based materials** comprise hot beverage cups, cup sleeves, and paper bags used for product handling and takeaway purposes. Based on weight measurement, paper-based packaging materials constitute 37% of our total packaging footprint, while plastic-based materials constitute the remaining 63%. We continuously review our packaging portfolio to reduce the use of single-use plastics and increase the adoption of recyclable, recycled, and responsibly sourced materials across all categories

SUSTAINABILITY STATEMENT
cont'd

Company-Owned Tankers

At HIB, we are committed to minimizing the environmental impact of our operations. The adoption of dedicated company-owned tankers for raw materials and finished products enables the transport of larger volumes per trip, helping to reduce fuel consumption and associated greenhouse gas emissions. Tankers also help minimize material losses during handling and distribution and reduce reliance on individual packaging, enhancing operational efficiency while supporting safer, more environmentally responsible fertiliser manufacturing. This initiative aligns with our broader commitment to environmental stewardship, sustainable supply chain management, and the reduction of our carbon footprint.

(Bulk delivery via tanker)

Product Stewardship: Innovating for Sustainable Yields

- **NutriGard Technology:** In 2025, we strengthened our commitment to sustainable agriculture through a strategic collaboration with Universiti Putra Malaysia (UPM) to conduct field trials of our NutriGard fertiliser, enhanced with Nano Biopolymer technology. The trials, conducted in oil palm plantations and paddy fields in Bintulu, aimed to validate NutriGard's performance in improving nutrient uptake, enhancing crop yield, and reducing nutrient leaching and run-off. The results, which will be used to showcase the product's effectiveness to customers, affirm NutriGard's potential to minimize environmental impact, protect water sources, and promote healthier soil ecosystems. This initiative represents a key step in advancing climate-smart agriculture and driving positive environmental outcomes.

SUSTAINABILITY STATEMENT
cont'd

- **TOMOE Technology:** To further support our environmental sustainability goals, we introduced TOMOE Neo Dash 12-8-12 and TOMOE 13-13-13 fertilisers, developed in collaboration with leading Japanese experts. These advanced formulations incorporate slow-release nitrogen technology, significantly reducing nutrient run-off—a critical factor in protecting water quality and preserving local ecosystems. This innovation reflects our commitment to offering high-performance, environmentally responsible agricultural solutions that help reduce the ecological footprint of farming while supporting long-term soil health and productivity.

Environmental Compliance

In FY2025, HIB remains committed to minimizing the environmental impact of our operations by maintaining strict compliance with all applicable environmental laws and regulations. Guided by our ESG Policy, we continue to strengthen our environmental performance across key areas such as Energy and Water Use, Pollution and Climate Change, Waste Reduction, and Resource Optimization.

In line with this commitment, HIB recorded zero instances of non-compliance with environmental laws and regulations across FY2023, FY2024, and FY2025, with no related fines or sanctions issued during this period.

We also expect our suppliers, contractors, and service providers to uphold the same environmental standards by complying with relevant legislation and implementing best practices wherever possible. This shared responsibility reinforces our goal of embedding environmental integrity throughout our operations and value chain.

ENERGY MANAGEMENT

At HIB, we are committed to advancing the UNSDGs, particularly Goal 7 (Affordable and Clean Energy) and Goal 12 (Responsible Consumption and Production). These goals guide our efforts to manage energy responsibly, improve operational efficiency, and promote sustainable practices across our business. Effective energy management is crucial for mitigating risks associated with volatile energy costs and ensuring our long-term operational resilience.

Our fertiliser production represents the most energy-intensive part of our operations. We rely heavily on electricity to power the machinery, equipment, and automation systems essential to our production processes. A continuous and stable energy supply is therefore critical to ensure smooth operations, consistent product quality, and workplace safety.

Our factories, warehouse, offices, outlets, and hostels are located across Malaysia and receive electricity from the following local utility providers:

- Peninsular Malaysia - Tenaga Nasional Berhad (TNB)
- Sabah (Lahad Datu) - Sabah Electricity Sdn. Bhd. (SESB)
- Sarawak (Bintulu) - Sarawak Energy Berhad (SEB)

We monitor electricity consumption based on monthly utility bills from TNB, SESB, and SEB to ensure reliable power supply and maintain energy efficiency across all locations.

Electrical Consumption Intensity

We track electricity consumption intensity for our fertiliser division relative to production output to identify opportunities for efficiency improvements. The table below outlines electricity consumption and intensity for the fertiliser division, along with total electricity consumption for both the fertiliser and Industrial and Consumer divisions for FY2023 to FY2025:

SUSTAINABILITY STATEMENT
cont'd

Indicator	FY2025	FY2024	FY2023
Fertilisers			
Electricity Consumption (kWh)	5,901,323	6,246,809	5,726,403
Production Output (MT)	419,639	482,553	416,173
Intensity (kWh/MT)	14.06 kWh/MT	12.95 kWh/MT	13.76 kWh/MT
Industrial and Consumer			
Electricity Consumption (kWh)	1,916,740	567,345	308,405
Total Electricity Consumption (kWh)	**7,818,063**	**6,814,154**	**6,034,808**

In the Fertiliser division, the higher electricity intensity (kWh/MT) recorded in FY2025 was mainly attributable to lower production volume during the reporting period. In addition, a portion of electricity consumption relates to fixed or base-load electricity required to support plant operations and building facilities, which does not vary proportionately with production output. The Group continues to monitor its energy performance and remains committed to improving operational efficiency and optimising electricity usage across its operations.

In the Industrial and Consumer division, electricity consumption increased in FY2025, primarily due to the inclusion of Hextar Luckin (M) Sdn. Bhd. and Global Aroma Sdn. Bhd. operations. Since this division focuses on retail and office operations rather than production, electricity intensity is not calculated, and the consumption reflects general operational needs.

Energy Consumption Overview

Our overall energy consumption comprises both fuel and purchased electricity, as shown below. This data provides a holistic view of our energy use across all operations and supports our efforts to identify areas for improvement and future reduction.

Energy source (GJ)	FY2025	FY2024	FY2023
Diesel	18,881	30,075	17,051
Petrol	2,027	2,681	2,174
Purchased Electricity	28,145	24,531	21,725
Total Energy Consumed	**49,053**	**57,287**	**40,950**

The reduction in total energy consumption in FY2025 is attributed to the completion of the short-term equipment rental project reported in the previous year. With this project concluded, diesel usage has reverted to baseline operational levels. Meanwhile, purchased electricity consumption increased in FY2025, mainly attributable to the consolidation of Hextar Luckin (M) Sdn. Bhd. and Global Aroma Sdn. Bhd. during the year.

Energy Efficiency Initiatives

HIB remains committed to improving energy management and reducing greenhouse gas (GHG) emissions through the following initiatives:

- Within the Fertiliser division, we operate and maintain environmentally friendly machinery designed to minimise energy consumption while maximising performance. Regular maintenance ensures optimal machine efficiency, reducing the risk of breakdowns and preventing unnecessary energy wastage.

- In the Industrial and Consumer division, we utilise eco-friendly, high-efficiency chillers that comply with the Montreal Protocol, using refrigerants with zero Ozone Depletion Potential (ODP). These chillers incorporate advanced microchannel coil technology, which reduces refrigerant charge by up to 50%. In addition, Variable Speed Drive (VSD) systems help lower electrical load during startup, thereby extending equipment lifespan and improving overall energy efficiency.

- Through our subsidiary, TK Rentals Sdn. Bhd., we extend our energy efficiency initiatives beyond internal operations. In FY2025, the Energy Division supported over 167 customers in transitioning from conventional lighting to energy-efficient LED luminaires, an increase from 150 customers in FY2024. This initiative contributed to estimated energy savings of 3.5 MWh, up from 3.3 MWh in the preceding year, reflecting our continued commitment to promoting sustainable practices across the value chain.

- As part of our commitment to renewable energy adoption, we installed a 20 kWp solar photovoltaic (PV) system at our corporate office in Kota Bayuemas, Klang, Selangor. This installation demonstrates our ongoing efforts to integrate clean energy solutions into our operations.

- Across the Group, we continue to enhance energy performance through ongoing operational improvements and employee awareness initiatives. These efforts reinforce consistent energy-saving practices across all facilities and subsidiaries.

Compliance and Responsibility

The Group maintains full compliance with all applicable energy efficiency and related regulations. Our energy consumption and management practices are consistently monitored to adhere to national standards and our internal policies, with zero instances of non-compliance with energy laws and regulations recorded from FY2023 to FY2025.

EMISSION MANAGEMENT

Managing greenhouse gas (GHG) emissions is essential for a sustainable and resilient business model. In line with this, we are committed to achieving UNSDGs Goal 13 (Climate Action) through environmental stewardship by measuring, monitoring, and reducing emissions across all operations. This proactive approach supports both global climate action and Malaysia's transition to a low-carbon economy, aiming to minimize our environmental footprint while enabling long-term sustainable growth.

SUSTAINABILITY STATEMENT
cont'd

GHG Emission Performance:

GHG Emission Categories:

Emissions are classified according to the Greenhouse Gas (GHG) Protocol:

Scope 1	Direct emissions from sources owned or controlled by the company, such as the combustion of fossil fuels on-site and the operation of company-owned vehicles.
Scope 2	Indirect emissions from the consumption of purchased electricity, measured using the location-based method.
Scope 3	Indirect emissions from other activities, including leased assets, business travel and employee commuting.

	GHG Emissions			
Indicator	**Unit of Measurement**	**FY2025**	**FY2024**	**FY2023**
Scope 1	Tonnes CO_2e	1,565	2,415	1,414
Scope 2	Tonnes CO_2e	4,929	4,289	3,783
- Employee commuting	Tonnes CO_2e	821	536	487
- Business Travel (Land)	Tonnes CO_2e	223	243	334
- Business Travel (Air)	Tonnes CO_2e	81	48	44
- Upstream leased asset	Tonnes CO_2e	116	325	265
Total Scope 3	Tonnes CO_2e	1,241	1,152	1,130
Total Scope 1+2+3	**Tonnes CO_2e**	**7,735**	**7,856**	**6,328**

Note:
* *Scope 1 is calculated based on the emission factors from Intergovernmental Panel on Climate Change (IPCC).*
* *Scope 2 is calculated based on the emission factors from Grid Emission Factor (GEF) 2022.*
* *Scope 3 is calculated based on the emission factors from United States Environmental Protection Agency (US EPA).*

In FY2025, the Group's total GHG emissions decreased compared with the previous year, mainly due to lower Scope 1 emissions following the completion of a diesel-intensive project in FY2024 and lower emissions from upstream leased assets. This was partially offset by higher employee commuting emissions arising from the inclusion of Hextar Luckin (M) Sdn. Bhd. within the reporting boundary, as well as an increase in Scope 2 emissions.

Emission Reduction Efforts and Initiatives

HIB continues to strengthen its decarbonisation journey by embedding energy efficiency and innovation across its operations. Key initiatives include:

- Two electric vehicle (EV) charging stations available at our corporate office to encourage the adoption of EVs and support the transition towards cleaner transportation.
- Regular maintenance of equipment and facilities to minimise fuel consumption.
- Promoting awareness of energy conservation and sustainable practices among employees across operations.

Compliance and Responsibility

The Group adheres to all national air quality and emissions regulations. Our GHG accounting and reporting methodology follows internationally recognized standards, and we have recorded zero instances of non-compliance with emission laws and regulations from FY2023 to FY2025.

WATER MANAGEMENT

We are committed to responsible water management and continuously monitor consumption and efficiency across our operations. Our efforts support UNSDGs Goal 6 (Clean Water and Sanitation), promoting the sustainable use of water resources while mitigating potential risks associated with climate change.

The Group's primary operations are in Malaysia, which the World Resources Institute (WRI) does not classify as a water-stressed area. We intend to maintain our operational bases and have no plans to relocate to known water-stressed regions within the next five years. Nevertheless, we acknowledge that floods, droughts, and other water-related issues, exacerbated by unpredictable weather patterns, could impact business operations in the future.

Water Management Performance

Indicator	FY2025	FY2024	FY2023
Fertilisers			
Water Usage (m^3)	100,028	107,457	111,992
Industrial and Consumer			
Water Usage (m^3)	68,268	5,957	4,821

The Fertiliser division employs a dry manufacturing process that requires minimal water usage. The water used within our operations is primarily for cleaning and sanitation, and is fully consumed or evaporated, resulting in no industrial effluent discharged to the environment.

The significant increase in water usage for Industrial and Consumer division is attributed to the inclusion of Hextar Luckin (M) Sdn. Bhd., following the commencement of its beverage retail operations within the division. This business segment has introduced a water-intensive operational stream, establishing a new baseline for the division's consumption.

SUSTAINABILITY STATEMENT
cont'd

Commitment to Water Conservation

As part of our dedication to environmental stewardship, we continuously strive to enhance water-use efficiency through internal initiatives, including:

- Educating staff on water-saving techniques
- Upgrading infrastructure to minimise waste
- Integrating innovative solutions into daily operations to reduce consumption and improve efficiency.

Compliance and Responsibility

The Group maintained full compliance with all relevant water standards and regulations, with no incidents of non-compliance resulting in fines, penalties, or warnings. We have recorded zero instances of non-compliance with water laws and regulations from FY2023 to FY2025.

As climate change affects global water availability, we recognize the importance of proactive water management. We remain committed to reducing our water footprint, improving operational efficiency, and safeguarding the ecosystems in which we operate to ensure a sustainable future.

WASTE MANAGEMENT

We are committed to responsible waste management practices that align with UNSDGs Goal 12 (Responsible Consumption and Production). This goal emphasizes the importance of reducing waste generation and promoting the efficient use of natural resources. Our objective is to minimize the environmental impact of our operations through effective waste segregation, recycling, and compliant disposal methods.

Type of Waste

We generate three main categories of waste — hazardous, non-hazardous, and recyclable. Each managed in accordance with environmental regulations and best practices to minimize environmental impact and promote resource recovery.

Category	Type of Waste	Source	Description	Disposal/ Management Method
Hazardous Waste	Laboratory chemicals (SW422)	Laboratory testing	Chemical residues classified as scheduled waste under Department of Environment (DOE) regulations	Stored in designated areas, logged in DOE's eSWIS system, and disposed of by licensed contractors within 180 days.
Non-Hazardous Waste	General waste (domestic and production-related)	Office and factory operations	Includes packaging materials and domestic refuse	Collected by licensed non-hazardous waste contractors for disposal.
Recyclable Waste	Scrap metal (wire mesh, stainless steel)	Production and engineering processes	Off-specification and scrap materials suitable for recycling	Reused internally where possible or collected by certified scrap metal traders

SUSTAINABILITY STATEMENT
cont'd

Waste Generated Data

The following table outlines the total waste generated, diverted, and disposed of for FY2023 to FY2025.

	FY2025 MT	FY2024 MT	FY2023 MT
Total Waste Directed to Disposal:			
Hazardous Waste	0.53	0.56	0.51
Non-Hazardous Waste	1,310	1,869	1,268
Total Waste Diverted from Disposal			
Recyclable Waste	47	59	33

The decline in hazardous waste in FY2025 was mainly attributable to lower laboratory testing during the year. The reduction in non-hazardous waste was primarily due to the dismantling of some non-functional production lines, which occurred in the prior year. Recyclable waste generation was lower during the year, reflecting a return to normal operations following the prior year's decommissioning activities. Waste arisings during the year primarily comprised routine wire mesh from standard production processes. Going forward, the Group will continue to focus on waste segregation and minimisation across routine operations.

AR Recycle Box Program

As part of our commitment to practical environmental stewardship, we have implemented the AR Recycle Box program—a zero-cost, technology-enabled initiative that advances our ESG goals.

We utilize specially designed, recycled-cardboard boxes provided by a mission-driven non-profit organization. All collected paper is donated for professional processing, ensuring maximum resource recovery and diverting waste from landfills. This initiative reduces our operational carbon footprint associated with waste and actively contributes to a circular economy.

A cornerstone of this program is data-driven transparency. We track all collections in real-time via a dedicated application, allowing us to precisely measure, manage, and report our waste diversion impact. The AR Recycle Box program exemplifies our proactive approach to embedding efficient and accountable sustainability practices into our daily workplace operations.

(AR Recycle Box)

Compliance and Responsibility

The Group maintained full compliance with all relevant waste management and environmental regulations in FY2025, recording zero instances of non-compliance with waste laws and regulations from FY2023 to FY2025.

This accomplishment reflects our ongoing commitment to environmental responsibility and continuous improvement in sustainable waste management.

SUSTAINABILITY STATEMENT
cont'd

SOCIAL

The social dimension of our sustainability efforts reflects HIB's commitment to understanding and addressing our impact on people and society. This encompasses how we interact with and contribute to the well-being of our employees, supply chain partners, local communities, and other stakeholders.

We prioritize fostering equitable relationships, promoting diversity and inclusion, ensuring fair labour practices, and safeguarding health and safety. Through these efforts, we aim to create positive social value, build resilient communities, uphold human rights, and ensure long-term benefits for both society and our organization.

Our Policies

To uphold these commitments, we have established a comprehensive set of social-related policies that guide our daily operations and stakeholder engagement:

- Supply Chain Policy
- Health and Safety Policy
- Personal Protective Equipment (PPE) Policy
- Harassment Policy
- Labour Rights Policy
- Non-Discrimination Policy

All policies are publicly available on our official website, reinforcing our commitment to transparency and accountability in upholding the highest social and ethical standards.

Compliance and Responsibility

The Group maintained full compliance with all applicable social and labour regulations in FY2025. We have recorded zero instances of non-compliance with social and labour regulations from FY2023 to FY2025.

This consistent performance underscores our ongoing commitment to upholding fair labour practices and maintaining safe, respectful workplaces across our operations.

SUSTAINABILITY STATEMENT
cont'd

COMMUNITY INVESTMENT

We are deeply committed to being a responsible and caring corporate citizen. Community engagement is a key pillar of our sustainability strategy, reflecting our belief that business success must go hand-in-hand with social progress. Guided by principles of social responsibility, we aim to create lasting, positive change by investing in initiatives that enhance community well-being and promote sustainable development.

Our efforts are aligned with UNSDGs 1, 2, 3, and 4 (No Poverty, Zero Hunger, Good Health and Well-being, and Quality Education). We focus on improving access to essential services and empowering local communities through targeted initiatives in health, education, and social welfare, addressing both immediate needs and long-term resilience.

Our Performance Data:

We measure the success of our community investments by their tangible impact. In FY2025, our employees actively contributed their time and expertise, supported by a dedicated CSR team to ensure all programs are impactful and aligned with our sustainability objectives.

Description	FY2025	FY2024	FY2023
Total amount invested in the communities (RM)	149,002	71,664	121,950
Total number of beneficiaries	3,869	2,095	4,269

In FY2025, the Group's community investment strategy focused on both health and social welfare as well as education. With a total investment of RM149,002, our programs reached 3,869 beneficiaries, providing educational support and social welfare assistance. These efforts demonstrate the Group's commitment to improving quality of life, promoting equitable opportunity, and building long-term resilience in the communities we serve. Through these programs, we aim to create lasting impact, empower local communities, and align with our broader ESG and sustainable development goals.

Key Community Impact Initiatives

Food Basket Program

In FY2025, we supported vulnerable families by distributing 30 food baskets to meet essential nutritional needs. Employees actively participated in packing and distribution, demonstrating our collective commitment to ensuring underprivileged families have access to basic necessities for a healthier, more dignified life.

SUSTAINABILITY STATEMENT
cont'd

Supporting Youth Sports Development

We remain steadfast in nurturing youth potential and promoting healthy lifestyles through sustained support for grassroots sports. In FY2025, this included:

- Sponsoring the MSSD Raub Basketball Team for the 2025 MSS Pahang Basketball Championship, including jerseys and backpacks.
- Supplying training jerseys to the SJK(C) Salak South Volleyball Team.
- Supporting the FTC Football Club's Youth Development Program to enhance access to quality coaching and nurture local athletic talent.

These initiatives underscore HIB's holistic approach to empowering young people and fostering teamwork, discipline, and leadership through sports.

Sekolah Jenis Kebangsaan (Cina) Sungai Klau – MSSD Raub Basketball Team

Sekolah Jenis Kebangsaan (Cina) Salak South – Volleyball Team

FTC Football club

Charity Walk-Jog-Wheel-a-thon

We continued our long-standing support for The Spastic Children's Association of Selangor and Federal Territory by participating in this annual event. HIB employees volunteered their time to raise awareness and support for children with disabilities, reaffirming our commitment to inclusivity and compassion.

SUSTAINABILITY STATEMENT
cont'd

Enhancing Educational Facilities

As part of our commitment to improving learning environments, we donated 10 canteen tables with benches to Sekolah Kebangsaan Kampung Pendamar. This contribution provides students with comfortable, durable facilities, fostering a positive school environment.

Empowering Educational Access

In 2025, we launched an initiative to support 500 students from low-income families across multiple schools. Each student received essential school supplies — including a school bag, pencil box, and water bottle.

This initiative helped reduce financial barriers for families and promoted equal learning opportunities.

Our Ongoing Commitment

Through these focused initiatives, we continue to strengthen our role as a responsible corporate citizen. We believe sustainability extends beyond environmental stewardship to include the well-being and empowerment of people.

Moving forward, we will continue to align our community investments with our core objectives, expanding efforts to promote education, health, and social inclusion for a lasting, positive impact.

SUSTAINABILITY STATEMENT
cont'd

SUPPLY CHAIN MANAGEMENT

We recognise that a responsible and sustainable supply chain is essential to achieving our long-term business and sustainability objectives. Guided by our Supply Chain Policy, we are committed to upholding the highest standards of ESG performance throughout our value chain.

Our approach aligns with UNSDGs Goal 12 (Responsible Consumption and Production). By embedding sustainability into our procurement, we aim to ensure our sourcing activities contribute to environmental protection, social well-being, and ethical governance, creating long-term value for our stakeholders.

Embedding Sustainability in Our Supply Chain

In accordance with our Supply Chain Policy, we integrate sustainability considerations into all procurement processes. This policy extends our commitments to all business partners, encouraging them to adopt high standards of environmental care, social responsibility, and corporate governance.

Our supplier assessment incorporates ESG criteria to ensure our partners:

- Comply with environmental legislation and adopt best practices in energy, water, waste, and pollution prevention.
- Respect human rights by prohibiting child and forced labour.
- Uphold health and safety standards to ensure safe workplaces.
- Promote diversity and inclusion, providing equal opportunities.
- Adopt ethical business practices, ensuring transparency and integrity.

Sustainability Supply Chain Performance

Supplier participation in our Sustainability Supply Chain Survey increased in FY2025, reflecting stronger alignment with our ESG principles. The survey collects data on suppliers' environmental, social, and governance practices, allowing us to identify areas for improvement and build stronger partnerships.

Description	Target FY2026	Actual FY2025	Actual FY2024	Actual FY2023
Percentage of new suppliers that were screened using environmental criteria	60%	56%	41%	-
Number of suppliers assessed for environmental impacts	150	139	62	-
Percentage of new suppliers that were screened using social criteria	60%	56%	41%	-
Number of suppliers assessed for social impacts	150	139	62	-

We are pleased to report significant progress in FY2025, with 56% of new suppliers screened and 139 suppliers assessed for environmental and social impacts—exceeding our targets of 50% and 65 respectively. These results demonstrate our continued progress and commitment to responsible sourcing and stronger supply chain engagement. Building on this momentum, we have set increased targets for FY2026: to screen 60% of new suppliers and assess 150 suppliers against these criteria.

Local Sourcing Performance

We prioritize local sourcing to reduce our environmental footprint, lower transportation emissions, and strengthen local economies, aligning with UNSDGs Goal 8 (Decent Work and Economic Growth). While FY2025 saw a temporary decline in local sourcing due to operational factors, this remains a key strategic priority.

Segment	FY2025	FY2024	FY2023
Fertilisers			
Local	43%	50%	42%
Overseas	57%	50%	58%
Industrial and Consumer			
Local	71%	84%	58%
Overseas	29%	16%	42%

In our Fertilisers division, local sourcing of raw materials decreased from 50% in FY2024 to 43% in FY2025. The higher level in FY2024 was driven by a shortage of raw materials needed for processing, necessitating local procurement as a temporary measure. FY2025 local sourcing has since normalised.

In the Industrial and Consumer division, the decrease in local sourcing was primarily driven by the inclusion of Global Aroma Sdn. Bhd. and Get Rental Sdn. Bhd., which rely predominantly on foreign suppliers. The shift highlights the impact of operational expansion on the division's sourcing mix. We remain focused on identifying opportunities to further increase local sourcing where technically and commercially feasible.

Compliance and Responsibility

We actively monitor supplier compliance with our social and environmental standards. We have recorded zero identified or reported supplier violations relating to both social and environmental standards from FY2023 to FY2025.

Strengthening Resilience and Commitment

By focusing on local and sustainable suppliers, we build a more agile, responsive, and responsible supply chain. We remain steadfast in advancing sustainability across our value chain, engaging partners who share our vision, and continuously improving practices to contribute positively to global sustainability goals.

HEALTH AND SAFETY

The health and safety of our employees is a top priority and a cornerstone of our operational integrity. We are committed to fostering a safe, healthy, and supportive work environment for all, in alignment with UNSDG Goal 3 (Good Health and Well-Being).

Under the leadership of our Group Managing Director, Mr. Ang Sui Aik, the Occupational Safety and Health (OSH) Committee oversees safety performance, incident review, and the implementation of proactive measures. The Committee ensures legal compliance and drives continuous improvement across the Group.

SUSTAINABILITY STATEMENT
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Our health and safety management is supported by a robust framework, including:

- A comprehensive Health and Safety Policy and Personal Protective Equipment (PPE) Policy.
- Regular workplace inspections and safety audits.
- Preventive maintenance schedules for critical equipment.
- Accessible first-aid kits across all operating sites.

Training and Capacity Building

A well-trained workforce is fundamental to our safety culture. We are committed to cultivating a safety-first mindset through targeted training programmes designed to enhance competency and risk awareness.

Key Safety Training Programmes Conducted in FY2025:

- OSH Coordinator for Mining & Quarrying Industry
- Occupational Safety & Health Coordinator
- Warehouse Safety Training
- Forklift Train the Trainer Course
- Reach Truck Train the Trainer Course
- Lifting Supervisor
- Basic Occupational First Aid, CPR and AED Training
- First Aid at Workplace (FAWP) Course
- Basic Lifting Supervisor Course
- Basic Scaffold Inspector

Our commitment is reflected in the participation of 27 employees in various health and safety programs, accumulating 298 total training hours in FY2025.

Number of Employees Trained

Employee Structure	FY2025	FY2024	FY2023
Management	1	6	5
Executive	21	9	11
Non-executive	5	50	5
Total	**27**	**65**	**21**

Total Training Hours Completed

Employee Structure	FY2025	FY2024	FY2023
Management	88	70	88
Executive	196	175	176
Non-executive	14	364	88
Total	**298**	**609**	**352**

Emergency Preparedness

To enhance emergency readiness, we have established a trained Emergency Response Team (ERT) in collaboration with Malaysia's Fire and Rescue Department (BOMBA). The ERT undergoes regular training in fire prevention, emergency response, and crisis management, including hands-on simulation exercises to ensure preparedness across all facilities.

SUSTAINABILITY STATEMENT
cont'd

Safety Performance

We are pleased to report continue excellence in our safety performance, achieving zero work-related injuries and zero fatalities for the consecutive year in FY2025.

	FY2025	FY2024	FY2023
Number of Hours Worked	1,940,112	1,174,896	859,040
Number of Work-Related Fatalities	0	0	0
Number of Work-Related Injuries	0	0	2
Lost-Time Incident Rate (LTIR)	0	0	0.47

Our Ongoing Commitment

Moving forward, we will continue to uphold our zero-injury target and enhance our health and safety management system through continuous training, risk-based assessments, and well-being initiatives. Our future priorities include expanding mental health programs and strengthening employee engagement to foster a culture where every individual is responsible for their own safety and that of their colleagues.

LABOUR PRACTICES AND STANDARDS

We recognise our employees as the cornerstone of our success and are committed to a workplace culture rooted in dignity, fairness, and respect. This commitment aligns with UNSDG Goal 8 (Decent Work and Economic Growth) and is embedded through robust policies, proactive measures, and continuous investment in our people's well-being and professional development.

Upholding Fundamental Labour Rights and a Safe Workplace

We maintain a zero-tolerance stance towards any form of harassment, discrimination, or unethical labour practice. An integrated framework of policies and procedures protects every employee's fundamental right and ensures a secure, respectful working environment.

Commitment Area	Governing Policies	Preventive Measures & Actions	Outcomes in FY2025
Safe & Respectful Environment	Harassment Policy	• Regular mandatory awareness training. • Confidential reporting channels with a strict non-retaliation assurance.	Substantiated Harassment Complaints: **0 cases**
Ethical Employment	Labour Rights Policy	• Rigorous HR due diligence. • Explicit prohibition of forced and child labour.	Incidents of Forced or Child Labour: **0 cases**
Equal Opportunity & Diversity	Non-Discrimination Policy	• Fair practices in recruitment, promotion, andcompensation. • Promotion of a diverse and inclusive workplace.	Substantiated Human Rights Violations: **0 cases**

SUSTAINABILITY STATEMENT
cont'd

Comprehensive Employee Welfare and Benefits

Guided by our Employee Handbook, we support the holistic well-being of our employees through benefits designed to ensure health, financial security, and work-life balance.

Category	Benefits
Leave Entitlements	Annual Leave, Medical Leave, Maternity & Paternity Leave, Marriage Leave, Compassionate Leave, Prolonged Illness Leave
Health & Security Coverage	Group Medical Card, Personal Accident Insurance
Compensation & Flexibility	Overtime Claims, Time-off, Travelling Claims

Employee Growth and Career Development

We believe that organizational growth is directly linked to professional development. Our commitment to continuous learning and clear career pathways empowers our people to achieve their full potential.

We encourage employees to enhance their expertise through higher education and professional certifications. To support this:

- Employees pursuing job-relevant academic degrees or professional qualifications may be eligible for financial study subsidies or special salary increments upon successful completion.

- Executives and above can apply for company sponsorship of annual membership fees for accredited professional bodies.

Comprehensive and Continuous Training

A robust training framework maintains a skilled and agile workforce. We provide a mix of internal and external programs tailored to all levels, from new hire orientation to advanced technical and leadership courses.

In FY2025, our employees collectively completed 20,218 training hours, reflecting a substantial year-on-year increase. This growth was driven primarily by the expansion of our Luckin Coffee business, which required the development and deployment of targeted training programs to support operational excellence and regulatory compliance.

Luckin Coffee's key training initiatives introduced during the year included:

- **Barista training** to cover on the basic theory of operation
- **Halal awareness training** to uphold certification standards and respect customer dietary requirements
- **In-store training** focused on understanding job standards and translating them into day-to-day operational practices

Number of Training Hour

By Employee Structure:	FY2025	FY2024	FY2023
Management	893	1,124	1,492
Executive	5,079	1,698	306
Non-Executive	14,246	245	320
Factory Workers	0	14	0
Total	**20,218**	**3,081**	**2,118**

By Employee Function:	FY2025	FY2024	FY2023
Admin	924	1,890	1,170
Factory	357	126	344
Finance	463	438	96
Human Resources	76	98	112
Management	52	77	136
Sales and Marketing	170	452	260
Store operations	18,176	0	0
Total	**20,218**	**3,081**	**2,118**
Total Number of Employees	998	597	413
Average Training Hour per Employee	20	5	5

Average training hours per employee grew from 5 hours in FY2024 to 20 hours in FY2025, driven by expanded upskilling programs and mandatory compliance training across the organisation.

SUSTAINABILITY STATEMENT
cont'd

FY2025 Training Overview

Training Programme Attended	Date
Harness The Power of Generative AI for Accounting and Finance Professionals	April 2025
Course for Certified Environmental Professional in Scheduled Waste Management	May 2025
ISO 9001 Awareness Training	May 2025
ChatGPT Digital Marketing Mater Class	May 2025
ISO 9001 Internal Audit Training	June 2025
Halal Competency	June 2025
SST – New Service Tax Scope for Construction Industry	July 2025
Seda Malaysia Grid-Connected Photovoltaic (PV) System Design	July 2025
Effective Use of Generative AI for Office Productivity	July-November 2025
HR 2000 I-Payroll Management System Training Programmes	August 2025
Webinar Service Tax Expansion 2025	August 2025
Seminar Service Tax Expansion 2025	August 2025
Mastering Financial Report for Better Business Decision Making Online Public Training	August 2025
ERP Module Training – SST Module	August 2025
Sales Tax Coaching Workshop 2025	September 2025
Seminar Pengurusan & Pematuhan Peraturan Efluen Perindustrian	September 2025
Sistem Bekalan Air (CE20)	September 2025
Microsoft Excel Intermediate to Advance 2D	September 2025
Linking Performance Management System with Compa-Ratio	October 2025
Certified Environmental Professional in Scheduled Waste Management	November 2025
Course for Certified Environmental Professional in Bag Filter Operation (CePBFO)	November 2025
Seminar Pengurusan Buangan Terjadual & Hands on eSWIS Version 2.0	November 2025
Presentation Skill: Speak with Confidence & Executive Presence	November 2025
Seminar Pengurusan & Pematuhan Udara Bersih	November 2025
Halal Awareness	January-December 2025
Luckin Barista Training	January-December 2025
Luckin In-store Training	January-December 2025

SUSTAINABILITY STATEMENT
cont'd

Employee Engagement and Well-being

We are committed to fostering a vibrant workplace community that nurtures holistic health, encourages connections, and celebrates collective achievements.

AI Training

To ensure our workforce remains agile and forward-looking, we introduced targeted training on emerging technologies. In FY2025, we conducted sessions on AI Training for employees. These programs provided employees with practical skills to enhance efficiency, foster innovation, and adapt to the evolving digital landscape in their daily roles.

Blood Donation Day

We organized a Blood Donation Day where employees actively participated as donors, demonstrating our commitment to community health and solidarity.

Employee Well-being Through Fitness

Our long-standing weekly fitness program for female staff continues with Aero Stepboard, Ripstix Stick workouts, and Zumba classes. These consistent sessions provide reliable opportunities for physical exercise, stress relief, and social connection.

SUSTAINABILITY STATEMENT
cont'd

Durian Party

We upheld our beloved annual tradition with the Durian Day celebration, bringing teams together over Musang King durians and coconut drinks. The event strengthened interdepartmental relationships and boosted morale.

Hextar Chairman Cup 2025

The Hextar Chairman Cup returned with a refreshed lineup of sporting events designed to unite employees. This year's edition featured badminton, bowling, pool, the new addition of pickleball, and a dedicated Finale Match. The tournament provided a vibrant platform for employees to display their talents while strengthening teamwork andcross-departmental relationships.

Employee Turnover and Commitment

The Group recorded a higher employee turnover in FY2025, primarily due to the consolidation of Hextar Luckin (M) Sdn. Bhd. into the reporting boundary. As the company operates in the retail sector, which typically experiences higher workforce mobility, this contributed to the observed turnover rate.

Number of Employee Turnover

By Employee Structure:	FY2025	FY2024	FY2023
Management	8	8	4
Executive	31	14	7
Non-Executive	264	3	12
Factory Workers	21	37	23
Total	**324**	**62**	**46**

By Employee Function:	FY2025	FY2024	FY2023
Admin	4	10	9
Factory	26	39	26
Finance	4	1	4
Human Resources	1	0	0
Sales and Marketing	11	12	7
Store Operations	278	0	0
Total	**324**	**62**	**46**

The Group's workforce is primarily made up of permanent employees, with a minimal proportion of contract staff at 1% during the reporting year. These contract roles mainly involve employees who have reached the statutory retirement age and are retained on a contractual basis, allowing the Group to benefit from their valuable experience while supporting knowledge continuity within the organisation.

Our Ongoing Commitment

We remain steadfast in maintaining the highest standards of employee care and workplace culture. Through comprehensive well-being programs, engaging community events, and stable employment practices, we continue to build an environment where employees feel valued, supported, and empowered to grow.

This investment in our people reflects our fundamental belief that a caring culture strengthens the very foundation of our organization's success and sustainability.

SUSTAINABILITY STATEMENT
cont'd

DIVERSITY & INCLUSION

We believe our greatest asset is the collective brilliance of our people. The diverse tapestry of backgrounds, perspectives, and experiences within our organization sparks innovation, drives collaborative problem-solving, and enables us to serve a global marketplace. Our commitment to this inclusive environment is integral to our business strategy and reflects our support for UNSDGs Goal 10 (Reduced Inequalities).

Commitment to a Discrimination-Free and Inclusive Workplace

The cornerstone of our approach is a fundamental commitment to a workplace free from discrimination and rich with respect. We measure our success not just in numbers, but in the day-to-day experiences of our employees.

