



HEXTAR RETAIL BERHAD
200301031466 (633887-M)

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HEXTAR RETAIL BERHAD
200301031466 (633887-M)

ANNUAL REPORT 2024





ABOUT US

Hextar Retail Berhad ("HRB" or "the Company") (formerly known as Classic Scenic Berhad) and its subsidiary companies ("HRB Group" or "the Group") have been principally engaged in the manufacturing of wooden picture frame moulding ("WPFM") since its establishment in 1988. The Group was listed on the Second Board of Bursa Malaysia Securities Berhad ("Bursa Securities") in 2004 and was subsequently transferred to the Main Board (Main Board and Second Board are merged and now known as Main Market) in 2006.

With over 37 years of industry experience, HRB Group has become one of the largest WPFM manufacturers and exporters in Malaysia. More than 90% of our premium WPFM are exported to North America, Australia, New Zealand, the Middle East, Japan and other regions.

The Group currently operates nine (9) factories in Rawang and Bidor, spanning a total land area of approximately 1,000,000 square feet and a built-up area of 699,000 square feet. Our growth is underpinned by a steadfast commitment to quality, as supported by ISO 9001:2015 certification, and driven by a dedicated team of professionals.

In late 2023, we expanded into Food & Beverages ("F&B") business and diversified into the apparel industry. This strategic move was aimed at enhancing our revenue streams and capturing new market share, positioning the Group for continued growth and success in multiple industries.

Moving ahead, the Group remains committed to a continuous improvement strategy, focusing on strengthening overall business operations, and delivering long-term value to our stakeholders.



OUR Vision

To be the preferred business partner and employer of choice where we enrich lives with our products and solutions.



OUR MISSION

We build shareholder value by carving a niche in the global arena, earn the respect of the market for outstanding products and services, endorse human capital development and enhance business synergy in diversity with sustainability principles underpinning our corporate thinking and actions.



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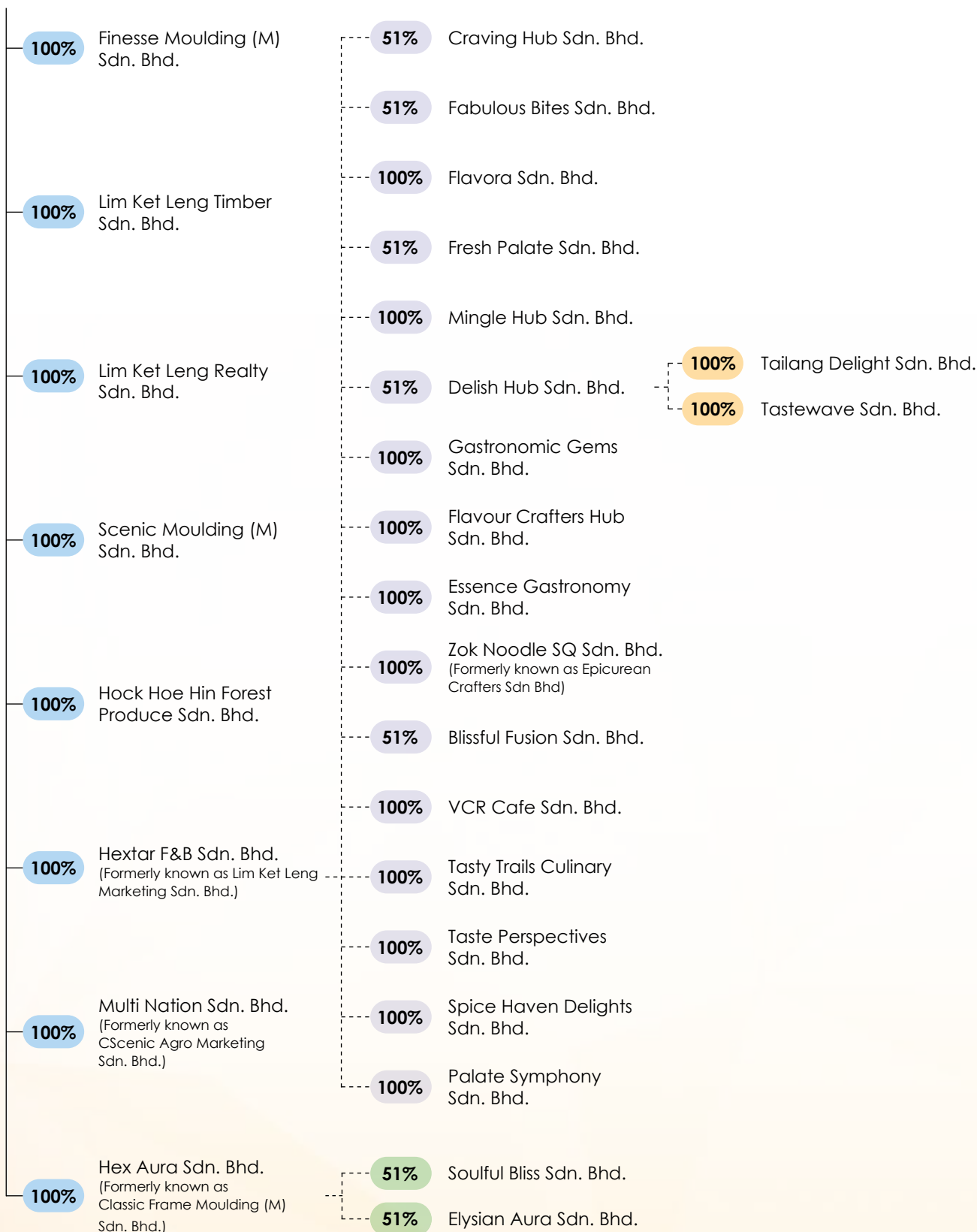
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CORPORATE STRUCTURE



HEXTAR RETAIL BERHAD

200301031466 (633887-M)



CORPORATE INFORMATION

BOARD OF



DIRECTORS

Datuk Iskandar Bin Sarudin

Independent Non-Executive Chairman

Vo Nghia Huu

Managing Director

Dr. Lim Chee Lip

Executive Director cum Chief Commercial Officer

Teh ZiYang

Independent Non-Executive Director

Khor Hun Nee

Independent Non-Executive Director

Ooi Youk Lan

Non-Independent Non-Executive Director

BOARD COMMITTEES

AUDIT COMMITTEE

Chairperson

Khor Hun Nee

Members

Datuk Iskandar Bin Sarudin
Teh ZiYang

NOMINATION AND REMUNERATION COMMITTEE

Chairman

Teh ZiYang

Members

Datuk Iskandar Bin Sarudin
Khor Hun Nee

EXECUTIVE AND RISK MANAGEMENT COMMITTEE

Chairman

Vo Nghia Huu

Members

Dr. Lim Chee Lip
Fong Wai Yi
Ng Vic Ca
See Siou Bin

HEAD OFFICE

Lot 12, Jalan RP3,
Taman Rawang Perdana,
48000 Rawang,
Selangor, Malaysia.
Tel.: 603 - 6091 7477
Email : info@hextarretail.com
Website : www.hextarretail.com

REGISTERED OFFICE

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Avenue 5, Horizon 2,
Bangsar South City
59200 Kuala Lumpur
Tel.: 603 - 2280 6388
Fax: 603 - 2280 6399
Email: listcomalaysia@acclime.com

COMPANY SECRETARIES

Lim Li Heong (MAICSA 7054716)

SSM PC No. 202008001981

Wong Mee Kiat (MAICSA 7058813)

SSM PC No. 202008001958

PRINCIPAL BANKERS

Citibank Berhad
Maybank Islamic Berhad
Al Rajhi Banking & Investment Corporation
(Malaysia) Berhad

AUDITORS

UHY Malaysia PLT

202406000040 (LLP0041391-LCA & AF1411)
Chartered Accountants
Suite 11.05, Level 11,
The Gardens South Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur, Malaysia.
Tel.: 603 - 2279 3088
Fax: 603 - 2279 3099

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.

11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13,
46200 Petaling Jaya, Selangor, Malaysia.
Tel.: 603 - 7890 4700
Fax: 603 - 7890 4670
Email: bsr.helpdesk@boardroomlimited.com

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad

Main Market

Stock Code: 7202

Stock Name: HEXRTL

PROFILE OF BOARD OF DIRECTORS



PROFILE OF BOARD OF DIRECTORS (cont'd)



DATUK ISKANDAR BIN SARUDIN

Independent Non-Executive Chairman
Malaysian, Aged 70, Male

Datuk Iskandar Bin Sarudin was appointed to the Board of Directors ("Board") as the Independent Non-Executive Chairman on 16 June 2021. He is also a member of the Audit Committee ("AC") and the Nomination and Remuneration Committee ("NRC").