Indicator	FY2023 – FY2025
Number of substantiated complaints concerning discrimination in workplace received	None reported

We are proud to uphold our record of a zero-tolerance culture, with no reported incidents of discrimination for the third consecutive year. This achievement is a direct result of our proactive policies, comprehensive training, and a leadership team dedicated to fostering psychological safety for all.

Workforce Diversity and Inclusion

Our vibrant workforce is the living expression of our values. In FY2025, our team grew significantly from 597 to 998 employees, a net increase of 401 members. This expansion was primarily driven by the first-time consolidation of Hextar Luckin (M) Sdn. Bhd. and Global Aroma Sdn. Bhd., alongside other new hires and regular workforce movements throughout the year.

This growth has further enriched our dynamic and multicultural environment, ensuring a wealth of perspectives in everything we do.

Workforce Composition

Breakdown by Age and Level

Management Level	Age	FY2025 Number		FY2024 Number		FY2023 Number	
Management	Under 30	4	0%	7	1%	2	0%
	30-50	122	12%	95	16%	51	12%
	Above 50	28	3%	29	5%	20	5%
Executive	Under 30	85	10%	29	5%	22	6%
	30-50	136	14%	104	18%	59	14%
	Above 50	12	1%	13	2%	7	2%
Non-Executive	Under 30	262	26%	11	2%	10	3%
	30-50	68	7%	26	4%	20	5%
	Above 50	8	0%	7	1%	5	1%

SUSTAINABILITY STATEMENT
cont'd

Management Level	Age	FY2025 Number		FY2024 Number		FY2023 Number	
Factory	Under 30	81	8%	85	14%	71	17%
	30-50	174	17%	169	28%	129	31%
	Above 50	18	2%	22	4%	17	4%
	Total	**998**	**100%**	**597**	**100%**	**413**	**100%**

Breakdown by Gender and Level

Management Level	Gender	FY2025 Number		FY2024 Number		FY2023 Number	
Management	Male	102	10%	82	14%	49	12%
	Female	52	5%	49	9%	24	6%
Executive	Male	107	11%	67	11%	36	9%
	Female	126	13%	79	13%	52	13%
Non-Executive	Male	160	16%	13	2%	6	1%
	Female	178	18%	31	5%	29	7%
Factory	Male	265	26%	269	45%	215	52%
	Female	8	1%	7	1%	2	0%
	Total	**998**	**100%**	**597**	**100%**	**413**	**100%**

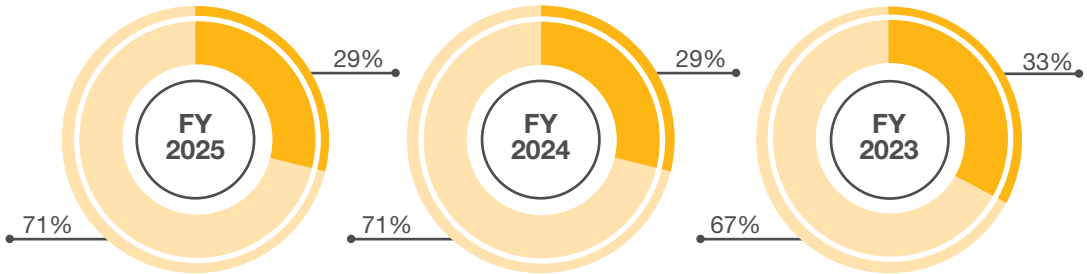
Board Diversity

We ensure that our commitment to diversity is reflected at the highest levels of leadership. Our Board of Directors is strategically composed to provide a balance of seasoned expertise and contemporary insight, crucial for robust and forward-thinking governance.

In FY2025, we maintained 43% female representation and a multi-generational composition, ensuring our strategic decisions are informed by a wide array of life and professional experiences.

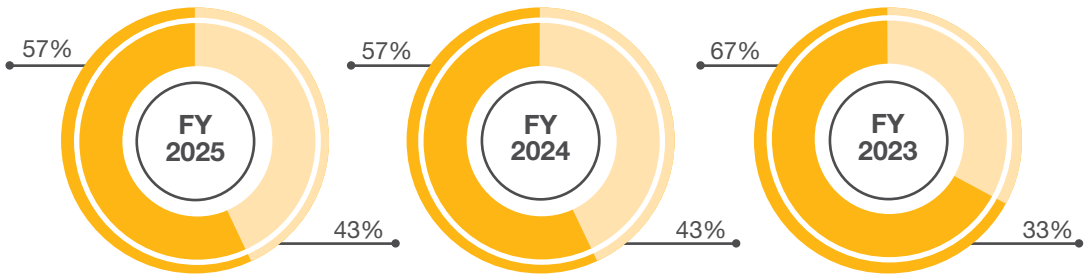
SUSTAINABILITY STATEMENT
cont'd

Breakdown by Age group



Age Group	2025	2024	2023
30-50	2	2	2
Above 50	5	5	4

Breakdown by Gender group



Gender Group	2025	2024	2023
Male	4	4	4
Female	3	3	2

Our Forward-Looking Commitment

Our journey toward a more inclusive and equitable workplace continues with renewed purpose. We will deepen our focus on developing robust talent pipelines that create clear pathways for advancement for all employees. We are committed to enhancing inclusion by ensuring every voice is not only heard but truly valued and empowered, moving beyond representation to genuine belonging.

By strengthening these essential pillars, we will continue to build an organization where diversity serves as the fundamental engine of our shared success and innovation.

GOVERNANCE

Strong governance provides the essential framework for sustainable growth and stakeholder trust. Our comprehensive governance system ensures ethical conduct, regulatory compliance, and transparent oversight across all operations, forming the foundation of every business decision and stakeholder interaction.

Policy Framework and Compliance

A robust structure of clearly defined policies guides our daily operations and strategic direction. Our framework includes:

- Corporate Code of Conduct & Ethics
- Anti-Bribery and Corruption Policy
- Data Privacy and Security Policy
- Data Management Policy
- Data Backup and Recovery Policy

These policies are regularly reviewed and updated to address emerging risks and regulatory changes, ensuring their continued relevance and effectiveness.

Assurance and Compliance Record

The credibility of our governance and sustainability disclosures is reinforced through rigorous internal review. Our Sustainability Statement is reviewed by the Sustainability Committee and formally approved by the Board. Furthermore, our internal auditors conduct a review of all sustainability matters and indicators.

This diligence is reflected in our consistent compliance track record. In FY2025, we maintained:

- Zero significant fines or sanctions for non-compliance with laws and regulations.
- No reported incidents of corruption or bribery.
- Full adherence to all applicable regulatory requirements.

Oversight and Accountability

The Board maintains active oversight of our governance framework, regularly reviewing compliance reports and risk assessments. Management implements comprehensive monitoring systems to ensure all employees understand and adhere to our policies. Through regular training and clear communication, we foster a culture where ethical behaviour is the standard.

Continuous Improvement

We recognise that effective governance requires ongoing enhancement. Our focus for the coming year includes:

- Strengthening our risk management protocols
- Enhancing transparency in our reporting practices
- Implementing additional training programs on emerging regulatory requirements
- Further integrating governance considerations into our strategic planning process

Through these efforts, we continue to build an organization where strong governance supports sustainable value creation for all stakeholders.

SUSTAINABILITY STATEMENT
cont'd

ANTI-BRIBERY AND CORRUPTION

Maintaining the highest standards of integrity is fundamental to our operations, stakeholder relationships, and supply chain. Our comprehensive anti-corruption framework demonstrates our unwavering commitment to ethical business practices, regulatory compliance, and UNSDG Goal 16 (Peace, Justice, and Strong Institutions).

Policy Framework and Implementation

Corporate Code of Conduct & Ethics ("Code")

Our Code sets clear expectations for all directors and employees, emphasising:

- Business Conduct
  - Treat vendors, business partners and competitors fairly, avoiding conflicts of interest.
  - Conduct all dealings ethically, including with government authorities; no gifts or benefits that violate laws.
  - Direct all investor and media inquiries to management.
- Money Laundering & Bribery
  - Comply with all applicable anti-money laundering laws and report suspicious activities.
  - Strictly prohibit bribery; all gifts must be modest, approved, and declared.
- Employee Conduct
  - Maintain a workplace free of discrimination, harassment, or fraud.
  - Avoid outside activities that conflict with company interests.
  - Disclose any conflicts of interest, including family or personal ties to business dealings.
- Confidentiality & Insider Trading
  - Unauthorised disclosure of confidential information and insider trading are strictly prohibited.
- Compliance
  - Adhere to all applicable laws, regulations, and internal policies.

Anti-Bribery and Corruption Policy ("ABCP")

Our company enforces a zero-tolerance stance against bribery and corruption in all forms. This commitment extends to our supply chain, where due diligence procedures are conducted for all main suppliers and business associates.

Key measures include:

- Regular corruption risk assessments with mitigation controls in place.
- Gifts, donations, and sponsorships over RM500 require prior approval.
- Employees must avoid conflicts of interest and declare any potential situations to management.
- Due diligence shall be conducted before entering into any formalised relationship.
- A strict "No Gift" policy is implemented.
- Facilitation payments are strictly disallowed.

Suppliers and business associates are required to acknowledge and comply with our ABC Policy. They must communicate the policy to all persons associated with them who are engaged in carrying out business with or on behalf of our company and report any suspected or actual violations via our whistleblowing channel.

Whistle Blowing Policy

We maintain a robust whistleblowing mechanism to allow employees and stakeholders to confidentially report suspected misconduct, corruption, fraud, or other unethical/improper conduct. Key aspects include:

- Employees and stakeholders can report any suspected and/or known fraud, corruption, or unethical/improper conduct.
- All disclosures made in good faith will be treated fairly and confidentially to protect the whistleblower.
- The whistleblowing policy is communicated to all employees through mandatory orientation programs, which are attended by all employees.
- All reports will be investigated promptly, and appropriate disciplinary or corrective actions will be taken if applicable.

Training and Performance Metrics:

Our commitment to anti-corruption is demonstrated through comprehensive training programs and consistent performance results:

Indicator	FY2025	FY2024	FY2023
Percentage of employees trained on anti-corruption	100%	100%	100%
Percentage of operations assessed for corruption-related risks	100%	100%	100%

Compliance and Responsibility

We have maintained a flawless record of ethical conduct, with zero confirmed corruption incidents from FY2023 to FY2025.

Achievements and Continuous Improvement

FY2025 was another year of exemplary ethical performance:

- Zero whistleblowing reports related to bribery or corruption.
- No disciplinary actions or dismissals for corruption policy violations.
- No legal cases against the Group or employees for non-compliance.
- Maintenance of our zero-corruption incident record.
- The Group made no political contributions during the reporting period.

SUSTAINABILITY STATEMENT
cont'd

DATA PRIVACY AND SECURITY

We prioritise the security and privacy of all stakeholder data, with a particular emphasis on protecting customer privacy. Our multi-layered protection strategy is designed to safeguard confidential information and maintain trust.

Our Security Framework

Our defense is built on robust technical safeguards, including enterprise-grade system hardening, advanced firewall protection with continuous threat intelligence, and real-time monitoring with proactive alert systems.

Data Management and Customer Privacy

Our comprehensive policies ensure secure data handling, with specific measures to protect customer information, including strict access controls, systematic data classification, and secure sharing protocols, all in compliance with data protection laws.

Data Preservation and Recovery

We maintain daily automated backups of critical systems, including customer databases, to multiple secure locations. Recovery procedures are tested regularly, and data retention periods are clearly defined to comply with legal requirements.

Compliance and Responsibility

The Group has maintained full compliance with all applicable data protection regulations. Our proactive approach is demonstrated by our flawless performance record. There have been no reported cases of data loss or breaches of customer confidentiality from FY2023 to FY2025. We maintain this standard through continuous system monitoring and ongoing employee awareness programs.

Hextar Industries Berhad

BMLR Transition Period

Date & Time: 2026-04-24_18:08:26

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Anti-corruption	Employees trained on anti-corruption - Management	Percentage	100	-	Internal
Anti-corruption	Employees trained on anti-corruption - Executive	Percentage	100	-	Internal
Anti-corruption	Employees trained on anti-corruption - Non-executive	Percentage	100	-	Internal
Anti-corruption	Employees trained on anti-corruption - General Workers	Percentage	100	-	Internal
Anti-corruption	Operations assessed for corruption-related risks	Percentage	100	-	Internal
Anti-corruption	Confirmed incidents of corruption and action taken	Number	0	Zero tolerance to bribery and corruption	Internal
Community/Society	Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	149,002	-	Internal
Community/Society	Total number of beneficiaries of the investment in communities	Number	3,869	-	Internal
Diversity	Employees by age group - Management <30	Percentage	0	-	Internal
Diversity	Employees by age group - Management 30-50	Percentage	12	-	Internal
Diversity	Employees by age group -- Management >50	Percentage	3	-	Internal
Diversity	Employees by age group -- Executive <30	Percentage	10	-	Internal
Diversity	Employees by age group -- Executive 30-50	Percentage	14	-	Internal

Hextar Industries Berhad
BMLR Transition Period

Date & Time: 2026-04-24_18:08:26
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Employees by age group -- Executive >50	Percentage	1	-	Internal
Diversity	Employees by age group - Non-executive <30	Percentage	26	-	Internal
Diversity	Employees by age group - Non-executive 30-50	Percentage	7	-	Internal
Diversity	Employees by age group - Non-executive >50	Percentage	0	-	Internal
Diversity	Employees by age group - General Workers <30	Percentage	8	-	Internal
Diversity	Employees by age group - General Workers 30-50	Percentage	17	-	Internal
Diversity	Employees by age group - General Workers >50	Percentage	2	-	Internal
Diversity	Employees by gender group - Management Male	Percentage	10	-	Internal
Diversity	Employees by age group -- Management Female	Percentage	5	-	Internal
Diversity	Employees by age group - Executive Male	Percentage	11	-	Internal
Diversity	Employees by age group - Executive Female	Percentage	13	-	Internal
Diversity	Employees by age group - Non-executive Male	Percentage	16	-	Internal
Diversity	Employees by age group - Non-executive Female	Percentage	18	-	Internal
Diversity	Employees by age group - General Workers Male	Percentage	26	-	Internal

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Employees by age group - General Workers Female	Percentage	1	-	Internal
Diversity	Directors by gender - Male	Percentage	57	-	Internal
Diversity	Directors by gender - Female	Percentage	43	30% women representation on the Board	Internal
Diversity	Directors by age - Under 30	Percentage	0	-	Internal
Diversity	Directors by age - Between 30-50	Percentage	29	-	Internal
Diversity	Directors by age - Above 50	Percentage	71	-	Internal
Energy Management	Total energy consumption	Gigajoule	49,053	-	Internal
Health and Safety	Number of work-related fatalities	Number	0	Zero incidence of fatalities	Internal
Health and Safety	Lost time incident rate ("LTIR")	Rate	0	Zero tolerance to avoidable incidence of work-related injuries	Internal
Health and Safety	Number of employees trained on health and safety standards	Number	27	-	Internal
Labour practices and standards	Total hours of training - Management	Hours	893	-	Internal
Labour practices and standards	Total hours of training - Executive	Hours	5,079	-	Internal
Labour practices and standards	Total hours of training - Non-executive	Hours	14,246	-	Internal
Labour practices and standards	Total hours of training -General Workers	Hours	0	-	Internal
Labour practices and standards	Employees that are contractors or temporary staff	Percentage	1	-	Internal
Labour practices and standards	Total number of employee turnover by category - Management	Number	8	-	Internal

Hextar Industries Berhad

BMLR Transition Period

Date & Time: 2026-04-24_18:08:26

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Labour practices and standards	Total number of employee turnover by category - Executive	Number	31	-	Internal
Labour practices and standards	Total number of employee turnover by category - Non-executive	Number	264	-	Internal
Labour practices and standards	Total number of employee turnover by category - General Workers	Number	21	-	Internal
Labour practices and standards	Number of substantiated complaints concerning human rights violations	Number	0	Zero tolerance to discrimination, harassment, violence, forced labour and child labour in the workplace	Internal
Supply chain management	Proportion of spending on local suppliers	Percentage	48	-	Internal
Data privacy and security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	Zero tolerance to privacy breaches or data loss	Internal
Water	Total volume of water used	Megalitres	168.296	-	Internal
Waste management	Total waste generated	Metric tonnes	1,357.53	-	Internal
Waste management	Total waste diverted from disposal	Metric tonnes	47.00	-	Internal
Waste management	Total waste directed to disposal	Metric tonnes	1,310.53	-	Internal
Emissions management	Scope 1 emissions in tonnes of CO2e	Metric tonnes	1,565	10% reduction in GHG emissions by 2030	Internal
Emissions management	Scope 2 emissions in tonnes of CO2e	Metric tonnes	4,929	10% reduction in GHG emissions by 2030	Internal
Emissions management	Scope 3 emissions in tonnes of CO2e (at least for the category of business travel and employee commuting)	Metric tonnes	1,241	10% reduction in GHG emissions by 2030	Internal

MANAGEMENT DISCUSSION AND ANALYSIS

Hextar Industries Berhad ("HIB" or the "Company") remains committed to delivering sustainable value to its stakeholders by maintaining a competitive edge across its operations and ensuring long-term profitability. The Group will continue to pursue strategic expansion initiatives, enhance operational efficiencies, and drive continuous innovation to strengthen its market position. Through these efforts, HIB aims to deliver consistent performance and maximise long term returns for its shareholders.

ANG SUI AIK, BENNY
Group Managing Director

BUSINESS OVERVIEW

HIB was listed on the ACE Market of Bursa Malaysia Securities Berhad on 13 February 2014 and achieved a significant milestone a decade later with its transfer to the Main Market on 28 June 2024, reflecting its sustained growth, improved financial standing, and strengthened market position.

HIB operates as an investment holding company, with its subsidiaries (collectively, the "HIB Group" or the "Group") initially engaged in the quarry business, as well as the distribution and supply of industrial products. Over the years, the Group has strategically diversified its business operations to broaden its revenue streams, enhance resilience, and strengthen long-term value creation for stakeholders, as outlined below:

2018	• Strategically expanded its operations into Fertilisers and Equipment Rental segments through the acquiaistion of PK Fertilizers (Sarawak) Sdn. Bhd. and TK Rentals Sdn. Bhd.
2022	Acquired Hextar Fertilizers Group Sdn. Bhd ("HFG"), gaining immediate access to: • Manufacturing and distribution networks across Peninsular Malaysia (Port Klang, Pasir Gudang), Sabah (Lahad Datu) and Sarawak (Bintulu) • Global export markets, including Indonesia, Taiwan, Australia, Fiji and Africa
2023	• Broadening its portfolio to include office supplies trading and engineering solutions through by acquired Pacific Office (M) Sdn. Bhd. and Hextar Mitai Sdn. Bhd.
2024	• HIB entered the retail sector in 2024 through an exclusive partnership with Luckin Coffee Holding Singapore Pte. Ltd. to develop and operate "Luckin Coffee" outlets, marking a new phase of growth for the Group.
2025	• As at 31 December 2025, the Group has expanded its Luckin Coffee footprint to 70 outlets.

MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

The Group operates under two key segments:

Segment	Principal activities
Fertilisers	- Manufacturing and formulating, compound fertilisers, distributing and trading various fertilisers, as well as providing crop management solutions and services, professional agronomic advisory and consultation services, in-house product development and bulk blending and mixing of various formulations; - Trading of wide range of straight fertilisers and offer customisation of fertiliser formulations based on customers' agriculture requirements.
Industrial and Consumer [1]	- Develop, open and operate coffee shops under the "Luckin Coffee" name; - Supply kitchen equipment and consumables (ice) for the food and beverage industry; - Supplying and distributing machinery, spare parts, conveyor belts and industrial products to quarry industry; - Manufacturing, distributing and supplying quarry crusher screens; - Provision of temporary temperature control, power, structure solutions; - Trading of industrial products includes forklifts, lighting fixture and/or its accessories/parts; - Trading of stationery and office supplies; and - Provides engineering design customisation, fabrication and project management.

Note: [1] Includes Heavy Equipment, Equipment Rental, Engineering Solution, Office Supplies and Retail Business.

Fertiliser Segment

Our Group supplies a comprehensive range of fertilisers, categorised into the following types:

Straight Fertilisers

- A raw fertiliser material that may contain only one primary or one secondary plant nutrient, namely nitrogen, phosphorus, potassium, magnesium, sulphur and micronutrients, such as boron, copper, zinc, etc.

Bulk Blend and Mixtures Fertilisers

- Granular blend form or powder mix of fertilisers which contain two or more nutrients, which is produced through the process of physical mix of various type of straight fertilisers. Various formulations can be tailor-made on special request.

Compound Fertilisers

- Contains two or more nutrients. NPK compound fertilisers are three-component nutrients providing nitrogen, phosphorus and potassium. Compound fertiliser is produced through a process of granulation/compaction of a mixture of various types of straight fertilisers to achieve a desired nutrient composition.

MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

Industrial and Consumer Segment

Our Industrial and Consumer segment encompasses a diverse portfolio of products and services, albeit contributing a relatively modest share to the Group's overall revenue. Moving forward, the Group aims to further scale this segment by expanding its customer base and product range, while leveraging operational synergies across its existing business segments.

Below is a summary of the products and services offered under this segment:

Heavy Equipment

- Supplies of tools and parts for the quarry industry such as crushers, crawler drills, breakers, rippers and others.

Equipment Rental

- Provides air conditioning and cooling systems, power generating equipment, tent for events; supplies of forklifts, lighting fixture and accessories.
- Provide equipment rental and consumables for the F&B industry, including consumable ice, ice machines, dishwashers and kitchen appliances.

Engineering Solution

- Offers one-stop project management by providing design customisation, fabrication, engineering, procurement, construction and commission.

Office Supplies

- Provides wide ranges of office supplies such as stationery, paper, printer, shredder, chart boards, office chairs, tables, cabinets and many more.

Retail Business

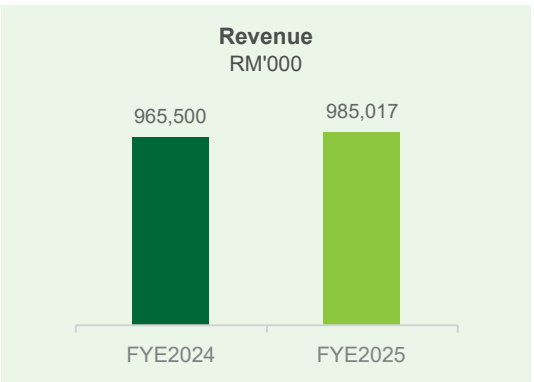
- Develop, open and operate coffee shops under the "Luckin Coffee" name nationwide.

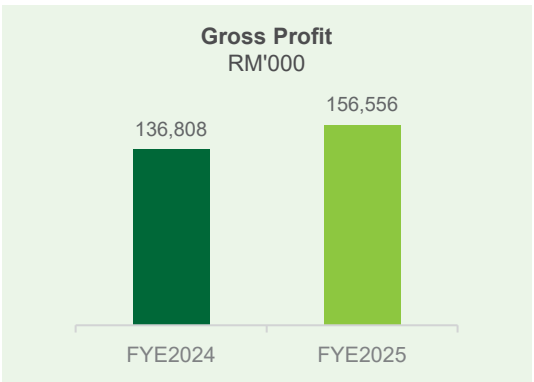
MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

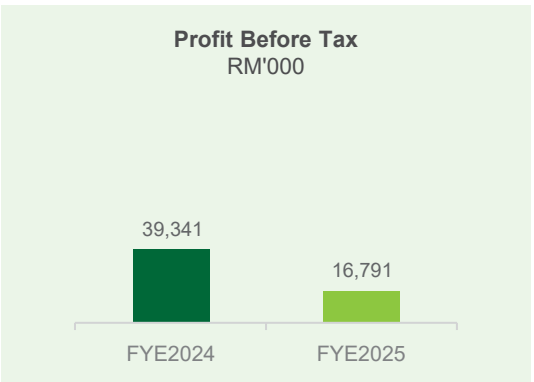
FINANCIAL PERFORMANCE REVIEW

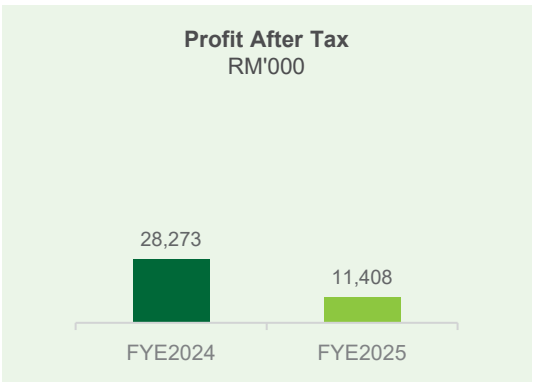
The Group recorded a revenue of RM985 million for the financial year ended 31 December 2025 ("FYE2025"), reflecting an increase from RM965 million in the previous financial year ("FYE2024").

	FYE2025 RM'000	FYE2024 RM'000
Revenue	985,017	965,500
Gross Profit ("GP")	156,556	136,808
Profit Before Tax ("PBT")	16,791	39,341
Profit After Tax ("PAT")	11,408	28,273
Gross Profit Margin (%)	15.9%	14.2%
PBT Margin (%)	1.7%	4.1%
PAT Margin (%)	1.2%	2.9%





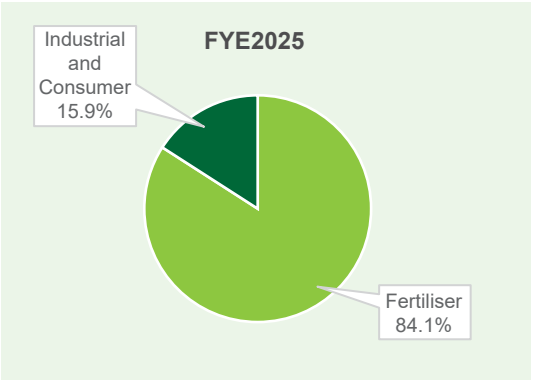


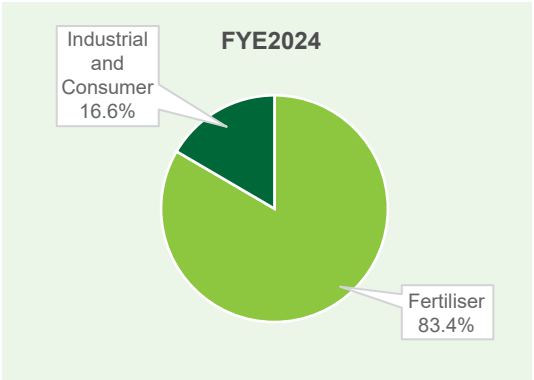


MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

Revenue

	FYE2025 RM'000	FYE2024 RM'000
Fertiliser	828,311	805,540
Industrial and Consumer	156,706	159,960
Total	**985,017**	**965,500**





Fertiliser

The Fertiliser segment remained the Group's primary revenue driver, contributing 84.1% (RM828 million) of total revenue in FYE2025. The Fertilisers segment reported revenue of RM828 million, marginally higher than the preceding year's revenue of RM806 million with the higher sales volume during the financial year.

Industrial and Consumer

In FYE 2025, the Industrial and Consumer segment recorded a lower revenue of RM157 million, marginally decrease as compared to the revenue of RM160 million reported in FYE2024. This segment experienced lower demand from the short-term rent of equipment such as tents and chillers as event organiser's preference towards indoor convention and exhibition centres. The lower revenue also caused by completion of few major projects in the engineering solution in 2024, while the commencement of the new projects are delayed to 2026. Notwithstanding the above, the decline of the revenue of this segment has mostly mitigated by new revenue stream from the expansion in the retail businesses.

MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

Gross Profit and Gross Profit Margin

	Gross Profit		Gross Profit Margin	
	FYE2025	FYE2024	FYE2025	FYE2024
	RM'000	RM'000	RM'000	RM'000
Fertiliser	117,521	106,782	14.2%	13.3%
Industrial and Consumer	39,035	30,026	24.9%	18.8%
Total	**156,556**	**136,808**	**15.9%**	**14.2%**

The Group achieved a gross profit of RM156.6 million in FYE2025, with a higher gross profit margin of 15.9% from 14.2% reported in FYE2024.

The Fertiliser segment remained as the largest profit contributor of the Group. In FYE2025, the gross profit contributed by Fertilisers segment has increased from RM106.8 million (FYE2024) to RM117.5 million. The profit margin is also improved from 13.3% (FYE2024) to 14.2% with the higher average selling prices.

In FYE2025, the Industrial and Consumer segment registered a notable increase in gross profit, rising from RM30.0 million (FYE2024) to RM39.0 million. The segment's gross profit margin expanded from 18.8% (FYE2024) to 24.9%, mainly driven by better gross profit margin (%) from the retail business.

Profit Before Tax ("PBT") and Profit After Tax ("PAT")

The Group recorded a profit before tax ("PBT") of RM16.8 million in FYE2025, a decrease from RM39.3 million in FYE2024, primarily attributable to initial setup and expansion costs incurred in relation to the Group's retail business. As a result, profit after tax ("PAT") declined to RM11.4 million, compared to RM28.3 million in the preceding financial year.

FINANCIAL POSITION REVIEW

	31 December 2025	31 December 2024	Variance	
	RM'000	RM'000	RM'000	%
Assets				
Non-current assets	224,587	225,618	(1,031)	(0.5)
Current assets	707,365	585,657	121,708	20.8
Total assets	**931,952**	**811,275**	**120,677**	**14.9**
Liabilities				
Non-current liabilities	124,694	111,372	13,322	12.0
Current liabilities	497,591	352,793	144,798	41.0
Total liabilities	**622,285**	**464,165**	**158,120**	**34.1**
Net assets ("NA")/ Total Equity	**309,667**	**347,110**	**(37,443)**	**(10.8)**
Current ratio (times)	1.4	1.7		
Gearing ratio (times)	0.5	0.3		

MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

FINANCIAL POSITION REVIEW *(cont'd)*

The Group's total assets increased by 14.9%, from RM811 million as at 31 December 2024 to RM932 million as at 31 December 2025, primarily driven by the leasing of property (right-of-use), renovation cost, and purchase of the equipment for the expansion of retail business. Notwithstanding the capital expenditures above, the Group has reclassified property, plant and equipment amounting to RM76 million from non-current asset to asset held for sales (current assets). Accordingly with the higher working capital requirement from the retail business, the current assets have increased by approximately RM122 million, or equivalent to 20.8%.

Total liabilities rose by RM158 million, or 34.1%, from RM464 million to RM622 million as at 31 December 2025. This increase was mainly attributable to higher lease liabilities and bank borrowings for the retail business expansion.

Despite dividend issued and paid in 2025 amounting to RM27.5 million, the Group closed the financial year in a sound financial position with cash and cash equivalents increased from RM131.6 million to RM133.8 million.

The Group maintained a solid net asset base of RM309.7 million, alongside a healthy current ratio of 1.4 times and a manageable gearing ratio of 0.5 times, underscoring its financial resilience and capacity to support future growth. Lower net asset principally due to the declared of single-tier of dividend of 1 sen per ordinary share and share buy-back in the treasury shares account during the financial year under review.

STATEMENT OF CASH FLOWS

	FYE2025 RM'000	FYE2024 RM'000
Net cash from operating activities	37,311	58,152
Net cash used in investing activities	(17,500)	(458)
Net cash used in financing activities	(17,602)	(32,429)
Net increase in cash and cash equivalents	2,209	25,265
Cash and cash equivalents at the beginning of the financial year	131,595	106,330
Cash and cash equivalents at the end of the financial year	**133,804**	**131,595**

Overall, the Group recorded a net increase in cash and cash equivalents of RM2.2 million for the financial year ended 31 December 2025, underpinned by the following:

i) Net cash inflow from operating activities of RM37.3 million. The profit before tax of RM16.8 million generated a cash inflow of RM63.0 million after adjusting for non-cash items. The cash generated from operations was largely utilised for the purchase of raw materials, tax payments and working capital requirements.

ii) Net cash outflow from investing activities of RM15.5 million, primarily attributable to capital expenditure of RM39.9 million for the acquisition of property, plant and equipment in line with the expansion of the Group's retail footprint. This was partially offset by proceeds of RM24.5 million from the disposal of property, plant and equipment, including transactions arising from sale and leaseback arrangements undertaken during the financial year.

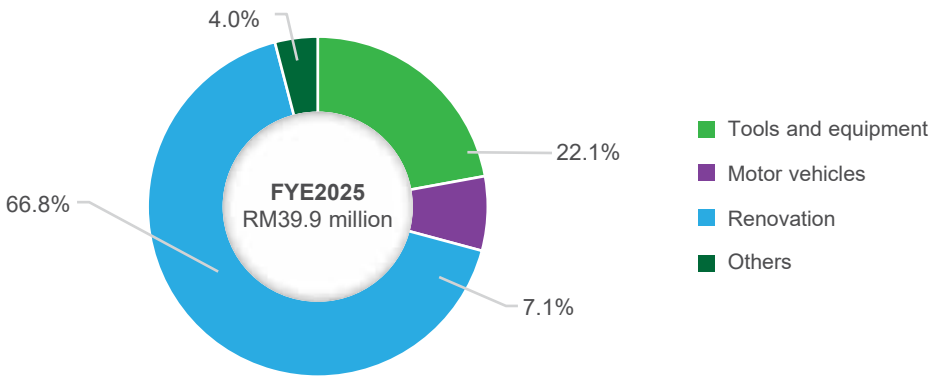
iii) Net cash used in financing activities of RM17.6 million, mainly due to dividend payments amounting to RM27.5 million in respect of the preceding financial year. This was partially offset by additional bank borrowings raised during the financial year to support the expansion of the Group's retail operations.

MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

STATEMENT OF CASH FLOWS *(cont'd)*

As at 31 December 2025, the Group's cash and cash equivalents stood at RM133.8 million, consistent with its strengthened asset base and higher financing activities undertaken to support ongoing expansion.

CAPITAL EXPENDITURE ("CAPEX")



In FYE2025, the Group incurred total capital expenditure ("CAPEX") of RM39.9 million (excluding right-of-use assets), strategically allocated across various asset categories to support operational requirements and business expansion.

A significant portion of the CAPEX, amounting to RM26.7 million or 66.8%, was invested in renovation works, in line with the expansion of the Group's retail footprint. Expenditure on tools and equipment totalled RM8.8 million, representing 22.1% of total CAPEX, primarily to support the growth of the retail business. Investment in motor vehicles amounted to RM2.8 million, or 7.1%, aimed at enhancing logistics and transportation efficiency.

The remaining RM1.6 million, or 4.0% of total CAPEX, was allocated towards plant and machinery, office equipment, furniture and fittings, as well as capital work-in-progress, to improve workplace efficiency and support ongoing business operations.

This strategic allocation of CAPEX underscores the Group's focus on strengthening its operational infrastructure and enhancing efficiency, thereby positioning the Group to support sustainable long-term growth.

REVIEW OF OPERATING ACTIVITIES

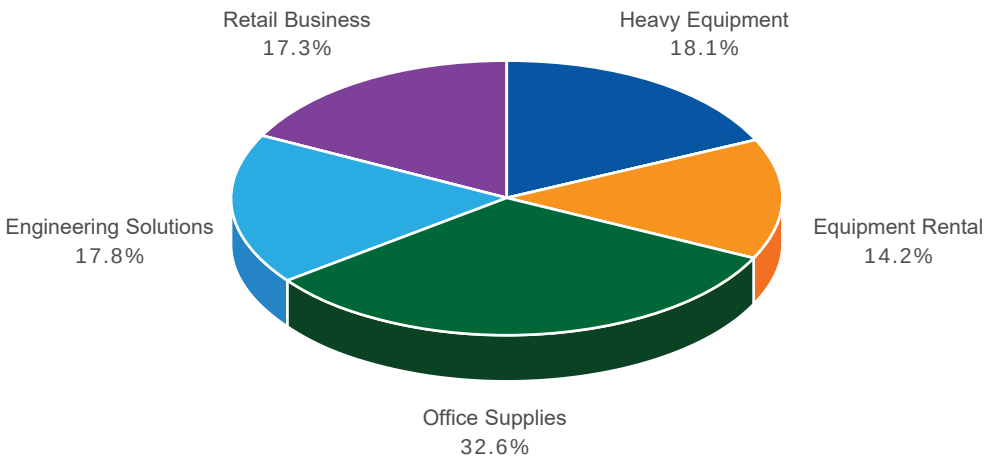
Fertiliser

The Group's Fertiliser segment remained its core business segment in FYE2025, contributing RM828 million, or 84.1%, of total Group revenue. This represents an increase from the revenue of RM805 million recorded in FYE2024 primarily driven by higher sales volumes achieved during the financial year under review.

In line with its commitment to sustainable agriculture, the Group continues to develop and offer innovative fertiliser products with clear differentiation from conventional alternatives. These products are designed to address long-standing industry challenges, particularly nutrient leaching and run-off following rainfall, thereby enhancing nutrient efficiency and supporting more sustainable farming practices.

Looking ahead, the Group's strategic plan to partially divest its fertiliser business, while concurrently expanding into the retail (F&B) segment, is expected to rebalance its earnings mix. This approach aims to build a more diversified portfolio of recurring income streams with stronger long-term growth potential.

Industrial and Consumer



The Industrial and Consumer segment contributed RM157 million, representing 15.9% of the Group's total revenue in FYE2025.

Office Supplies remained the largest contributor within the segment, generating RM51.2 million, or 32.6% of the segment's revenue. This was followed by Heavy Equipment at RM28.4 million (18.1%) and Engineering Solutions at RM27.9 million (17.8%). The Retail Business emerged as a meaningful new revenue stream following its expansion to 70 outlets at the end of 2025, which contributed RM27.2 million, or 17.3% of the segment's revenue. Equipment Rental accounted for RM22.3 million, accounting for 14.2% of the segment's revenue. Each of the outlets received encouraging market response and strong customer engagement.

Overall, the segment's revenue mix reflects increased diversification arising from ongoing business expansion initiatives, which have helped to broaden the Group's earnings base.

MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

ANTICIPATED OR KNOWN RISK

We wish to highlight the key anticipated or known risks that the Group is exposed to, which may have a material impact on our operations and financial performance. Our plans and strategies to mitigate these risks are outlined as follows:

Dependency on the Agriculture Industry

The major portion of the Group's revenue is derived from the manufacturing and distribution of fertilisers, making the Group heavily reliant on the agriculture industry. Our primary customers are from the oil palm sector. The fertiliser business may be adversely affected by a decline in palm oil demand, lower crude palm oil prices and unfavourable weather conditions.

The escalation of conflict in the Middle East in early 2026 has disrupted global food and energy supply chains. This has resulted in significant increases in global fertiliser and energy prices, which may continue for an indefinite period. During this period, the Group may record higher revenue due to higher fertiliser selling price, but such increase will be (or partially) offset by higher raw material, energy and logistics costs. The conflict, if prolonged, may lead to global economic uncertainties, rising operating costs driven by higher energy and logistics costs as well as higher inflation, adversely impacting consumer spending and retail activities and ultimately, affecting businesses globally.

Exposure to Credit Risk

The Group's financial performance and stability are influenced by the creditworthiness of our customers. Our exposure to credit risk primarily arises from trade receivables, other receivables and financial guarantees provided to financial institutions. To mitigate this risk, the Group conducts thorough credit assessments of customers' repayment capabilities before granting credit terms.

Foreign Currency Exchange Fluctuation

A substantial portion of the Group's purchases is denominated in foreign currencies, including the United States Dollar (USD), Chinese Yuan (CNY), Singapore Dollar (SGD) and Japanese Yen (JPY). As a result, fluctuations in the exchange rate of the Ringgit Malaysia (RM) against these currencies may impact both revenue and raw material costs. To manage foreign currency exposure, the Group closely monitors exchange rate movements on a daily basis.

DIVIDEND POLICY

The Group does not have any explicit dividend policy as the factors such as cash flow position, capital expenditure requirements, financial performance and financial condition will be taken into consideration by the Board when determining dividend payouts.

FORWARD-LOOKING STATEMENT

Looking ahead, the Group remains committed to strengthening its core operations while executing its strategic transformation to rebalance its earnings profile. As part of this strategy, the Group has proposed a partial divestment of its fertiliser business. The Proposed Disposals are intended to enable the Group to redeploy financial resources more efficiently, with approximately RM100.0 million, representing about 83.3% of the total disposal consideration, earmarked for the expansion of the Group's F&B retail business.

In line with its diversification strategy, the Group is expanding its presence in the consumer sector through the development and operation of "Luckin Coffee" outlets nationwide, which has continued to receive encouraging market response. In addition, the proposed acquisition of a 51% equity interest in Woodpeckers Group Sdn. Bhd. represents a strategic opportunity for the Group to acquire an established and profitable F&B business and to participate in the "llaollao" franchise as master franchisee in Malaysia, subject to completion of the transaction. This strategic shift is underpinned by the Group's view that the fertiliser segment, while remaining profitable, faces ongoing industry-wide challenges, including price volatility and fluctuations in global supply and demand dynamics, which may moderate its growth prospects. In contrast, the Malaysian F&B services industry is expected to demonstrate steady growth, supported by favourable consumer trends, with further opportunities within the specialty coffee and frozen yogurt segments.

The Proposed Acquisition is expected to contribute positively to the Group's future financial performance, supported by the historical track record of the Woodpeckers Group and the profit guarantee provided. It is also anticipated to unlock operational synergies across the Group's expanding brand portfolio, including efficiencies in site selection, store development, procurement, logistics, warehousing, back-office functions and workforce training. The Group also intends to leverage the experience and expertise of the existing key management team of the Woodpeckers Group to support business continuity, strengthen brand equity and drive the sustainable growth of the "llaollao" brand within the enlarged Group.

Notwithstanding the above, the Group remains mindful of prevailing macroeconomic conditions, evolving consumer preferences and potential execution risks associated with its expansion plans. The Group will continue to adopt prudent financial management, maintain operational discipline and pursue strategic opportunities to support sustainable long-term growth.

Acknowledgement

On behalf of the Board of HIB, I would like to extend our sincere appreciation to all stakeholders, including shareholders, customers, suppliers, business partners, financiers, and regulatory authorities, for their continued trust, confidence, and unwavering support of the Group.

We also wish to express our heartfelt gratitude to the management team and employees for their dedication, commitment, and steadfast pursuit of excellence. Their collective efforts and resilience have been pivotal in driving HIB's performance and sustained growth.

Looking ahead, we are confident that, with the continued commitment and contributions of our people, the Group will build on its strengths, achieve further milestones, and deliver long-term sustainable value to all stakeholders.

Ang Sui Aik, Benny
Group Managing Director

Hextar
OUR
CORE VALUES
Humility
Excellence
X-Factor
Trustworthy
Adaptability
Responsibility

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Hextar Industries Berhad ("the Company" or "Hextar") recognises the importance of maintaining good corporate governance practices within Hextar and its subsidiary companies ("Hextar Group" or the "Group") as it is the Board's fundamental responsibility to protect and enhance long-term shareholder value and the financial performance of Hextar Group, whilst taking into account the interest of all stakeholders. The Board is guided by the principles and recommendations of the Malaysian Code on Corporate Governance ("MCCG" or the "Code") in implementing its governance system and ensuring compliance with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

This Corporate Governance Overview Statement ("CG Statement") provides shareholders and investors with an overview of how Hextar Group has applied the 3 key Principles set out in the Code during the financial year ended 31 December 2025 ("FY2025"):

PRINCIPLE A : Board leadership and effectiveness	**PRINCIPLE B :** Effective audit and risk management	**PRINCIPLE C :** Integrity in corporate reporting and meaningful relationship with stakeholders

This CG Statement is complemented with a Corporate Governance Report ("CG Report") based on a prescribed format pursuant to Paragraph 15.25 of the Listing Requirements of Bursa Securities. The CG Report is available on the Company's website www.hextarindustries.com as well as via announcement on the website of Bursa Securities.

PRINCIPLE A:BOARD LEADERSHIP AND EFFECTIVENESS

Part I - Board Responsibilities

Roles and Responsibilities

The Board is committed to ensuring that the Company's purpose, values and high standards are set from the level of Chairman and all Non-Executive Directors, with the support of the executive management team, embedded throughout the Group. The Board is responsible for the effective leadership and long-term success of the Group.

In discharging its fiduciary duties and responsibilities, the Board is guided by its Board Charter which outlines the roles and responsibilities of the Board. The Board also delegates certain responsibilities to the various Board Committees. The Board Charter was reviewed periodically and is available at the Company's website at www.hextarindustries.com.

The Board leads the Group and plays a strategic role for the oversight and overall management of the Company. The Board's key responsibilities include reviewing and approving strategic annual business plan and budget, overseeing the conduct of the Company's business, investment proposals, compliance and accountability systems, core values and corporate governance practices of the Group in ensuring that the Group operates with integrity and in compliance with the rules and regulations.

The Board has delegates certain responsibilities to the following Board Committees to assist in the execution of its duties and responsibilities within their respective Terms of Reference:

(i) Audit Committee ("AC");
(ii) Nomination and Remuneration Committee ("NRC"); and
(iii) Risk Management and Sustainability Committee ("RMSC").

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A:BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

Part I - Board Responsibilities *(cont'd)*

Roles and Responsibilities *(cont'd)*

Each Board Committee operates in accordance with its respective Terms of Reference as approved by the Board.These Board Committees are authorised by the Board to deal with and to deliberate on matters delegated to them within their respective Terms of Reference and report to the Board on their proceedings and deliberations together with their recommendations to the Board for approval. The Board Committees' Terms of Reference can be accessed via the Company's website at www.hextarindustries.com. Apart from the responsibilities of the Board Committees, the Group Managing Director ("GMD") and other Management members are also delegated certain authorities to enable them to effectively discharge their responsibilities on the day-to-day operations of the Group.

Chairman and Group Managing Director

In line with good corporate practices, the roles of the Chairman and the GMD are clearly distinct. The Chairman provides leadership, effectiveness, conduct and governance of the Board while the GMD is responsible for the overall day-to-day business operations of the Group and oversees the implementation of strategies set by the Board.

The separation of these roles, held by different individuals, ensures a balance of power and authority, promoting accountability and preventing the concentration of decision-making power.

Qualified and Competent Company Secretaries

The Board is supported by three (3) qualified and competent Company Secretaries, who are qualified to act as Company Secretaries under Section 235(2) of the Act and are also registered holders of the Practicing Certificate issued by the Companies Commission of Malaysia.

All Board members, both collectively and individually, have access to the advice and services of the Company Secretaries to assist in the effective performance of their duties. The Company Secretaries' role in facilitating compliance and ensuring the smooth functioning of the Board is critical to the Company's success.

The Company Secretaries provide advisory services, particularly on applicable governance best practices, corporate administration and Board practices and processes to facilitate overall compliance with the Listing Requirements, MCCG, the Act and other applicable laws and regulations.

The Company Secretaries assist the Board and Board Committees in fulfilling their duties effectively while adhering to established Board policies and procedures and best practices.

Overall, the Board is satisfied with the service and support rendered by the Company Secretaries and their team to the Board in the discharge of their duties and functions.

Meeting of Board and Board Committees

Agendas and discussion papers are circulated at least five (5) days prior to the Board and Board Committees meetings to allow the Directors and Board Committee Members to study, evaluate the matters to be discussed and subsequently make effective decisions. Procedures have been established concerning the content, presentation and timely delivery of the discussion papers for each meeting of the Board and Board Committee meetings as well as matters arising from such meetings. Actions or updates on all matters arising from any meetings are reported in the subsequent meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A:BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

Part I - Board Responsibilities *(cont'd)*

Meeting of Board and Board Committees *(cont'd)*

Notices on the closed periods for trading in the Company's securities in accordance with Chapter 14 of the Listing Requirements of Bursa Securities are served to the Directors prior to the commencement of the closed periods.

In between Board meetings, approvals on matters requiring the sanction of the Board are sought by way of Directors' circular resolutions enclosing all the relevant information to enable the Board to make informed decisions. All Directors' circular resolutions approved by the Board are tabled for notation at the subsequent Board meeting. The Board also perused the decisions deliberated by the Board Committees through minutes of these Board Committees meetings. The Chairman of the respective Board Committees is responsible for informing the Board at the Directors' Meetings of any salient matters noted by the Board Committees and which may require the Board's direction.

When necessary, the Board may whether as a full Board or in their individual capacity, seek independent professional advice, including the internal and external auditors, at the Company's expense to enable the directors to discharge their duties with adequate knowledge on the matters being deliberated, subject to approval by the Chairman of the Board, and depending on the quantum of the fees involved.

Commitment to Integrity

Board Charter

The Company has formalised and adopted the Board Charter which sets out the functions, authority, roles and responsibilities of the Board as well as the various internal processes and principles governing the Board. The Board Charter also serves as a source of reference and primary induction literature, providing insights to new Board members.

The Board Charter provides a clear outline of relevant matters and applicable limits, including those reserved for the Board's approval and those which the Board may delegate to the Board Committees, the GMD, and the Management. This is to ensure that all parties involved understand their respective roles and responsibilities, thus promoting effective decision-making, risk management and compliance.

The Board Charter would be reviewed as and when necessary to ensure that it remains aligned with the Board's objectives and responsibilities, as well as the latest compliance requirements resulting from changes in the Listing Requirements, MCCG and other regulatory framework which will ensure that the Board Charter remains relevant and up-to-date.

The Board Charter is available at the Company's website at www.hextarindustries.com.

Code of Conduct and Ethics

The Company has adopted the Code of Conduct and Ethics, which is applicable to all officers and employees of the Group to observe high standards of business and personal ethics in carrying out their duties and responsibilities. As employers and representatives of Hextar, or any of its subsidiaries, they must practice honesty and integrity in fulfilling their duties and responsibilities and comply with all applicable laws and regulations. It is thus the responsibility of all officers and employees to comply with the Code of Conduct and Ethics and to report violations or suspected violations thereto.

The Board will review the Code of Conduct and Ethics when necessary to ensure it remains relevant and appropriate. The Code of Conduct and Ethics are accessible by the public through the Company's corporate website at www.hextarindustries.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A:BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

Part I - Board Responsibilities *(cont'd)*

Whistle-blowing Policy and Procedures

The Board has adopted a Whistle-blowing Policy and Procedures, with the aim to provide an avenue for raising concerns related to a possible breach of business conduct, non-compliance with laws and regulatory requirements as well as other malpractices. The Whistle-blowing Policy and Procedures is a specific means by which an employee or the stakeholders can exercise their responsibility to report or disclose through established channels, their legitimate concerns regarding any unethical conduct, illegal acts or failure to comply with the Company's policies and regulatory requirements responsibly and sensibly.

Any employee or stakeholders who have reasonable belief that there is serious malpractice relating to the matter disclosed, may direct such complaint and report to the Chairman of the AC in writing. Individuals can raise concerns about illegal, unethical or questionable practices in confidence and without the risk of reprisal and Management will ensure that any employee of the Company who raises a genuine complaint in good faith shall not be penalised for such disclosure and the identity of such complainant shall be kept confidential.

The Whistle-blowing Policy and Procedures is accessible by the public through the Company's corporate website at www.hextarindustries.com.

Anti-Bribery and Corruption Policy ("ABC Policy")

In line with the amendments to the Malaysian Anti-Corruption Commission Act 2009 to incorporate a new Section 17A on corporate liability for corruption which took effect on 1 June 2020, the Group had on 1 June 2020, adopted the ABC Policy which set out the Group's responsibilities in providing principles, guidelines and recommendation to the employees on the procedures to deal with solicitation, bribery and corruption that could possibly arise on the business dealing and operation activities.

The Company had also conducted briefings and trainings to all the employees of the Group to create awareness on the ABC Policy to foster commitment of the employees in instil the spirit of integrity and avoid all forms of corruption practices within the organisation.

The ABC Policy is accessible by the public through the Company's corporate website at www.hextarindustries.com.

Directors' Fit and Proper Policy

In line with the Listing Requirements, the Board has adopted the Directors' Fit and Proper Policy which serves as a guide of the Company and its subsidiaries to the NRC and the Board in their review and assessment of the potential candidates for appointment to the Board as well as the retiring Directors who are seeking re-election at the Annual General Meeting ("AGM").

This policy serves to ensure that the person to be appointed or re-elected as a Director possesses the necessary character and integrity, experience and competence as well as the ability to discharge and give appropriate commitment, participation and contribution to the Board and the Company.

The Directors' Fit and Proper Policy shall be reviewed periodically by the Board and be revised at any time as it may deem necessary to ensure that they remain consistent with the Board's objectives and changes in the Listing Requirements and best practices.

The Directors' Fit and Proper Policy is available on the Company's website at www.hextarindustries.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A:BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

Part I - Board Responsibilities *(cont'd)*

Environmental, Social and Governance

Environmental, social and governance ("ESG") considerations are integral to the Company's strategy, planning and daily operations. We take responsibility for driving progress on ESG initiatives, and this annual report outlines the Company's efforts in this area for the financial year 2025.

The Board holds the primary responsibility for overseeing sustainability-related matters, including the development of strategies, setting priorities and establishing targets. Operational execution pertaining to economic, sustainability and social ("ESS") factors, as part of the Group's corporate strategies, falls within the purview of the Management.

The Board believes that the balancing of ESG with the interest of stakeholders is essential to enhancing investor perception and public trust that works towards value enhancement for stakeholders in the long run. As a responsible corporate citizen, one would have an obligation in making the earth a better place to live in through responsible investing, besides weighing on an appropriate risk return profile for its investments.

With this HIB incorporated its principles of sustainability in its ESG policy. HIB's commitment towards environmental, social and corporate governance issues is strong and hands-on and is also an important step towards a more sustainable society in the long run.

Communication of Sustainability Strategies and Targets

As fiduciary to the Company's shareholders, the Board is focused on maintaining exemplary corporate governance practices, which include a commitment to ethics, integrity and corporate responsibility. The Board also ensures the Company's internal and external stakeholders are well informed on the sustainability strategies, priorities, targets as well as overall performance which the Sustainability Statement has provided a detailed articulation in this Annual Report.

Managing Sustainability Risks and Opportunities

We encourage the Board to attend training in relation to ESG topic in order to have a better understanding regarding to the ESG matter.

The Management reports to the RMSC at least once a year. The risk registers together with the mitigation action taken to prevent the risk occurring was presented to the RMSC in order for them to have a clear understanding that the Company has truly take their initiative to mitigate any risk that would affect the operation of the Company.

The Board keeps fully abreast of latest regulations and guidance applicable to the business including current and emerging environment problems and develop robust practices around factoring environmental considerations into Board decision making.

Part II - Board Composition

Composition of The Board and Board Committees

Despite the compact size of the Board, we are confident that it includes a sufficient number of experienced and independent-minded Directors to provide an effective check and balance. With four experienced Independent Directors, representing more than 50% of the Board, we are able to function independently from the Management.This structure ensures robust oversight, as well as objective and independent deliberation, review and decision making.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A:BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

Part II - Board Composition *(cont'd)*

Composition of The Board and Board Committees *(cont'd)*

The Board presently comprised seven (7) members as follows:-

Names	Designation
Dato Sri Dr Chee Hong Leong *(Redesignated w.e.f. 1 March 2025)*	Independent Non-Executive Chairman
Ang Sui Aik	Group Managing Director
Sham Weng Kong	Executive Director
Ong Tzu Chuen	Non-Independent Non-Executive Director
Oon Seow Ling	Independent Non-Executive Director
Shahjanaz Binti Datuk Kamaruddin	Independent Non-Executive Director
Liew Jee Min @ Chong Jee Min *(Appointed w.e.f. 1 March 2025)*	Senior Independent Non-Executive Director

Brief profile of each Directors is detailed under Profile of Directors in this Annual Report.

The current Board consists of individuals of high calibre, experienced and are professionals in their respective fields. Together, this brings a wide range of industry specific knowledge, broad based business and commercial experience that are vital to the Board's success.

The present composition of the Board is in compliance with Paragraph 15.02 of the Listing Requirements and MCCG whereby at least 2 directors or 1/3 of the board of directors of the Company, whichever is the higher, are independent directors.

Meetings of Board and Board Committees

For the financial year ended 31 December 2025, the Board met eight (8) times to discuss issues on the Group's financial performance, significant investments, corporate development, strategy and business plan and other matters reserved for the decision by the Board. Presentations in relation to specific businesses areas are also made by key executives. This allows the Board to develop a good understanding on the Group's business, issues and challenges facing by the Group as well as promotes active engagement between the Board and the key executives of the Company.

Directors' commitment, resources and time allocated to the Company are evident from the attendance records, where the Directors attended all Board Meetings held during the financial year ended 31 December 2025. Details of attendance of Directors at the meetings held during the financial year are as follows:

Name of Directors	Meeting Attendance	Percentage of Attendance
Dato Sri Dr Chee Hong Leong	8/8	100%
Ang Sui Aik	8/8	100%
Sham Weng Kong	8/8	100%
Ong Tzu Chuen	8/8	100%
Oon Seow Ling	8/8	100%
Shahjanaz Binti Datuk Kamaruddin	8/8	100%
Liew Jee Min @ Chong Jee Min *(Appointed w.e.f. 1 March 2025)*	6/6	100%

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A:BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

Part II - Board Composition *(cont'd)*

Meetings of Board and Board Committees *(cont'd)*

Board meetings for each financial year are scheduled before the end of the preceding financial year to ensure sufficient time is given to the Directors to plan their schedules and enable them to attend the meetings. All Directors are provided with an agenda for each Board and Committee meeting prior to each meeting so that the Directors are accorded sufficient time to appraise the proposals or information. The Directors are provided with the Board papers which contain, among others, the Group's financial performance, management reports and proposals and various Board Committees' reports respectively prior to the Board meeting. The Board papers are issued in advance to facilitate informed decision making.

All proceedings of the Board meetings were recorded in the minutes. The minutes of Board meetings are circulated to all Directors for their perusal and comments. The Directors may request for further clarification or raise comments on the minutes prior to the minutes being confirmed as a correct record of the proceedings of the Board at the subsequent meeting. The signed minutes of each Board and Board Committees Meeting are properly kept by the Company Secretaries and the Company Secretaries are entrusted to organise and attend all Board Meetings to ensure proper records of the proceedings.

Evaluation of Board, Board Committees, and Individual Directors

The Board, through the NRC, conducts an annual review of the structure, composition, competencies and time commitment of the Board. This review also assess Board's role in overseeing the Company's sustainability governance and evaluate the independence of the Independent Directors.

The Board also undertakes an annual assessment of its effectiveness, the performance of Board Committees and the individual Directors through self and peer assessment. Based on the results of the assessment made, the overall results were generally positive.

The Board is satisfied with the performance of the individual Directors, the effectiveness of the Board and its Committees and independence of the Independent Directors. While the Board composition reflects an appropriate mix of skills, expertise, and experience, it remains committed to reviewing its size, considering the complexity of the Group.

Independence

The Board through the NRC undertakes the independent assessment of all its Independent Directors of the Company which was carried out as part of the board assessment annually. The NRC and the Board reviewed the independence assessment results and are satisfied that all the Independent Directors fulfilled the criteria of "Independence" as prescribed under the Listing Requirements. The Board is satisfied that none of the Independent Directors had any relationship that could materially interfere with or be perceived to materially interfere with their unfettered and independent judgement and ability to act in the best interests of the Company.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities. All Directors have given their full commitment to the Board meeting by attending all the Board and Board Committees meetings as shown in the details of attendance of Directors at the meetings held during the financial year.

On Going Professional Training

The Board recognises that Directors' training is an ongoing process essential to staying current with developments relevant to their roles. This ensures that Directors are equipped with the necessary skills and knowledge to address the challenges the Board faces. The responsibility of reviewing the training and development needs of the Directors is delegated to the NRC.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A:BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

Part II - Board Composition *(cont'd)*

On Going Professional Training *(cont'd)*

All Directors are offered continuous professional development and training opportunities to enhance and maintain their skills. Additionally, Directors are encouraged to pursue relevant training and refresher courses to uphold their ability to effectively fulfil their responsibilities to the Group.

Name of Director	Seminars/Forum/Conference/Training
Dato Sri Dr Chee Hong Leong	Connecting sustainability to business strategy
Ang Sui Aik	Effective Use of Generative AI for Office Productivity
Sham Weng Kong	Common Pitfalls in Transactions and RPT Rules
Ong Tzu Chuen	Navigating ISSB: Regulatory Updates and Insights PDPA Amendments 2024: Key Changes and Compliance Priorities Anti-Bribery Management – Are you ready? KIP Reit Strategic Retreat & Leadership
Oon Seow Ling	KPMG MBRS Financial Statements Training Interview For Approved Company Auditors E-Invoicing in Malaysia – Introduction and Implementation Introduction to Public Practice Seminar Percukaian Kebangsaan 2025 (Belanjawan 2026)
Shahjanaz Binti Datuk Kamaruddin	2025 Recession The Regional Economic Impacts of US Trade Policies Thriving in the Age of AI Moving Forward in the Present and Future Empowering Local Expanding Global Create Your Capital to Cashflow Financial Engine The Rise of ESG and Climate Litigation – Emerging Directors' Duties Q2 2025 Market Outlook: Trump 2.0 – Beyond the Noise Trump's Tariffs on Indonesia, Malaysia, and Vietnam: Reactions and Remedies Reducing Collateral Damage from US Deglobalization Tantrums Strategic Oversight in Strategy Implementation: Getting Execution Right at the Board Level The Sanctity of Malaysia's Federal Constitution: Threats, Solutions and Impact on National Governance From Advocate to Arbitrator – Building a Sustainable Career in Commercial Arbitration
Liew Jee Min @ Chong Jee Min	Dialogue Session with PLCs: Advancing Gender Diversity on Corporate Boards Board Simulation – Balancing Risks & Opportunity in Sustainability Leadership Programme Intelligent Compliance Conference/Transforming Business with AI, MFRS & Stamp Duty Self-Assessment System Cybersecurity Awareness Program V2.0

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A:BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

Part II - Board Composition *(cont'd)*

Re-election of Directors

The NRC is responsible for recommending to the Board, Directors who are retiring and are standing for re-election at the AGM pursuant to and in accordance with the Constitution of HIB. In accordance with Clause 103(1) of the Company's Constitution, one-third of the Directors for the time being or, if their number is not a multiple of three (3), the number nearest to one-third shall retire from office and be eligible for re-election at each AGM. All Directors are subjected to retirement by rotation at least once in every three (3) years.

Additionally, in accordance with Clause 110 of the Company's Constitution, the newly appointed Directors are subject to re-election at the next AGM after their appointment. Based on the office period of the Directors since their last election and upon recommendation of the NRC, the Board is proposing the re-election of Dato Sri Dr Chee Hong Leong and Mr Ang Sui Aik, who are due for retirement pursuant to Clause 103(1) of the Company's Constitution, being eligible has expressed their willingness to seek for re-election at the Fourteenth (14th) AGM.

Tenure of Independent Directors

The NRC carries out the evaluation of independence for each Independent Director annually.

The NRC has undertaken a review and assessment of the level of independence of the Independent Directors during the financial year ended 31 December 2025 and is satisfied that they are able to discharge their responsibilities in an independent manner. The Independent Directors have also declared their independence to the Board and Management of the Group at a Board Meeting during the year.

Currently, none of the four (4) existing Independent Non-Executive Directors of the Company has exceeded the tenure of a cumulative term of nine (9) years.

Based on the assessment carried out during the financial year under review, the Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their abilities to act in the best interest of the Company.

Identification of New Candidates for Appointment of Directors

The Board believes that individuals who are nominated to be a Director should have demonstrated notable or significant achievements in business, education or public service; should possess the requisite intelligence, education and experience to make a significant contribution to the Board and bring a range of skills, diverse perspectives and backgrounds to its deliberations and should have the highest ethical standards, a strong sense of professionalism and intense dedication to serve the interests of the shareholders.

The Board has entrusted the NRC with the responsibility to consider, review and recommend the appointment of potential candidates to the Board as proposed by Management or any Director, major shareholder taking into consideration the candidates' skills, knowledge, expertise, experience, time commitment, character, professionalism and integrity based on the 'Fit and Proper' Guidelines for key responsible persons as prescribed in the Board Charter.

The Board shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, which is consistent with Constitution of the Company. This process has been reviewed, approved and adopted by the Board. New appointees will be considered and evaluated by the NRC. The NRC will then recommend the candidates to be approved and appointed by the Board. The Company Secretary will ensure that all appointments are properly made, and that legal and regulatory obligations are met.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A:BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

Part II - Board Composition *(cont'd)*

Nomination And Remuneration Committee

The Board has established a NRC which comprised exclusively of Independent Non-Executive Directors ("INED"), with the responsibilities of assessing the balance composition of Board members, nominate the proposed Board member by considering his skills and expertise for contribution to the Company on an ongoing basis.

The Terms of Reference of the NRC can be viewed at the Company's website at www.hextarindustries.com.

The present members of the NRC of the Company are:

Names	Designation
Liew Jee Min @ Chong Jee Min (Chairman) *(Appointed w.e.f. 1 March 2025)*	Senior Independent Non-Executive Director
Oon Seow Ling (Member)	Independent Non-Executive Director
Shahjanaz Binti Datuk Kamaruddin (Member)	Independent Non-Executive Director

The functions of the NRC are summarised as follows:

(i) To undertake an annual review of the Board's succession plans, taking into consideration, the present size, structure and composition of the Board and Board Committees as well as the mix of skills, experience and competency required and make recommendations to the Board with regard to any adjustments that are deemed necessary;

(ii) Provide assistance to the Board in establishing the policy and the framework of the Directors' remuneration and the remuneration of certain senior management personnel, including the setting of their key performance indicators;

(iii) To consider succession planning for Directors and other senior executives in the course of its work, considering the challenges and opportunities facing by the Company, and the skills and expertise needed on the Board in the future and review and determine the annual salary increment, performance bonus, and short term/long term incentives (including share grant and bonus) for Executive Directors and Principal Officers;

(iv) Responsible for identifying and make the recommendation to the Board on new candidates for election/appointment to the Board or to fill board vacancies as and when they arise;

(v) To ensure that orientation and education programmes are provided for new members of the Board;

(vi) To recommend to the Board concerning the re-election/re-appointment of Director to the Board pursuant to the provisions in the Company's Constitution; and

(vii) To provide a report summarising its activities for the year in compliance with the MCCG, Listing Requirements and any relevant regulations. The report can be incorporated into the corporate governance statement in the annual report or included in as a separate report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A:BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

Part II - Board Composition *(cont'd)*

Nomination And Remuneration Committee *(cont'd)*

The summary of activities undertaken by the NRC during the financial year included the following:

(i) Reviewed the effectiveness of the Board, as a whole, Board Committees and individual Directors and made an appropriate recommendation to the Board;
(ii) Reviewed and assessed the independence of INED;
(iii) Reviewed and recommended the retirement and re-election of Directors for shareholders' approval at the AGM in accordance with the Company's Constitution;
(iv) Reviewed and recommended the payment of Directors' fees and other benefits payable to Directors;
(v) Reviewed and recommended the payment of bonuses to the Executive Director, GMD and Key Senior Management;
(vi) Reviewed and recommended the revision of the remuneration of the Executive Director, GMD and Key Senior Management;
(vii) Reviewed and recommended the appointment of Mr Liew Jee Min @ Chong Jee Min as Senior Independent Non-Executive Director and member of the AC, RMSC and Chairman of NRC of the Company; and
(viii) Reviewed and recommended the restructuring of the composition of AC, NRC and RMSC.

Board Diversity

The Board acknowledges the importance of boardroom diversity and takes cognisance of the recommendation of the MCCG to have female directors. The Board had established a Boardroom Diversity Policy of the Company, which is available on the corporate website www.hextarindustries.com.

The Company currently have three (3) female Directors on Board, representing 42.86% of the total Board members. The female Directors provide the Board with gender diversity that serves to bring value to the Board discussions from different perspectives and approaches as well as different leadership styles.

Equal opportunity is given and does not practise discrimination of any form, whether based on age, gender, race and religion, throughout the organisation.

Part III - Remuneration

Remuneration Committee

The Remuneration Committee has merged with the Nomination Committee and renamed as Nomination and Remuneration Committee ("NRC") on 25 May 2023 to enhance the efficiency of the Board in discharging its duties and responsibilities.

The NRC is populated solely by INEDs to assist the Board for determining the Director's remuneration.

The Terms of Reference of the NRC can be viewed at the Company's website at www.hextarindustries.com.

The present members of the NRC are as follow:

Names	Designation
Liew Jee Min @ Chong Jee Min (Chairman) *(Appointed w.e.f. 1 March 2025)*	Senior Independent Non-Executive Director
Oon Seow Ling (Member)	Independent Non-Executive Director
Shahjanaz Binti Datuk Kamaruddin (Member)	Independent Non-Executive Director

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A:BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

Part III - Remuneration *(cont'd)*

Remuneration Committee *(cont'd)*

During the financial year ended 31 December 2025, the NRC had reviewed and recommended the payment of Directors' fees and other benefits payable to Directors.

Remuneration Policies and Procedures

The objective of the Company's Remuneration Policy is to attract and retain the Directors required to lead and control the Group effectively. In the case of the Executive Director, the components of the remuneration package are linked to individual and corporate performance. As for Non-Executive Directors, the level of remuneration is reflective of their experience and level of responsibilities and the onerous challenges in discharging their fiduciary duties.

The NRC met once in financial year ended 31 December 2025 to consider the remuneration package for the Executive Director as well as Directors' fees and benefits payable for the Directors.

The Directors' fees and benefits are reviewed annually. The Executive Directors played no part in deciding their own remuneration and the respective Board members abstained from all discussion and decisions pertaining to their remuneration.

Directors' Remuneration

Details of the Directors' remuneration (including benefits-in-kind) in respect of the financial year ended 31 December 2025 as follows:-

Directors	Fees (RM'000)	Salaries and *other emoluments (RM'000)	Total (RM'000)
Dato Sri Dr Chee Hong Leong	58	5	63
Ang Sui Aik	-	1,011.8	1,011.8
Sham Weng Kong	-	796	796
Ong Tzu Chuen	48	5	53
Oon Seow Ling	48	5	53
Shahjanaz Binti Datuk Kamaruddin	48	5	53
Liew Jee Min @ Chong Jee Min *(Appointed w.e.f. 1 March 2025)*	40	3.5	43.5
Dato' Chan Choun Sien *(Resigned w.e.f. 4 February 2025)*	5.9	1	6.9

Note:

* *Other emoluments include the meeting allowance for the Directors' attendance in Board and Board's Committee Meetings.*

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A:BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

Part III - Remuneration *(cont'd)*

Remuneration of Senior Management

The total remuneration received by senior management of the Group including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000, in respect of the financial year ended 31 December 2025, is tabulated below:

Range of Remuneration	Name of Senior Management
Below RM50,000	-
RM50,001 – RM100,000	-
RM100,001 – RM150,000	-
RM150,001 – RM200,000	-
RM200,001 – RM250,000	-
RM250,001 – RM300,000	-
RM300,001 – RM350,000	Martin Lee
Above RM350,001	Lee Kok Ping Ke Tung Chen Leong Hin Kieat Wong Kin Seng

The Board ensures that the remuneration of the Senior Management commensurate with their individual performances and level of responsibility as well as the demands, complexities and performance of the Company, with due consideration to attract, retain and motivating the Senior Management.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Part I - Audit Committee

Chairperson of Audit Committee ("AC")

The AC is chaired by an Independent Director who is not the Chairman of the Board, therefore observed the recommendation of Practice 9.1 of MCCG which stipulates that the Chairperson of the AC shall not be the Chairman of the Board. The Chairperson of AC is a member of Malaysian Institute of Accountants.

Policy requiring former audit partner to observe 3-year cooling off period

None of the members of the Board were former audit partners. A former audit partner will be required to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC.

Assessment of Suitability and Independence of External Auditors

The Company has established a transparent and appropriate relationship with the Company's External Auditors. The Auditors will highlight to the AC and the Board on matters that require the Board's attention.

The AC is responsible for reviewing the audit, recurring audit-related and non-audit services provided by the External Auditors. The AC has been explicitly accorded the power to communicate directly with both the External Auditors and Internal Auditors. The terms of engagement for services provided by the External Auditors are reviewed by the AC prior to submission to the Board for approval. The effectiveness and performance of the External Auditors are reviewed annually by the AC.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT *(cont'd)*

Part I - Audit Committee *(cont'd)*

Assessment of Suitability and Independence of External Auditors *(cont'd)*

To assess or determine the suitability and independence of the External Auditors, the AC has taken into consideration of the following:

(i) The adequacy of the experience and resources of the External Auditors;

(ii) The External Auditor's ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;

(iii) The nature of the non-audit services provided by the External Auditors and fees paid for such services relative to the audit fee; and

(iv) Whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or tenure of the External Auditors.

Annual appointment or re-appointment of the External Auditors is via shareholders' resolution at the AGM on the recommendation of the Board. The External Auditors are invited to attend the AGM of the Company to respond to any enquiry on the conduct of the statutory audit and the preparation and contents of the audited financial statement.

Where necessary, the AC will meet with the External Auditors without the presence of Executive Director and members of Management to ensure that the independence and objectivity of the External Auditors are not compromised and matters of concerns expressed by the AC are duly recorded by the Company Secretaries.

In presenting the Audit Planning Memorandum to the AC, the External Auditors have highlighted their internal policies and procedures with respect to their audit independence and objectivity which include safeguards and procedures and independent policy adopted by them. The External Auditors have also provided the required independence declaration to the AC and the Board for the financial year ended 31 December 2025.