He graduated with a Bachelor of Arts with Honours (Malay Studies) from Universiti Malaya ("UM"), Kuala Lumpur. In 1979, he began his career in the Malaysian Administrative and Diplomatic Service. He has served the nation in Jakarta, Indonesia and Lagos, Nigeria as the Second Secretary and First Secretary of the Embassy of Malaysia and the High Commission of Malaysia, respectively. In 1989, he was then appointed as the Principal Assistant Secretary, Ministry of Foreign Affairs, Malaysia before being tasked by the Ministry to establish Embassy of Malaysia in the Republic of Chile and in Sarajevo, Bosnia and Herzegovina.

He also served as the High Commissioner of Malaysia to Sri Lanka, Republic of Maldives, and Ambassador of Malaysia to the Republic of the Philippines, Peoples Republic of China and Mongolia in addition to being appointed as Deputy Secretary General (Management Affairs), Ministry of Foreign Affairs in 2006.

Subsequent to his retirement in 2015, Datuk Iskandar has been serving as the President of Persatuan Muafakat One Belt One Road Malaysia ("PMOBOR"), a position he has held since 2016.

Currently, he is an Independent Non-Executive Director of AEON Co. (M) Berhad.

Datuk Iskandar attended all five (5) Board meetings held during the financial year ended 31 December 2024 ("FYE 2024").

VO NGHIA HUU

Managing Director
Australian, Aged 52, Male

Vo Nghia Huu was appointed to our Board as the Executive Director on 26 July 2021 and was subsequently redesignated as Managing Director on 8 September 2023. He also serves as the Chairperson of the Executive and Risk Management Committee ("ERMC").

After completing his Certificate III in Business Administration from TAFE College, Australia, he began his career in his family's jewellery business. In 1995, he joined a leading independent family-owned electrical chain stores in Sydney, Australia, where he played a key role in expanding the outlets throughout the state.

In 2008, he joined the export sales department at Hextar Chemicals Sdn Bhd and later transitioned to Hextar R&D International Sdn Bhd, focusing on product development and registration in overseas markets, including Australia, Vietnam and Fiji. Subsequently, he became the Country Manager, spearheading the establishment of export businesses to these countries.

He was responsible for registering and securing branded products while also developing the organic products portfolio for Hextar Chemicals Sdn Bhd. Over the years, he has gained extensive experience in the area of management and marketing.

Mr. Vo is the brother-in-law of Dato' Ong Choo Meng, a major shareholder of the Company. He does not hold directorships in any other public companies or listed issuers.

He attended all five (5) Board meetings held during FYE 2024.

PROFILE OF BOARD OF DIRECTORS (cont'd)



DR. LIM CHEE LIP

Executive Director cum Chief Commercial Officer
Malaysian, Aged 38, Male

Dr. Lim Chee Lip was appointed to our Board as the Executive Director and Chief Commercial Officer since 2 January 2024.

He holds a Postgraduate Diploma (PgDip) in Business Administration from the University of Wales Trinity Saint David, a Master of Laws 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 was awarded an Honorary Doctor of Business Administration from Asia E University.

Following his graduation, he worked with Stewart Milne Group Limited and Hill International Inc., a leading public-listed consulting firm in the United States. He is a member of the Chartered Institute of Arbitrators in the United Kingdom and Malaysia and has more than 15 years of professional work experiences in the United Kingdom, Middle East and Asia, in the areas of Dispute Resolution, Contract Management, Corporate Finance and Advisory. In addition, he has gained extensive corporate management experiences, including directing, strategic planning and expansion of various private and public companies in Malaysia.

Dr. Lim does not hold directorships in other public companies and listed issuers.

He attended all five (5) Board meetings held during FYE 2024.

TEH ZIYANG

Independent Non-Executive Director
Malaysian, Aged 32, Male

Teh ZiYang was appointed to our Board as the Independent Non-Executive Director on 8 December 2021. He also serves as the Chairman of the NRC and a member of the AC.

He graduated with a Bachelor of Business (Honours) in International Business from Tunku Abdul Rahman University College, Kuala Lumpur, Malaysia.

His career began in 2010 when he joined his family's furniture business. In 2017, he joined Frazel Group Sdn Bhd, working in the project and administration department, focusing on property development and investment in Malaysia. In 2020, he was appointed as Chief Operating Officer, where he was responsible for translating the company's operational strategy into actionable goals.

Throughout his career, he has been involved in various business activities and has gained extensive experience in operations, corporate strategy, performance management, operational decision-making and strategic formulation.

Mr. Teh does not hold directorships in other public companies and listed issuers.

He attended all five (5) Board meetings held during FYE 2024.

PROFILE OF BOARD OF DIRECTORS (cont'd)



KHOR HUN NEE

Independent Non-Executive Director
Malaysian, Aged 48, Female

Khor Hun Nee was appointed to our Board as the Independent Non-Executive Director on 16 November 2023. She also serves as the Chairperson of the AC and a member of NRC.

She is a fellow member of the Association of Chartered Certified Accountants ("FCCA") and a member of the Malaysian Institute of Accountants ("MIA"). She is also a Certified Financial Planner ("CFP") with the Financial Planning Association of Malaysia and holds a Capital Market Service Representative's License ("CMSRL") issued by the Securities Commission ("SC") Malaysia.

In 2000, she began her career as an auditor in Ernst & Young, where she worked for approximately four (4) years. Subsequently, she progressed to several senior finance roles in Intel Technology Sdn Bhd, Computer Systems Adviser and Airbus Helicopters Malaysia Sdn Bhd. Over the years, she has accumulated extensive experience in the area of finance management, financial reporting, corporate finance, auditing and taxation over her career journey. At present, she is a self-employed licensed financial planner.

Ms. Khor is an Independent Non-Executive Director of JAKS Resources Berhad and Asteel Group Berhad.

She attended all five (5) Board meetings held during FYE 2024.

OOI YOUK LAN

Non-Independent Non-Executive Director
Malaysian, Aged 58, Female

Ooi Youk Lan was appointed to our Board as the Non-Independent Non-Executive Director since 1 April 2021. She is a FCCA and a member of the MIA.

She has over 32 years of working experience in audit, taxation, finance, accounting, treasury and corporate exercise across various industries for both listed and private companies in Malaysia.

In 2012, she joined the Hextar Group of Companies as the Group Financial Controller and currently serves as the Group Chief Financial Officer of Hextar Group of Companies. In this role, she is responsible to oversee and manage the overall financial and accounting functions, banking relationships, corporate exercises and strategies of the Group of Companies. She is also serving as a director of the several private companies.

Ms. Ooi does not hold directorships in other public companies and listed issuers.

She attended all five (5) Board meetings held during FYE 2024.

1. Save for Vo Nghia Huu, none of the Directors have any family relationships with each other and/or any major shareholder of the Company.
2. None of the Directors: -
 - (a) have conflict of interest with the Company;
 - (b) have been convicted of any offence in the past five (5) years other than traffic offences, if any; and
 - (c) were publicly sanctioned or imposed with penalty by the regulatory bodies during FYE 2024.

PROFILE OF KEY SENIOR MANAGEMENT



FONG WAI YI

Chief Financial Officer
Malaysian, Aged 45, Female

Fong Wai Yi was appointed as the Chief Financial Officer of the Group on 20 December 2023. She is a FCCA and a member of MIA.

She has more than 23 years of experience in finance, accounting, treasury management, financial advisory, audit, tax as well as various types of corporate exercises in Malaysia and Singapore.

In 2002, she began her professional journey as an Audit Associate and later advanced to the role of Senior Audit Manager in Crowe Malaysia PLT (then known as Crowe Horwath). During her tenure, she was involved in audits of both public listed and private companies for a wide range of industries. She was also involved in engagements as the reporting accountants for corporate exercises undertaken by companies going for initial public offering.

In 2012, she was appointed as Financial Controller at a company listed in Singapore Exchange Securities, where she oversaw the group's financial management and reporting matters. Since then, she held several top finance positions in private, public and multinational companies, where she gained her experience in financial accounting, treasury management, tax planning, compliance, strategic planning and budgeting. She also played a key role in building teams, improving operational capabilities and implementing systems to align business goals while upholding governance and compliance standards. In 2023, she subsequently joined the Group as her current position.