The AC is satisfied with the competence and independence of the External Auditors. Having regard to the outcome of the annual assessment of the External Auditors, the Board approved the AC's recommendation to seek shareholders' approval on the re-appointment of Messrs Ecovis Malaysia PLT as the External Auditors of the Company for the financial year ending 31 December 2026.

Composition of the AC

The AC comprised solely of INEDs. The present members of the AC are:

Names	Designation
Oon Seow Ling (Chairperson)	Independent Non-Executive Director
Liew Jee Min @ Chong Jee Min (Member) *(Appointed w.e.f. 1 March 2025)*	Senior Independent Non-Executive Director
Shahjanaz Binti Datuk Kamaruddin (Member)	Independent Non-Executive Director

The terms of reference and summary of activities of the AC are set out in the Audit Committee Report of this Annual Report 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT *(cont'd)*

Part II - Risk Management and Internal Control Framework

Effective Risk Management and Internal Control Framework

The Board oversees, reviews and monitors the operation, adequacy and effectiveness of the Group's system of internal controls. The Board defines the level of risk appetite, approves and oversees the operation of the Group's Risk Management Framework, and assesses its effectiveness and reviews any major/ significant risk facing the Group. The risk framework also includes pertinent risk management policies and guidelines to provide structured guidance to personnel across the Group in addressing risk management. The risk appetite of the Group is articulated via the use of risk parameters in the framework, covering financial and non-financial metrics, to assess the likelihood or risks occurring and the impact thereof should the risks crystallise.

The RMSC oversees the risk management and sustainability framework of the Group, reviews the risk assessment and management policies formulated by Management regularly together with the Internal Auditors and makes relevant recommendations to Management to update the Group Risk Profile. The RMSC also discusses with the Board on areas of high risk faced by the Group and the adequacy of compliance and control throughout the organisation and makes relevant recommendations to the Board to manage residual risks.

The Board has been integrating the risk issues into their decision-making process whilst maintaining the flexibility to lead the business of the Group through the ever-changing internal and external environments.

The RMC comprises the following three (3) members:

Name	Designation
Dato Sri Dr Chee Hong Leong (Chairman)	Independent Non-Executive Director
Liew Jee Min @ Chong Jee Min (Member) *(Appointed w.e.f. 1 March 2025)*	Senior Independent Non-Executive Director
Sham Weng Kong (Member)	Executive Director

The information on the Group's internal control is further elaborated in the Statement on Risk Management and Internal Control set out in this Annual Report.

Internal Audit Function

The Board has engaged a professional service provider to assume the Internal Audit Function of the Group. The Internal Auditors conduct regular audit reviews and assess the effectiveness and adequacy of the governance, risk management and internal controls in the Group. These reviews are reported to the AC directly by the Internal Auditors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

Part I - Communication with Stakeholders

Effective and Transparent and Regular Communication with Stakeholders

The Board acknowledges the importance of being accountable to the shareholders and the investors via a direct and effective line of communication. As such, the Group always ensures the timely release of quarterly financial results, audited financial statements, corporate developments and announcements of the Group via the BURSA LINK, the Company's annual reports and other circulars to shareholders and where appropriate, ad hoc press statements which serve as the principal channel in keeping the shareholders and the investing public informed of the Group's major developments and overviews of financial performance and progress throughout the year.

The communication channels used in the Company's engagement with stakeholders includes:

(a) Various disclosures and announcements to Bursa Securities including quarterly financial results.
(b) Press releases and announcements to Bursa Securities and media.
(c) The Company's Annual Report.
(d) Dialogues and presentations at general meetings to provide overview and clear rationale in relation to the proposals tabled for approval by shareholders.

The Board ensure that communications to the public regarding the Group are timely, factual, accurate and complete. The Company strives to provide a high level of transparency reporting in order to provide value for users.

Part II - Conduct of General Meetings

Conduct of General Meetings

The Company's General meetings serve as principal forums for shareholders to engage directly with the directors and senior management. It also provides the opportunity for shareholders to raise questions pertaining to issues related to the Annual Report, Audited Financial Statements, corporate developments, resolutions being proposed and the business of the Group. Shareholders are encouraged to attend AGM and participate in the question-and-answer sessions on the resolutions being proposed or on the Group's operations in general. Shareholders who are unable to attend the meetings are allowed to appoint proxies to attend and vote on their behalf in accordance with the Company's Constitution.

In 2025, the Company served notice of its Thirteenth (13th) AGM held on 22 May 2025 of at least 28 days before the meeting, which is in accordance with the recommendation of the Malaysian Code on Corporate Governance. The Shareholders were provided with sufficient time to scrutinise the Annual Report 2025 and to make necessary arrangements to attend the meeting. The Company also distributed together with the Notice of AGM, information on administrative details such as details of the meeting, shareholders' entitlement to attend the meeting, their right to appoint proxy and information as who may act as a proxy, etc.

All Board members attended the 13th AGM and the Chairmen of the respective Board Committees with Management attended to questions raised pertaining to their duties. The External Auditors also attended the 13th AGM and had provide information to the Management clarifications particularly relating to the financial statements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS *(cont'd)*

Part II - Conduct of General Meetings *(cont'd)*

Conduct of General Meetings *(cont'd)*

Pursuant to the Paragraph 8.29A(1) of the Listing Requirements, the Company is required to ensure that any resolutions set out in the notice of general meetings are voted by poll. At the AGM of the Company held on 22 May 2025, all resolutions were decided by a poll and the votes received in respect of each resolution were notified to Bursa Securities on the same date as the meeting was held. The poll voting was conducted via electronic means and the results of the voting were instantly displayed on the screen. The Company has appointed an independent external scrutineer to validate all the votes at the said general meeting.

Minutes of General Meeting

Minutes of the General Meeting were posted on the Company's website within 30 business days from the date of the General Meeting.

COMPLIANCE STATEMENT

The Board will continue to strive for sound standards of corporate governance throughout the Group. Presently, the Board is of the view that the Company has in all material aspects satisfactorily complied with the principles and practices set out in the MCCG, except for the departures set out in the CG Report.

The Corporate Governance Overview Statement was approved by Board of Directors on 22 April 2026.

AUDIT COMMITTEE REPORT

The Board of Directors of Hextar Industries Berhad ("HIB") is pleased to present the Audit Committee Report for financial year ended 31 December 2025 ("FY2025").

COMPOSITION AND ATTENDANCE

The composition of the Audit Committee ("AC") of HIB is presented in the table below. During the FY2025, the AC held six (6) meetings. The details of attendance of the AC members are set out below:

Name	Membership/Designation	Meeting Attendance
Oon Seow Ling	Chairperson / Independent Non-Executive Director	6/6
Shahjanaz Binti Datuk Kamaruddin	Member / Independent Non-Executive Director	6/6
Liew Jee Min @ Chong Jee Min *(Appointed w.e.f. 1 March 2025)*	Member / Senior Independent Non-Executive Director	5/5
Dato Sri Dr Chee Hong Leong *(Resigned w.e.f. 1 March 2025)*	Member / Independent Non-Executive Chairman	1/1

The composition of the AC is in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") which prescribes that the AC must consist of at least three (3) members with the Chairperson and a majority of the members being Independent Non-Executive Directors.

The AC comprises qualified individuals having required skills and expertise to discharge the AC's functions and duties. The AC's literacy and understanding of financial reporting standards and information have contributed to meaningful discussions in overseeing the integrity of the financial reporting processes and financial statements. The AC Chairperson is a member of the Malaysian Institute of Accountants which complies with Paragraph 15.09 (1)(c)(i) of the MMLR of Bursa Securities.

The AC meetings were conducted in accordance with the requisite quorum as stipulated in the Terms of Reference ("TOR") of the AC, which requires at least two (2) members, with the majority of members present must be Independent Non-Executive Directors. The authorised officers and representative of the external auditors may attend meetings at the invitation of the AC. Other Board members and the representatives of the external auditors shall also have the right of attendance upon the invitation of the AC, as and when necessary, to brief the AC on specific issues.

The External Auditors were invited to brief the AC on audit related matters during the financial year and provided a high-level review of the financial position of the Group. Time was also allocated for the External Auditors to have private discussions with the AC in the absence of the Management.

During FY2025, the External Auditors were invited to attend three (3) out of six (6) AC meetings held to deliberate on the audit plan, audit findings, internal control matters and financial reporting issues. One private session was held with the External Auditors without the presence of the Management.

The Internal Auditors were invited to attend four (4) out of six (6) AC meetings held. The respective internal audit reports were presented together with their recommendations to the actions and steps taken by the Management in response to the audit findings

Annually, the term of office and performance of the AC and each of its members are being assessed by the Nomination and Remuneration Committee. During FY2025, the Board was satisfied that the AC has discharged its function, duties and responsibilities in accordance with TOR of the AC, supporting the Board in ensuring the Group upholds appropriate Corporate Governance standards, practices and guidance.

AUDIT COMMITTEE REPORT
cont'd

COMPOSITION AND ATTENDANCE *(cont'd)*

The Company Secretaries act as the Secretary of the AC. The AC members are provided with the agenda and relevant committee papers before each meeting. Minutes of the AC meetings will be distributed to the Board for notation and the Chairperson of the AC shall report key issues discussed in the AC meetings to the Board.

TERMS OF REFERENCE

The information on the terms of reference of the AC which laid down its duties and responsibilities is available on the Company's website at www.hextarindustries.com.

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR 2025

During FY2025, the activities carried out by the AC in discharging its functions and duties included the deliberation and review of the following:-

i. The Group's quarterly and year-end financial results prior to submission to the Board for consideration and approval and release of the Group's quarterly and year-end financial results to Bursa Securities, focusing particularly on matters relating to changes in major accounting policies, significant and unusual events, compliance with accounting standards and other disclosure requirements;

ii. The audit planning memorandum of the External Auditors in a meeting to discuss their audit strategy, audit focus and resources prior to commencement of their annual audit;

iii. Evaluated the performance of the External Auditors for the FY2025 covering areas such as calibre, quality processes, audit team, audit cope, audit communication, audit governance and independence as well as the audit fees of the External Auditors and considered and recommended the re-appointment of the External Auditors;

iv. The audit matters through private discussions with the External Auditors, without the presence of Management, including audit findings, key issues and Management's responses;

v. The Audit Committee Report, Statement of Corporate Governance, Statement on Risk Management and Internal Control, together with the respective recommendations to the Board, for inclusion in the Annual Report;

vi. The adequacy of the scope and functions of the Internal Audit plan;

vii. The audit reports presented by the Internal Auditors on major findings, recommendations and Management's responses thereto;

viii. The results of follow-up audits conducted by the Internal Auditors on the Management's implementation of audit recommendations;

ix. The effectiveness of the Group's system of internal controls;

x. Evaluated the performance of the Internal Auditors for FY2025, covering, among others, their independence, adequacy of scope, audit methodology, audit coverage, resources and competency of the audit team, audit fees for the internal auditor as well as the quality of reporting and communication, and considered and recommended the re-appointment of the Internal Auditors;

xi. The proposed final audit fees for the External Auditors and Internal Auditors in respect of their audit of the Company and the Group;

AUDIT COMMITTEE REPORT
cont'd

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR 2025 *(cont'd)*

During FY2025, the activities carried out by the AC in discharging its functions and duties included the deliberation and review of the following:- *(cont'd)*

xii. Related party transactions as required under the MMLR to ascertain that the transactions are conducted at arm's length prior to submission for the Board's consideration and, where appropriate, shareholders' approval;

xiii. Conflict of Interest situation or any potential conflict of interest arise, persist or may arise with the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity, and in relation thereto, the measure taken to resolve;

xiv. The Circular to Shareholder in relation to the proposed new and renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature and the Proposed Renewal of Share Buy-Back Authority, together with the respective recommendations to the Board;

xv. The Company's compliance, in particular, the quarterly and year-end financial statements, with the MMLR, applicable approved accounting standards of the Malaysian Accounting Standards Board and other relevant legal and statutory requirements.

CONFLICT OF INTEREST

Pursuant to Paragraph 15.12 of the MMLR, the AC is responsible for reviewing the conflict of interest situation that arose, persist or may arise within the Group, including any transaction, procedure or course of conduct that raises questions of management integrity, and the measures taken to resolve, eliminate or mitigate such conflict.

During FY2025, the AC had reviewed the Group's conflict of interest or potential conflict of interest on quarterly basis and they noted that there were no any conflict of interest or potential conflict of interest that arose, persist or may arise including any transaction, procedure or course of conduct that raises question of management integrity within the Group.

INTERNAL AUDIT FUNCTIONS AND ACTIVITIES

The Group's internal audit function which reports directly to the AC, is outsourced to a professional services firm namely ECO Asia Governance Advisory Sdn. Bhd., headed by Ms Janeeta Salim, Associate Member of the Institute of Internal Auditor (IIA) and an honours degree holder in Accountancy. She has vast experience and exposure in the Internal Audit field. The team consisting of one (1) Manager, one (1) Assistant Manager and seven (7) Executives supported the implementation of assignments during the financial year ended 31 December 2025.

In addition, the Group has engaged Baker Tilly Monterio Heng Governance Sdn. Bhd. to review the sustainability reporting process. The engagement was led by Ms Heng Cheng Zin, Partner, who holds a Bachelor's Degree in Commerce from the University of Western Australia. She is a Certified Practicing Accountant Australia, is a Chartered Accountant with the Malaysian Institute of Accountants, a Chartered Member with the Institute of Internal Auditors Malaysia, and a Member of the ESG Association Malaysia. She was assisted by three (3) professional staff in the Internal Audit Function during the financial year ended 31 December 2025.

INTERNAL AUDIT FUNCTIONS AND ACTIVITIES *(cont'd)*

The Internal Audit firms appointed by the Company are independent of activities related to business operations and performs its duties in accordance with standards set by relevant professional bodies. The Internal Auditors provide the AC with an independent assessment on the adequacy and effectiveness of the Group's risk management and system of internal control.

Internal Auditors assist the AC in reviewing the effectiveness of the internal control systems whilst ensuring that there is an appropriate balance of controls and risks throughout the Group in achieving its business objectives. With the internal audit function being put in place, remedial actions can be taken in relation to weaknesses identified and noted in the systems and controls of the respective operating units. The setting up of the internal audit function is geared towards increasing efficiency and better management of resources in all aspects of the Group's operations.

The costs incurred for the internal audit function in respect of the financial year ended 31 December 2025 was approximately RM77,500.00.

The functions of the outsourced Internal Auditors are to:

(i) Perform audit work in accordance with the pre-approved internal audit plan, which covers reviews of the internal control system, risk management and follow up audits to address observations reported in preceding internal audit visits;

(ii) Carry out reviews on the systems of internal control of the Group;

(iii) Review and comment on the effectiveness and adequacy of the existing internal control policies and procedures; and

(iv) Provide recommendations, if any, for the improvement of the internal control policies and procedures.

During the financial year ended 31 December 2025, the following were the activities carried out by the Internal Auditors in discharging its responsibilities on the audit planned for the year:

i. Internal Audit Review on Sustainability Reporting Process of Hextar Industries Berhad;
ii. Safety and Health ("ESG") Review of PK Fertilizers Sdn Bhd;
iii. Human Resource and Payroll Management Review of Hextar Fert Sdn Bhd;
iv. Finance General Control Review of Hextar Industries Berhad.

The AC and Board are satisfied with the performance of the outsourced Internal Auditors and have in the interest of greater independence and continuity in the internal audit function, taken the decision to continue with the outsourcing of the Internal Audit function.

For further details on the risk management and internal control, please refer to the Statement on Risk Management and Internal Control set out in this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors of Hextar Industries Berhad ("HIB") is pleased to provide the following Statement on Risk Management and Internal Control pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines").

BOARD'S RESPONSIBILITIES

The Board recognises the importance of good risk management practices and sound internal controls as a platform to good corporate governance. The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal control, and for reviewing its adequacy and integrity. In addition, the Board has also received assurance from the Group Managing Director that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects.

Due to inherent limitations in any risk management and internal control system, such system put into effect by management is designed to manage rather than eliminate risks that may impede the achievement of the Group's business objectives. Therefore, the risk management and internal control system can only provide reasonable and not absolute assurance against material misstatements or errors.

The Board through its Risk Management and Sustainability Committee ("RMSC") has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Group and this process includes enhancing the risk management and internal control system as and when there are changes to the business environment and regulatory requirements. The process is reviewed by the Board on a periodic basis.

Management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced by the Group, and in the design and operation of suitable internal controls to mitigate these risks identified.

The Board is of the view that the risk management and internal control system is in place for the period under review and up to the date of issuance of the annual report is adequate and effective to safeguard the shareholders' investment, the interests of customers, regulators, employees and the Group's assets.

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Key elements that have been established in the Group's risk management and internal control system are described below:

1. Risk Management System

Risk management is firmly embedded in the Group's management system as the Board firmly believes that risk management is critical for the Group's sustainability and the enhancement of shareholder value.

The RMSC with the assistance of the Group's management has facilitated the Board in implementing the process for identifying, evaluating, communicating, monitoring and continuous reviewing of risk encountered by the Group and the effectiveness of action plans developed for risk reduction purpose. The process is designed to adapt to the changes in regulatory requirement, business and external environment.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
cont'd

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM *(cont'd)*

1. Risk Management System *(cont'd)*

Key risks for respective business divisions are identified and proper control measures are in placed to minimise the impact of the risks to the Group. Risk register is maintained in assessing the level of risks identified and the appropriate strategies and actions are created to mitigate the risks identified to an acceptable low level. The risk register is updated from time to time in responsive to prevailing business operation.

The Group continues to be exposed to a range of risks, which are actively monitored and managed as part of its risk management framework. Financial risks include long overdue debts and foreign currency fluctuations. Operational risks cover slow-moving inventories, a decline in equipment rental demand and the integration of newly acquired businesses. Risks arising from improper utilisation of IT infrastructure and cybersecurity threats are also monitored. Compliance risks include the expansion of Sales and Service Tax ("SST"), implementation of e-Invoicing and Environmental, Social and Governance ("ESG") obligations. External risks include natural disasters, such as floods, which may result in damage to inventory, equipment and other assets, potentially affecting business continuity.

Compliance risk on SST expansion is a key area of focus following the government's announcement that the expanded SST regime will take effect on 1 July 2025. The ambiguous nature of the regulations exposes all business units to potential misinterpretation of tax classifications, which could result in undercharging or overcharging customers. Non-compliance may lead to substantial financial penalties or legal action. To mitigate this, the Group is working closely with tax agents and customs officers to obtain clear and verified guidance on the application of SST rules and exemption qualifications. Relevant personnel are also attending SST training sessions to ensure they remain up-to-date with new requirements and maintain full compliance with the revised tax framework.

The decline in the equipment rental business, driven by shifts in market demand, increased competition, and evolving customer behaviour, may affect sales and profitability over time, and consequently, overall business performance. In response, the Group is realigning operational resources by adjusting workforce levels and operational scale to match current demand, while reviewing target markets and customer needs to identify new opportunities and strengthen future performance.

2. Internal Control System

i) A well-defined organisational structure with clear lines of accountability and responsibilities provide a sound framework within the organisation in facilitating check and balance for proper decision making at the appropriate authority levels of management including matters that require the Board's approval.

ii) A documented delegation of authority that sets out decisions that need to be taken and the appropriate levels of management involved including matters that require the Board's approval.

iii) The Board of Directors and Audit Committee meet at least once on a quarterly basis to review and deliberate on financial reports, annual financial statements and internal audit reports. Discussions with management were held to deliberate on the actions that are required to be taken to address internal control issues identified.

iv) Internal policies and procedures had been established for key business units within the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM *(cont'd)*

2. Internal Control System *(cont'd)*

v) The Internal Audit function reports directly to the Audit Committee. Findings are communicated to Management and the Audit Committee with recommendations for improvements and follow-up to confirm all agreed recommendations are implemented. The Internal Audit plan is reviewed and approved by the Audit Committee;

vi) Scheduled operational and management meetings are held internally from time to time to discuss and review the business plans, budgets, financial and operational performances of the Group. The quarterly financial statements are presented to the Audit Committee and Board for their review and approval. The Board also plays an active role in discussing and reviewing the business plans, strategies, performance and risks faced by the Group; and

vii) Provision of training and development to enhance the competitiveness and capability of our staff members.

3. Internal Audit Function

The Group's internal audit function continues to be outsourced to an independent professional firm to assist the Board and Audit Committee in providing an independent assessment of the adequacy, efficiency, and effectiveness of the Group's internal control system.

During the financial year ended 31 December 2025, the Group's internal audit function was carried out in accordance with the approved internal audit plan.

The first review focused on the Safety and Health (ESG) Review for PK Fertilizers Sdn Bhd, assessing the adequacy and effectiveness of safety- and health-related policies, procedures, and guidelines. The review also evaluated the provision of safety equipment and training for employees and the effectiveness of current safety programs based on incident trends. In addition, the review assessed the integration of safety and health objectives into broader ESG strategies and evaluated compliance with applicable safety regulations, standards, and industry best practices.

The second review involved the Human Resource and Payroll Management Review for Hextar Fert Sdn Bhd, focusing on the adequacy of human resource–related Standard Operating Procedures ("SOPs") and compliance with these processes. The review also assessed internal controls over HR operations, the accuracy and timeliness of payroll computations, statutory payments, and the correctness of payroll entries recorded in the accounts. Opportunities for further improvement in HR and payroll management were also identified.

The third review comprised the Finance General Control Review for Hextar Industries Berhad, assessing the effectiveness and consistency of financial controls over transactions, reporting, and record keeping. The review evaluated compliance with internal policies, accounting standards, tax laws, and regulatory requirements. It also examined the adequacy of segregation of duties to mitigate risks of unauthorized access, fraud, or errors, and evaluated the reliability and security of financial systems, including general ledger, accounts payable and receivable, payroll, and cash management. In addition, the review confirmed that financial transactions were properly authorized and approved in accordance with established authority limits and responsibilities.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
cont'd

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM *(cont'd)*

3. Internal Audit Function *(cont'd)*

The fourth review, similar to the previous year, focused on the sustainability reporting process for Hextar Industries Berhad, ensuring the accuracy, completeness, and transparency of sustainability-related data and disclosures. The review assessed alignment with global reporting standards and evaluated the adequacy of internal controls supporting the Group's environmental, social, and governance (ESG) performance reporting.

Internal audit findings and recommended corrective actions were presented directly to the Audit Committee. Identified weaknesses were promptly communicated to management, and follow-up reviews were conducted to ensure timely implementation of corrective measures.

During FYE 2025, the Group reviewed and enhanced the relevant Standard Operating Policies and Procedures to address the issues highlighted in the internal audit reviews.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Listing Requirements of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the annual report of the Group for the financial period ended 31 December 2025 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and effectiveness of the Group's risk management and internal control system.

MANAGEMENT'S ASSURANCE

The Group Managing Director, representing the management, has given reasonable assurance to the Board that the Group's risk management and internal control systems are adequate and effective, in all material aspects, based on the risk management and internal controls adopted by the Group and similar assurance given by the respective heads of operations.

CONCLUSION

For the financial period under review, there were no significant internal control deficiencies or material weaknesses resulting in material losses or contingencies requiring disclosure in the Annual Report. The Board is of the view that the existing Group's system of risk management and internal control is adequate to safeguard shareholders' investments and the Group's assets. However, the Board is also cognisant of the fact that the Group's system of risk management and internal control practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the Group's system of internal control and risk management framework.

ADDITIONAL COMPLIANCE INFORMATION

1. AUDIT AND NON-AUDIT FEE PAID TO EXTERNAL AUDITORS

The audit fees and non-audit fees payable to the external auditors during the financial year ended 31 December 2025 ("FY2025") were as follows:

	Company (RM)	Group (RM)
Audit Services Rendered	140,000	627,000
Non-Audit Services Rendered	9,000	9,000
TOTAL	**149,000**	**636,000**

2. MATERIAL CONTRACT INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

On 23 December 2025, the Company and its wholly-owned subsidiary, Hextar Fertilizers Group Sdn. Bhd. ("HFGSB") had entered into the following 2 separate conditional share sale agreements with Hextar Global Berhad ("HGB"):-

(i) conditional share sale agreement between the Company and HGB in relation to the proposed disposal by the Company of the entire equity interest in PK Fert Sdn. Bhd. to HGB for a cash consideration of RM3.30 million, subject to adjustment as provided in the agreement; and

(ii) conditional share sale agreement between HFGSB and HGB in relation to the proposed disposal by HFGSB of the entire equity interests in Hextar Fert Sdn. Bhd. and PK Fertilizers Sdn. Bhd. to HGB for an aggregate cash consideration of RM116.70 million, subject to adjustment as provided in the agreement.

(collectively known as "Proposed Disposals")

The Company is seeking approval from the shareholders for the Proposed Disposals at the forthcoming Extraordinary General Meeting to be convened at a date to be advised later.

3. MATERIAL CONTRACTS RELATING TO LOANS

During FY2025, there were no material contracts relating to loans entered into by the Company and its subsidiaries involving Directors', chief executive's and/or major shareholders' interests.

ADDITIONAL COMPLIANCE INFORMATION
cont'd

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND TRADING NATURE ("RRPT")

The Recurrent Related Party Transactions of a Revenue or Trading Nature incurred during FY2025 are set out as below:-

Name of Related Parties	Nature of Transaction	Interested Directors, Major Shareholders and Persons Connected	Aggregate value made during the financial year ended 31 December 2025 (RM'000)
Teju Logistics Sdn. Bhd.	Hiring of lorry	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho	234
Rubberex (M) Sdn. Bhd.	Maintenance of forklift	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho	3
Rubberex Alliance Sdn. Bhd.	Maintenance of forklift	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho	5
Hextar Asset Management Sdn. Bhd.	Management fees Administration expenses Storage charges	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho HHSB	1,901
Chempro Technology (M) Sdn. Bhd.	Purchase	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho HHSB	574
CIBC Technology Sdn. Bhd.	Purchase	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho HHSB	15
Halex (M) Sdn. Bhd.	Purchase	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho HHSB	241
Hextar Chemicals Sdn. Bhd.	Purchase	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho HHSB	986
Hextar Oiltech Sdn. Bhd.	Purchase	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho HHSB	46

ADDITIONAL COMPLIANCE INFORMATION
cont'd

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND TRADING NATURE ("RRPT") *(cont'd)*

The Recurrent Related Party Transactions of a Revenue or Trading Nature incurred during FY2025 are set out as below:- *(cont'd)*

Name of Related Parties	Nature of Transaction	Interested Directors, Major Shareholders and Persons Connected	Aggregate value made during the financial year ended 31 December 2025 (RM'000)
Hextech Vision Sdn. Bhd.	Purchase	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho HHSB	4
Hextar Supplies Sdn. Bhd.	Purchase of industrial products	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho HHSB	388
Amalan Prestasi Sdn. Bhd.	Rental of factory and warehouse	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho HHSB	4,729
Pacific Trustee Berhad	Rental of factory and warehouse	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho	2,248
Teju Logistics Sdn. Bhd.	Rental of factory and warehouse	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho	1,701
Ong Tzu Chuen	Rental of office	Dato' Ong Choo Meng Dato' Ong Soon Ho	77
Opcom Trading Sdn. Bhd.	Rental of office	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho	3
Alliance Empire Sdn. Bhd.	Rental of retail shop	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho	5
Hexlube Sdn. Bhd.	Rental of warehouse	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho	77

ADDITIONAL COMPLIANCE INFORMATION
cont'd

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND TRADING NATURE ("RRPT") *(cont'd)*

The Recurrent Related Party Transactions of a Revenue or Trading Nature incurred during FY2025 are set out as below:- *(cont'd)*

Name of Related Parties	Nature of Transaction	Interested Directors, Major Shareholders and Persons Connected	Aggregate value made during the financial year ended 31 December 2025 (RM'000)
Hextar Capital Berhad	Rental of warehouse	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho	21
Best Noodle MV Sdn. Bhd.	Sales	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho	3
Binasat Digital Sdn. Bhd.	Sales	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho	538
Binasat Properties Sdn. Bhd.	Sales	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho	22
Fabulous Bites Sdn. Bhd.	Sales	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho	3
Flavora Sdn. Bhd.	Sales	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho	2
Flavour Crafters Hub Sdn. Bhd.	Sales	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho	1
Fresh Palate Sdn. Bhd.	Sales	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho	7
Halex (M) Sdn. Bhd.	Sales	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho HHSB	84
Halex Management Sdn. Bhd.	Sales	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho HHSB	4
Hextar Asset Management Sdn. Bhd.	Sales	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho HHSB	200

ADDITIONAL COMPLIANCE INFORMATION
cont'd

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND TRADING NATURE ("RRPT") *(cont'd)*

The Recurrent Related Party Transactions of a Revenue or Trading Nature incurred during FY2025 are set out as below:- *(cont'd)*

Name of Related Parties	Nature of Transaction	Interested Directors, Major Shareholders and Persons Connected	Aggregate value made during the financial year ended 31 December 2025 (RM'000)
Hextar Chemicals Sdn. Bhd.	Sales	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho HHSB	20
Hextar F&B Sdn. Bhd.	Sales	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho	16
Hextar Holdings Sdn. Bhd. Group of Companies	Sales	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho HHSB	158
Hextar KCS Sdn. Bhd.	Sales	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho HHSB	3
Hextar Oil & Gas Sdn. Bhd.	Sales	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho HHSB	86
Issen Hin Ramen (TRX) Sdn. Bhd.	Sales	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho	3
Nobel Synthetic Polymer Sdn. Bhd.	Sales	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho HHSB	126
PHG Wholesale & Retail Sdn. Bhd.	Sales	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho HHSB	1,690
Taste Perspectives Sdn. Bhd.	Sales	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho	6
Teju Logistics Sdn. Bhd.	Sales	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho	1,236

ADDITIONAL COMPLIANCE INFORMATION
cont'd

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND TRADING NATURE ("RRPT") *(cont'd)*

The Recurrent Related Party Transactions of a Revenue or Trading Nature incurred during FY2025 are set out as below:- *(cont'd)*

Name of Related Parties	Nature of Transaction	Interested Directors, Major Shareholders and Persons Connected	Aggregate value made during the financial year ended 31 December 2025 (RM'000)
Evergreen Agricultural Services Sdn. Bhd.	Storage charges	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho HHSB	2,224
Complete Logistic Specialists Sdn. Bhd.	Transportation charges	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho HHSB	405
Pengangkutan Sekata Sdn. Bhd.	Transportation charges	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho HHSB	1,010

Besides, the Company is seeking approval from the shareholders for the proposed new and renewal shareholders' mandate for the Company to enter into RRPT(s) of a revenue or trading nature pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad at the forthcoming 14th Annual General Meeting to be convened on Tuesday, 16 June 2026 at 10:00 a.m.. The details as enclosed in the circular dated 29 April 2026.

5. UTILISATION PROCEEDS FROM CORPORATE EXERCISE

The Company has on 29 August 2024, through SCH Everdrill Sdn. Bhd., the wholly-owned subsidiary of HIB, and PK Fertilizers Sdn. Bhd., an indirect wholly-owned subsidiary of HIB, respectively entered into two conditional Sales & Purchase Agreements with Pacific Trustees, being the trustee of KIP REIT for the disposals of the Cheras Property and Pasir Gudang Property to Pacific Trustee. The disposal has raised total gross proceeds of RM45.90 million ("Disposal Consideration").

The status of the utilisation of proceeds derived from the Disposal Consideration are as follows:-

Details of utilisation	Estimated timeframe for utilisation	Actual proceeds raised (RM'000)	Actual utilisation as at 31 March 2026 (RM'000)	Balance Utilisation (RM'000)
Working capital	Within 24 months	45,200	21,900	23,300
Estimated expenses for the Proposals	Upon completion	700	700	-
TOTAL		**45,900**	**22,600**	**23,300**

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'000**	**RM'000**
Revenue	985,017	965,500
Other income	4,391	4,099
Interest/Finance income	1,525	1,775
Total	**990,933**	**971,374**
Total Assets	**931,952**	**811,275**

(b) Business Activities

	Group	
	2025	2024
Shariah Non-Compliant Activities	**RM'000**	**RM'000**
Food and beverages without halal certification from JAKIM or any certification bodies reconized by JAKIM	21,510	-
Interest income	947	1,070
Total	**22,457**	**1,070**

(c) Component of Financial Position

(i) Cash Component

	2025	2024
Islamic Account/Instruments	**RM'000**	**RM'000**
Cash at bank	25,168	49,573
Deposits with licensed bank	199	195
Asset classified as held for sale: Cash and cash equivalents	12,295	-
Total Cash	**37,662**	**49,768**
Conventional Account/Instruments		
Cash at bank	78,938	82,022
Deposits with licensed bank	39	285
Asset classified as held for sale: Cash and cash equivalents	18,940	-
Total Cash	**97,917**	**82,307**

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

cont'd

(ii) Debt Component

Islamic Financing	Group 2025 RM'000	Group 2024 RM'000
Current		
Hire purchase payables	185	175
Bank borrowings	91,076	79,404
Liabilities classified as held for sale: Loans and borrowings	24,662	-
Non-Current		
Hire purchase payables	112	297
Bank borrowings	16,544	11,758
Total Financing	**132,579**	**91,634**

Conventional Borrowing	Group 2025 RM'000	Group 2024 RM'000
Current		
Hire purchase payables	376	788
Bank borrowings	13,822	110,424
Liabilities classified as held for sale: Loans and borrowings	137,945	-
Non-Current		
Hire purchase payables	405	1,165
Bank borrowings	7,719	21,375
Total Debt	**160,267**	**133,752**

DIRECTORS' RESPONSIBILITY STATEMENT ON FINANCIAL STATEMENTS

In accordance to the Companies Act 2016, the Directors are obliged to prepare the financial statements for each financial year in accordance with the applicable Malaysian Financial Reporting Standards ("MFRSs"), the International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

The primary aim of the Directors is to present a balanced and understandable assessment of the Group's position and prospects through its annual financial statements and quarterly financial results to its shareholders. In presenting the financial statements, the Group has used appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates.

The quarterly financial results were reviewed by the Audit Committee and approved by the Board of Directors before their release to Bursa Malaysia Securities Berhad.

The Directors of the Company are required to ensure that the financial statements for each financial year are properly drawn up in accordance with the provisions of the Companies Act, 2016 and applicable approved accounting standards in Malaysia as well as the Main Market Listing Requirements of Bursa Malaysia Securities Berhad so as to give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year and of the results and cash flows of the Group and the Company for that period.

The Directors are responsible for ensuring that the Group and the Company keep proper accounting records and other records which are closed with reasonable accuracy at any time the financial position of the Group and the Company.

The Directors are satisfied that in preparing the financial statements of the Group for the financial year ended 31 December 2025, the Group had used appropriate accounting policies and applied them consistently, prudently and reasonably. The Directors also ensure that all applicable approved accounting standards are adhered to in the preparation of the financial statements.

In addition, the Directors are responsible for taking reasonable steps to safeguard the assets of the Company and the Group, to detect and prevent fraud and other irregularities.

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DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding. The principal activities of the subsidiary companies are disclosed in Note 6 to the financial statements.

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

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Net profit/(loss) for the financial year	11,408	(151,462)
Attributable to:		
owners of the Company	10,643	(151,462)
non-controlling interests	765	-
	11,408	(151,462)

RESERVES AND PROVISIONS

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

DIVIDENDS

Since the end of the previous financial year, the Company declared a first interim single-tier dividend of RM0.01 per ordinary share totalling RM27,473,416 in respect of the financial year ended 31 December 2025 on 22 May 2025. The dividend was subsequently paid on 18 June 2025.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 December 2025.

ISSUE OF SHARES AND DEBENTURES

There was no issuance of shares and debentures during the financial year.

TREASURY SHARES

As at 31 December 2025, the Company held 76,296,100 of its 2,747,341,623 total issued ordinary shares as treasury shares at a carrying amount of RM26,995,342. The details of the treasury shares are disclosed in Note 20 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS

The Directors who held in the office during the financial year until the date of this report are:

Ang Sui Aik *	
Dato Sri Dr. Chee Hong Leong	
Ong Tzu Chuen	
Sham Weng Kong *	
Oon Seow Ling	
Shahjanaz binti Datuk Kamaruddin	
Liew Jee Min @ Chong Jee Min	(Appointed on 1 March 2025)
Dato' Chan Choun Sien	(Resigned on 4 February 2025)

* Director of the Company and certain subsidiaries

DIRECTORS OF SUBSIDIARIES

The following is a list of Directors of the subsidiaries (other than those named above) in office during the financial year until the date of this report:

Leong Hin Kieat	
Teh Li King	
Ong Soon Hooi	
Ooi Youk Lan	
Wong Kin Seng	
Chew Fei Fei	(Appointed on 7 July 2025)
Ke Tung Chen	
Lim Chee Lip	
Chew Siau Fong	(Resigned on 7 July 2025)

DIRECTORS' REPORT
cont'd

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholding required to be kept under Section 59 of the Companies Act, 2016 ("the Act"), the interests and deemed interests of Directors in office at the end of the financial year in the shares of the Company and its related corporations (other than wholly-owned subsidiaries) during the financial year are as follows:

	Number of ordinary shares in the Company			
	At 1.1.2025	Acquired	Disposed	At 31.12.2025
Direct interest				
Ang Sui Aik	100,000	-	-	100,000
Sham Weng Kong	1,800,000	200,000	-	2,000,000

By virtue of their interests in the shares of the Company, the above Directors are also deemed interested in the shares of all the subsidiary companies during the financial year to the extent that the Company has interest.