NG VIC CA

Chief Operating Officer
Malaysian, Aged 39, Female

Ng Vic Ca was appointed as the Chief Operating Officer of the Group on 18 January 2024, bringing over a decade of experience across events, engineering, entrepreneurship and F&B retail.

She holds a Bachelor of International Business from RMIT University, Melbourne. Her career began in the events and hospitality space with Delaware North, followed by a role in business development within the engineering sector.

From 2016 to 2022, she co-founded and led several F&B brands including Pan & Tamper, Kettlebell, Sedap and Eatery Foodhall where she managed operations, talent development and brand growth. She also served as a consultant for various F&B groups, supporting franchise expansion and outlet rollouts.

In 2022, she joined Trillion Benchmark as Group General Manager, overseeing strategic initiatives and leading F&B Sales & Marketing for Pavilion Mall. Subsequent in 2024, she joined our Group as her current position.

PROFILE OF KEY SENIOR MANAGEMENT (cont'd)



SEE SIOU BIN

General Manager
Malaysian, Aged 39, Male

See Siou Bin was appointed as the General Manager of Finesse Moulding (M) Sdn Bhd on 26 December 2021. He also serves as the member of the ERM. As a General Manager, he is responsible for overseeing the production, supply chain and logistics, quality assurance management and maintenance functions.

He graduated with a Bachelor of Engineering (Hons) Manufacturing Engineering from University of Malaya in 2010 and obtained his Master of Business Administration ("MBA") from INTI International University in 2019.

He joined the Group as an internship student in 2009 and transitioned into permanent role as operation officer in 2010. He was then promoted to Quality Assurance Manager in 2016 and subsequently elevated to his current role as the General Manager in 2021.

None of the Key Senior Management: -

- (a) holds directorships in public companies and listed issuers;
- (b) has family relationship with any Director and/or major shareholder of the Company;
- (c) has conflict of interest with the Company;
- (d) has been convicted of any offence in the past five (5) years other than traffic offences, if any; and
- (e) was publicly sanctioned or imposed with penalty by the relevant regulatory bodies during the FYE 2024.

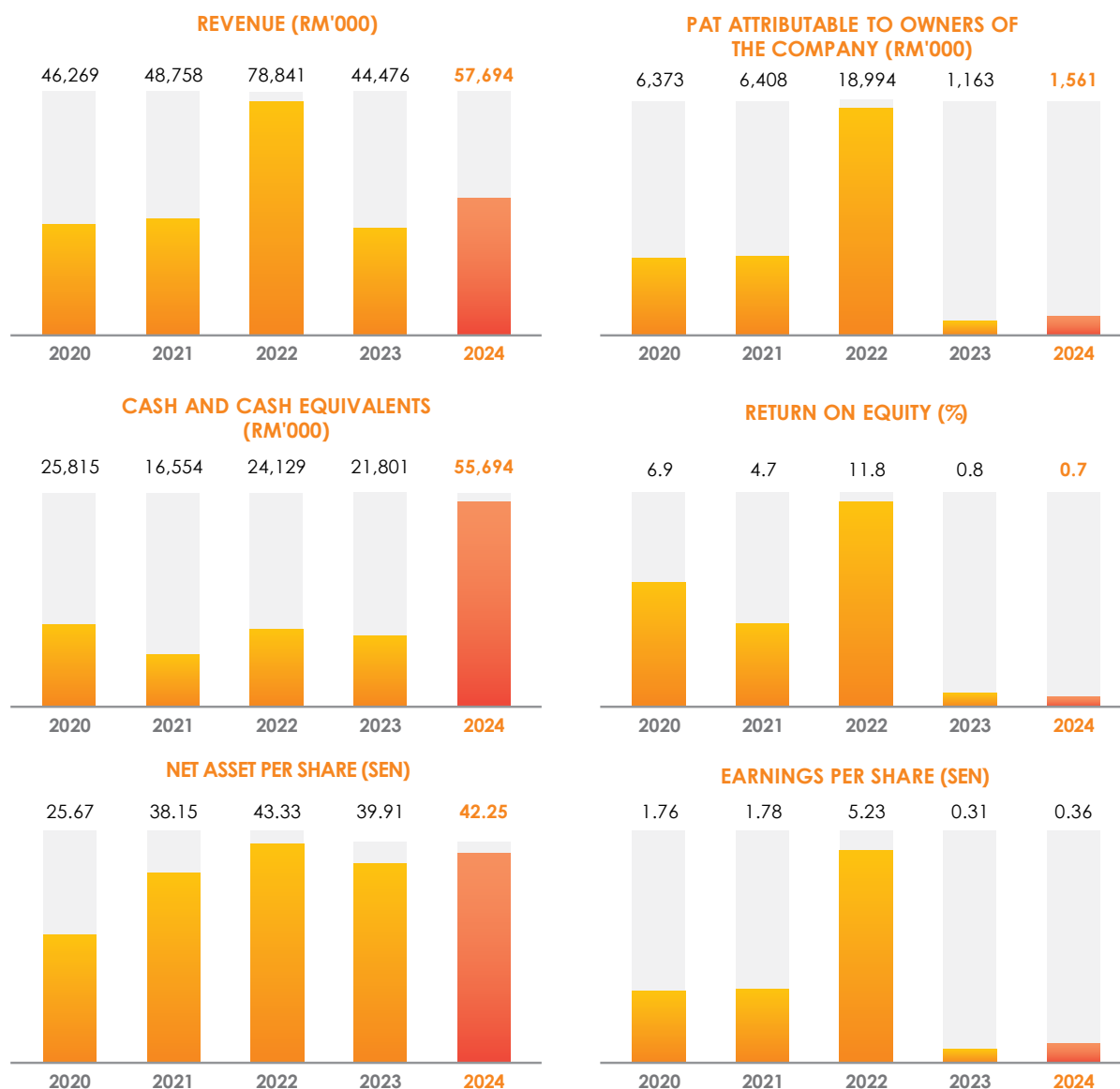
FINANCIAL HIGHLIGHTS

Financial Year Ended 31 December	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Revenue	46,269	48,758	78,841	44,476	57,694
Profit Before Tax ("PBT")	8,578	8,579	22,741	1,997	2,205
Profit After Tax ("PAT")					
Attributable to Owners of the Company	6,373	6,408	18,994	1,163	1,561
Cash and Cash Equivalents	25,815	16,554	24,129	21,801	55,694
Return on Equity (%)	6.9	4.7	11.8	0.8	0.7
Net Assets per Share (sen) ⁽¹⁾	25.67	38.15	43.33	39.91	42.25
Earnings per Share (sen) ⁽¹⁾	1.76	1.78	5.23	0.31	0.36
Dividend per Share (sen)	3.00	-	-	5.50	-
Dividend Payout Ratio (%)	56.7	-	-	1,192.4	-
Net Dividend Yield (%) ⁽²⁾	3.3	-	-	11.0	-

Notes:

⁽¹⁾ The comparative figures have been restated to incorporate retrospective adjustment in respect of bonus issuance for the years 2020 to 2022.

⁽²⁾ The Net Dividend Yield was calculated based on the share price as at the last trading day of the respective financial year.



MANAGING DIRECTOR'S Messages

“

Dear Esteemed Shareholders,

On behalf of the Board of Directors of HRB, I am pleased to present the Company's Annual Report and Audited Financial Statements for the financial year ended 31 December 2024 ("FYE 2024").

FYE 2024 marks a significant milestone for the Group, with the official change of our name to Hextar Retail Berhad on 28 February 2024. This change reflects our commitment to deepening our focus on the retail industry, particularly the F&B sector.

In a year marked by dynamic market conditions and an ever-evolving industry landscape, HRB Group has demonstrated resilience, adaptability, and an unwavering commitment to delivering long-term value for our shareholders.

”

VO NGHIA HUU

Managing Director



ECONOMIC AND BUSINESS LANDSCAPE

The global economic landscape in 2024 remained challenging, shaped by a combination of geopolitical tensions and shifting trade dynamics. The ongoing conflicts in Gaza and Ukraine continued to disrupt international markets, leading to supply chain disruptions and heightened uncertainty in global trade. Additionally, escalating trade tensions between the United States of America ("USA") and China further exacerbated these challenges. Many countries faced persistent inflation which affected both consumer spending and business operations. These factors created an unpredictable environment, making it crucial for businesses to remain agile, adopt adaptable strategies, and proactively manage risks to safeguard profitability and ensure sustained growth.

In this uncertain business environment, HRB Group remains focused on creating value for shareholders by implementing strategic cost-saving measures, improving production efficiency, and maintaining high-quality standards. We continue to adapt our operations to meet the evolving needs of our customers while managing the complexities of the current market.