Other than as disclosed above, no other Directors in office at the end of the financial year held any interest in the shares of the Company.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors, or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company or a related corporations 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 other than certain Directors who have substantial financial interests in companies which traded with the Company in the ordinary course of business as disclosed in Note 37(c) to the financial statements.

Neither during nor at the end of the financial year was the Company a party to any arrangement whose object was 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

Directors' remuneration paid to or receivable by Directors from the Company and subsidiaries of the Company in respect of the financial year is as follows:

	Group RM'000	Company RM'000
Director fees	248	248
Director remuneration	2,859	10
Other remuneration and benefits	334	25
	3,441	283

The estimated monetary value of Director's benefit-in-kind is RM34,600.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

During the financial year, the total amount of indemnity insurance coverage and insurance premium paid for the directors and officers of the Company and its subsidiaries were RM10,000,000 and RM17,500 respectively.

To the extent permitted by the Act, the Company has agreed to indemnify its auditors as part of the terms of their engagement against claims by third parties arising from the audit. No payment has been made to indemnify the auditors during or since the financial year end.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to be realised in the accounting records in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

(i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading;

(iii) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading; and

(iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(c) At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person other than those disclosed in the financial statements; or

(ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year other than those disclosed in the financial statements.

DIRECTORS' REPORT
cont'd

OTHER STATUTORY INFORMATION *(cont'd)*

(d) In the opinion of the Directors:

(i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;

(ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature;

(iii) 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 to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

HOLDING COMPANY

The Directors regard Hextar Holdings Sdn. Bhd., a company incorporated and domiciled in Malaysia as the holding company.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

SIGNIFICANT EVENTS

The details of the significant events during and subsequent to the financial year are disclosed in Note 43 to the financial statements.

AUDITORS

The auditors, ECOVIS MALAYSIA PLT, have expressed their willingness to continue in office.

The auditors' remuneration for the financial year is RM636,000 and RM149,000 for the Group and the Company respectively.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors on 22 April 2026,

Ang Sui Aik
Director

Sham Weng Kong
Director

Kuala Lumpur

STATEMENT BY DIRECTORS

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

We, **Ang Sui Aik** and **Sham Weng Kong**, being two of the Directors of **Hextar Industries Berhad**, state that, in the opinion of the Directors, the accompanying financial statements set out on pages 139 to 233 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors on 22 April 2026,

Ang Sui Aik
Director

Sham Weng Kong
Director

Kuala Lumpur

STATUTORY DECLARATION

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

I, **Lee Kok Ping**, being the officer primarily responsible for the financial management of **Hextar Industries Berhad**, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 139 to 233 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
abovenamed at Kuala Lumpur in the Federal)
Territory on 22 April 2026)

Lee Kok Ping (44986)

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HEXTAR INDUSTRIES BERHAD
(Registration No. 201101044580 (972700-P))(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **Hextar Industries Berhad** ("the Company") and its subsidiaries ("the Group"), which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit and loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 139 to 233.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting 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 ("ISAs"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our auditors report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HEXTAR INDUSTRIES BERHAD
(Registration No. 201101044580 (972700-P))(Incorporated in Malaysia)
cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *(cont'd)*

Key Audit Matters *(cont'd)*

Key audit matters	*How our audit addressed the key audit matters*

Group

Lease accounting for leased premises

Refer to Notes 4, 5, and 23 to the financial statements.

As at 31 December 2025, the Group recognised property, plant and equipment of RM208.81 million, which included right-of-use assets relating to leased premises, and lease liabilities of RM98.78 million, comprising current lease liabilities of RM10.50 million and non-current lease liabilities of RM88.28 million.

We considered this to be a key audit matter because the accounting for the Group's leased premises involved significant management judgement, particularly in determining the lease terms, including whether renewal and termination options were reasonably certain to be exercised, and in estimating the incremental borrowing rates used in measuring the related lease liabilities and right-of-use assets.

Changes in these assumptions could have a material effect on the amounts recognised for the related right-of-use assets and lease liabilities.

Our audit procedures included, among others, the following:

- obtained an understanding of management's process for identifying leases and determining the related accounting treatment;
- reviewed, on a sample basis, the underlying tenancy agreements and assessed the reasonableness of management's determination of lease terms, including the consideration of renewal and termination options;
- evaluated the reasonableness of the incremental borrowing rates applied by management in measuring the lease liabilities and corresponding right-of-use assets;
- tested, on a sample basis, the mathematical accuracy of the lease computations; and
- assessed the adequacy of the related disclosures in the financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HEXTAR INDUSTRIES BERHAD
(Registration No. 201101044580 (972700-P))(Incorporated in Malaysia)
cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *(cont'd)*

Key Audit Matters *(cont'd)*

Key audit matters	*How our audit addressed the key audit matters*

Group *(cont'd)*

Classification and measurement of Disposal Group held for sale

Refer to Notes 4, 18 and 43 to the financial statements

During the financial year, the Group entered into conditional share sale agreements to dispose of certain subsidiaries comprising the Disposal Group, which has been classified as held for sale as at 31 December 2025.

The classification of the Disposal Group as held for sale involved significant judgement by the Directors in assessing whether the criteria under MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* had been met as at the reporting date. In particular, significant judgement was required in determining whether the proposed disposal was highly probable, given that completion remained subject to the fulfilment of certain conditions precedent, including shareholders' approval and other customary approvals.

Judgement was also involved in measuring the Disposal Group at the lower of carrying amount and fair value less costs to sell, based on the agreed disposal consideration and estimated transaction costs.

Given the significance of the transaction and the level of judgement involved, this area was considered to be a key audit matter.

Our audit procedures included, among others, the following:

- reviewed the conditional share sale agreements to understand the key terms, conditions precedent and agreed disposal consideration;
- evaluated the Directors' assessment that the proposed disposal was highly probable, including consideration of the stage of the transaction, the progress of the approval process, the targeted completion timeline, and whether any matters had come to our attention indicating that the proposed disposal might not proceed as contemplated;
- assessed whether the Disposal Group was available for immediate sale in its present condition, subject only to conditions that are usual and customary for such transactions, and whether completion was expected within twelve months from the reporting date;
- reviewed relevant correspondence and supporting documentation relating to the proposed disposal, including the submission of the circular to Bursa Malaysia Securities Berhad and management's planned timeline for completion of the corporate exercise;
- evaluated the basis used by management in determining the fair value less costs to sell of the Disposal Group, including the agreed disposal consideration and estimated transaction costs; and
- evaluated the adequacy of the related disclosures in the financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HEXTAR INDUSTRIES BERHAD
(Registration No. 201101044580 (972700-P))(Incorporated in Malaysia)
cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *(cont'd)*

Key Audit Matters *(cont'd)*

Key audit matters	*How our audit addressed the key audit matters*

Company

Impairment assessment of investment in subsidiary companies

Refer to Notes 4 and 6 to the financial statements.

As at 31 December 2025, the Company's investment in subsidiary companies amounted to RM441.7 million, representing 90.77% of the Company's total assets.

We considered the impairment assessment of investment in subsidiary companies an area of audit focus due to the significance of the balance and the level of judgement involved in estimating the recoverable amounts of these investments. The determination of recoverable amounts requires management to make significant estimates and assumptions, particularly in relation to the subsidiaries' future financial performance, including projected cash flows, growth rates and discount rates. These assumptions are inherently subjective and could have a material impact on the recoverable amounts determined.

Our audit procedures included, among others, the following:

- obtained an understanding of the methodology applied by management in estimating the recoverable amounts of the investment in subsidiary companies;
- discussed with management the key assumptions used in the cash flow projections supporting the impairment assessment;
- assessed and discussed with management on the reasonableness of the key assumptions adopted, including the discount rates and growth rates;
- performed sensitivity analyses on the key assumptions to evaluate the impact of reasonably possible changes on the recoverable amounts;
- engaged our valuation specialist to re-compute the discount rate and compared with the discount rate applied by management in the cash flow forecasts; and
- assessed the adequacy of the related disclosures in the financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HEXTAR INDUSTRIES BERHAD
(Registration No. 201101044580 (972700-P))(Incorporated in Malaysia)
cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *(cont'd)*

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 of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the remaining parts of the annual report, which are expected to be made available to us after the date of auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and take appropriate action in accordance with approved standards on auditing in Malaysia and ISAs.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group and of 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

TO THE MEMBERS OF HEXTAR INDUSTRIES BERHAD
(Registration No. 201101044580 (972700-P))(Incorporated in Malaysia)
cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *(cont'd)*

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole that 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 ISAs 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 basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

(b) 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 and of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

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

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

(f) 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 group financial statements. 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HEXTAR INDUSTRIES BERHAD
(Registration No. 201101044580 (972700-P))(Incorporated in Malaysia)
cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *(cont'd)*

Auditors' Responsibilities for the Audit of the Financial Statements *(cont'd)*

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 safeguard 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 of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

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

ECOVIS MALAYSIA PLT
AF 001825
Chartered Accountants

YONG HUI NEE
03283/09/2026 J
Chartered Accountant

Kuala Lumpur
22 April 2026

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Non-current assets					
Property, plant and equipment	5	208,808	214,520	-	-
Investment in subsidiary companies	6	-	-	441,697	593,260
Intangible assets	7	10,232	10,566	-	-
Deferred tax assets	27	4,103	-	-	-
Trade receivables	8	1,444	532	-	-
		224,587	225,618	441,697	593,260
Current assets					
Inventories	9	92,622	192,881	-	-
Trade receivables	8	81,768	204,969	-	-
Other receivables	10	12,553	33,506	26,011	8
Contract assets	11	5,809	21,863	-	-
Amount due from subsidiary companies	12	-	-	2,000	67,730
Amount due from related companies	13	-	24	-	-
Amount due from related parties	14	750	11	-	-
Derivative assets	15	-	328	-	-
Tax recoverable		262	-	-	-
Other investment	16	-	-	-	-
Fixed deposits with financial institutions	17	238	480	-	-
Cash and bank balances		104,106	131,595	16,718	7,915
		298,108	585,657	44,729	75,653
Assets classified as held for sale	18	409,257	-	180	-
		707,365	585,657	44,909	75,653
Total assets		931,952	811,275	486,606	668,913

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025
cont'd

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Equity					
Share capital	19	671,443	671,443	671,443	671,443
Treasury shares	20	(26,995)	-	(26,995)	-
Merger deficit	21	(559,301)	(559,301)	-	-
Revaluation reserve	22	22,006	40,829	-	-
Retained earnings/ (Accumulated losses)		199,656	191,356	(191,989)	(13,054)
Total equity attributable to shareholders of the Company		306,809	344,327	452,459	658,389
Non-controlling interest	6(e)	2,858	2,783	-	-
Total equity		309,667	347,110	452,459	658,389
Non-current liabilities					
Lease liabilities	23	88,281	48,901	-	-
Hire purchase payables	24	517	1,462	-	-
Bank borrowings	25	24,263	33,133	-	-
Provision for restoration costs	26	1,243	49	-	-
Deferred tax liabilities	27	10,390	27,827	-	-
		124,694	111,372	-	-
Current liabilities					
Trade payables	28	47,458	103,822	-	-
Other payables	29	27,277	40,670	465	2,224
Contract liabilities	11	4,150	2,388	-	-
Amount due to subsidiary companies	12	-	-	8,300	8,300
Amount due to related companies	13	-	852	-	-
Amount due to related parties	14	520	-	-	-
Lease liabilities	23	10,497	6,462	-	-
Hire purchase payables	24	561	963	-	-
Bank borrowings	25	104,898	189,828	25,000	-
Tax payable		6,748	7,808	382	-
		202,109	352,793	34,147	10,524
Liabilities classified as held for sale	18	295,482	-	-	-
		497,591	352,793	34,147	10,524
Total liabilities		622,285	464,165	34,147	10,524
Total equity and liabilities		931,952	811,275	486,606	668,913

The notes to the financial statements form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Revenue	30	985,017	965,500	73,060	18,480
Cost of sales		(828,461)	(828,692)	-	-
Gross profit		156,556	136,808	73,060	18,480
Other income		5,916	5,874	1,736	344
Net impairment gain/(loss) on financial assets		235	(2,891)	-	-
Administrative expenses		(72,520)	(46,983)	(2,286)	(2,215)
Selling and distribution expenses		(49,541)	(37,611)	-	-
Other operating expenses		(5,680)	(132)	(222,473)	(28,842)
Profit/(Loss) from operations		34,966	55,065	(149,963)	(12,233)
Finance costs	31	(18,175)	(15,724)	(842)	(1,042)
Profit/(Loss) before tax	32	16,791	39,341	(150,805)	(13,275)
Taxation	34	(5,383)	(11,068)	(657)	(68)
Profit/(Loss) for the financial year		11,408	28,273	(151,462)	(13,343)
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
- Net impact on revaluation on property, plant and equipment		-	6,669	-	-
Total comprehensive income/(loss) for the financial year		11,408	34,942	(151,462)	(13,343)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025
cont'd

	Note	Group		Company	
		2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the financial year attributable to:					
Owners of the Company		10,643	27,518	(151,462)	(13,343)
Non-controlling interests		765	755	-	-
Profit/(Loss) for the financial year		11,408	28,273	(151,462)	(13,343)
Total comprehensive income/(loss) for the financial year attributable to:					
Owners of the Company		10,643	34,187	(151,462)	(13,343)
Non-controlling interests		765	755	-	-
Total comprehensive income/(loss) for the financial year		11,408	34,942	(151,462)	(13,343)
Earnings per share attributable to owners of the Company					
Basic (Sen)	36(a)	0.39	1.00		
Diluted (Sen)	36(b)	0.39	1.00		

The notes to the financial statements form an integral part of the financial statements.

		← Attributable to owners of the Company →							
		← Non-distributable →				Distributable			
	Note	Share capital	Treasury shares	Merger deficit	Revaluation reserve	Retained earnings	Total	Non-controlling interest	Total equity
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
		19	20	21	22			6(e)	
Group									
At 1 January 2025		671,443	-	(559,301)	40,829	191,356	344,327	2,783	347,110
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	-	10,643	10,643	765	11,408
Transfer of reserve:									
- Upon realisation		-	-	-	(893)	893	-	-	-
- Upon disposal		-	-	-	(17,930)	24,237	6,307	-	6,307
Transactions with owners:									
- Purchase of treasury shares		-	(26,995)	-	-	-	(26,995)	-	(26,995)
- Dividend paid to non-controlling interest		-	-	-	-	-	-	(690)	(690)
- Dividends	35	-	-	-	-	(27,473)	(27,473)	-	(27,473)
At 31 December 2025		671,443	(26,995)	(559,301)	22,006	199,656	306,809	2,858	309,667

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

cont'd

		← Attributable to owners of the Company →						
		← Non-distributable →			Distributable			
	Note	Share capital RM'000	Merger deficit RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
		19	20	21	22		6(e)	
Group								
At 1 January 2024		671,443	(559,301)	35,322	190,149	337,613	2,028	339,641
Profit for the financial year		-	-	-	27,518	27,518	755	28,273
Other comprehensive income for the financial year								
- net impact on revaluation of property, plant and equipment		-	-	6,669	-	6,669	-	6,669
Total comprehensive income for the financial year		-	-	6,669	27,518	34,187	755	34,942
Transfer of reserve:								
- Upon realisation		-	-	(985)	985	-	-	-
- Upon disposal		-	-	(177)	177	-	-	-
Transaction with owners:								
- Dividends	35	-	-	-	(27,473)	(27,473)	-	(27,473)
At 31 December 2024		671,443	(559,301)	40,829	191,356	344,327	2,783	347,110

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025
cont'd

		← Non-Distributable →		Distributable	
		Share capital	Treasury shares	Retained earning / (Accumulated losses)	Total equity
		RM'000	RM'000	RM'000	RM'000
	Note	19	20		
Company					
At 1 January 2024		671,443	-	27,762	699,205
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	(13,343)	(13,343)
Transaction with owners:					
- Dividends	35	-	-	(27,473)	(27,473)
At 31 December 2024/ 1 January 2025		671,443	-	(13,054)	658,389
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	(151,462)	(151,462)
Transactions with owners:					
- Purchase of treasury shares	20	-	(26,995)	-	(26,995)
- Dividends	35	-	-	(27,473)	(27,473)
At 31 December 2025		671,443	(26,995)	(191,989)	452,459

The notes to the financial statements form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Cash flow from operating activities					
Profit/(Loss) before tax		16,791	39,341	(150,805)	(13,275)
Adjustment for:					
Amortisation of intangible asset	7	273	48	-	-
Bad debts written off		129	17	-	-
Depreciation of property, plant and equipment	5	25,260	17,120	-	-
Deposits written off		48	6	-	-
Dividend income		-	-	(73,060)	(18,480)
Impairment loss on investment in subsidiary companies	6(b)	-	-	222,473	28,842
Impairment loss on other investment	16	-	3,144	-	-
Net impairment gain on trade receivables	8	(235)	(253)	-	-
Interest expenses	31	18,175	15,724	842	1,042
Inventories written down, net		475	459	-	-
Inventories written off		-	166	-	-
Property, plant and equipment written off	5	16	13	-	-
Loss/(Gain) on disposal of property, plant and equipment		2,856	(474)	-	-
Gain on lease cessation and remeasurement		(24)	(32)	-	-
Gain on struck off of subsidiaries		-	(69)	-	-
Unrealised loss/(gain) on foreign exchange, net		789	(542)	-	-
Finance income		(1,525)	(1,775)	(1,736)	(344)
Operating profit/(loss) before working capital changes		63,028	72,893	(2,286)	(2,215)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025
cont'd

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Cash flows from operating activities *(cont'd)*					
Change in working capital:					
Inventories		(69,219)	(6,376)	-	-
Trade receivables		29,085	(5,125)	-	-
Other receivables		4,386	(16,119)	(26,003)	1
Contract assets		16,054	(11,865)	-	-
Amount due from related companies		-	316	-	-
Amount due from related parties		-	(2)	-	-
Trade payables		(20,281)	39,305	-	-
Other payables		20,863	4,723	(1,759)	(1,457)
Contract liabilities		1,762	991	-	-
Amount due to related companies		(420)	820	-	-
Amount due to related parties		(219)	(23)	-	-
		(17,989)	6,645	(27,762)	(1,456)
Cash generated from/ (used in) operations		43,039	78,038	(30,048)	(3,671)
Interest received		1,333	1,126	1,736	344
Interest paid		(57)	(8,529)	(842)	(1,042)
Tax refunded		395	915	30	-
Tax paid		(9,399)	(14,898)	(305)	(38)
		(7,728)	(21,386)	619	(736)
Net cash generated from/ (used in) operating activities		37,311	58,152	(29,429)	(4,407)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025
cont'd

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Cash flow from investing activities					
Deferred consideration paid		(2,000)	(1,500)	-	-
Acquisition of shares in subsidiary companies		-	-	(18,310)	(25,720)
Acquisition of trademark		-	(2,240)	-	-
Repayment from/(Advances to) subsidiary companies		-	-	12,950	(11,780)
Dividend received		-	-	73,060	18,480
Proceeds from struck off of subsidiary companies		-	69	-	-
Purchase of property, plant and equipment	5(e)	(39,973)	(8,734)	-	-
Proceeds from disposal of property, plant and equipment		24,473	2,474	-	-
Uplift of other investment		-	9,473	-	-
Net cash (used in)/generated from investing activities		(17,500)	(458)	67,700	(19,020)
Cash flow from financing activities					
Dividend paid		(27,473)	(27,473)	(27,473)	(27,473)
Interest paid		(18,087)	(7,195)	-	-
Purchase of treasury shares		(26,995)	-	(26,995)	-
Dividend paid to NCI		(690)	-	-	-
Net advances from subsidiary companies		-	-	-	17,100
Net movement of bills payables		35,782	38,372	-	-
Net movement of revolving credit		29,500	(22,500)	25,000	(15,000)
Repayment of lease liablities		(10,522)	(4,672)	-	-
Repayment of hire purchase		(964)	(1,262)	-	-
Net movement of term loans		3,142	(7,699)	-	-
Placement in fixed deposits deposits pledged		(11)	-	-	-
Placement in restricted cash at bank		(1,284)	-	-	-
Net cash used in financing activities	(a)	(17,602)	(32,429)	(29,468)	(25,373)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025
cont'd

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Net increase/(decrease) in cash and cash equivalents		2,209	25,265	8,803	(48,800)
Cash and cash equivalents at beginning of the financial year		131,595	106,330	7,915	56,715
Cash and cash equivalents at end of the financial year		133,804	131,595	16,718	7,915
Cash and cash equivalents at the end of the financial year comprises:					
Current assets					
Fixed deposits with financial institutions		238	480	-	-
Cash and bank balances		104,106	131,595	16,718	7,915
		104,344	132,075	16,718	7,915
Disposal group classified as held for sale					
Fixed deposits with financial institutions		292	-	-	-
Cash and bank balances		30,943	-	-	-
		31,235	-	-	-
		135,579	132,075	16,718	7,915
Less: Restricted fixed deposits with financial institutions	17	(491)	(480)	-	-
Restricted cash at bank	25(v)	(1,284)	-	-	-
		133,804	131,595	16,718	7,915

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 cont'd

(a) Changes in liabilities arising from financing activities:

	At 1 January 2025	Acquisition of new lease	Net cash flow	Lease cessation and remeasurement	Reclassified as disposal group held for sale	At 31 December 2025
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
Lease liabilities	55,363	115,963	(10,522)	(12,242)	(49,784)	98,778
Hire purchase payables	2,425	-	(964)	-	(383)	1,078
Bills payable	177,419	-	35,782	-	(140,324)	72,877
Revolving credits	4,500	-	29,500	-	(8,000)	26,000
Term loans	41,042	-	3,142	-	(13,900)	30,284
	280,749	115,963	56,938	(12,242)	(212,391)	229,017

	At 1 January 2024	Acquisition of new lease	Unrealised foreign exchange impact	Net cash flow	Lease cessation and remeasurement	At 31 December 2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Lease liabilities	50,143	26,952	-	(4,672)	(17,060)	55,363
Hire purchase payables	3,550	137	-	(1,262)	-	2,425
Bills payable	139,081	-	(34)	38,372	-	177,419
Revolving credits	27,000	-	-	(22,500)	-	4,500
Term loans	48,741	-	-	(7,699)	-	41,042
	268,515	27,089	(34)	2,239	(17,060)	280,749

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025
cont'd

(a) Changes in liabilities arising from financing activities: *(cont'd)*

	At 1 January RM'000	Dividends RM'000	Net cash flow RM'000	At 31 December RM'000
Company				
2025				
Amount due to subsidiaries	8,300	-	-	8,300
Revolving credits	-	-	25,000	25,000
	8,300	-	25,000	33,300
2024				
Amount due to subsidiaries	-	(8,800)	17,100	8,300
Revolving credits	15,000	-	(15,000)	-
	15,000	(8,800)	2,100	8,300

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Securities Berhad.

The principal place of business of the Company is located at No.63 & 64, Jalan Bayu Laut 4/KS09, Kota Bayuemas, 41200 Klang, Selangor.

The registered office of the Company is located at B-21-1, Level 21, Tower B, Northpoint Midvalley City, No.1, Medan Syed Putra Utara, 59200 Kuala Lumpur.

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiary companies are disclosed in Note 6 to the financial statements.

There have been no significant changes in these activities during the financial year.

The Directors regard Hextar Holdings Sdn. Bhd., a company incorporated and domiciled in Malaysia as the holding company.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 22 April 2026.

2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the financial statements.

The financial statements are presented in Ringgit Malaysia ("RM") which is the Group's and the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM'000 except when otherwise stated.

2. BASIS OF PREPARATION *(cont'd)*

(a) Adoption of amendments to published standard during the current financial year

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amendments to published standard:

MFRS (Including the Consequential Amendments)	Effective Date
Lack of Exchangeability (Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates)	1 January 2025

The adoption of the above amendments to published standard did not result in significant changes in the accounting policies of the Group and the Company and have no significant effect on the financial performance or position of the Group and the Company for the current financial year.

(b) New and amendments to published standards issued but not yet effective

The following are new and amendments to published standards issued by Malaysian Accounting Standard Board (MASB), but not yet effective. The Group and the Company intend to adopt these standards and amendments to published standards, if applicable, when they become effective in the following annual periods:

MFRS (Including the Consequential Amendments)	Effective Date
Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures)	1 January 2026
Contracts Referencing Nature-dependent Electricity (Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures)	1 January 2026
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Translation to a Hyperinflationary Presentation Currency (Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates)	1 January 2027
Sale of Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 Consolidation Financial Statements and MFRS 128 Investments in Associates and Joint Ventures)	Deferred

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025
cont'd

2. BASIS OF PREPARATION *(cont'd)*

(b) New and amendments to published standards issued but not yet effective *(cont'd)*

The new and amendments to published standards above are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application except for the changes in presentation and disclosures of financial information arising from the adoption of this new published standard as discussed below:

MFRS 18 Presentation and Disclosure in Financial Statements

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

MFRS 18 additional requirements are as follows:

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

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

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

(ii) Statement of Cash Flows

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

(iii) New disclosures of expenses by nature

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

(iv) Management-defined Performance Measures (MPMs)

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

(v) Enhanced Guidance on Aggregation and Disaggregation

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

The Group and the Company apply the material accounting policy information set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Business combination

Acquisition of subsidiaries are accounted for using the acquisition method other than that acquisition of subsidiaries accounted for using merger accounting principles which is outside the scope of MFRS 3. The merger of accounting is used by the Group to account for business combination involving entities under common control without involving any non-controlling interest.

Merger method

Under the merger method of accounting, the results of subsidiary companies are presented as if the merger had been affected throughout the current and previous years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any difference between the consideration paid and the share capital of the subsidiaries is reflected within equity as a merger reserve.

Acquisition method

Under the acquisition method of accounting, the consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree, the equity interests issued by the Group and the fair value of any asset or liability resulting from a contingent consideration arrangement at the acquisition date. The Group recognises any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed off in profit or loss as incurred.

(ii) Changes in ownership interest in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025
cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

(a) Basis of consolidation *(cont'd)*

(iii) Disposal of subsidiary companies

When the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, non-controlling interests and other components if equity related to the former subsidiary company are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(iv) Separate financial statements

In the Company's separate financial statements, investments in subsidiary companies are stated at cost of less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

(b) Property, plant and equipment

Property, plant and equipment, other than land and buildings are stated at cost less accumulated depreciation and accumulated impairment losses.

Land and buildings are stated after revaluation of less accumulated depreciation and any accumulated impairment losses.

Land and buildings are revalued periodically, at least once in every 5 years. Surpluses arising from the revaluation are recognised in other comprehensive income and accumulated in equity under revaluation reserve. The surpluses are recognised in profit or loss to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss. Deficits arising from the revaluation to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss.

The revaluation surpluses included in the revaluation reserve is transferred to retained earnings as the asset is used by the Group, where the amount transferred represents the differences between depreciation based on the revalued amount and original cost. The Group also transfer the entire balance of revaluation surplus of the asset upon disposal or derecognition of the asset.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

(b) Property, plant and equipment *(cont'd)*

Freehold land is not depreciated. Capital work-in-progress is stated at cost and is not depreciated until it is ready for their intended use. All other property, plant and equipment are depreciated on straight line basis based on the estimated useful lives of the assets as follows:

Leasehold land	25 - 80 years
Freehold buildings	50 years
Leasehold buildings	2 - 50 years
Furniture and fittings	5 - 13 years
Motor vehicles	4 - 10 years
Office equipment	3 - 10 years
Plant and machinery	5 - 20 years
Renovation	10 - 13 years
Tools and equipment	6 - 20 years
Mould and blocks	5 years

Upon disposal of an asset the gain or loss arising on the disposal is recognised in profit or loss and is determined as the differences between the net disposal proceeds and carrying amount, except for transactions involved a sales and leaseback as disclosed in Note 3(d)(iv).

(c) Goodwill and other intangible assets

(i) Goodwill

Goodwill is measured at cost less any accumulated impairment losses and it is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(ii) Other intangible assets

Intangible assets, other than goodwill that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses if any.

Amortisation of other intangible assets are recognised in profit or loss based on straight-line basis over its useful life as follows:

Customer relationship	9 years
Trademark	10 years

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cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

(d) Leases

(i) As lessee

The Group and the Company recognise a right-of-use asset and a lease liability at earlier of the handover date of the leased property or the commencement date of the contract for all leases excluding short-term leases or leases for which the underlying asset is of low value, conveying the right to control the use of an identified asset for a period of time.

The right-of-use assets are initially recorded at cost, which comprises:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date of the lease, less any lease incentives received; and
- any initial direct costs incurred by the Group.
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lessor.

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

The right-of-use assets are generally depreciated over the shorter of the assets' useful life and the lease term on a straight-line basis, as follows:

Leasehold land	25 - 80 years
Leasehold buildings	2 - 50 years

On the statements of financial position, right-of-use assets have been included in the property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the Group's incremental borrowing rate. After the initial recognition, the Group measure the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications.

Variable lease payments that do not depend on an index or a rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "administrative expenses" in the statements of profit or loss.

(ii) As lessor

Operating leases

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

(d) Leases *(cont'd)*

(ii) As lessor *(cont'd)*

Finance leases

Leases where the Group has transferred substantially all risks and rewards incidental to ownership of the leased assets to the lessees, are classified as finance leases.

The leased asset is derecognised, and the present value of the lease receivable is recognised on the statements of financial position and included in "trade receivables". The difference between the gross receivable and the present value of the lease receivable is recognised as unearned finance income.

Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned finance income. The finance income is recognised in profit or loss on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable.

Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to finance lease receivables and reduce the amount of income recognised over the lease term.

Maintenance and service activities associated with the lease contract is segregated from being the component of recognition of the lease receivable at its stand-alone selling price.

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

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(iv) Sales-and-leaseback transactions

When the Group sells an asset and leases it back, it first assesses whether the transfer of the asset satisfies to be accounted for as a sale.

If the transfer qualifies as a sale, the underlying asset is derecognised and subsequently recognised based on the portion of the previous carrying amount retained through the leaseback. The lease liability is recognised for the present value of future lease payments. Any resulting gain or loss on disposal is recognised in profit or loss, limited to the proportion of rights transferred to the buyer-lessor.

If the transfer does not qualify as a sale, the underlying asset continues to be recognised in full, the proceeds received are recognised as a financial liability. The financial liability is subsequently measured at amortised cost using the effective interest method.

Subsequent to the initial recognition, the right-of-use asset is depreciated over the lease term. The lease liability is increased by interest expense and reduced by lease payments made.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025
cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

(e) Financial assets

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets at amortised cost

The financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the assets are recognised, modified, and impaired.

The Group's and the Company's financial assets at amortised cost include trade and other receivables (excluding prepayments and advances paid), deposits, amount due from subsidiary companies, amount due from related companies, amount due from related parties, other investments, fixed deposits with financial institutions and cash and bank balances.

Financial assets at fair value through profit or loss

Subsequent to initial recognition, these financial assets are measured at fair value. Any gains or losses arising from the changes in fair value of these financial assets are recognised in profit or loss.

The Group and the Company's financial assets at fair value through profit or loss include derivative assets.

(f) Financial liabilities

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at financial liabilities at fair value through profit or loss.

Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resulting gain or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

Other financial liabilities

The Group's and the Company's other financial liabilities comprise trade and other payables, amount due to subsidiary companies, amount due to related companies, amount due to related parties, lease liabilities, hire purchase payables and bank borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

(f) Financial liabilities *(cont'd)*

Other financial liabilities *(cont'd)*

Lease liabilities, hire purchase payables and bank borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group or the Company has an unconditional right to defer to settlement of the liability for at least 12 months after the reporting date.

Gains and losses on financial liabilities measured at amortised cost are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

(g) Financial guarantee contracts

Financial guarantee contracts are contracts that require the Group and the Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially recognised at fair value, net of transaction costs. After the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group and the Company, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

Where financial guarantees in relation to loans or payables of subsidiaries are provided by the Company for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of investment in subsidiaries.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value.

The cost of inventories is based on the weighted average method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdraft and highly liquid investments that are readily convertible to known amount of cash, and which are subject to an insignificant risk of changes in value. For statement of cash flows, cash and cash equivalents are presented net of bank overdrafts, pledged deposits and restricted deposits.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025
cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

(j) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses ("ECL") on financial assets.

For trade receivables, contract assets and lease receivables, the Group and the Company apply the simplified approach, which requires loss allowances to be measured at an amount equal to lifetime ECL at each reporting date.

For other financial assets measured at amortised cost and debt instruments measured at fair value through other comprehensive income, loss allowances are measured at an amount equal to 12-month ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECL.

If, in a subsequent period, the credit risk of a financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the loss allowance is remeasured from lifetime ECL to 12-month ECL.

ECL are measured using reasonable and supportable information available at the reporting date, including forward-looking information, to reflect the present value of all cash shortfalls over the expected life of the financial asset.

Financial assets are written off when there is no reasonable expectation of recovery, while recoveries of amounts previously written off are recognised in profit or loss.

(ii) Non-financial assets

The carrying amounts of non-financial assets, other than goodwill, inventories, deferred tax assets and non-current assets classified as held for sale, are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists, the recoverable amount of the asset or cash-generating unit is estimated. An impairment loss is recognised when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount.

For assets carried at cost, impairment losses are recognised in profit or loss. For revalued assets, impairment losses are recognised against revaluation surplus to the extent of any existing surplus for the same asset, with any excess recognised in profit or loss.

Impairment losses are reversed when there has been a change in the estimates used to determine the recoverable amount. For assets carried at cost, the reversal is recognised in profit or loss, but only to the extent of the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised. For revalued assets, the reversal is recognised in profit or loss to the extent that it reverses an impairment loss previously recognised in profit or loss, with any excess recognised in revaluation surplus.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

(k) Non-current assets (or disposal group) held for sale

The Group and the Company classifies a non-current asset (or a disposal group) as held for sale when it carrying amount will be recovered principally through a sale transaction rather than through continuing use and the sale is highly probable with the assets (or disposal group) being available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group). Management must be committed to the sale which the sale is expected to be a completed sale within one year from the date of classification, except the delay is caused by events or circumstances beyond the entity's control.

Immediately before classification as held for sale, the assets (or all the assets and liabilities in a disposal group) are remeasured in accordance with the Group's applicable accounting policies. Thereafter, on initial classification as held for sale, the assets or disposal groups are measured at the lower of carrying amount and fair value less cost to sell. Any differences are charged to the profit or loss. Intangible assets and property, plant and equipment once classified as held for sale are not amortised or depreciated.

A disposal group held for sale is presented separately in the statements of financial position.

(l) Revenue and other income

When the Group and the Company satisfy a performance obligation by delivering the promised goods or services, it creates a contract-based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

The Group's and the Company's revenue and other income is measured at fair value of consideration received or receivable.

(i) Sale of goods

Revenue from sales of goods is recognised at the point in time when control of the assets is transferred to the customers, generally upon delivery of the goods to the customer.

(ii) Rendering of services

Revenue from services rendered is recognised over time, as the benefits of rendering of services are simultaneously received and consumed by the customers.

(iii) Rental income of machinery and equipment

Rental income of machinery and equipment is accounted for on a straight-line basis over the lease terms.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025
cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

(I) Revenue and other income *(cont'd)*

(iv) Construction contracts

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

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for works performed to date to the estimated total contract costs.

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

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

(v) Rental income

Rental income received under operating leases is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(vi) Finance lease sales

Finance lease sales are recognised when the goods are delivered, installed and accepted by the customers.

(vii) Finance lease interest income

Finance lease interest income is recognised over the lease term, based on a pattern reflecting constant periodic rate of return on the Group's net investment in the lease.

(viii) Dividend income

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

(ix) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

(m) Deferred tax

The deferred tax recognised on properties carried at revaluation model is measured using the tax rates that would apply on sale of those assets unless the property is depreciable and is held within the business model whose objective is to consume substantially all the economic benefits embodied in the property over time. For the latter, the deferred tax is measured based on the expected manner of realisation or settlement of the carrying amount of the assets, using tax rates enacted or substantively enacted at the reporting date.

(n) Fair value measurement

Fair value measurements are analysed into level 1 to level 3 as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or in directly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The Company recognises transfer between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the accounting policies of the Group and of the Company, the management is required to make judgements, estimates and assumptions about the carrying amounts of revenues, expenses, assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only for that period; or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Impairment assessment of financial assets

The Group recognises impairment losses for financial assets using the expected credit loss model based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's history, existing market conditions, as well as forward looking estimates at the end of each reporting period.

(b) Inventories valuation

Inventories are measured at the lower cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected selling prices. Demand levels and pricing competition could change from time to time. If such factors result in adverse effect on the Group's products, the Group might be required to reduce the value of its inventories.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025
cont'd

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS *(cont'd)*

(c) Impairment of investment in subsidiary companies

The Company reviews its investments in subsidiary companies when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required to determine the recoverable amount. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also determine a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount at the reporting date for investment in subsidiary companies is disclosed in Note 6 to the financial statements.

(d) Revenue recognition for contract revenue

The Group recognises revenue from construction contracts using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the construction costs incurred, the estimated total construction revenue and expenses, as well as the recoverability of the construction projects. In making the judgement, the Group evaluates based on experience.

(e) Income and deferred taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which deductible temporary differences, unutilised tax losses and unabsorbed capital allowances can be utilised. This assessment requires significant judgement and is based on management's estimates and assumptions regarding future taxable profits. These assumptions are based on management's approved business plans and forecasts, taking into account current operating conditions, planned business strategies and a reasonable growth rate. Deferred tax assets are not recognised where it is not probable that sufficient future taxable profits will be available.

(f) Classification of non-current bank borrowings

Bank facilities agreements entered by the Group include clauses for repayment on demand at the discretion of financial institutions. The Group believes that in the absence of a default being committed by the Group, these financial institutions are not entitled to exercise their right to demand for repayment. Accordingly, the carrying amount of loans at reporting date have been classified between current and non-current liabilities based on their repayment period.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS *(cont'd)*

(g) Leases - determining the lease term and incremental borrowing rate

In determining the lease term and assessing the length of the non-cancellable period of a lease, the Group applies the definition of a contract and determines the period for which the contract is enforceable. The Group also considers whether the lessee and lessor each has the right to terminate the lease without the permission from the other party with no more than an insignificant penalty, in determining the lease term. In determining a penalty, the Group assesses monetary and non-monetary considerations

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

The Group uses its incremental borrowing rate ("IBR") to measure lease liabilities as the interest rate implicit in the lease is not readily determinable. The IBR is the rate of interest that the Gorup would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimated the IBR using observable inputs, such as market interest rates when available and is required to make certain entity-specific estimates.

(h) Classification of non-current asset (or disposal group) as held for sale

As disclosed in Note 18 to the financial statements, the Group and the Company have classified the Disposal Group and investment in subsidiary company as held for sale as at 31 December 2025.

In applying MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, the Directors exercised significant judgement in determining whether the Disposal Group met the criteria to be classified as held for sale at the reporting date. In particular, judgement was required in assessing whether the proposed disposal was highly probable notwithstanding that completion remained subject to shareholders' approval and other customary approvals.

In making this assessment, the Directors considered, amongst others, the execution of the conditional share sale agreements prior to year end, the commitment of the Board and management to the disposal plan, the progress of the approval process, the expected completion within twelve months from the reporting date, management's understanding of the shareholder base, and the absence of any known matters indicating that the proposed disposal would not proceed.

Based on the above assessment, the Directors concluded that the Disposal Group and investment in subsidiary company were available for immediate sale in its present condition, subject only to customary conditions precedent, and that the criteria for classification as held for sale under MFRS 5 had been met as at 31 December 2025.

Upon classification as held for sale, the Disposal Group and investment in subsidiary companies were measured at the lower of its carrying amount and fair value less costs to sell. No impairment loss was recognised as the Directors assessed that the fair value less costs to sell exceeded the carrying amount of the Disposal Group or investment in subsidiary companies. Further details are disclosed in Note 18.

5. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings	Leasehold land and buildings	Furniture and fittings	Motor vehicles	Office equipment	Plant and machinery	Renovation	Tools and equipment	Capital work in progress	Mould and blocks	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group											
2025											
Cost/valuation											
At 1 January 2025	790	194,324	3,842	16,942	8,333	90,294	3,239	13,509	516	708	332,497
Additions	-	112,407	76	2,822	915	594	26,683	8,845	23	-	152,365
Reclassification	-	(54)	-	-	-	539	54	-	(539)	-	-
Lease remeasurement	-	(18,676)	-	-	-	-	-	-	-	-	(18,676)
Lease cessation	-	(1,339)	-	-	-	-	-	-	-	-	(1,339)
Disposals	-	(42,146)	-	(1,248)	(189)	(8,872)	-	(875)	-	-	(53,330)
Written off	-	-	(325)	(348)	(764)	(148)	(234)	(38)	-	-	(1,857)
Transferred to inventories	-	-	-	(88)	-	(320)	-	-	-	-	(408)
Transferred from inventories	-	-	-	-	-	-	-	272	-	-	272
Reclassified as disposal group held for sale	-	(83,517)	(1,948)	(5,397)	(2,935)	(34,954)	-	(1,596)	-	-	(130,347)
At 31 December 2025	790	160,999	1,645	12,683	5,360	47,133	29,742	20,117	-	708	279,177

5. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

	Freehold land and buildings	Leasehold land and buildings	Furniture and fittings	Motor vehicles	Office equipment	Plant and machinery	Renovation	Tools and equipment	Capital work in progress	Mould and blocks	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group											
2025											
Accumulated depreciation											
At 1 January 2025	153	23,404	2,393	11,621	6,693	67,286	1,612	4,107	-	708	117,977
Charge for the financial year	13	15,104	288	1,936	696	4,474	1,960	789	-	-	25,260
Lease remeasurement	-	(6,808)	-	-	-	-	-	-	-	-	(6,808)
Lease cessation	-	(989)	-	-	-	-	-	-	-	-	(989)
Disposals	-	(1,255)	-	(1,226)	(174)	(5,693)	-	(252)	-	-	(8,600)
Written off	-	-	(325)	(348)	(758)	(148)	(233)	(29)	-	-	(1,841)
Transferred to inventories	-	-	-	(32)	-	(155)	-	-	-	-	(187)
Reclassified as disposal group held for sale	-	(13,801)	(1,220)	(3,222)	(2,609)	(32,614)	-	(977)	-	-	(54,443)
At 31 December 2025	166	15,655	1,136	8,729	3,848	33,150	3,339	3,638	-	708	70,369
Carrying amount											
At 31 December 2025	624	145,344	509	3,954	1,512	13,983	26,403	16,479	-	-	208,808

5. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

	Freehold land and buildings	Leasehold land and buildings	Furniture and fittings	Motor vehicles	Office equipment	Plant and machinery	Renovation	Tools and equipment	Capital work in progress	Mould and blocks	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group											
2024											
Cost/valuation											
At 1 January 2024	2,611	191,091	3,700	17,472	8,653	95,143	2,458	9,632	516	708	331,984
Additions	-	27,001	199	1,713	443	1,602	1,032	3,882	-	-	35,872
Revaluation	-	8,775	-	-	-	-	-	-	-	-	8,775
Revaluation adjustment	-	(13,491)	-	-	-	-	-	-	-	-	(13,491)
Lease remeasurement	-	(17,048)	-	-	-	-	-	-	-	-	(17,048)
Lease cessation	-	(2,004)	-	-	-	-	-	-	-	-	(2,004)
Disposals	(1,821)	-	(34)	(1,918)	(4)	(323)	(231)	-	-	-	(4,331)
Written off	-	-	(23)	(3)	(759)	(5,913)	(20)	(5)	-	-	(6,723)
Transferred to inventories	-	-	-	(322)	-	(215)	-	-	-	-	(537)
At 31 December 2024	790	194,324	3,842	16,942	8,333	90,294	3,239	13,509	516	708	332,497

5. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

	Freehold land and buildings	Leasehold land and buildings	Furniture and fittings	Motor vehicles	Office equipment	Plant and machinery	Renovation	Tools and equipment	Capital work in progress	Mould and blocks	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group											
2024											
Accumulated depreciation											
At 1 January 2024	233	29,754	2,147	11,709	6,803	69,199	1,618	3,424	-	708	125,595
Charge for the financial year	19	9,165	296	1,832	647	4,303	172	686	-	-	17,120
Revaluation adjustment	-	(13,491)	-	-	-	-	-	-	-	-	(13,491)
Lease remeasurement	-	(133)	-	-	-	-	-	-	-	-	(133)
Lease cessation	-	(1,891)	-	-	-	-	-	-	-	-	(1,891)
Disposals	(99)	-	(33)	(1,800)	(1)	(240)	(158)	-	-	-	(2,331)
Written off	-	-	(17)	(3)	(756)	(5,911)	(20)	(3)	-	-	(6,710)
Transferred to inventories	-	-	-	(117)	-	(65)	-	-	-	-	(182)
At 31 December 2024	153	23,404	2,393	11,621	6,693	67,286	1,612	4,107	-	708	117,977
Carrying amount											
At 31 December 2024	637	170,920	1,449	5,321	1,640	23,008	1,627	9,402	516	-	214,520

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5. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

(a) Right-of-use assets

The carrying amount of right-of-use assets included in property, plant and equipment are as follows:

	Leasehold land and buildings RM'000
Group	
Cost/valuation	
At 1 January 2024	191,091
Additions	27,001
Revaluation	8,775
Revaluation adjustment	(13,491)
Lease remeasurement	(17,048)
Lease cessation	(2,004)
At 31 December 2024/1 January 2025	194,324
Additions	112,407
Reclassification	(54)
Lease remeasurement	(18,676)
Lease cessation	(1,339)
Disposals	(42,146)
Reclassified as disposal group held for sale	(83,517)
At 31 December 2025	160,999
Accumulated depreciation	
At 1 January 2024	29,754
Charge for the financial year	9,165
Revaluation adjustment	(13,491)
Lease remeasurement	(133)
Lease cessation	(1,891)
At 31 December 2024/1 January 2025	23,404
Charge for the financial year	15,104
Lease remeasurement	(6,808)
Lease cessation	(989)
Disposals	(1,255)
Reclassified as disposal group held for sale	(13,801)
At 31 December 2025	15,655
Carrying amount	
At 31 December 2025	145,344
At 31 December 2024	170,920

5. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

(a) Right-of-use assets *(cont'd)*

Included in leasehold land and buildings are operating lease agreements entered into by the Group for the use of staff hostel, office, warehouse and outlet with carrying amount of RM96,882,453 (2024: RM51,434,020). The leases are mainly with lease term of 2 to 15 years (2024: 2 to 15 years).

(b) Sales and leaseback of properties

During the financial year, the Group entered into two sale and leaseback transactions involving leasehold land and buildings for total cash consideration of RM22,600,000 and RM23,300,000, which were completed on 26 February 2025 and 17 October 2025 respectively.

Arising from the leaseback arrangements, the Group recognised right-of-use assets and corresponding lease liabilities. The lease terms of the two properties are 12 years and 15 years respectively.

The sale consideration exceeded the fair value of the properties by RM300,000 and RM3,400,000 respectively, of which the excess was accounted for as additional financing.

The financial effects of the transactions recognised during the financial year are as follows:

- right-of-use assets: RM31,070,563
- lease liabilities (with additional financing): RM35,804,090
- gain on disposal: RM275,309

In respect of one of the property, the transfer of legal title was still pending as at the reporting date, with RM22,135,000 of the sale proceeds held by solicitor as stakeholder sum. Nevertheless, the transaction was accounted for as a sale as the sale had become unconditional.

(c) Plant and equipment financed by hire purchases

Included in motor vehicles and plant and machinery are amounts of RM1,551,009 and RM1,178,651 (2024: RM2,008,260 and RM1,582,193) respectively held under hire purchase arrangements.

(d) Assets pledged as securities to financial institutions

The carrying number of properties of the Group pledged as securities for bank borrowings as disclosed in Note 25 to the financial statements are:

	Group	
	2025	2024
	RM'000	RM'000
Freehold land and buildings	624	637
Leasehold land and buildings	74,588	76,921
	75,212	77,558

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5. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

(e) Additions of property, plant and equipment of the Group during the year were acquired by the following means:

	Group	
	2025	2024
	RM'000	RM'000
Addition of property, plant and equipment	152,365	35,872
Financed by way of:		
- Lease arrangements	(111,229)	(26,952)
- Hire purchase	-	(137)
Provision for restoration costs capitalised	(1,163)	(49)
Acquired by cash payments	39,973	8,734

(f) Included in leasehold land and buildings is an amount of RM48,462,730 (2024: RM119,485,979) with remaining lease period ranging from 24 to 79 years (2024: 25 to 80 years).

(g) Revaluation of land and buildings

Certain land and buildings of the Group are measured at revalued amounts. The valuations were performed by independent professional valuers registered with the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia. The fair values were determined using the indicated approaches, based on market data and appropriate valuation techniques. The revaluation surplus, net of deferred tax, was recognised in other comprehensive income and accumulated in equity under the revaluation reserve.

Revaluation Summary as of 31 December 2025

Asset	Valuation Date	Valuation Approach Used	Revalued Amount (RM'000)	Fair Value Hierarchy
Leasehold land A	13.05.2022	Market Comparison Approach	12,358	Level 2
Leasehold buildings A	13.05.2022	Cost Approach	6,842	Level 3
Leasehold land and buildings B	20.09.2024	Market Comparison Approach	1,200	Level 2
Leasehold land E	28.10.2024	Market Comparison Approach	15,497	Level 2
Leasehold buildings E	28.10.2024	Cost Approach	16,719	Level 3

The carrying amount of the revalued land and buildings as at the reporting date was RM48,462,730 (2024: RM119,485,979). Had the revalued land and buildings been measured using the cost model, their total carrying amount as at the reporting date would have been RM23,568,458 (2024: RM78,299,068).

5. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

(g) Revaluation of land and buildings *(cont'd)*

The details of valuation approach used are as follow:

- Market comparison approach: comparison with similar properties in the locality which were recently sold or transacted with adjustments made for location, size, shape of land, tenure if any and other relevant characteristics.

- Cost approach: estimation of current replacement cost of similar buildings, structure and improvements based on prevailing material prices and related charges, with deductions made for depreciation due to physical deterioration, functional and external obsolescence reflecting the observed condition as at the date of valuation, if any.

During the financial year, no revaluation exercise was carried out. The revaluation surplus of RM17,930,615 relating to the properties disposed of under the sale and leaseback transactions (Note 5(b)) was transferred directly to retained earnings.

The Group has assessed that the carrying amounts of the revalued assets continue to reflect their fair values as at the reporting date. No significant changes in market conditions were observed that would materially affect the valuations.

There were no transfers between levels of the fair value hierarchy during the financial year.

(h) Included in land and buildings with a carrying amount of RM31,398,967 (2024: RM32,051,861) are yet to be issued individual title of the properties.

6. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2025	2024
	RM'000	RM'000
Unquoted shares, at cost:		
- Ordinary shares	649,267	638,357
- Redeemable convertible non-cumulative preference shares ("RCNCPS")	60,000	-
	709,267	638,357
Less: Accumulated impairment losses	(267,570)	(45,097)
	441,697	593,260

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6. INVESTMENT IN SUBSIDIARY COMPANIES *(cont'd)*

(a) Details of the subsidiary companies are as follows:

Name of company	Country of incorporation	Effective interest 2025 %	Effective interest 2024 %	Principal activities
Direct interest:				
SCH Corporation Sdn. Bhd.	Malaysia	100	100	Investment holding
SCH Everdrill Sdn. Bhd. (fka. Sin Chee Heng Sdn. Bhd.) ("SCH")	Malaysia	100	100	Supplying and distributing all kinds of quarry industrial products and quarry machinery
SCH Wire-Mesh Manufacturing Sdn. Bhd.	Malaysia	100	100	Manufacturing, distributing and supplying of quarry grill
Get Rental Sdn. Bhd.	Malaysia	100	50	Providing equipment rent-to-own solutions
Hextar Luckin (EM) Sdn. Bhd. ("HLEM")	Malaysia	100	100	Dormant
TK Rentals Sdn. Bhd.	Malaysia	100	100	Business of renting, trading,repair and maintenance of mobile air and maintenance of mobile air conditioner, tent, event related equipment and tools, industrial related machinery and industrial battery and provide logistics and delivery services
PK Fertilizers (Sarawak) Sdn. Bhd. ("PKFS")	Malaysia	100	100	Business of manufacturing, merchandising, trading, distribution and wholesale warehouseman of fertilizers
HIB Management Sdn. Bhd.	Malaysia	100	100	Business of provision of management services
PK Fert Sdn. Bhd.* ("PKFT")	Malaysia	100	100	Business of marketing and distribution of fertilizers
Hextar Fertilizers Group Sdn. Bhd. ("HFGSB")	Malaysia	100	100	Investment holding

6. INVESTMENT IN SUBSIDIARY COMPANIES *(cont'd)*

(a) Details of the subsidiary companies are as follows: *(cont'd)*

Name of company	Country of incorporation	Effective interest 2025 %	Effective interest 2024 %	Principal activities
Direct interest:				
Pacific One Global Sdn. Bhd. (fka. Pacific Office (M) Sdn. Bhd.) ("POM")	Malaysia	100	100	Distribution, retails and online sales of office equipment and supplies, personal protective equipment and supplies, stationery books, magazines and newspapers, rental and operational leasing of office equipment
Hextar Mitai Sdn. Bhd. ("HMT")	Malaysia	70	70	Civil engineering contractor and other construction installation
Global Aroma Sdn. Bhd. ("GASB")	Malaysia	100	100	Carry on business as retailer dealing in food and beverages including such as aerated water, tea, coffee and all kinds and classes of beverages
Indirect interest:				
Held through SCH				
Get Rental Sdn. Bhd.	Malaysia	-	50	Providing equipment rent-to-own solutions
Indirect interest:				
Held through HFGSB				
Hextar Fert Sdn. Bhd.*	Malaysia	100	100	Manufacturing, formulation, distribution and trading of a wide range of fertilizers
Hextar Solutions Sdn. Bhd. ("HSO")	Malaysia	100	100	Manufacturing, formulation, distribution and trading of a wide range of fertilizers
PK Fertilizers Sdn. Bhd.* ("PKF")	Malaysia	100	100	Manufacturing, formulation, distribution and trading of a wide range of fertilizers

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025
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6. INVESTMENT IN SUBSIDIARY COMPANIES *(cont'd)*

(a) Details of the subsidiary companies are as follows: *(cont'd)*

Name of company	Country of incorporation	Effective interest 2025 %	Effective interest 2024 %	Principal activities
Indirect interest:				
Held through GASB				
Hextar Luckin (M) Sdn. Bhd.	Malaysia	100	100	Retail sale and wholesale of coffee, tea, cocoa and other beverages

* *The investments in these subsidiary companies were classified as disposal group held for sale as at 31 December 2025, as disclosed in Note 18.*

(b) The movement in the allowance for impairment losses on unquoted shares is as follows:

	Company 2025 RM'000	Company 2024 RM'000
At beginning of the financial year	45,097	16,255
Impairment loss during the financial year (Note 32)	222,473	28,842
At end of the financial year	267,570	45,097

As of 31 December 2025, the Company evaluated its investments in subsidiary companies for indicators of impairment. The assessment identified that the recoverable amount of certain subsidiary companies were lower than it carrying amount, resulting in an impairment loss of RM222,473,000, which has been recognised under "Other Expenses" in profit or loss of the Company.

The recoverable amount of the following subsidiary companies was determined as follow:

(i) TK Rentals Sdn. Bhd.

The Company had prepared its value in use ("VIU") calculations, using cash flow projections covering a five-year period approved by the Directors. Cash flows beyond the five-year period were extrapolated using a terminal growth rate.

The key assumptions used in the VIU calculations are as follows:

Key assumptions used	2025	2024
Revenue growth rate	-1% to 0%	-4% to 0%
Pre-tax discount rate	12.99%	12.72% to 18.33%
Terminal growth rate	0%	0%

6. INVESTMENT IN SUBSIDIARY COMPANIES *(cont'd)*

(b) The recoverable amount of the following subsidiary companies was determined as follow: *(cont'd)*

(ii) Hextar Fertilizers Group Sdn. Bhd. and its subsidiaries

The Company had determined its recoverable amount of Hextar Fertilizers Group Sdn. Bhd. and its subsidiaries using VIU calculations approved by the Directors, which comprises cash flow projections covering a five-year period from Hextar Solutions Sdn. Bhd. and estimated net proceeds from disposals of Hextar Fert Sdn. Bhd. and PK Fertilizers Sdn. Bhd.. For cash flow projections, cash flows beyond the five-year period were extrapolated using a terminal growth rate.

Key assumptions used	2025	2024
Revenue growth rate	0% to 17%	2.5% to 10.0%
Pre-tax discount rate	13.55%	14.53%
Terminal growth rate	0%	0%

Sensitivity Analysis

The calculations of VIU are most sensitive to changes in the following assumptions:

- Revenue growth rate: which is based on past performance and management's expectations of market development.
- Discount rate: which reflects the current market assessment of the risks specific to the CGU and the time value of money.
- Terminal growth rate: which is based on a long-term industry outlook.

The Company has performed a sensitivity analysis on key assumptions used in the impairment test. A 1% decrease in revenue growth rate or a 1% increase in the pre-tax discount rate would not significantly resulted in the carrying amount exceeding the recoverable amount of the investment in subsidiary companies. Management considers that there is no reasonably possible change in key assumptions that would cause further impairment other than those that have been made during the financial year.

(c) During the financial year, the Company undertook the following:

(i) Acquisition of 150,000 ordinary shares at RM90,000 in Get Rental Sdn. Bhd. from SCH;
(ii) Subscription of 5,000,000 RCNCPS at RM5,000,000 in Get Rental Sdn. Bhd.;
(iii) Subscription of 12,000,000 ordinary shares at RM12,000,000 and 10,000,000 RCNCPS at RM10,000,000 in GASB;
(iv) Subscription of 30,000,000 RCNCPS at RM30,000,000 in Hextar Luckin (M) Sdn. Bhd.; and
(v) Subscription of 15,000,000 RCNCPS at RM15,000,000 in TK Rentals Sdn. Bhd..

The above transactions do not resulted in any changes in effective interest at the subsidiary companies.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025
cont'd

6. INVESTMENT IN SUBSIDIARY COMPANIES *(cont'd)*

(d) The salient features of the Redeemable Convertible Non-Cumulative Preference Shares ("RCNCPS") are as follows:

(a) The subscriber may exercise its conversion at the option of the Board of Directors of the subsidiary companies

(b) Each RCNCPS is convertible at the option, with the conversion ratio and price to be determined by the Board of Directors of the subsidiary companies.

(c) Each RCNCPS ranks pari passu among themselves.

(d) The subsidiary companies are only liable to pay the Company holder the accrued and outstanding dividends declared and accrued up to the Conversion Date, within 15 working days or as mutually agreed.

(e) Each RCNCPS shall be convertible into ordinary shares of the subsidiary companies at the subsidiary companies' option. The conversion ratio and price shall be determined by the Board of Directors, with at least 15 working days' prior notice. The converted ordinary shares will rank pari passu with the ordinary shares of the subsidiary companies.

(f) Each RCNCPS shall be entitled for redemption in cash at the option of the subsidiary companies subject to applicable laws, with at least 15 working days' prior notice.

(e) Material non-controlling interest in a subsidiary

	HMT	
	2025	2024
	RM'000	RM'000
NCI percentage of ownership interest and voting interest	30.00%	30.00%
Carrying amount of NCI	2,858	2,783
Profit allocated to NCI	765	755

6. INVESTMENT IN SUBSIDIARY COMPANIES *(cont'd)*

(e) Material non-controlling interest in a subsidiary *(cont'd)*

Summarised financial information before intra-group elimination

	HMT	
	2025	**2024**
	RM'000	**RM'000**
As at 31 December		
Non-current assets	2,277	1,563
Current assets	20,617	33,421
Non-current liabilities	(964)	(627)
Current liabilities	(12,404)	(25,079)
Net assets	9,526	9,278
Financial year ended 31 December		
Revenue	28,104	44,571
Profit for the year	2,548	2,518
Dividend received	2,300	-
Cash flows generated from operating activities	5,468	421
Cash flows used in investing activities	(478)	(44)
Cash flows (used in)/generated from financing activities	(5,517)	3,123
Net (decrease)/increase in cash and cash equivalents	(527)	3,500

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7. INTANGIBLE ASSETS

	Goodwill on consolidation	Customer relationship	Trademark	Total
	RM'000	RM'000	RM'000	RM'000
Group				
Cost				
At 1 January 2024	36,701	439	-	37,140
Addition	-	-	2,240	2,240
At 31 December 2024/ 1 January 2025	36,701	439	2,240	39,380
Reclassified as disposal group held for sale	(61)	-	-	(61)
At 31 December 2025	36,640	439	2,240	39,319
Amortisation				
At 1 January 2024	-	9	-	9
Charge for the financial year	-	48	-	48
At 31 December 2024/ 1 January 2025	-	57	-	57
Charge for the financial year	-	49	224	273
At 31 December 2025	-	106	224	330
Impairment losses				
At 1 January 2024/ 31 December 2024/ 1 January 2025/ 31 December 2025	28,757	-	-	28,757
Carrying amount				
At 31 December 2025	7,883	333	2,016	10,232
At 31 December 2024	7,944	382	2,240	10,566

(a) Goodwill in consolidation

The carrying amount of goodwill allocated to cash-generating unit ("CGU") as follows:

	2025	2024
	RM'000	RM'000
PKFT	-	61
POM	7,662	7,662
HMT	221	221
	7,883	7,944

7. INTANGIBLE ASSETS *(cont'd)*

(a) Goodwill in consolidation *(cont'd)*

The recoverable amount of the CGU is determined based on the value-in-use ("VIU") calculations. Cash flows are derived from financial budgets approved by the Directors covering over a five-year period (2024: five-year period). The projection reflects management's expectation of revenue growth for the CGU based on the expectations of market growth.

Key assumptions used in VIU calculations are as follows:

	2025	2024
Revenue growth rate:		
PKFT	N/A*	Range from 3% to 5% for the 5 year-period
POM	Range at 2% to 10% for the 5 year-period	Range at 0% for the 5 year-period
HMT	Range from -44% to 55% for the 3 year-period	Range from -64% to 51% for the 5 year-period

* *As at 31 December 2025, goodwill arising from consolidation of PKFT is reclassified as asset held for sale, as disclosed in Note 18.*

	2025	2024
Pre-tax discount rate:		
PKFT	N/A*	18.98%
POM	11.58%	12.42%
HMT	13.88%	16.85%

Based on the impairment test performed, no impairment loss was recognised for the above CGUs for the current financial year.

Sensitivity to change in assumption

The Group performed a sensitivity analysis on key assumptions used in the impairment test. A 1% decrease in revenue growth rate or a 1% increase in the pre-tax discount rate would not result in the carrying amount exceeding the recoverable amount of the CGUs. Management considers that there is no reasonably possible change in key assumptions that would cause an impairment for the financial year.

(b) Trademark

The Group's trademark rights of RM2,240,000 relate to the right to operate under the "Luckin Coffee" brand in Malaysia pursuant to the Master Development and Operating Agreement entered into with Luckin Coffee Holding Singapore Pte Ltd on 29 November 2024. The trademark is amortised over ten years.

NOTES TO THE FINANCIAL STATEMENTS

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8. TRADE RECEIVABLES

	Note	Group 2025 RM'000	Group 2024 RM'000
Non-current:			
Trade receivables	8(a)	408	532
Finance lease receivables	8(c)	1,036	-
		1,444	532
Current:			
Trade receivables	8(a)	82,601	205,884
Retention sum receivables	8(b)	723	2,590
Finance lease receivables	8(c)	714	-
		84,038	208,474
Less: Accumulated impairment loss	8(a)	(2,270)	(3,505)
		81,768	204,969
Third party trade receivables	8(a)	83,009	206,416
Finance lease receivables	8(c)	1,750	-
Retention sum receivables	8(b)	723	2,590
		85,482	209,006
Less: Accumulated impairment loss	8(a)	(2,270)	(3,505)
Total trade receivables		83,212	205,501

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on cash on delivery or credit term of up to 120 days (2024: cash on delivery to 120 days credit term). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Movement in the allowance for impairment losses of trade receivables is as follows:

	Group 2025 RM'000	Group 2024 RM'000
At 1 January	3,505	5,122
Net impairment (gain)/loss during the financial year:		
- lifetime ECL allowances	(375)	351
- specific allowances	140	(604)
Written off	(63)	(1,364)
Reclassified as disposal group held for sale	(937)	-
At 31 December	2,270	3,505

8. TRADE RECEIVABLES *(cont'd)*

(a) Trade receivables *(cont'd)*

Movement in the allowance for impairment losses of trade receivables is as follows: *(cont'd)*

	Group	
	2025	2024
	RM'000	RM'000
Accumulated impairment losses:		
- lifetime ECL allowances	453	1,219
- specific allowances	1,817	2,286
	2,270	3,505

(i) Trade receivables on deferred payment terms

The Group has arranged for past due receivables amounting RM905,862 (2024: RM1,322,771) at reporting date to settle their balances under monthly instalment agreement with no interest charged and tenure ranging between 4 to 25 months (2024: 24 to 25 months).

Analysis of trade receivables on deferred payment terms are as follows:

	Group	
	2025	2024
	RM'000	RM'000
Nominal value		
At 1 January	1,424	1,017
Addition	1,210	1,768
Repayment	(1,175)	(1,361)
Reclassified as disposal group held for sale	(447)	-
At 31 December	1,012	1,424
Discount		
At 1 January	102	92
Add: Accretion of discount	210	162
Less: Unwinding of discount	(192)	(152)
Reclassified as disposal group held for sale	(14)	-
At 31 December	106	102
Net carrying amount	906	1,322

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31 DECEMBER 2025
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8. TRADE RECEIVABLES *(cont'd)*

(a) Trade receivables *(cont'd)*

(ii) Analysis of trade receivables ageing at end of the financial year is as follows:

	Gross amount	Impairment loss	Carrying amount
	RM'000	RM'000	RM'000
2025			
Not past due	48,080	-	48,080
Past due			
Less than 30 days	11,978	-	11,978
31 to 60 days	5,940	(119)	5,821
61 to 90 days	2,287	-	2,287
91 to 120 days	3,046	(164)	2,882
More than 120 days	14,151	(1,987)	12,164
	37,402	(2,270)	35,132
	85,482	(2,270)	83,212
2024			
Not past due	82,733	(70)	82,663
Past due			
Less than 30 days	46,810	(15)	46,795
31 to 60 days	40,964	(333)	40,631
61 to 90 days	12,296	(49)	12,247
91 to 120 days	4,190	(45)	4,145
More than 120 days	22,013	(2,993)	19,020
	126,273	(3,435)	122,838
	209,006	(3,505)	205,501

Trade receivables that are neither past due nor impaired

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

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables which are past due but not impaired as they are substantially entities with good collection track record and no recent history of default.

8. TRADE RECEIVABLES *(cont'd)*

(b) Retention sum receivables

Retention sums are due upon expiring of the defect liability period stated in respective construction contracts.

(c) Finance lease receivables

	Group	
	2025	2024
	RM'000	RM'000
At 1 January	-	-
Addition of new finance lease	1,911	-
Interest income on finance lease	211	-
Lease payment received	(372)	-
At 31 December	1,750	-

The Group leases several consumer equipment to third parties. Each of the leases contains an initial non-cancellable period ranging from 2 to 3 years.

The Group had classified these leases as finance lease as it transfers substantially all the risk and rewards incidental to ownership of the consumer equipment to lessee at the end of the lease period.

The Group expects the residual value of the consumer equipment at the end of the lease term to be minimal. These leases do not include buy-back agreements or residual value guarantees.

The lease payments to be received are as follows:

	Group	
	2025	2024
	RM'000	RM'000
Within one year	1,338	-
Later than one year and not later than five years	1,344	-
Total undiscounted lease receivable	2,682	-
Less: Future finance lease interest receivable	(932)	-
	1,750	-
Represented by:		
- Current	714	-
- Non-current	1,036	-
	1,750	-

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cont'd

9. INVENTORIES

	Group	
	2025	2024
	RM'000	RM'000
Raw materials	57,967	107,459
Packaging materials	171	1,325
Finished goods	32,681	64,586
Consumables	1,616	1,469
Goods in transit	187	18,042
	92,622	192,881
Analysed as:		
Valued at cost	92,622	192,235
Valued at net realisable value	-	646
	92,622	192,881
Recognised in profit or loss	647,180	719,681

10. OTHER RECEIVABLES

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Current:				
Dividend receivable from subsidiary companies	-	-	26,000	-
Other receivables	2,250	25,541	1	1
Deposits	7,170	5,105	1	1
Prepayments	3,133	2,860	9	6
	12,553	33,506	26,011	8

Included in other receivables of the Group is an amount of RM467,534 (2024: RM361,040) paid for cash collateral pledged with licensed banks as performance bond for customer.

11. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2025	2024
	RM'000	RM'000
Group		
Contract assets	5,809	21,863
Contract liabilities	(4,150)	(2,388)
	1,659	19,475
Arising from:		
Equipment rental (Note (a))	(633)	(105)
Engineering solutions (Note (b))	2,292	19,580
	1,659	19,475

(a) Equipment rental

Contract liabilities primarily relate to the Group's advance billing for rentals of machinery and equipment's lease term beyond the reporting date. Contract liabilities are recognised as revenue when those lease term have ended.

(b) Engineering solutions

Contract assets are transferred to receivables when the rights become unconditional at the point of invoicing to customer. Contract liabilities primarily relate to the obligation to transfer goods or services to customer for which the Group has received the consideration or have billed the customer according to contracts works certified. Contract liabilities are recognised as revenue as the Group performs under the contract.

Movement during the financial year:

	Group	
	2025	2024
	RM'000	RM'000
Contract assets		
At 1 January	19,580	9,326
Net revenue recognised	28,104	44,571
Net progress billing	(45,392)	(34,317)
At 31 December	2,292	19,580

Revenue recognised that was included in contract liabilities at the beginning of the financial year are RM2,387,599 (2024: RM725,080).

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11. CONTRACT ASSETS/(LIABILITIES) *(cont'd)*

(b) Engineering solutions *(cont'd)*

The Group has a right to consideration from a customer in an amount that corresponds directly with the value of goods transferred, and the Directors expect the remaining performance obligation to be fulfilled within one year or less. Consequently, no disclosure is necessary when applying practical expedient in MFRS 15.

12. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

Amount due from/(to) subsidiary companies are non-interest bearing, unsecured and repayable/(payable) on demand in cash and cash equivalents.

13. AMOUNT DUE FROM/(TO) RELATED COMPANIES

	Group	
	2025	2024
	RM'000	RM'000
Amount due from related companies		
- Trade	-	24
Amount due to related companies		
- Trade	-	852

Amount due from/(to) related companies are non-interest bearing, unsecured and repayable/(payable) on cash on delivery or credit terms of up to 60 days (2024: cash on delivery to 60 days credit term).

14. AMOUNT DUE FROM/(TO) RELATED PARTIES

	Group	
	2025	2024
	RM'000	RM'000
Amount due from related parties		
- Trade	750	11
Amount due to related parties		
- Trade	(520)	-

Amount due from/(to) related parties are non-interest bearing, unsecured and repayable/(payable) on cash on delivery or credit terms of 30 days (2024: Cash on delivery).

15. DERIVATIVES ASSETS/(LIABILITIES)

	Group	
	2025	2024
	RM'000	RM'000
Derivatives held for trading at fair value through profit or loss		
Forward foreign exchange contracts:		
- assets	-	332
- liabilities	-	(4)
	-	328

The Group uses forward foreign exchange contracts to manage foreign currency exposure in import and export of fertilisers and quarrying machineries and products denominated in currencies other than the functional currency of the group of entities.

At the end of the reporting period, the settlement dates on open forward contracts range from 2 to 6 months (2024: 2 to 6 months).

Maturities of forward foreign exchange contracts of the Group (including those classified as disposal group held for sale) as at end of the reporting period are as follows:

Settlement month	Currency to be paid	Amount in foreign currency ('000)	Contractual rate	Amount in RM('000)
31 December 2025				
January 2026	USD	6,846	4.049 - 4.198	28,455
February 2026	USD	3,301	4.049 - 4.193	13,725
March 2026	USD	850	4.095 - 4.150	3,491
April 2026	USD	200	4.0750	821
May 2026	USD	1,372	4.1618	5,709
31 December 2024				
January 2025	USD	2,794	4.336 - 4.482	12,474
March 2025	USD	1,700	4.106 - 4.406	7,322

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16. OTHER INVESTMENT

	Group	
	2025	2024
	RM'000	RM'000
Short-term investment	3,500	3,500
Less: Impairment loss	(3,500)	(3,500)
	-	-

The movement in the allowance for impairment losses is as follows:

	Group	
	2025	2024
	RM'000	RM'000
At beginning of the financial year	3,500	356
Impairment loss during the financial year (Note 32)	-	3,144
At end of the financial year	3,500	3,500

The short-term investment is placed with issuers that are hosted on a licensed peer-to-peer ("P2P") financing platform registered with Securities Commission Malaysia and bears interest rate at Nil (2024: 11.50%) per annum. Since the end of previous financial year, the investment has been fully impaired.