As part of our strategic diversification efforts, we have entered into F&B sector through several partnerships aimed to strengthen our presence in F&B sector. We are delighted to announce that HRB has entered into a strategic collaboration with Tam Jai International Co. Limited ("TJI"), a leading Hong Kong fast-casual dining group, to manage F&B operations under its brand in FYE 2024. These initiatives mark a significant milestone in our business strategy to diversify our revenue streams and reduce dependency on our core business of manufacturing of wooden picture frame moulding ("WPFM").

Whereas for our apparel sector, the acquisition of Redina Malaysia Sdn. Bhd. ("Redina") has been terminated as Redina failed to meet certain conditions as stipulated in the Share Sale Agreement ("SSA") and does not align with our current objectives and financial expectations. Moving forward, we will remain focused on strengthening our core business in WPFM, while continuing to seek further opportunities to enhance our position in the retail sector.

MANAGING DIRECTOR'S MESSAGES (cont'd)

FINANCIAL HIGHLIGHTS

In FYE 2024, our Group reported a revenue increase of RM13.21 million or 29.7%, rising from RM44.48 million in FYE 2023 to RM57.69 million in FYE 2024. This growth was primarily driven by our successful expansion into the retail segment, which contributed RM9.09 million to our Group's total revenue in FYE 2024.

In line with the revenue growth, our profit before tax ("PBT") margin increased slightly by RM0.21 million or 10.4%, from RM2.00 million in FYE 2023 to RM2.21 million in FYE 2024. However, we recorded a decrease in PBT margin by 0.7% to 3.8% mainly due to share of losses in our associate cushioned by higher profits from operations and higher finance income.

As an overall, our Group concluded the financial year with a strengthened financial position, marked by an increase in cash and cash equivalents to RM55.69 million and a higher current ratio of 12.5 times. As at 31 December 2024, our net assets increased to RM208.38 million, translating to a higher net assets per share of 42.25 sen.

For further insights on the Group's financial and operational performance, please refer to Management Discussion & Analysis section of this Annual Report.

UPHOLDING CORPORATE GOVERNANCE

At HRB, strong corporate governance is essential to the continued success of our Group. We are committed to upholding transparency, accountability and integrity in all aspects of our operations, cultivating trust and confidence among our stakeholders. As such, we continuously work to strengthen our governance framework to support the long-term growth of our business.

During FYE 2024, the Board reviewed several key policies aimed at enhancing our corporate governance practices. These policies include Board Charter, AC Term of Reference, NRC Term of reference, Fit and Proper Policy, Code of Business Conducts and Ethics, Whistleblowing Policy and Procedures as well as Anti-Bribery and Corruption Policy. The updated policies were adopted by the Board on 27 February 2025.

For further details on our corporate governance practices, please refer to the Corporate Governance Overview Statement ("CG Statement") in this Annual Report and the Corporate Governance Report ("CG Report") for the FYE 2024.

CULTIVATING SUSTAINABILITY

With sustainability consideration at the core of our operations, we remain dedicated to make a positive impact to our stakeholders and environment by upholding ethical business practices, promoting social well-being and minimising our environmental footprint. Our approach focuses on fostering responsible growth that balances economic success with environmental and social stewardship.

As part of our sustainability efforts, we have implemented energy-efficiency initiatives, including transitioning to renewable energy sources and promoting sustainable practices across the Group's operations. Our efforts were honoured as the gold winner in the Emerging Star category at The Edge Malaysia ESG Award 2024. Additionally, we remained listed in the FTSE4Good Bursa Malaysia Index and FTSE4Good Bursa Malaysia Shariah Index as of December 2024. This award acknowledges our commitment to minimising environmental impact from conserving energy and reducing our carbon footprint.

For further insight into our sustainability initiatives, please refer to Sustainability Statement in this Annual Report.

REWARDING SHAREHOLDERS

The Board does not recommend any dividend for the FYE 2024 as the Group intends to conserve cash for business expansion. This decision was made after careful consideration of the Group's financial position and growth prospects. We believe this decision is in the best interest of the Company and its shareholders in the long run.

MANAGING DIRECTOR'S MESSAGES (cont'd)

FUTURE OUTLOOK

The International Monetary Fund ("IMF") projects global economic growth of 3.3% in 2025, reflecting a steady recovery despite ongoing challenges. However, the operating environment remains difficult, with geopolitical conflicts, trade tensions, and shifting international alliances creating uncertainty that affects global trade flows, investor confidence, commodity prices and supply chains.

Despite these uncertainties, our Group remains cautiously optimistic in the prospects of our WPFM segment. We are focused on implementing strategic cost-saving measures, enhancing production efficiency, and maintaining the delivery of high-quality products to our customers. We are also actively exploring new market opportunities to foster growth and stay competitive in an increasingly challenging environment.

Additionally, we will focus on expanding our presence in the retail industry, particularly within the F&B sector, by capitalising on its growing potential in Malaysia, which is projected to grow from RM101.07 billion in 2024 to RM120.03 billion by 2029, with a compound annual growth rate ("CAGR") of 3.5%.

To support this expansion, we have undertaken several initiatives, including a strategic partnership with TJI. We plan to open the first outlet under TJI brand in Klang Valley during the second quarter of 2025. As we move forward, we will continue to explore franchising opportunities and seek additional partnerships with both established F&B brand owners and emerging start-ups to drive future growth.

On the other hand, we expanded our retail segment through the introduction of "Condo Mart," a convenience store located within residential condominiums, in response to shifting consumer preferences towards greater convenience and accessibility. This strategy aims to improve residents' quality of life while offering an opportunity to boost the Group's financial performance.

Looking ahead, we remain cautiously optimistic on the outlook for 2025. Our Group is committed to proactively pursuing opportunities, effectively addressing challenges and delivering sustainable value to our shareholders.

APPRECIATION

On behalf of the Board, I would like to extend our heartfelt gratitude to our shareholders, customers, business partners and employees for their exceptional contributions and unwavering dedication. Our success is built on the trust, hard work, and commitment of all those involved in our journey, and we are truly grateful for your continued support.

Together, we will continue to drive innovation, uphold our values, and strive for excellence in all our endeavours as we look forward to achieving greater successes in the years to come.

Mr. Vo Nghia Huu

Managing Director

16 April 2025

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

Since the inception in 1988, HRB Group has been engaged in the manufacturing of WPFM products, including wood-stained, matte-coloured, decorative gilding, glass lacquer, laminated veneer, washed and distressed finishes. Over the years, our Group has solidified our position as one of the established WPFM manufacturers, with more than 90% of our high-quality moulding products being exported to North America, Europe, Australia, New Zealand, the Middle East, Japan and etc.

Our manufacturing operations are supported by nine (9) factories located within Rawang, Selangor and Bidor, Perak. These production facilities spanning approximately 1,000,000 square feet of land, with a built-up area of 699,000 square feet. Our Group's growth is fueled by a dedicated workforce of more than 307 employees, all of whom are dedicated to upholding our high standards of quality and excellence.

As part of our commitment to long-term growth, our Group diversified into the retail industry during the financial year ended 31 December 2023 ("FYE 2023"), aiming to focus on the retail sector to reduce reliance on our core WPFM business while expanding our revenue streams to enhance shareholder value.

In line with our diversification strategy, we initiated a proposed acquisition of a 51.0% equity interest in Redina, an apparel dealer, importer and general merchant, in two tranches. We completed the first tranche in April 2024 but decided to terminate the said acquisition on 31 December 2024, as Redina failed to meet certain conditions as stipulated in the SSA. As a result, the vendor of Redina is required to repurchase the shares from the first tranche at Tranche 1 purchase consideration within 24 months from 31 December 2024.

During the FYE 2024, in addition to manufacturing of WPFM products, our Group focused on operating and strengthening our F&B businesses that were newly established in FYE 2023.

Currently, our Group mainly engaged in two (2) business segments as follows: -

Segment	Principal business activities
WPFM	Manufacture and sale of wooden picture frame mouldings and other timber products.
Retail	Operate restaurant and cafe, beverage store, convenient store and apparel dealer, importer and general merchant.