17. FIXED DEPOSITS WITH FINANCIAL INSTITUTIONS

Fixed deposit of the Group (including those classified as disposal group held for sale) amounting to RM491,142 (2024: RM479,895) being restricted deposit in lieu for letter of offer for bank borrowings as disclosed in Note 25 to the financial statements

The interest rates and maturities of the fixed deposits range from 1.80% to 2.65% (2024: 2.30% to 2.50%) per annum and range from 30 days to 365 days (2024: 30 days to 365 days), respectively.

18. ASSET HELD FOR SALE AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 23 December 2025, the Company and its wholly owned subsidiary, Hextar Fertilizers Group Sdn. Bhd. ("HFGSB"), entered into conditional share sale agreements to dispose of their entire equity interests in PK Fert Sdn. Bhd., PK Fertilizers Sdn. Bhd. and Hextar Fert Sdn. Bhd. (collectively referred to as the "Disposal Group") to a related party for a total consideration of RM120 million.

The Disposal Group forms part of the Group's fertiliser operations. The proposed disposal is in line with the Group's strategic plan to redeploy its financial resources towards the expansion of its F&B retail business.

The disposal is subject to the fulfilment of certain conditions precedent, including shareholders' approval and other customary approvals.

18. ASSET HELD FOR SALE AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE *(cont'd)*

(i) Basis of classification as held for sale

The Disposal Group and investment in subsidiary company have been classified as held for sale as at 31 December 2025 as the Directors are committed to the disposal plan and have assessed that the criteria under MFRS 5 Non-current Assets Held for Sale and Discontinued Operations have been met.

In making this assessment, the Directors considered, amongst others, the execution of the conditional share sale agreements, the advanced stage of the transaction, the progress of the approval process, the targeted completion timeline, past precedents, managements understanding of the shareholder base and the absence of any known matters indicating that the proposed disposal would not proceed. Accordingly, the Directors consider the proposed disposal to be highly probable as at the reporting date.

The Disposal Group and investment in subsidiary company is available for immediate sale in its present condition, subject only to the fulfilment of the conditions precedent, and completion is expected within twelve months from the reporting date.

(ii) Measurement of disposal group classified as held for sale and asset held for sale

Upon classification as held for sale, the Disposal Group and investment in subsidiary company were measured at the lower of its carrying amount and fair value less costs to sell.

No impairment loss was recognised during the financial year as the fair value less costs to sell, determined based on the agreed disposal consideration of RM120 million less estimated transaction costs, exceeded the carrying amount of the Disposal Group.

	Group 2025 RM'000	Company 2025 RM'000
Assets		
Investment in subsidiary company	-	180
Property, plant and equipment	75,904	-
Intangible assets	61	-
Inventories	168,952	-
Trade receivables	94,188	-
Other receivables	38,654	-
Amount due from related companies	263	-
Fixed deposits with financial institutions	292	-
Cash and bank balances	30,943	-
Assets held for sales	409,257	180

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18. ASSET HELD FOR SALE AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE *(cont'd)*

(ii) Measurement of disposal group classified as held for sale and asset held for sale *(cont'd)*

	Group 2025 RM'000	Company 2025 RM'000
Liabilities		
Trade payables	36,083	-
Other payables	32,256	-
Amount due to related companies	671	-
Tax payable	7,679	-
Bank borrowings	162,224	-
Hire purchase payables	383	-
Lease liabilities	49,784	-
Derivative liabilities	1,147	-
Deferred tax liabilities	5,255	-
Liabilities of diposal group	295,482	-
	113,775	180

19. SHARE CAPITAL

	Group and Company			
	Number of Ordinary Shares		Amount	
	2025 Units ('000)	2024 Units ('000)	2025 RM'000	2024 RM'000
Issued and fully paid				
At beginning/end of the financial year	2,747,342	2,747,342	671,443	671,443

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

20. TREASURY SHARES

	Group 2025 RM'000	Company 2025 RM'000
At 1 January	-	-
Shares repurchased	26,995	26,995
As 31 December	26,995	26,995

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company. The Company's share buy-back mandate was initially approved by shareholders on 25 May 2023 and was subsequently renewed at the following annual general meetings. Under the mandate, the Company may repurchase up to 10% of its issued ordinary shares. The shares repurchased are held as treasury shares in accordance with Section 127 of the Companies Act 2016 in Malaysia.

For the financial year ended 31 December 2025, the Company repurchased 76,296,100 of its issued ordinary shares from the open market. The average price paid for the shares repurchased was RM0.354 per share.

There was no resale, cancellation or distribution of treasury shares during the financial year.

21. MERGER DEFICIT

Merger deficit arises from the difference between the nominal value of shares issued by the Company and the nominal value of shares of subsidiaries acquired under the merger method of accounting.

22. REVALUATION RESERVE

The revaluation reserve represents revaluation surplus on the property of the Group (net of deferred tax, where applicable) presented under property, plant and equipment. The Group makes an annual transfer of the revaluation reserve to retained earnings on a straight-line method. Upon retirement or disposal of the property, the revaluation reserve is transferred directly to retained earnings.

23. LEASE LIABILITIES

	Group 2025 RM'000	Group 2024 RM'000
Current liabilities	10,497	6,462
Non-current liabilities	88,281	48,901
	98,778	55,363

NOTES TO THE FINANCIAL STATEMENTS

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23. LEASE LIABILITIES *(cont'd)*

The maturity analysis of lease liabilities as follows:

	Group	
	2025	2024
	RM'000	RM'000
Minimum lease payments		
Within one year	15,326	8,989
Later than one year and not later than two years	15,827	7,119
Later than two years and not later than five years	46,581	18,408
Later than five years	46,398	37,510
	124,132	72,026
Less: Future finance charges	(25,354)	(16,663)
Present value of minimum lease payments	98,778	55,363
Present value of minimum lease payments		
Within one year	10,497	6,462
Later than one year and not later than two years	11,612	4,427
Later than two years and not later than five years	38,145	12,669
Later than five years	38,524	31,805
	98,778	55,363
Analysed as:		
Repayable within twelve months	10,497	6,462
Repayable after twelve months	88,281	48,901
	98,778	55,363

Lease interest of the Group ranges from 3.19% to 7.26% (2024: 3.38% to 7.26%) per annum.

23. LEASE LIABILITIES *(cont'd)*

Movement in the lease liabilities is as follows:

	Group	
	2025	2024
	RM'000	RM'000
At 1 January	55,363	50,143
Addition of new leases:		
- Operating lease arrangement	80,159	26,952
- Sale and leaseback arrangement	35,804	-
Interest expense on lease liabilities	4,431	2,534
Lease payments:		
- Principal portion	(10,522)	(4,672)
- Interest portion	(4,431)	(2,534)
Lease remeasurement	(11,883)	(16,938)
Lease cessation	(359)	(122)
Reclassified as disposal group held for sale	(49,784)	-
At 31 December	98,778	55,363

The following are the amounts recognised in profit or loss:

	Group	
	2025	2024
	RM'000	RM'000
Depreciation expenses of right-of-use assets	15,104	9,165
Interest expense on lease liabilities	4,431	2,534
Expenses relating to short-term leases	10,149	8,149
Total amount recognised in profit or loss	29,684	19,848
Total cash outflows for leases (including short-term leases)	(25,102)	(15,355)

24. HIRE PURCHASE PAYABLES

	Group	
	2025	2024
	RM'000	RM'000
Current liabilities	561	963
Non-current liabilities	517	1,462
	1,078	2,425

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24. HIRE PURCHASE PAYABLES *(cont'd)*

The maturity analysis of hire purchase payables as follows:

	Group	
	2025	2024
	RM'000	RM'000
Minimum lease payments		
Within one year	596	1,051
Later than one year and not later than two years	357	866
Later than two years and not later than five years	178	664
	1,131	2,581
Less: Future finance charges	(53)	(156)
Present value of minimum lease payments	1,078	2,425
Present value of minimum lease payments		
Within one year	561	963
Later than one year and not later than two years	344	819
Later than two years and not later than five years	173	643
	1,078	2,425
Analysed as:		
Repayable within twelve months	561	963
Repayable after twelve months	517	1,462
	1,078	2,425

Hire purchase interest of the Group ranges from 1.77% to 3.54% (2024: 1.77% to 3.71%) per annum.

Certain hire purchase payables of the Group are secured by corporate guarantee of the Company.

25. BANK BORROWINGS

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Secured				
Bills payable	72,877	177,419	-	-
Revolving credit	26,000	4,500	25,000	-
Term loans	30,284	41,042	-	-
	129,161	222,961	25,000	-

25. BANK BORROWINGS *(cont'd)*

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Analysed as:				
Current				
Bills payable	72,877	177,419	-	-
Revolving credit	26,000	4,500	25,000	-
Term loans	6,021	7,909	-	-
	104,898	189,828	25,000	-
Non-current				
Term loans	24,263	33,133	-	-
	129,161	222,961	25,000	-

The bank borrowings, together with those bank borrowings classified as disposal group held for sale as disclosed in Note 18 are secured by the following:

(i) Legal charge over freehold buildings and certain leasehold land and buildings of the Group as disclosed in Note 5 and Note 18 to the financial statements;

(ii) Corporate guarantee by the Company and its subsidiaries;

(iii) Negative pledge over all present and future assets of certain subsidiaries;

(iv) Fixed deposits as disclosed in Note 17 to the financial statements;

(v) Restricted cash at bank amounted to RM1,284,274 (2024: Nil) of a subsidiary.

Maturity of bank borrowings is as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Within one year	104,898	189,828	25,000	-
Later than one year and not later than two years	6,279	8,140	-	-
Later than two years and not later than five years	7,595	14,669	-	-
Later than five years	10,389	10,324	-	-
	129,161	222,961	25,000	-

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25. BANK BORROWINGS *(cont'd)*

The range of effective interest rates per annum on bank borrowings of the Group and of the Company as at reporting date are as follows:

	Group		Company	
	2025	2024	2025	2024
	%	%	%	%
Bills payable	3.26 - 5.65	2.75 - 5.94	-	-
Revolving credit	4.34 - 6.38	6.11 - 6.28	6.35 - 6.38	-
Term loans	4.80 - 6.30	4.95 - 6.30	-	-

The Group (including those classified as disposal group held for sale) is subject to certain covenants for bills payable amounting RM183,258,309 (2024: RM135,794,071), term loan amounting RM46,092,279 (2024: RM40,758,340) and revolving credit amounting RM7,000,000 (2024: Nil). These covenants required the Group to maintain certain financial ratio such as gearing ratio, current ratio, financing payment coverage ratio and dividend payout ratio and net assets of certain subsidiary company within a specific range.

These significant covenants are tested on an annual basis on the audited financial statements of the Group and certain subsidiaries. The term loan becomes repayable on demand if the threshold is not met at 31 December 2025.

The Group and certain subsidiaries complied with the threshold when it was tested on 31 December 2025. There are no indication that it will have difficulty complying with these covenants as at the reporting date.

26. PROVISION FOR RESTORATION COSTS

Provision for restoration costs comprises estimates of reinstatement costs for retail outlets upon termination of tenancy. The provision is estimated using the assumption that restoration will only take place upon expiry of the lease terms.

The Group estimates provision for restoration costs based on a recent quotation per square feet of rent area from a contractor. The estimated provision for restoration costs is review periodically and is updated if expectations differ from previous estimates due to changes in cost factors. Where expectations differ from the original estimates, the differences would impact the carrying amount of provision for restoration costs of the Group.

A reconciliation of the provision for restoration costs is as follows:

	Group	
	2025	2024
	RM'000	RM'000
At 1 January	49	-
Recognised in right-of-use assets	1,163	49
Unwinding of discount	31	-
At 31 December	1,243	49

26. PROVISION FOR RESTORATION COSTS *(cont'd)*

Provision for restoration costs is classified as non-current liabilities unless the tenancy agreement, for which the restoration is required, expires within 12 months after the reporting date.

27. DEFERRED TAX (ASSETS)/LIABILITIES

	Group	
	2025	2024
	RM'000	RM'000
At 1 January	27,827	25,706
Recognised in profit or loss (Note 34)	(9,979)	15
Arising from revaluation of properties	-	2,106
Arising from disposal of revalued properties	(6,306)	-
Reclassified as disposal group held for sale	(5,255)	-
At 31 December	6,287	27,827

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follow:

	Group	
	2025	2024
	RM'000	RM'000
Deferred tax assets		
Property, plant and equipment	1,138	-
Unabsorbed capital allowance and unused tax losses	(5,241)	-
	(4,103)	-
Deferred tax liabilities		
Contract liabilities	(16)	(25)
Property, plant and equipment	6,822	13,667
Intangible assets	80	92
Revaluation reserve	4,013	14,233
Unabsorbed capital allowance and unused tax losses	(509)	(140)
	10,390	27,827

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27. DEFERRED TAX (ASSETS)/LIABILITIES *(cont'd)*

The components and movement of deferred tax liabilities and assets are as follows:

	Contract liabilities	Property, plant and equipment	Intangible assets	Revaluation reserve	Unabsorbed capital allowance and unused tax losses	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
2025						
At 1 January	(25)	13,667	92	14,233	(140)	27,827
Arising from disposal of revalued properties	-	-	-	(6,306)	-	(6,306)
Recognised in profit or loss (Note 34)	9	(4,044)	(12)	(322)	(5,610)	(9,979)
Reclassified as disposal group held for sale	-	(1,663)	-	(3,592)	-	(5,255)
At 31 December	(16)	7,960	80	4,013	(5,750)	6,287
2024						
At 1 January	(95)	13,121	104	12,564	12	25,706
Arising from revaluation reserve	-	-	-	2,106	-	2,106
Recognised in profit or loss (Note 34)	70	546	(12)	(437)	(152)	15
At 31 December	(25)	13,667	92	14,233	(140)	27,827

28. TRADE PAYABLES

	Group	
	2025	2024
	RM'000	RM'000
Third parties	46,999	103,602
Retention sum payables	459	220
	47,458	103,822

Credit terms of trade payables of the Group range from 30 to 180 (2024: 30 to 180) days, depending on the term of the contracts.

Retention sum are due upon expiring of defect liability period state in respective construction contracts.

29. OTHER PAYABLES

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Other payables	7,409	15,652	184	114
Accruals	13,383	20,561	116	110
Deposits received	6,485	2,457	165	-
Deferred consideration	-	2,000	-	2,000
	27,277	40,670	465	2,224

Included in deposits received of the Group and of the Company are RM6,000,000 and RM165,000 respectively (2024: RM2,295,000 and Nil) relating to disposal transactions. For the current financial year, the amount comprises deposits received in relation to the disposal of subsidiaries, as disclosed in Note 43(a)(ii). For the previous financial year, the amount was received from Pacific Trustees Berhad ("Pacific Trustee"), acting as the trustee of KIP Real Estate Investment Trust ("KIP REIT") for the disposals of properties, as disclosed in Note 43(a)(i) to the financial statements.

In the previous financial year, deferred consideration payable by the Group and by the Company amounting to RM2,000,000 represented the purchase consideration for the acquisition of POM, which was contingent on certain criteria being met. The amount was settled during the financial year.

30. REVENUE

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Dividend income	-	-	73,060	18,480
Construction contracts	27,834	44,571	-	-
Finance lease interest income	211	-	-	-
Finance lease sales	1,354	-	-	-
Sales of goods	917,109	906,461	-	-
Rendering of services	4,162	14,146	-	-
Rental income of machinery and equipment	7,218	322	-	-
Retail sales of coffee and other beverages	27,129	-	-	-
	985,017	965,500	73,060	18,480
Timing of revenue recognition:				
- at a point in time	944,495	906,461	73,060	18,480
- over time	38,956	59,039	-	-
	983,451	965,500	73,060	18,480

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31. FINANCE COSTS

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Interest expenses on:				
Bills payable	9,771	8,482	-	-
Bank guarantees	57	47	-	-
Bank overdrafts	83	58	-	-
Trust receitps and letter of credit				
Lease liabilities	4,431	2,534	-	-
Hire purchase	87	134	-	-
Term loans	2,186	2,621	-	-
Unwinding of discounts on provision for restoration cost	31	-	-	-
Revolving credits	1,529	1,848	842	1,042
	18,175	15,724	842	1,042

32. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax is determined after charging/(crediting) amongst other, the following items:

		Group		Company	
		2025	2024	2025	2024
	Note	RM'000	RM'000	RM'000	RM'000
Amortisation of intangible assets	7	273	48	-	-
Auditors' remuneration					
- Statutory:					
• Ecovis Malaysia PLT		587	481	100	100
• Other auditors		-	15	-	-
• Underprovision in prior years		40	40	40	40
- Audit-related services		-	18	-	18
- Non-statutory audit fee		9	8	9	8
Bad debts recovered		-	(175)	-	-
Bad debts written off		129	17	-	-
Depreciation of property, plant and equipment	5	25,260	17,120	-	-
Deposit written off		48	6	-	-

32. PROFIT/(LOSS) BEFORE TAX *(cont'd)*

Profit/(Loss) before tax is determined after charging/(crediting) amongst other, the following items: *(cont'd)*

		Group		Company	
		2025	2024	2025	2024
	Note	RM'000	RM'000	RM'000	RM'000
Foreign exchange (gain)/loss					
- realised		(292)	(163)	-	-
- unrealised		789	(542)	-	-
Inventories written down, net		475	459	-	-
Inventories written off		-	166	-	-
Impairment loss on investment in subsidiary companies	6(b)	-	-	222,473	28,842
Impairment loss on other investment	16	-	3,144	-	-
Net impairment (gain)/loss on trade receivables:					
- lifetime ECL allowance	8	(375)	351	-	-
- specific allowance	8	140	(604)	-	-
Property, plant and equipment written off	5	16	13	-	-
Rental of machinery and equipments*		3,705	3,104	-	-
Rental of motor vehicles*		229	281	-	-
Rental of premises*		6,215	4,764	-	-
Staff cost (excluding Directors' remuneration):					
- salaries, wages and allowance		57,299	43,489	-	-
- contribution to defined contribution plan		5,330	3,377	-	-
- social security contribution		627	425	-	-
- other employee benefits		2,149	1,355	-	-
Finance income:					
- unwinding of discount on trade receivables		(192)	(152)	-	-
- interest income		(1,333)	(1,623)	(1,736)	(344)
Loss/(Gain) on disposal of property, plant and equipment		2,856	(474)	-	-
Gain on lease cessation and remeasurement		(24)	(32)	-	-
Gain on struck off of subsidiaries		-	(69)	-	-
Rental income		(2,871)	(814)	-	-

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32. PROFIT/(LOSS) BEFORE TAX *(cont'd)*

Profit/(Loss) before tax is determined after charging/(crediting) amongst other, the following items: *(cont'd)*

		Group		Company	
		2025	2024	2025	2024
	Note	RM'000	RM'000	RM'000	RM'000
Expenses recognised in cost of sales:					
Depreciation of property, plant and equipment		12,544	12,170	-	-
Inventories written down, net		475	459	-	-
Inventories written off		-	166	-	-
Rental of machinery and equipments*		3,288	3,099	-	-
Rental of premises*		6,104	4,338	-	-
Staff cost (excluding Directors' remuneration):					
- salaries, wages and allowance		22,256	22,983	-	-
- contribution to defined contribution plan		899	753	-	-
- social security contribution		205	181	-	-
- other employee benefits		634	580	-	-

* *The amount represents short-term leases and low value underlying assets under MFRS 16.*

33. DIRECTORS' REMUNERATION

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Directors of the Group and of the Company				
Executive:				
- Salary and other emoluments*	2,859	3,478	10	7
- Contribution to defined plan	309	327	-	-
	3,168	3,805	10	7
Non-executive:				
- Fees	248	244	248	244
- Salary and other emoluments*	25	19	25	19
	3,441	4,068	283	270

* *Other emoluments included SOCSO, allowances, meeting allowance and etc.*

33. DIRECTORS' REMUNERATION *(cont'd)*

The estimated monetary value of Director's benefit-in-kind for the Group is RM34,600 (2024: RM45,400).

The number of Directors of the Group and of the Company whose total remuneration fall within the following bands for the financial year ended 31 December 2025 is as follows:

	Group		Company	
	No. of Directors		No. of Directors	
	Executive	Non-executive	Executive	Non-executive
Range of remuneration:-				
Below RM50,000	1	2	2	2
RM50,001-RM100,000	-	4	-	4
RM100,001-RM200,000	2	-	-	-
RM200,001-RM300,000	-	-	-	-
RM300,001-RM400,000	-	-	-	-
RM400,001-RM500,000	-	-	-	-
RM500,001-RM600,000	-	-	-	-
RM600,001-RM700,000	2	-	-	-
RM700,001-RM800,000	1	-	-	-
RM800,001-RM900,000	1	-	-	-

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34. TAXATION

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Tax expense recognised in profit or loss				
Current tax:				
Malaysian income tax	16,104	11,358	414	69
(Over)/Underprovision in prior years	(742)	(327)	243	(1)
	15,362	11,031	657	68
Real property gain tax:				
Current year	-	22	-	-
Deferred tax (Note 27):				
Current year	(9,383)	652	-	-
Crystalisation of deferred tax liabilities	(242)	(256)	-	-
Overprovision in prior year	(354)	(381)	-	-
	(9,979)	15	-	-
	5,383	11,068	657	68

Malaysian income tax is calculated at the statutory tax rate of 24% (2024: 24%) of the estimated assessable profit/(loss) for the financial year.

34. TAXATION *(cont'd)*

A reconciliation of income tax expenses applicable to profit/(loss) before tax at the statutory tax rate to income tax expenses at the effective income tax of the Group and the Company are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before tax	16,791	39,341	(150,805)	(13,275)
Taxation at statutory tax rate of 24% (2024: 24%)	4,030	9,442	(36,193)	(3,186)
Expenses not deductible for tax purposes	4,303	3,937	54,141	7,690
Income not subject to tax	(1,702)	(1,027)	(17,534)	(4,435)
Deferred tax assets not recognised	471	-	-	-
Crystalisation of deferred tax liabilities	(242)	(256)	-	-
Utilisation of previously unrecognised tax benefits	(381)	(342)	-	-
Overprovision of deferred tax in prior years	(354)	(381)	-	-
(Over)/Underprovision of income tax in prior years	(742)	(327)	243	(1)
Real property gains tax	-	22	-	-
Tax expense for the financial year	5,383	11,068	657	68

	Group	
	2025	2024
	RM'000	RM'000
Unrecognised tax benefits carried forward are analysed as follows:		
Contract liabilities	2,301	-
Property, plant and equipment	(340)	-
Unused tax losses	1,445	3,029
	3,406	3,029

Deferred tax assets have not been recognised in respect of those items as those companies in the Group may not have sufficient future taxable profits from which the above can be utilised.

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34. TAXATION *(cont'd)*

The availability of unused tax losses for offsetting against future taxable profits of the Company is subject to the requirements under the Income Tax Act 1967 and guidelines issued by the Inland Revenue Board.

Under the current tax legislation in Malaysia, unused losses from year of assessment ("YA") 2019 onwards can only be carried forward for a maximum period of 10 consecutive YAs. Unused losses for YA 2019 can be set off against income from any business source for 10 YAs and will be disregarded in YA 2030. Unused losses accumulated up to YA 2018 can be utilised for another 10 YAs and will be disregarded in YA 2029.

The unused tax losses can only be carried forward until year of assessment 2028.

35. DIVIDEND

	Group and Company	
	2025	2024
	RM'000	RM'000
Dividends recognised as distribution to ordinary shareholders of the Company:		
Second interim single-tier dividend of RM0.01 per ordinary share in respect of the financial year ended 31 December 2023 paid on 15 March 2024	-	27,473
First interim single-tier dividend of RM0.01 per ordinary share in respect of the financial year ended 31 December 2025 paid on 18 June 2025	27,473	-
	27,473	27,473

36. EARNINGS PER SHARE ("EPS")

(a) Basic EPS

The basic EPS are calculated based on the consolidated profit for the financial year attributable to the owners of the Company and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2025	2024
	RM	RM
Profit attributable to owners of the Company (RM'000)	10,643	27,518
Weighted average number of ordinary shares at 31 December (unit '000)	2,732,662	2,747,342
Basic EPS (sen)	0.39	1.00

36. EARNINGS PER SHARE ("EPS") *(cont'd)*

(b) Diluted EPS

The Company had no potential ordinary share in issue, thus no calculation on diluted earning per share.

37. RELATED PARTY DISCLOSURES

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group and certain members of senior management of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

The Group has related party relationships with its subsidiary companies, related companies, and related parties and key management personnel.

(b) Compensation of key management personnel

Remuneration of key management personnel (inclusive of the Directors' remuneration as disclosed in Note 33 to the financial statements) are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Key management compensations:				
- Salaries, wages, bonus and Directors' fee	4,525	4,232	248	244
- Defined contribution plan	417	401	-	-
- Other emoluments *	155	142	35	26
	5,097	4,775	283	270

* *Other emoluments included SOCSO, allowances, meeting allowance and etc.*

The estimated monetary value of key management personnel's benefit-in-kind for the Group is RM54,000 (2024: RM54,200).

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37. RELATED PARTY DISCLOSURES *(cont'd)*

(c) Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal terms and conditions negotiated among the subsidiary companies, related companies and related parties. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and the Company are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Subsidiary companies				
Advances to	-	-	99,850	201,810
Advance received	-	-	-	(23,200)
Dividend income	-	-	73,060	18,480
Related companies and related parties				
Revenue	(4,214)	(1,286)	-	-
Purchases	2,255	1,506	-	-
Management fee paid	1,891	1,888	-	-
Rental of lorry	234	287	-	-
Rental income	(3)	-	-	-
Rental of premises	8,858	6,132	-	-
Storage charges	2,234	2,809	-	-
Transport charges	1,415	407	-	-
Gain on disposal of assets	(275)	-	-	-
Proceeds received for disposal of assets	23,765	4	-	-
Purchase of assets	-	26	-	-

38. CAPITAL COMMITMENT

	Group	
	2025	2024
	RM'000	RM'000
Approved and contracted for:		
Renovation	432	1,269
Motor vehicle	85	121

39. LEASE COMMITMENT

As at the end of the financial year, the Group has the following operating lease commitments in respect of rental of outlets. The future minimum lease payments under operating leases are as follows:

	Group	
	2025	2024
	RM'000	RM'000
Within one year	230	800
Later than one year and not later than two years	261	804
Later than two years and not later than five years	1,210	1,588
	1,701	3,192

40. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost.

The following table analyses the financial assets and liabilities in the statements of financial position at reporting date by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Measured at amortised cost	Measured at fair value through profit or loss	Total
	RM'000	RM'000	RM'000
Group			
2025			
Financial assets			
Trade receivables	83,212	-	83,212
Other receivables^	9,420	-	9,420
Amount due from related parties	750	-	750
Fixed deposits with financial institutions	238	-	238
Cash and bank balances	104,106	-	104,106
	197,726	-	197,726

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40. FINANCIAL INSTRUMENTS *(cont'd)*

(a) Classification of financial instruments *(cont'd)*

The following table analyses the financial assets and liabilities in the statements of financial position at reporting date by the class of financial instruments to which they are assigned, and therefore by the measurement basis: *(cont'd)*

	Measured at amortised cost	Measured at fair value through profit or loss	Total
	RM'000	RM'000	RM'000
Group			
2025			
Financial liabilities			
Trade payables	47,458	-	47,458
Other payables	27,277	-	27,277
Amount due to related parties	520	-	520
Lease liabilities	98,778	-	98,778
Hire purchase payables	1,078	-	1,078
Bank borrowings	129,161	-	129,161
	304,272	-	304,272
Group			
2024			
Financial assets			
Trade receivables	205,501	-	205,501
Other receivables^	30,646	-	30,646
Amount due from related companies	24	-	24
Amount due from related parties	11	-	11
Derivative assets	-	328	328
Fixed deposits with financial institutions	480	-	480
Cash and bank balances	131,595	-	131,595
	368,257	328	368,585
Financial liabilities			
Trade payables	103,822	-	103,822
Other payables	40,670	-	40,670
Amount due to related companies	852	-	852
Lease liabilities	55,363	-	55,363
Hire purchase payables	2,425	-	2,425
Bank borrowings	222,961	-	222,961
	426,093	-	426,093

40. FINANCIAL INSTRUMENTS *(cont'd)*

(a) Classification of financial instruments *(cont'd)*

The following table analyses the financial assets and liabilities in the statements of financial position at reporting date by the class of financial instruments to which they are assigned, and therefore by the measurement basis: *(cont'd)*

	Measured at amortised cost
	RM'000
Company	
2025	
Financial assets	
Other receivables^	26,002
Amount due from subsidiary companies	2,000
Cash and bank balances	16,718
	44,720
Financial liabilities	
Other payables	465
Amount due to subsidiary companies	8,300
Bank borrowings	25,000
	33,765
2024	
Financial assets	
Other receivables^	2
Amount due from subsidiary companies	67,730
Cash and bank balances	7,915
	75,647
Financial liabilities	
Other payables	2,224
Amount due to subsidiary companies	8,300
	10,524

^ *Other receivables exclude prepayments.*

NOTES TO THE FINANCIAL STATEMENTS

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40. FINANCIAL INSTRUMENTS *(cont'd)*

(b) Net (losses)/gains arising from financing instruments

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Net (losses)/gains arising from:				
Financial assets measured at FVTPL	(329)	(332)	-	-
Financial assets measured at amortised cost	1,504	8,209	1,736	344
Financial liabilities measured at FVTPL	(1,143)	(55)	-	-
Financial liabilities measured at amortised cost	(18,389)	(15,576)	(842)	(1,042)
	(18,357)	(7,754)	894	(698)

(c) Financial risk management objectives and policies

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and the Company's operations whilst managing its credit, liquidity, foreign currency, interest rate and market risks. The Group and the Company operates within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions.

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

(i) Credit risk

Credit risk is the risk of a financial loss to the Group or the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the company's exposure to credit risk arises principally from trade and other receivables, contract assets, fixed deposits with financial institutions, loans and advances to subsidiary companies, related companies, and related parties and financial guarantees given to financial institutions for credit facilities granted to subsidiary companies.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represents the Group's and the Company's maximum exposure to credit risk. At the end of the reporting year, there was no indication that any subsidiary company, related company and related party would default on repayment. The financial guarantees have not been recognised since the fair value on initial recognition was not material.

40. FINANCIAL INSTRUMENTS *(cont'd)*

(c) Financial risk management objectives and policies *(cont'd)*

(i) Credit risk *(cont'd)*

(a) Trade receivables and contract assets

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms be subject to credit verification procedures.

Credit risk concentration profile

The Group has no significant concentration of credit risk except for the amounts owing by Nil (2024: one) customer which constituted approximately Nil (2024: 18%) of its trade receivables as at the end of the reporting period.

Exposure to credit risk, credit quality and collateral

Trade receivable balances are monitored on an ongoing basis.

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of trade receivables and contract assets as at the end of the reporting period.

Ageing analysis of trade receivables and impairment losses

Information regarding ageing analysis of trade receivables and impairment losses is disclosed in Note 8 to the financial statements.

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 8 to the financial statements.

Financial assets that are past due but not impaired

Information regarding trade receivables that are past due but not impaired is disclosed in Note 8 to the financial statements.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group categorises trade receivables and contract assets as impaired when a debtor fails to make contractual payments for an extended period, generally after more than 365 days past due. Trade receivables and contract assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage to repayment plan with the Group. Where trade receivables and contract assets have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

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40. FINANCIAL INSTRUMENTS *(cont'd)*

(c) Financial risk management objectives and policies *(cont'd)*

(i) Credit risk *(cont'd)*

(a) Trade receivables and contract assets *(cont'd)*

Financial assets that are past due but not impaired (cont'd)

The following are credit risk management practices and quantitative and qualitative information about ageing analysis and amounts arising from expected credit losses for trade receivables and contract assets.

The Group provides for lifetime expected credit losses for all trade receivables and contract assets. The expected credit losses below also incorporate forward looking information such as forecast of economic conditions where the gross domestic product is expected to deteriorate over the next year, leading to increase in the number of defaults.

40. FINANCIAL INSTRUMENTS *(cont'd)*

(c) Financial risk management objectives and policies *(cont'd)*

(i) Credit risk *(cont'd)*

(a) Trade receivables and contract assets *(cont'd)*

The loss allowance provision as at the end of each reporting period is determined as follows:

	Contract assets	Current	30 days past due	60 days past due	90 days past due	120 days past due	>120 days past due	Total
Group								
31 December 2025								
Loss rate (%)	-	-	-	0.15 - 28.47	-	11.91	10.56 - 13.65	
Gross carrying amount (RM'000)	5,809	48,080	11,978	5,940	2,287	3,046	14,151	
Loss allowance (RM'000)	-	-	-	119	-	164	360	643
Impaired receivables (RM'000)	-	-	-	-	-	-	1,627	1,627
Total impairment								2,270

40. FINANCIAL INSTRUMENTS *(cont'd)*

(c) Financial risk management objectives and policies *(cont'd)*

(i) Credit risk *(cont'd)*

(a) Trade receivables and contract assets *(cont'd)*

The loss allowance provision as at the end of each reporting period is determined as follows: *(cont'd)*

	Contract assets	Current	30 days past due	60 days past due	90 days past due	120 days past due	>120 days past due	Total
Group								
31 December 2024								
Loss rate (%)	-	-	2.78	0.15 - 1.77	1.62 - 6.51	0.69 - 14.13	0.79 - 6.63	
Gross carrying amount (RM'000)	21,863	82,733	46,810	40,964	12,296	4,190	22,013	
Loss allowance (RM'000)	-	-	15	333	49	41	781	1,219
Impaired receivables (RM'000)	-	70	-	-	-	4	2,212	2,286
Total impairment								3,505

40. FINANCIAL INSTRUMENTS *(cont'd)*

(c) Financial risk management objectives and policies *(cont'd)*

(i) Credit risk *(cont'd)*

(b) Other receivables

At the end of reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

At the end of reporting period, the Group and the Company did not recognised any allowance for impairment losses.

(c) Amount due from subsidiary companies, related companies and related parties

The Group and the Company considers loans and advances to subsidiary companies, related companies and related parties have low credit risk. The Group and the Company assume that there is a significant increase in credit risk when the financial position of the receivables deteriorates significantly. As the Group and the Company are able to determine the timing of payment of the loan and advances to be in default when the receivables are not able to pay when demanded. The Company considers the loan or advances to be credit impaired when:

- the receivables unlikely to repay its loan or advances to the Group and the Company in full; or
- the receivables is continuously loss making and is having a deficit shareholders' fund.

At the end of reporting period, the Group and the Company did not recognised any allowance for impairment losses.

(d) Other financial instruments

For other financial assets (including fixed deposits with financial institution and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. In view of the sound credit rating of counterparties, management does not expect any counterparty to fail to meet its obligations. As at the end of the reporting period, there was no indication that there are other financial assets are impaired except for other investment.

The following tables provides information about the exposure to credit risk and expected credit losses for other investment:

	Gross amount	Impairment loss	Carrying amount
	RM'000	RM'000	RM'000
31 December 2025			
Other investment			
Credit impaired	3,500	(3,500)	-

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40. FINANCIAL INSTRUMENTS *(cont'd)*

(c) Financial risk management objectives and policies *(cont'd)*

(i) Credit risk *(cont'd)*

(d) Other financial instruments *(cont'd)*

The following tables provides information about the exposure to credit risk and expected credit losses for other investment: *(cont'd)*

	Gross amount	Impairment loss	Carrying amount
	RM'000	RM'000	RM'000
31 December 2024			
Other investment			
Credit impaired	3,500	(3,500)	-

(e) Financial guarantees contracts

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Corporate guarantees given to licensed banks to secure credit facilities granted to the subsidiary companies	-	-	129,217	222,194
Corporate guarantees given to suppliers to secure credit limit granted to the subsidiary companies	-	-	1	2
Bank guarantee given to licensed bank, suppliers and customers	11,111	3,873	-	-
Bank guarantee given to utilities company	463	305	-	-
Bank guarantee for port charges	1,440	709	-	-
Letter of credit issued by licensed banks	-	5,632	-	-

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, there was no loss allowance as determined by the Company for the financial guarantee.