FINANCIAL PERFORMANCE REVIEW

	FYE 2024 RM'000	FYE 2023 RM'000	Variances	
			RM'000	%
Financial Indicators				
Revenue	57,694	44,476	13,218	29.7
Gross Profit ("GP")	19,564	10,765	8,799	81.7
Profit Before Tax ("PBT")	2,205	1,997	208	10.4
Profit After Tax ("PAT")	1,051	1,119	(68)	(6.1)
Financial Ratios				
GP margin (%)	33.9	24.2	-	9.7
PBT margin (%)	3.8	4.5	-	(0.7)
PAT margin (%)	1.8	2.5	-	(0.7)

MANAGEMENT DISCUSSION & ANALYSIS (cont'd)

FINANCIAL PERFORMANCE REVIEW (CONT'D)

The global economy in 2024 continues to face significant headwinds, including trade tensions and geopolitical uncertainties. These issues pose challenges to global trade flows, investments, supply chains and increased costs for businesses worldwide.

Despite these uncertainties, our Group has demonstrated resilience, recording a higher revenue of RM57.69 million in FYE 2024, representing an increase of RM13.22 million or 29.7%, compared to RM44.48 million in FYE 2023. The growth was primarily attributable to our successful expansion into the retail segment, which contributed RM9.09 million to our Group's total revenue in FYE 2024. In addition, stronger performance in our WPFM segment, which saw a revenue increase of RM4.12 million or 9.3%, from RM44.48 million in FYE 2023 to RM48.60 million in FYE 2024, has also contributed to the overall revenue growth. The increase in revenue from this segment was mainly driven by higher export volume of WPFM products and the strengthening of the USD against the Ringgit.

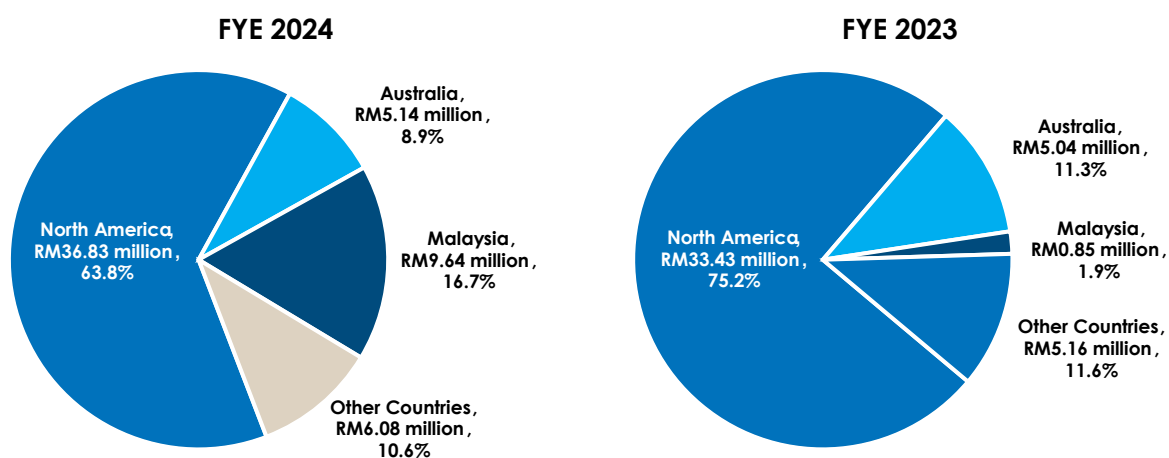
In line with the revenue growth and higher finance income, our Group's GP increased by RM8.79 million or 81.7%, from RM10.77 million in FYE 2023 to RM19.56 million in FYE 2024. Our Group's GP margin also improved by 9.7%, from 24.2% in FYE 2023 to 33.9% in FYE 2024. The significant improvement in both our GP and GP margin was mainly attributable to higher GP margin derived from our WPFM segment, driven by higher export volume and strengthening of the USD against the Ringgit. In addition, our retail segment, which generally yields higher GP margin than the WPFM segment, further contributed to the overall improvement of our Group's GP margin.

As a result of the improved GP and higher finance income, our Group's PBT increased by RM0.21 million or 10.4%, from RM2.00 million in FYE 2023 to RM2.21 million in FYE 2024. However, our Group's PAT decreased slightly by RM0.07 million or 6.1%, from RM1.12 million in FYE 2023 to RM1.05 million in FYE 2024, primarily due to higher effective tax rate arising from the share of associate's losses, as well as permanent differences arising from additions of PPE and non-deductible expenses.

Despite a significant 9.7% increase in our Group's GP margin in FYE 2024, our Group's PBT margin decreased from 4.5% in FYE 2023 to 3.8% in FYE 2024 while our PAT margin decreased from 2.5% in FYE 2023 to 1.8% in FYE 2024. The decrease in both PBT and PAT margins was mainly due to share of losses in an associate cushioned by higher profits from operations and higher finance income.

Operation Review by Countries

Our revenue segmentation by geographical markets for FYE 2024 and FYE 2023 are shown as follows: -



Similar to the previous financial year, overseas customers were the main revenue contributor to our Group, contributing 83.3% of the Group's total revenue in FYE 2024, while the remaining 16.7% was derived from local customers.

MANAGEMENT DISCUSSION & ANALYSIS (cont'd)

FINANCIAL PERFORMANCE REVIEW (CONT'D)

Operation Review by Countries (cont'd)

In the overseas market, North America continues to be our largest revenue contributor, accounting for 63.8% of our Group's total revenue in FYE 2024. Revenue from North America increased by 10.2%, from RM33.43 million in FYE 2023 to RM36.83 million in FYE 2024, mainly due to higher export sales volume resulting from increased customer demand and strengthened economic activities.

Other countries remain the second largest revenue contributor from our overseas market, followed by Australia, which contributed 10.6% and 8.9%, respectively to our Group's total revenue in FYE 2024.

Meanwhile, our revenue derived from Malaysia increased by RM8.79 million or 1,034.1%, from RM0.85 million in FYE 2023 to RM9.64 million in FYE 2024, mainly due to the revenue generated from our retail segment.

FINANCIAL POSITION REVIEW

Statement of Financial Position

	31 December 2024 RM'000	31 December 2023 RM'000	Variances	
			RM'000	%
Financial Indicators				
Non-current assets	133,393	114,441	18,952	16.6
Current assets	102,793	49,551	53,242	107.4
Total assets	236,186	163,992	72,194	44.0
Non-current liabilities	19,595	8,333	11,262	135.1
Current liabilities	8,216	4,252	3,964	93.2
Total liabilities	27,811	12,585	15,226	121.0
Net assets	208,375	151,407	56,968	37.6
Financial Ratios				
Current ratio (times)	12.5	11.7	0.8	6.8
Net assets per share (sen)	42.25	39.91	2.34	5.9

Our Group's total assets increased by RM72.20 million or 44.0%, from RM163.99 million as at 31 December 2023 to RM236.19 million as at 31 December 2024, primarily attributable to the increase in current assets by RM53.24 million. The increase in current assets was mainly due to:

- (i) higher cash and cash equivalents by RM33.89 million, resulting from the proceeds raised through the issuance of new ordinary shares via private placement during the financial year, as well as cash generated from our Group's operations;
- (ii) higher capital expenditure and right-of-use assets amounted to RM17.99 million predominantly from retail segment in line with our diversification strategy; and
- (iii) investment in an associate which was subsequently reclassified as assets held-for-sale amounting to RM12.35 million.

Our Group's total liabilities increased by RM15.22 million or 121.0%, from RM12.59 million as at 31 December 2023 to RM27.81 million as at 31 December 2024, primarily attributable to the increase in lease liabilities of RM13.31 million, resulting from the lease arrangements for our retail outlets.

MANAGEMENT DISCUSSION & ANALYSIS (cont'd)

FINANCIAL POSITION REVIEW (CONT'D)

Statement of Financial Position (cont'd)

Overall, our Group concluded the financial year with a strengthened financial position, marked by an increase in cash and cash equivalents to RM55.69 million and a higher current ratio of 12.5 times. As at 31 December 2024, our net assets increased to RM208.38 million, translating to a higher net assets per share of 42.25 sen.

Statement of Cash Flows

	FYE 2024 RM'000	FYE 2023 RM'000
Net cash from operating activities	10,855	11,487
Net cash used in investing activities	(31,352)	(3,199)
Net cash from/(used in) financing activities	54,348	(10,616)
Net changes in cash and cash equivalents	33,851	(2,328)
Cash and cash equivalents at the beginning of the financial year	21,801	24,129
Effect of foreign exchange differences	42	-
Cash and cash equivalents at the end of the financial year	55,694	21,801

Our Group generated a slightly lower net cash from operating activities of RM10.86 million in FYE 2024, compared to RM11.49 million generated in FYE 2023. This decrease was mainly due to an increase in our trade and other receivables driven by revenue growth and deposits paid to landlords from the retail segment.