40. FINANCIAL INSTRUMENTS *(cont'd)*

(c) Financial risk management objectives and policies *(cont'd)*

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group and the Company finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The following table analyses the maturity profile of the Group's and the Company's financial liabilities as at reporting date. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company are required to pay.

40. FINANCIAL INSTRUMENTS *(cont'd)*

(c) Financial risk management objectives and policies *(cont'd)*

(ii) Liquidity risk

	On demand or within 1 year	1 to 2 years	2 to 5 years	After 5 years	Total contractual undiscounted cash flows	Total carrying amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
2025						
Financial liabilities						
Trade payables	47,458	-	-	-	47,458	47,458
Other payables	27,277	-	-	-	27,277	27,277
Amount due to related parties	520	-	-	-	520	520
Lease liabilities	15,326	15,827	46,581	46,398	124,132	98,778
Hire purchase payables	596	357	178	-	1,131	1,078
Bank borrowings	104,898	6,949	8,802	12,146	132,795	129,161
Financial guarantees contracts*	13,014	-	-	-	13,014	-
	209,089	23,133	55,561	58,544	346,327	304,272

40. FINANCIAL INSTRUMENTS *(cont'd)*

(c) Financial risk management objectives and policies *(cont'd)*

(ii) Liquidity risk *(cont'd)*

	On demand or within 1 year	1 to 2 years	2 to 5 years	After 5 years	Total contractual undiscounted cash flows	Total carrying amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
2024						
Financial liabilities						
Trade payables	103,822	-	-	-	103,822	103,822
Other payables	40,670	-	-	-	40,670	40,670
Amount due to related companies	852	-	-	-	852	852
Lease liabilities	8,989	7,119	18,408	37,510	72,026	55,363
Hire purchase payables	1,051	866	664	-	2,581	2,425
Bank borrowings	192,012	9,876	17,672	12,812	232,372	222,961
Financial guarantees contracts*	10,519	-	-	-	10,519	-
	357,915	17,861	36,744	50,322	462,842	426,093

40. FINANCIAL INSTRUMENTS *(cont'd)*

(c) Financial risk management objectives and policies *(cont'd)*

(ii) Liquidity risk *(cont'd)*

	On demand or within 1 year	1 to 2 years	2 to 5 years	After 5 years	Total contractual undiscounted cash flows	Total carrying amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Company						
2025						
Financial liabilities						
Other payables	465	-	-	-	465	465
Amount due to subsidiary companies	8,300	-	-	-	8,300	8,300
Bank borrowings	25,000	-	-	-	25,000	25,000
Financial guarantees contracts*	129,218	-	-	-	129,218	-
	162,983	-	-	-	162,983	33,765
2024						
Financial liabilities						
Other payables	2,224	-	-	-	2,224	2,224
Amount due to a subsidiary company	8,300	-	-	-	8,300	8,300
Financial guarantees contracts*	222,196	-	-	-	222,196	-
	232,720	-	-	-	232,720	10,524

* *This has been included for illustration purpose only as the related financial guarantees contracts have not crystalised as at the end of the financial year.*

40. FINANCIAL INSTRUMENTS *(cont'd)*

(c) Financial risk management objectives and policies *(cont'd)*

(iii) Market risks

- Foreign currency exchange risk

The Group is exposed to foreign currency exchange risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currency giving rise to this risk is primarily the United States Dollar (USD).

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date are as follows:

Group	Denominated in		
	USD	CNY	Total
	RM'000	RM'000	RM'000
31 December 2025			
Deposits, cash and bank balances	4,589	35	4,624
Trade receivables	772	-	772
Other receivables	125	-	125
Derivative assets	-	-	-
Trade payables	(5,343)	-	(5,343)
Other payables	(646)	-	(646)
Derivative liabilities	(1,147)	-	(1,147)
Bank borrowings	(37,010)	(93)	(37,103)
	(38,660)	(58)	(38,718)
31 December 2024			
Deposits, cash and bank balances	1,181	37	1,218
Trade receivables	2,213	-	2,213
Other receivables	6,184	-	6,184
Derivative assets	332	-	332
Trade payables	(9,137)	-	(9,137)
Derivative liabilities	(4)	-	(4)
Bank borrowings	(550)	(372)	(922)
	219	(335)	(116)

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31 DECEMBER 2025
cont'd

40. FINANCIAL INSTRUMENTS *(cont'd)*

(c) Financial risk management objectives and policies *(cont'd)*

(iii) Market risks *(cont'd)*

- Foreign currency exchange risk *(cont'd)*

Foreign currency sensitivity analysis

Group	Change in currency rate	2025 Effect on profit before tax	2024 Effect on profit before tax
	RM	RM'000	RM'000
USD	Strengthened 10%	(3,866)	22
	Weakened 10%	3,866	(22)
CNY	Strengthened 10%	(6)	(34)
	Weakened 10%	6	34

- Interest rate risk

The Group's and the Company's fixed rate deposits placed with financial institutions and bank borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of its deposits with financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts for trading or speculative purposes.

The carrying amounts of the Group's and of the Company's financial instruments that are exposed to interest rate risk are as follows:

	2025	2024
	RM'000	RM'000
Group		
Fixed rate instruments		
Fixed deposits with financial institutions	238	480
Lease liabilities	98,778	55,363
Hire purchase payables	1,078	2,425
	100,094	58,268

40. FINANCIAL INSTRUMENTS *(cont'd)*

(c) Financial risk management objectives and policies *(cont'd)*

(iii) Market risks *(cont'd)*

- Interest rate risk *(cont'd)*

The carrying amounts of the Group's and of the Company's financial instruments that are exposed to interest rate risk are as follows: *(cont'd)*

	2025 RM'000	2024 RM'000
Group		
Variable rate instruments		
Bank borrowings	129,161	222,961
Company		
Variable rate instruments		
Bank borrowings	25,000	-

Interest rate sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change in 1% interest rate at the end of the reporting period, with all other variable being held constant, would have increased/(decreased) the Group's and the Company's profit before tax by RM1,291,607 and RM25,000 (2024: RM2,222,961 and Nil) respectively, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(d) Fair value of financial instruments

(i) Financial instruments not carried at fair value

Financial assets and financial liabilities not carried at fair value are disclose in Note 40(a) of the financial statements. These financial instruments are carried at the amounts approximate of their fair values on the statements of financial position of the Group and of the Company due to the relatively short-term maturity of these financial instruments and the Group and the Company do not anticipate the carrying amounts recorded at the reporting date to be significantly different from the values that would eventually be received or settled.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025
cont'd

40. FINANCIAL INSTRUMENTS *(cont'd)*

(d) Fair value of financial instruments *(cont'd)*

(i) Financial instruments not carried at fair value *(cont'd)*

As at the end of each financial period, the carrying amounts of floating rate term loans approximate their fair values as their interest rates change accordingly to movements in the market interest rates.

(ii) Financial instruments carried at fair value

Financial assets carried at fair value are disclosed in Note 40(a) of the financial statements. The fair value of the financial assets at fair value through profit or loss is at level 2. There was no material transfer between Level 1, 2 and 3 during the reporting periods.

41. CAPITAL MANAGEMENT

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group and the Company monitors capital using a gearing ratio. The Group's and the Company's policy is to maintain a prudent level of gearing ratio that complies with debt covenants. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total bank borrowings (including 'current and non-current bank borrowings and hire purchase payables as shown in the Statement of Financial Position and those classified as disposal group held for sale) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the Statements of Financial Position plus net debt. The gearing ratios at end of the reporting period are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Hire purchase payables	1,461	2,425	-	-
Bank borrowings	291,385	222,961	25,000	-
Less: Cash and cash equivalents (including fixed deposits pledged to financial institutions)	(135,579)	(132,075)	(16,718)	(7,915)
Net debts	157,267	93,311	8,282	(7,915)
Total equity	309,667	347,110	452,459	658,389
Gearing ratio (times)	0.51	0.27	0.02	N/A

There were no changes in the Group's approach to capital management during the financial period.

The Group and the Company are not subject to any externally imposed capital requirement other than as disclosed in Note 25 to the financial statements.

42. SEGMENT INFORMATION

The Group has three reportable segments as below:

(a) Fertilisers
(b) Industrial and consumer
(c) Investment holding

For each segment, the management reporting the operating segment results separately and the operating decision maker (i.e. the Group's Managing Director) reviews the results of operating segment at least on a quarterly basis.

	Fertilisers	Industrial and consumer	Investment holding	Group
	RM'000	RM'000	RM'000	RM'000
2025				
Revenue				
Total revenue	976,497	162,321	79,101	1,217,919
Inter-segment elimination	(148,186)	(5,615)	(79,101)	(232,902)
External revenue	828,311	156,706	-	985,017
Results				
Depreciation of property, plant and equipment	12,314	12,804	142	25,260
Finance cost	14,392	2,926	857	18,175
Finance income	(373)	(935)	(217)	(1,525)
(Gain)/Loss on disposal of property, plant and equipments	(255)	3,111	-	2,856
Property, plant and equipment written off	10	6	-	16
Inventories written down, net	(65)	540	-	475
Net impairment loss/(gain) on financial assets	409	(641)	(3)	(235)
Segment profit/(loss) before tax	47,607	(17,364)	(13,452)	16,791
Segment assets	671,004	216,530	44,418	931,952
Segment liabilities	489,222	106,206	26,857	622,285

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025
cont'd

42. SEGMENT INFORMATION *(cont'd)*

	Fertilisers	Industrial and consumer	Investment holding	Group
	RM'000	RM'000	RM'000	RM'000
2024				
Revenue				
Total revenue	926,920	183,381	23,529	1,133,830
Inter-segment elimination	(121,380)	(23,421)	(23,529)	(168,330)
External revenue	805,540	159,960	-	965,500
Results				
Depreciation of property, plant and equipment	12,023	4,959	138	17,120
Finance cost	13,763	901	1,060	15,724
Finance income	(968)	(415)	(392)	(1,775)
Gain on disposal of property, plant and equipments	(44)	(430)	-	(474)
Property, plant and equipment written off	3	10	-	13
Inventories written down	371	88	-	459
Inventories written off	-	166	-	166
Net impairment loss/(gain) on financial assets	3,313	(418)	(4)	2,891
Segment profit/(loss) before tax	36,024	26,709	(23,392)	39,341
Segment assets	605,316	196,400	9,559	811,275
Segment liabilities	400,140	60,777	3,248	464,165

No geographical segmental information are presented as the Group currently operate and derived revenue in Malaysia, the revenue from the foreign customers is immaterial and less than 10% to the Group's revenue.

Major customer

The following is the major customer with revenue equal or more than 10% of the Group's revenue:

	Revenue	
	2025	2024
	RM'000	RM'000
Customer A	135,648	146,579

43. SIGNIFICANT EVENTS

(a) During the financial year

(i) During the financial year, the Group completed two sale and leaseback transactions involving the disposal of two properties for total consideration of RM22,600,000 and RM23,300,000, respectively. The transactions were completed on 26 February 2025 and 17 October 2025, following the fulfilment of the condition precedent outlined in the sales and purchase agreement dated 29 August 2024.

Concurrently with the disposals, the Group entered into tenancy arrangements in respect of the properties for lease terms of 12 years and 15 years, respectively. Accordingly, the Group continues to occupy and use the properties after completion of the disposals.

The related financial impact of the above transactions are disclosed in Note 5(b) to the financial statements.

(ii) On 23 December 2025, on behalf of the Board of Directors of the Company, Berjaya Securities Sdn. Bhd. (fka. Inter-Pacific Securities Sdn. Bhd.) ("Berjaya Securities") has announced that the Company and its subsidiary company, Hextar Fertilizer Group Sdn. Bhd. had entered into conditional share sale agreements with Hextar Global Berhad ("HGB") for the proposed disposal of the entire equity interests in HFT, PKFT and PKF to HGB for an aggregate cash consideration of RM120 million, subject to adjustments in accordance with the terms of in the agreement.

As at the date of authorisation of these financial statements, the proposed disposal has yet to be completed.

(b) Subsequent to the financial year

(i) On 12 February 2026, on behalf of the Board of the Directors of the Company, Berjaya Securities announced that the Company had entered into a conditional share purchase agreement for the acquisition of 51% equity interest in Woodpeckers Group Sdn. Bhd. ("Woodpeckers") for a cash consideration of RM177.48 million, subject to adjustments in accordance with the terms of the agreement. Woodpeckers Group is principally engaged in the operation of F&B retail outlets, particularly in the frozen yogurt segment under the "llaollao" franchise nationwide.

As at the date of authorisation of these financial statements, the proposed acquisition has yet to be completed.

(ii) Subsequent to the reporting date, geopolitical tensions in the Middle East escalated following the outbreak of armed conflict involving Iran on 28 February 2026. The conflict, together with the related disruption to shipping movements through the Strait of Hormuz, may affect the Group's procurement costs, particularly through higher diesel, freight and commodity prices, as well as potential supply chain disruptions.

As at the date of authorisation of these financial statements, management is continuing to assess the potential financial effects of these developments, if any, on the Group. The financial impact cannot presently be estimated reliably.

LIST OF PROPERTIES

No.	Registered owner	Location / Tenure	Description of property / Existing use	Land Area / Built Up Area (sqm)	Date of Acquisition / [Revaluation]	Approximate age of building (Years)	Net Carrying Amount as at 31 Dec 2025 (RM'000)
1	HSO	Individual title yet to be issued. Presently held under master land title CL 115435946 Lot 33A, POIC Lahad Datu Phase 2, Off Jalan Kilang, 91100 Lahad Datu, Sabah. Leasehold	Industrial Lot Erected with Industrial Buildings	67,380	2007 (Acquisition) 28.10.2024 (Revaluation) RM32,216,000	18	31,398
2	PKF	Individual title held under Provisional Lease 116282985 MDLD 3790, Batu 4, Jalan Tengah Nipah, 91111 Lahad Datu, Sabah. Leasehold	Land eracted with fertiliser warehouses and ancillary buildings	53,300	1959 (Acquisition) 03.12.2024 (Revaluation) RM28,000,000	66	27,085
3	PKFS	Title held under held No. Lot 4061 Block 26 Kemena Land District Lot 4061, Kidurong Light Industrial Estate (KLIE), Jalan Kidurong, 97000 Bintulu, Sarawak. Leasehold	Single-storey detached industrial warehouse	16,302	1998 (Acquisition) 13.05.2022 (Revaluation) RM19,200,000	27	16,014
4	HLEM	Master title held under Parent Lot 594, Block 238, Kuching North Land District, Sarawak. Sublot No. 10, Wismacom Industrial Park, 8 ½ Mile, Jalan Batu Kitang. 93250 Kuching, Sarawak. Leasehold	2-storey semi-detached industrial building	681	2016 (Acquisition) 20.09.2024 (Revaluation) RM1,200,000	9	1,050
5	HMT	Strata title held under GRN 312352/M1/14/292, Lot 7833, Mukim Bandar Subang Jaya, Daerah Petaling, Negeri Selangor. Unit No. N-13-02, First Subang, Jalan SS15/4G, 47500 Subang Jaya, Selangor. Freehold	13th floor of a 17-storey retail cum office building	86	2012 (Acquisition) 31.01.2024 (Revaluation) RM650,000	13	624

STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2026

SHARE CAPITAL

Total Number of Issued Shares	:	2,747,341,623 (including 76,296,100 Treasury Shares as per Record of Depositors as at 18 March 2026)
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS AS AT 18 MARCH 2026

Size of Shareholdings	No. of Shareholders	No. of Shares	Percentage of Shareholdings (%)
1 to 99	511	22,917	0.000
100 to 1,000	506	268,377	0.010
1,001 to 10,000	1,569	9,214,580	0.344
10,001 to 100,000	1,410	53,571,769	2.005
100,001 to 133,552,275 *	574	1,697,009,780	63.533
133,552,276 and above **	4	910,958,100	34.104
Total	**4,574**	**2,671,045,523**	**100.000**

Remark:
* - Less than 5% of Issued Shares
** - 5% and above of Issued Shares

SUBSTANTIAL SHAREHOLDERS AS AT 18 MARCH 2026

(Based on Register of Substantial Shareholders)

No.	Name of Substantial Shareholder	No. of Shares held		No. of Shares held	
		Direct	%	Indirect	%
1	Hextar Holdings Sdn Bhd	1,362,574,497	51.013	-	-
2	Dato' Ong Choo Meng	-	-	1,362,574,497[(a)]	51.013
3	Dato' Ong Soon Ho	-	-	1,362,574,497[(a)]	51.013

Notes

(a) Deemed interest for the shares held by Hextar Holdings Sdn. Bhd. Pursuant to Section 8 of the Companies Act, 2016

STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2026
cont'd

DIRECTORS' INTERESTS IN SHARES AS AT 18 MARCH 2026

No.	Name of Director	No. of Shares held Direct	%	No. of Shares held Indirect	%
1	Dato Sri Dr Chee Hong Leong	-	-	-	-
2	Ang Sui Aik	100,000	0.003	-	-
3	Sham Weng Kong	2,000,000	0.074	-	-
4	Ong Tzu Chuen	-	-	-	-
5	Oon Seow Ling	-	-	-	-
6	Shahjanaz Binti Datuk Kamaruddin	-	-	-	-
7	Liew Jee Min @ Chong Jee Min	-	-	-	-

LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS (ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 18 MARCH 2026)

No.	Name of Shareholders	No. of Shares	Percentage of Shareholdings (%)
1	Hextar Holdings Sdn. Bhd.	329,958,100	12.353
2	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank (M) Berhad For Hextar Holdings Sdn.Bhd. (BX1213)	258,000,000	9.659
3	SJ Sec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Al Rajhi Bank For Hextar Holdings Sdn.Bhd.	185,000,000	6.926
4	MBSB Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Hextar Holdings Sdn Bhd (MGN-OCM0001M)	138,000,000	5.166
5	Al Rajhi Banking & Investment Corporation (Malaysia) Bhd Pledged Securities Account for Legion Management Sdn. Bhd. (Acc 1)	125,000,000	4.679
6	Al Rajhi Banking & Investment Corporation (Malaysia) Bhd Pledged Securities Account For Hextar Holdings Sdn. Bhd. (Acc 2)	96,000,000	3.594
7	Pertubuhan Keselamatan Sosial PKSACT41969 P2	95,264,100	3.566
8	Citigroup Nominees (Tempatan) Sdn Bhd Urusharta Jamaah Sdn. Bhd. (2)	73,052,500	2.734
9	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Hextar Holdings Sdn Bhd	71,616,397	2.681
10	CIMB Group Nominees (Tempatan) Sdn Bhd Pembangunan Sumber Manusia Berhad	71,428,500	2.674
11	Al Rajhi Banking & Investment Corporation (Malaysia) Bhd Pledged Securities Account For Hextar Holdings Sdn Bhd	66,000,000	2.470
12	City Popular Cash Sdn.Bhd. Pledged Securities Account For Pu Seong En	65,460,000	2.450

STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2026
cont'd

LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS *(cont'd)*
(ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 18 MARCH 2026) *(cont'd)*

No.	Name of Shareholders	No. of Shares	Percentage of Shareholdings (%)
13	Al Rajhi Banking & Investment Corporation (Malaysia) Bhd Pledged Securities Account For Agilevest Sdn. Bhd. (Acc 2)	62,190,000	2.328
14	Al Rajhi Banking & Investment Corporation (Malaysia) Bhd Pledged Securities Account For Hextar Holdings Sdn Bhd (Acct 2)	60,000,000	2.246
15	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account For Hextar Holdings Sdn. Bhd. (M3918A)	55,000,000	2.059
16	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank Islamic Berhad For Hextar Holdings Sdn Bhd	50,000,000	1.871
17	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ng Ah Chai	49,130,000	1.839
18	Mok Yau Choy	35,906,900	1.344
19	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account For Desiran Realiti Sdn. Bhd. (MY3933)	32,116,000	1.202
20	MBSB Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Hextar Holdings Sdn Bhd (MGN-OTC0005M)	20,000,000	0.748
21	MBSB Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Hextar Holdings Sdn Bhd (MGN-LWY0001M)	20,000,000	0.748
22	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lau Kim San (7014763)	19,500,000	0.730
23	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account For Chin Hin Group Berhad (MY4563)	19,360,200	0.724
24	Chong Yoke Sim	16,102,900	0.602
25	Wong Kin Seng	16,053,027	0.601
26	Mok Yau Choy	13,200,000	0.494
27	Apex Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Hextar Holdings Sdn Bhd (3P-3ON20578)	13,000,000	0.486
28	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Andrew Tan Jun Suan (MY1868)	12,900,900	0.482
29	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Signature International Berhad	11,400,000	0.426
30	Tan Chen Keong	10,900,000	0.408
	TOTAL	**2,091,539,524**	**78.304**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fourteenth (14th) Annual General Meeting ("AGM") of Hextar Industries Berhad ("HIB" or "the Company") will be held at Level 17, Hextar Tower, Empire City Damansara, Jalan PJU 8/1, Damansara Perdana, 47820 Petaling Jaya, Selangor on Tuesday, 16 June 2026 at 10:00 a.m., for the purpose of transacting the following businesses:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon. — **Please refer to Explanatory Note 1**

2. To approve the Directors' fees amounting of up to RM350,000.00 for the period from 14th AGM until the conclusion of the 15th AGM of the Company. — **Ordinary Resolution 1**

3. To approve the payment of Directors' benefits of up to RM50,000.00 for the period from 14th AGM until the conclusion of the 15th AGM of the Company. — **Ordinary Resolution 2**

4. To re-elect the following Directors who are retiring pursuant to Clause 103(1) of the Company's Constitution and being eligible, have offered themselves for re-election:

   i. Dato Sri Dr Chee Hong Leong — **Ordinary Resolution 3**
   ii. Ang Sui Aik — **Ordinary Resolution 4**

5. To re-appoint Messrs. Ecovis Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. — **Ordinary Resolution 5**

SPECIAL BUSINESSES:
To consider and, if thought fit, to pass the following Resolution:

6. **Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016** — **Ordinary Resolution 6**

   "THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject to approvals from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and other relevant authorities, where approval is necessary, authority be and is hereby given to the Directors to allot and issue shares in the Company at any time upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares to be issued shall not exceed 10% of the total number of issued shares of the Company or such higher percentage as Bursa Malaysia Securities Berhad allowed for the time being AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.

   AND THAT in connection with the above, pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 61 of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights over all new shares, options over or grants of new shares or any other convertible securities in the Company and/or any new shares to be issued pursuant to such options, grants or other convertible securities, such new shares when issued, to rank pari passu with existing issued shares in the Company."

7. **Proposed renewal of authority to purchase of own Shares by the Company ("Proposed Renewal of Share Buy-Back Authority")** **Ordinary Resolution 7**

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

(i) the aggregate number of shares purchased does not exceed ten per centum (10%) of its total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase;
(ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall be backed by an equivalent amount of retained profits as at the time of purchase; and
(iii) the Directors of the Company may decide either to retain the shares purchased as treasury shares or cancel the shares or to retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividends or transfer the shares under an employee share scheme or as purchase consideration.

THAT such authority conferred by this resolution shall commence immediately upon the passing of this resolution until:

(i) the conclusion of the next AGM of the Company following this AGM at which such resolution was passed at which time the said authority shall lapse unless by an ordinary resolution passed at that Meeting, the authority is renewed, either unconditionally or subject to conditions;
(ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
(iii) the authority is revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is the earliest.

AND THAT the Board be and is hereby authorised to take such steps to give full effect to the Proposed Renewal of Share Buy-Back Authority with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and/or to do all such acts and things as the Board may deem fit and expedient in the best interest of the Company."

NOTICE OF ANNUAL GENERAL MEETING
cont'd

8. **Proposed new and renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature** **Ordinary Resolution 8**

"THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and its subsidiary companies, to enter into recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2.3 of the Circular to Shareholders dated 29 April 2026 ("Proposed Shareholders' Mandate") which are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and its subsidiary companies on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and that such approval shall continue to be in force until:-

(a) the conclusion of the next AGM of the Company following the AGM at which such ordinary resolution for the Proposed Shareholders' Mandate was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed;

(b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or

(c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier;

AND THAT the estimated aggregate value of the transactions conducted pursuant to the Proposed Shareholders' Mandate during a financial year will be disclosed, in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, in the Annual Report of the Company for the said financial year;

AND FURTHER THAT authority be and is hereby given to the Directors of the Company and its subsidiary companies to complete and do all such acts and things (including executing such documents as may be required) to give effect to such transactions as authorised by this Ordinary Resolution."

9. To transact any other business of the Company for which due notice shall have been given.

By order of the Board,

TAN TONG LANG (MAICSA 7045482 /SSM PC No. 202208000250)
LIM WEN THENG (MAICSA 7073397 / SSM PC NO. 202308000441)
LEE KOK PING (MIA 44986 / SSM PC No. 202008004407)
Company Secretaries

Kuala Lumpur
29 April 2026

NOTICE OF ANNUAL GENERAL MEETING
cont'd

Notes:

1. *A member/shareholder of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote in his stead. Where a member/shareholder appoints more than one proxy to attend and vote at the Meeting, such appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.*

2. *Where a member of the Company is an authorised nominee defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

3. *Where a member of the Company is an exempt authorised nominee defined under the SICDA which is exempted from compliance with the provision of subsection 25A(1) of SICDA 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.*

4. *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding this 14th AGM or adjourned general meeting at which the person named in the appointment proposes to vote:-*

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

   By electronic form
   The proxy form can be electronically lodged via SRMY Vistra Portal ("the Portal") at https://srmy.vistra.com (applicable to individual shareholders only). Kindly refer to the Administrative Guide on the procedures for electronic lodgement of proxy from via the Portal.

5. *For a corporate member who has appointed a representative, please deposit the ORIGINAL certificate of appointment at the Share Registrar's office, Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, in the designated drop-in box at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment should be executed in the following manner:-*

   i. *If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.*
   ii. *If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:*
      a. *at least two (2) authorized officers, of whom one shall be a director; or*
      b. *any director and/or authorized officers in accordance with the laws of the country under which the corporate member is incorporated.*

6. *For purposes of determining a member who shall be entitled to attend/ speak or vote at the 14th AGM, the Company shall be requesting a Record of Depositors as at 8 June 2026 and only members whose name appears on such Record of Depositors dated 8 June 2026 shall be entitled to attend and/or vote at the 14th AGM or appoint a proxy or proxies to attend and/ or vote on his/her behalf.*

7. *The resolutions set out in this notice of 14th AGM will be put to vote by poll.*

NOTICE OF ANNUAL GENERAL MEETING
cont'd

EXPLANATORY NOTES

1. Item 1 of the Agenda - Audited Financial Statements for the financial year ended 31 December 2025

Agenda item no. 1 is meant for discussion only as the provisions of Section 340 of the Companies Act 2016 does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

2. Ordinary Resolutions 1 – Directors' Fees

Pursuant to Section 230(1) of the Companies Act 2016 ("Act"), the fees and any benefits payable to the directors including any compensation for loss of employment of a director or former director of a public company or a listed company and its subsidiaries, shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the Fourteenth Annual General Meeting ("14th AGM") on the Directors' fees and benefits.

The Board will seek shareholders' approval at the next AGM in the event that the amount of the Directors' fee and benefits are insufficient due to an increase in Board/Board Committee meetings and/or increase in Board size.

For information, the shareholders at the Thirteenth (13th) AGM had approved the payment of Directors' fees of up to RM350,000.00 to the Directors of the Company for the period from 13th AGM until the conclusion of the 14th AGM.

3. Ordinary Resolution 2 – Directors' Benefits

The proposed benefits of RM50,000.00 from the 14th AGM up to the conclusion of the 15th AGM of the Company payable to the Directors comprises meeting allowances.

In the event that the amount proposed is insufficient (due to enlarged Board size and additional number of meetings), approval will be sought at the next Annual General Meeting for the shortfall.

4. Ordinary Resolutions 3 and 4 – Re-election of Directors

Clause 103(1) of the Constitution of the Company provides that one-third of the Directors for the time being or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third shall retire from office and be eligible for re-election provided always that Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

For the purpose of determining the eligibility of the Director to stand for re-election at this AGM, the Board through its Nomination and Remuneration Committee had assessed the performance and contribution of each of the retiring Director. Based on the results of the respective Directors' performance evaluation conducted, the Board is satisfied with the Directors' performance and the level of contribution to the Board through their knowledge, skills and commitment as well as their abilities to act in the best interest of the Company. In addition, each of the Independent Directors has also provided his/her annual declaration/confirmation of independence.

The retiring Directors, Dato Sri Dr Chee Hong Leong and Mr Ang Sui Aik have abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant Board and Committee meetings.

NOTICE OF ANNUAL GENERAL MEETING
cont'd

5. Ordinary Resolution 5 – Re-appointment of Auditors

The Audit Committee ("AC") has carried out an assessment of the suitability and independence of the External Auditors, Messrs Ecovis Malaysia PLT ("Ecovis") and was satisfied with the suitability of Ecovis based on the quality of audit, performance, competency, and sufficiency of resources of the external audit team provided to the Group.

The AC in its assessment also found Ecovis to be sufficiently objective and independent. The Board therefore approved the AC's recommendation on the re-appointment of Ecovis as External Auditors of the Company for the financial year ending 31 December 2026 be put forward for the shareholders' approval at the 14th AGM.

6. Ordinary Resolution 6 – Authority to allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution 6 if passed, is a renewal of general mandate to empower the Directors to issue and allot shares up to an amount not exceeding 10% of the total number of issued shares of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

The general mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s) workings capital, repayment of bank borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration at any time without convening a general meeting as it would be both costs and time consuming to organise a general meeting.

As at the date of this notice, the Company did not issue any new shares pursuant to the general mandate granted to the Directors at the last AGM held on 22 May 2025. As at the date of this notice, there is no decision to issue new shares. Should there be a decision to issue new shares after the general mandate is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

7. Ordinary Resolution 7 – Proposed renewal of authority to purchase of own Shares by the Company

This Ordinary Resolution 7, if passed, will provide the mandate to the Company to buy back its own shares up to a maximum of 10% of the total number of issued shares of the Company pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

For further information, please refer to the Circular to Shareholders dated 29 April 2026 which is despatched together with the Company's Annual Report 2025.

8. Ordinary Resolution 8 – Proposed New and Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The Ordinary Resolution 8, if passed, will allow the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Company and/or its subsidiaries, subject to the transactions being carried out in the ordinary course of business of the Company and/or its subsidiaries and on normal commercial terms which are generally available to the public and not detrimental to the minority shareholders of the Company.

This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

For further information on this resolution, please refer to the Circular to Shareholders dated 29 April 2026 which is despatched together with the Annual Report 2025.

STATEMENT ACCOMPANYING NOTICE OF AGM

[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 (excluding directors standing for a re-election) as Directors.

There are no individuals who are standing for election as Directors at this 14th AGM.

2. General mandate for issue of securities in accordance with Paragraph 6.03 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Details of the general mandate to issue securities in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in Explanatory Note 6 of this Notice.

HEXTAR INDUSTRIES BERHAD
[Registration No. 201101044580 (972700-P)] (Incorporated in Malaysia)

PROXY FORM
(Before completing this form please refer to the notes below)

NUMBER OF SHARES HELD	CDS ACCOUNT NO.

I / We *(Full Name in Block Letters)* _____

NRIC No./Passport No./Company No. _____

of _____

being a member / members of Hextar Industries Berhad [Registration No. 201101044580 (972700-P)], hereby appoint

Name of Proxy	NRIC No./ Passport No.	Percentage of Shareholdings to be Represented:
Address		
Contact /Email:		

and / or failing him/her

Name of Proxy	NRIC No./ Passport No.	Percentage of Shareholdings to be Represented:
Address		
Contact /Email:		

or failing him/her, the Chairman of the Meeting as *my/our proxy to attend and vote for *me/us and on my/our behalf at the Fourteenth (14th) Annual General Meeting of the Company which will be held at Level 17, Hextar Tower, Empire City Damansara, Jalan PJU 8/1, Damansara Perdana, 47820 Petaling Jaya, Selangor on Tuesday, 16 June 2026 at 10:00 a.m. and at any adjournment thereof in the manner as indicate below:-

No.	Resolutions	For	Against
1.	**Ordinary Resolution 1** To approve the Directors' fees amounting of up to RM350,000.00 for the period from 14th AGM until the conclusion of the 15th AGM of the Company.		
2.	**Ordinary Resolution 2** To approve the payment of Directors' benefits of up to RM50,000.00 for the period from 14th AGM until the conclusion of the 15th AGM of the Company.		
3.	**Ordinary Resolution 3** To re-elect Dato Sri Dr Chee Hong Leong who is retiring pursuant to Clause 103(1) of the Company's Constitution and being eligible, has offered himself for re-election.		
4.	**Ordinary Resolution 4** To re-elect Ang Sui Aik who is retiring pursuant to Clause 103(1) of the Company's Constitution and being eligible, has offered himself for re-election.		
5.	**Ordinary Resolution 5** To re-appoint Messrs. Ecovis Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
6.	**Ordinary Resolution 6** To approve the authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016.		
7.	**Ordinary Resolution 7** Proposed renewal of authority to purchase of own Shares by the Company.		
8.	**Ordinary Resolution 8** Proposed new and renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature.		

(Please indicate with 'X' how you wish to cast your vote. In the absence of specific directions, the proxy may vote or abstain from voting on the resolutions as he/she may think fit.)

Dated this _____ day of _____ 2026

Signature: _____
(If shareholder is a corporation, this form should be executed under seal)

Fold This Flap For Sealing

NOTES:

1. *A member/shareholder of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote in his stead. Where a member/shareholder appoints more than one proxy to attend and vote at the Meeting, such appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.*
2. *Where a member of the Company is an authorised nominee defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
3. *Where a member of the Company is an exempt authorised nominee defined under the SICDA which is exempted from compliance with the provision of subsection 25A(1) of SICDA 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.*
4. *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding this 14th AGM or adjourned general meeting at which the person named in the appointment proposes to vote:-*

   In hard copy form

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

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AFFIX
STAMP

THE SHARE REGISTRAR OF

HEXTAR INDUSTRIES BERHAD

[Registration No. 201101044580 (972700-P)]

c/o Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

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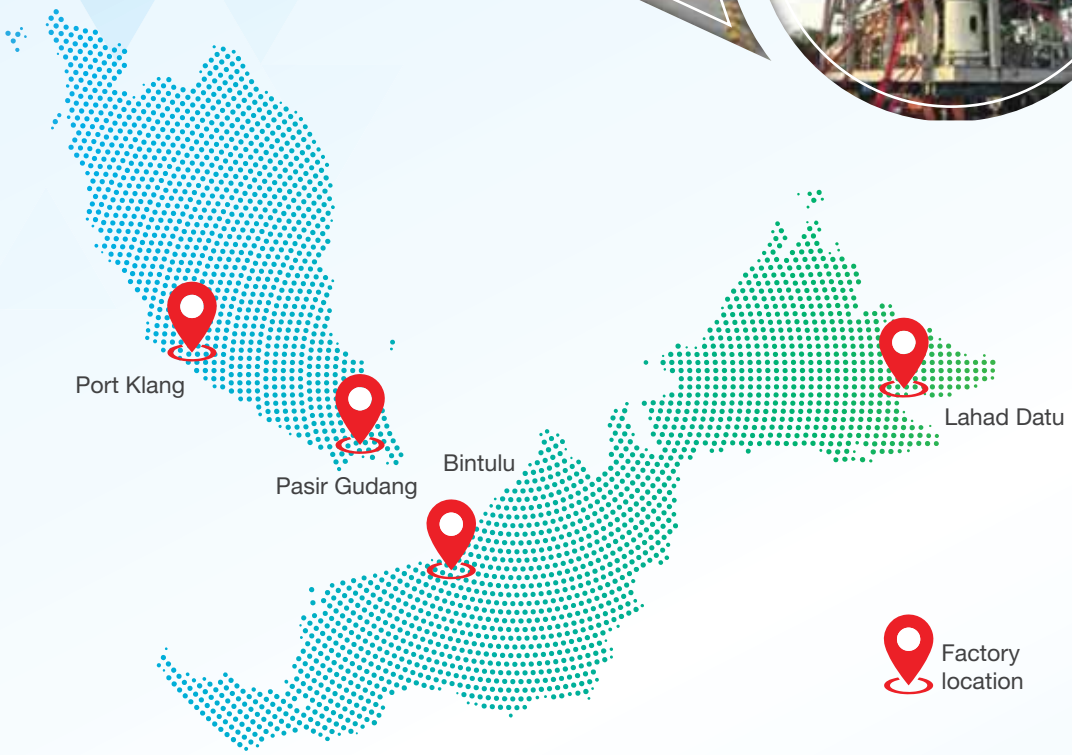
7. *The resolutions set out in this notice of 14th AGM will be put to vote by poll.*



HEXTAR INDUSTRIES BERHAD
201101044580 (972700-P)

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