In terms of investing activities, our Group reported a net cash outflow of RM31.35 million, primarily due to the acquisition of 20% equity interest in an associate amounting to RM14.04 million and acquisition of PPE amounting to RM10.42 million in line with our expansion in the retail segment.

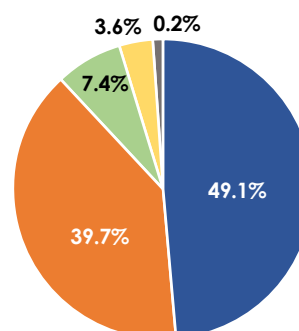
Our Group recorded a net cash from financing activities of RM54.35 million in FYE 2024, primarily due to proceeds of RM55.49 million from the issuance of new ordinary shares.

CAPITAL STRUCTURE, RESERVES AND EXPENDITURE

As at 31 December 2024, the Company's share capital amounts to RM123.45 million, comprising of 493,190,568 ordinary shares, with a net assets per share of 42.25 sen. Barring any unforeseen circumstances, our Group have adequate working capital to meet our budgeted requirements after taking into consideration our cash and cash equivalents of RM55.69 million and current ratio of 12.5 times as at 31 December 2024.

During FYE 2024, our Group has incurred a total Capital Expenditure ("CAPEX") of RM10.68 million, breakdown as follows: -

CAPEX	RM'000
● Renovation	5,244
● Equipment, furniture and fittings	4,237
● Motor vehicles	793
● Asset under construction	385
● Plant and machinery	21
	10,680



As at 31 December 2024, the Group's capital commitments include the approved and contracted purchase of PPE, amounting to RM0.88 million.

MANAGEMENT DISCUSSION & ANALYSIS (cont'd)

ANTICIPATED OR KNOWN RISK

Stability of Timber Supply and Fluctuation in Timber Prices

The stability of timber supply and fluctuation in timber prices remain as significant risk for our Group as timber logs are the primary raw material used in the production of WPFM. Our Group faces challenges related to potential shortage in timber supply due to stringent government policies on deforestation and restrictions on annual timber harvesting volumes. Additionally, adverse weather events, such as monsoons, and the climate change can disrupt logging activities and further limiting timber availability. Global inflation and geopolitical tensions may also cause raw material prices, including timber, to surge. These supply challenges may result in increased timber prices, adversely affecting the Group's profitability.

In this regard, our Group maintains a timber inventory level for at least six (6) months to safeguard against temporary supply chain disruptions. Our Group also diversifies its raw material sources by sourcing timber from alternative suppliers and exploring new timber species. Furthermore, maintaining good business relationships with our suppliers are also being prioritised in our Group to ensure a smooth and efficient supply chain with favourable pricing.

Fluctuations in Currency Exchange Rates

Our Group's financial performance is influenced by fluctuations in currency exchange rates, as our Group's revenue is largely derived from overseas markets and is primarily transacted in USD. Consequently, any changes in the USD-Ringgit exchange rate can significantly impact both our revenue and profitability.

To mitigate this risk, our Group utilised forward foreign exchange contracts to reduce uncertainty in foreign currency transactions.

Business Risk

Our Group faces several business risks, including rising material costs and heightened market competition. Economic fluctuations, along with higher material, labour and overhead costs are the factors that directly affect our profit margins. Market competition from low-cost manufacturers also poses significant risk to our Group, which could potentially lead to loss of revenue and market share.

To maintain our competitive edge, we focus on both price and non-price competitiveness by prioritising quality, strategic pricing and innovative designs. We also prioritise cost efficiency by sourcing more affordable yet high-quality timber to reduce material costs. Additionally, we continue to improve cost through factory transformation, automation and digitisation. Furthermore, the Group collaborates closely with suppliers, customers and designers to develop highly marketable products.

Manpower Supply Risk

Our WPFM segment is heavily dependent on the supply of foreign workers. As such, the Group must adhere to relevant laws and regulations, particularly those governing the provision of housing, accommodation, and facilities for employees. Non-compliance with these requirements could result in shortage of labour, inability to fulfill customer orders, and a negative impact on the Group's business operations.

To mitigate this risk, the Group stays informed of the latest rules and regulations to ensure full compliance in the recruitment and management of foreign workers. We also strive to maintain a balanced workforce composition while adhering to all regulatory requirements.

Diversification Risk

As our Group diversifies into the retail industry, we face new challenges, including potential economic downturns, competition from both existing and emerging players, sociopolitical stability and changes in the legal environmental framework governing the industry.

To mitigate this risk, we will leverage the expertise and skills of key personnel to manage the retail operations. This approach aims to ensure the smooth operation and continuity of the retail business without disruption. Additionally, we will conduct regular performance reviews on the retail business, implement prudent financial management practices and efficient operational procedures to reduce the impact of this risk.

MANAGEMENT DISCUSSION & ANALYSIS (cont'd)

FUTURE OUTLOOK AND PROSPECTS

The IMF projects global economic growth of 3.3% in 2025, reflecting a steady recovery despite ongoing challenges. However, the operating environment remains difficult, with geopolitical conflicts, trade tensions, and shifting international alliances creating uncertainty that affects global trade flows, investor confidence, commodity prices and supply chains.

Despite these uncertainties, our Group remains optimistic in the prospects of our WPFM segment. We are focused on implementing strategic cost-saving measures, enhancing production efficiency, and maintaining the delivery of high-quality products to our customers. We are also actively exploring new market opportunities to foster growth and stay competitive in an increasingly challenging environment.

In addition to our WPFM segment, we are focusing on expanding our retail segment. According to Bank Negara Malaysia, the Malaysian economy grew by 5.1% in 2024, underpinned by stronger domestic demand and a rebound in exports. Moving into 2025, the outlook remains positive, supported by sustained employment coupled with government policy measures such as the upward revision of the minimum wage and civil servant salaries. These factors are expected to boost disposable incomes, which in turn will increase consumers' spending power, making dining out a more frequent lifestyle choice.

Additionally, the Malaysian F&B industry is projected to grow from RM101.07 billion in 2024 to RM120.03 billion by 2029, with a CAGR of 3.5%. This favourable market outlook presents an ideal opportunity for our Group to strengthen our position in the retail industry, particularly in the F&B sector. To capitalise on this positive market outlook, we began expanding our presence in the F&B sector in FYE 2024 through several strategic partnerships. These initiatives have already started generating revenue and enhancing our market positioning.

To further grow our F&B business, our Group had on 22 August 2024, announced our strategic partnership with TJI, a leading Hong Kong fast-casual dining group known for its signature mixian (rice noodle) dishes. Under this partnership, our Group will have the exclusive rights to develop, operate and manage TJI's acclaimed brand, 'Tam Jai', across Malaysia. This strategic collaboration signifies a major milestone in our journey to bring diverse and fast-casual dining experiences to our local community. The Group expects to launch the first Tam Jai outlet in Klang Valley in the second quarter of 2025, bringing an exciting new dining experience to the local market.

On the other hand, we expanded our retail segment through the introduction of "Condo Mart", a convenience store located within residential condominiums. As consumers place greater emphasis on convenience and proximity to essential services within their residential areas, Condo Mart offers an ideal solution to meet these demands. By providing easy access to daily necessities right at residents' doorsteps, Condo Mart not only enhances the quality of life for residents but also presents an opportunity to improve our Group's financial performance.

Looking ahead, we remain cautiously optimistic about the outlook for 2025. Our Group's ongoing diversification strategy, coupled with initiatives to strengthen our retail and WPFM export segments, are expected to contribute positively to our financial performance. By leveraging strategic partnerships, enhancing operational efficiency, and focusing on market expansion, we are confident in our ability to navigate current challenges and unlock long-term value for our stakeholders.

DIVIDEND

At present, the Company does not have a formal dividend policy. Any recommendation or declaration of dividends is at the discretion of the Board and subject to various factors, such as operating cashflow and capital expenditure requirements, financial performance and other relevant considerations as determined by the Board.

During the financial year, no dividend was declared or paid, as the Company is currently prioritising on expanding its business and operations to ensure a long-term sustainable growth and enhance value for our stakeholders.

SUSTAINABILITY STATEMENT

Dear valued stakeholders,

Hextar Retail Berhad ("HRB") is pleased to present our Eighth Sustainability Statement ("Statement") for the Financial Year End 2024 ("FYE 2024"). This Statement intends to communicate our ongoing Sustainability initiatives, strategies, approaches and performances in terms of Economic, Environmental, Social and Governance ("EESG") of our Group for FYE 2024.

This Statement was prepared based on the disclosure requirements of the Main Market Listing Requirements ("MMLR") as stipulated by Bursa Malaysia, with references made to Bursa Malaysia's Sustainability Reporting Guide (3rd Edition), Global Reporting Initiative ("GRI") and United Nations Sustainable Development Goals ("UNSDGs") whichever relevant to our material sustainability matters.



Scope & Basis of Scope

This Statement provides insight of the Group's sustainability related matters management strategies, initiatives, policies and performances for the period from 1 January 2024 to 31 December 2024. The scope of reporting for FYE 2024 includes our holding company, Hextar Retail Berhad and Finesse Moulding (M) Sdn. Bhd. No other subsidiaries and/or associated companies are included within the scope of this report unless stated otherwise. Where possible, historical data has been included to provide a meaningful comparison for our stakeholders in understanding the Group's sustainability performance over the years. As a result of our continuous improvements in our data collection practices, we have also included restatements in our report to reflect better accuracy of our disclosed data.

Feedback and Contact Point

We welcome stakeholders' feedback on this Statement and any other relevant matters to improve our sustainability measures and reporting standards. Any feedback, comments and enquiries can be directed to info@hextarretail.com.

SUSTAINABILITY STATEMENT (cont'd)

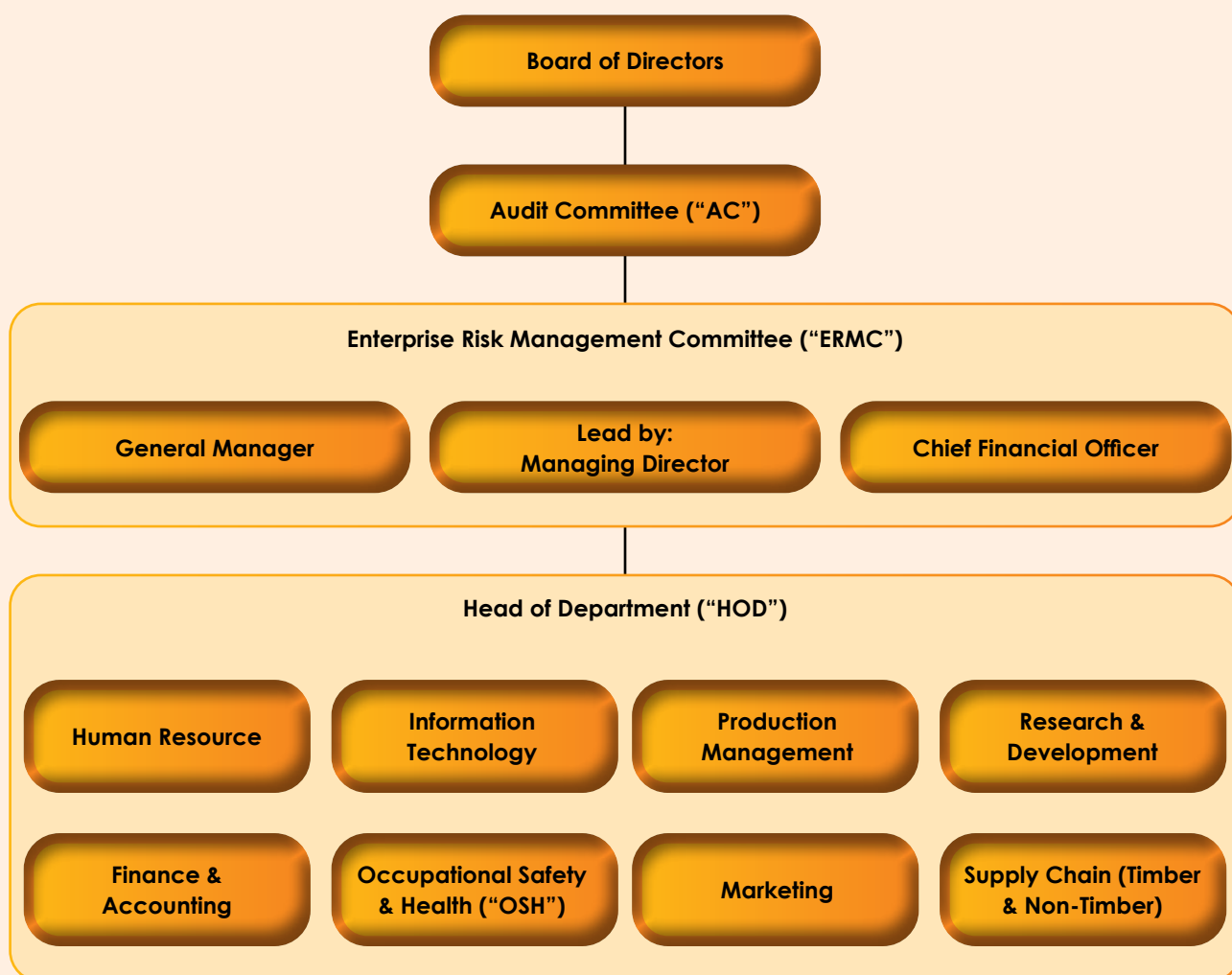
Sustainability Policy and Governance Structure

As outlined in the Group's Sustainability Policy, we are committed to ensuring sustainable practices in our business operations and keeping the right balance between economic performance, environmental conservation as well as workplace and social welfare.

Key sustainability commitments highlighted in our Sustainability Policy include the following:

- to comply with all applicable environmental and labour laws, rules and regulations;
- to maintain an effective timber Chain of Custody ("CoC") management system and comply with the CoC requirements;
- to mitigate and prevent environmental pollution by achieving resources efficiency, continual operational improvement and equipment maintenance;
- to provide equal employment opportunities and diversity with no discrimination;
- to treat all employees equally with respect and dignity with zero tolerance to any physical, sexual, psychological or verbal harassment or abuse; and
- to provide a safe and healthy workplace environment, adequate training and protective equipment for employees.

In FYE 2024, we have taken proactive steps to enhance our Sustainability Governance structure, illustrated as follow:



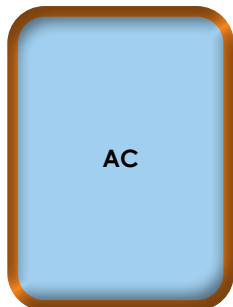
SUSTAINABILITY STATEMENT (cont'd)


Roles:

In charge of the Group's overall Sustainability strategic direction and oversight of sustainability-related matters.

Responsibilities:

- To review and approve sustainability-related policies, targets and reporting.
- To ensure integration of sustainability into our business strategies and aligns with the Group's long-term business objectives.
- To ensure sustainability-related strategies are aligned with corporate strategies and risk management for the Group.


Roles:

Ensure sustainability-related initiatives and reporting aligns with the Group's sustainability vision, as well as monitoring the Group's sustainability performance.

Responsibilities:

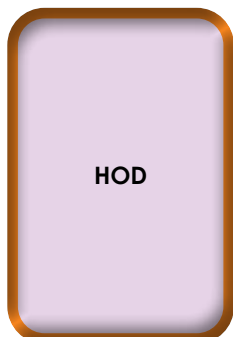
- To review and report key sustainability-related risks and opportunities identified by the ERM.
- To review the Group's sustainability-related policies, procedures, targets and reporting


Roles:

Serves as Sustainability leadership team with oversight of the development and implementation of sustainability initiatives of the Group.

Responsibilities:

- To identify and assess the Group's sustainability-related risks and opportunities.
- To develop the Group's sustainability-related policies, procedures, initiatives, metrics and targets.
- To review, oversee and monitor sustainability-related initiatives workflow as well as the data collection process conducted by each department.
- To monitor performance of sustainability-related initiative, metrics and targets of identified material matters.
- To ensure Group sustainability reporting requirements are adhered to.


Roles:

Execute and implement sustainability initiatives into respective business sector and daily operation.






Responsibilities:

- To coordinate, and review the data gathered from their own departments, ensuring accuracy and completeness before it is reviewed by the ERM for sustainability reporting.
- To execute and implement sustainability-related initiatives workflow and data collection of metrics and targets.

SUSTAINABILITY STATEMENT (cont'd)

Stakeholder Engagement

We regularly engage with our stakeholders through various channels to ensure that the Group addresses stakeholders' concerns and stays ahead of the challenges and trends in the fast-changing sustainability landscape. The table below provides information on how we communicate with different stakeholder groups, our frequency of engagements and areas of interest commonly discussed.

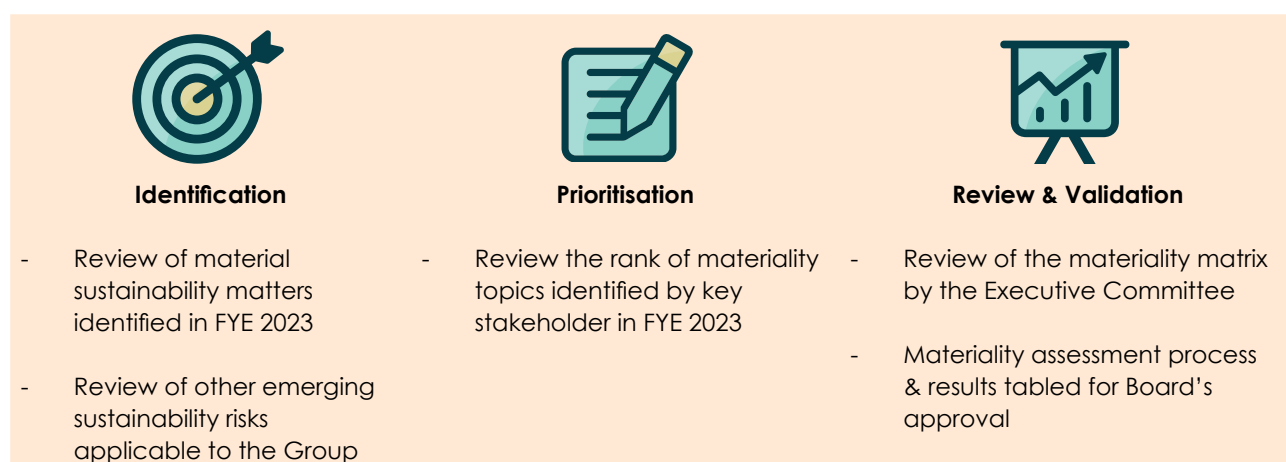
Stakeholders	Areas of Interest	Engagement Approach
Shareholders 	<ul style="list-style-type: none"> Revenue and profit growth Market share and competitiveness Company's reputation Sustainable dividend stream Corporate Environmental, Social and Governance ("ESG") responsibility 	<ul style="list-style-type: none"> Annual General Meeting ("AGM") Quarterly financial results Annual Report Press release Company website
Customers 	<ul style="list-style-type: none"> Purchase pricing, order terms and conditions Delivery lead time Product quality and safety Service level and effective communication Corporate ESG responsibility 	<ul style="list-style-type: none"> Yearly customer satisfaction survey Yearly business visit On-going interaction Company website
Suppliers 	<ul style="list-style-type: none"> Fair pricing, terms and conditions Payment terms and conditions Effective communication and long-term business relationship 	<ul style="list-style-type: none"> On-going interaction Yearly supplier evaluation Supplier audit and/or site visit
Employees 	<ul style="list-style-type: none"> Job satisfaction Career development and advancement Competitive remuneration package Working environment Occupational safety and health Balance gender diversity Corporate ESG responsibility 	<ul style="list-style-type: none"> Company meetings and engagement Biennial employee survey Yearly employee performance appraisal Employee training evaluation Master training plan Yearly production operator health surveillance
Government/ Regulators 	<ul style="list-style-type: none"> Legal and regulatory compliance Corporate governance Financial crime prevention Cultivation of an ethical and risk awareness workplace Corporate ESG responsibility 	<ul style="list-style-type: none"> On-going training or seminar Periodic reporting and updates to regulators Internal audit Bursa announcement Renewal of licenses and permits

SUSTAINABILITY STATEMENT (cont'd)

Materiality Assessment

In FYE 2023, HRB has undergone a comprehensive materiality assessment by engaging with our 4 key stakeholders (i.e. directors, employees, suppliers, customers) to identify key materiality matters of the Group.

In the current reporting period, the Management has reviewed all existing materiality topics identified in previous year and deemed that all identified material topics have remained sufficient and of relevance to HRB. No new material matters were identified by the Management during the process and it was determined that a full materiality assessment will be conducted once every 3 years.



Materiality Matrix



SUSTAINABILITY STATEMENT (cont'd)

There are no other changes to the materiality matrix in this current year after the Management reviewed all material matters identified in FYE 2023 have deemed it as sufficient for this current year. This matrix was reviewed by our AC and endorsed by the Board. The matrix illustrate the material topic under EESG structure and the details of each topic are elaborated under this Statement.

Economic	Environmental	Social	Governance
1. Economic Performance 2. Procurement Practices 3. Research & Development 4. Product & Service Quality 5. Customer Satisfaction 6. Data Management & Security	1. Energy Conservation 2. GHG Emissions 3. Water Management 4. Waste Management	1. Occupational Safety and Health 2. Employee Welfare & Engagement 3. Workforce Diversity 4. Community Outreach	1. Corporate Governance and Business Ethics 2. Compliance with Laws & Regulations

Economic

Economic Performance

The Group's economic performance is a key influential factor in supporting our sustainability agenda. It is one of the most important sustainability matters in our materiality assessment.

In FYE 2024, HRB has achieved an annual revenue of approximately RM57.7 million with a profit after tax of RM1.1 million. The increase in the revenue is primarily attributable to our successful expansion into the retail segment and the rise in export volume. For more details on our economic performance, kindly refer to the Management Discussion and Analysis of this Annual Report.

	FYE 2023 (RM'000)	FYE 2024 (RM'000)
Revenue	44,476	57,694
Profit After Tax	1,120	1,051

Note: Revenue and Profit After Tax amounts disclosed are based on Group.

Procurement Practices

HRB is committed to being environmentally responsible in the conduct of our business. As a WPFM manufacturer with timber being the major component of our raw material, we are cognisant of the importance and benefits of using materials sourced from sustainably managed forests in our products.

We adopt a long-standing strategy in responsible procurement that is supported by an effective timber Chain of Custody ("CoC") management system. Our timber CoC management system has been certified by the Forest Stewardship Council ("FSC") ("FSC-C021788"), under the scope of "purchase of FSC 100% sawn timber, manufacture using transfer system and sales of FSC 100% wooden picture frame moulding" since 2009. The FSC is an international non-governmental organisation that promotes environmentally appropriate, socially beneficial and economically viable management of the world's forests.

SUSTAINABILITY STATEMENT
(cont'd)

Economic (Cont'd)

In light of the existing issue of depletion of local logs due to deforestation, we have developed the following mitigation plan to address this issue and minimise the impact towards our business operations while we continue to purchase our raw materials sustainably:

- to continuously explore plantation wood as alternative timber source, where possible;
- to establish wider sourcing networking with timber log suppliers for seeking eco-friendly timber supplier to promote responsible sourcing practices; and
- to adequately train our timber sourcing team to monitor and optimise timber yield from logs.

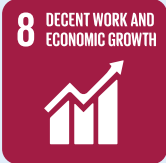
Monitoring and controlling our raw material costs is one of our priorities. We strive to maintain the competitiveness of our products while ensuring that our product quality is not compromised. Necessary training will also be provided to our production team to improve operational efficiencies, productivity, yield and reduce wastages in our production processes.

It is crucial that we keep our procurement practices fair and transparent. All new and existing suppliers are subjected to a yearly supplier performance evaluation to assess their overall suitability in satisfying our production requirements, including material quality, cost, compliance, lead time and delivery, financial information accessibility and ethical dealings.

	FYE 2023	FYE 2024
Proportion of spending on local suppliers	96.5%	96.7%

Research & Development

Our research and development ("R&D") capability is of utmost importance to us to meet customer demands and stay competitive in the market. Continuous research and innovation help us respond to competitive pressures from low-cost manufacturers and changes in our target markets. We will also be able to differentiate ourselves from our competitors with our wide range of products, high product quality and durability as well as reasonable pricing.



8 DECENT WORK AND ECONOMIC GROWTH

In line with UNSDG 8 "Decent Work and Economic Growth", our goal is to continuously generate significant economic benefits to drive innovation and developments that enables the sustainable growth our operations, which in turns opens further job opportunities within our Group.

Our R&D team has continued to strengthen our competitiveness with the following key initiatives undertaken in FYE 2024:

- improve cost-efficiency through increased use of sustainable wood materials, operational improvement, automation, and wastages reduction;
- develop new innovative and highly marketable products through collaboration with various suppliers, customers and external designers/students; and
- introduce fourteen (14) series of new designs for moulding and frame to expand product variety.

In FYE 2024, we have completed our Factory Transformation Programme in collaboration with the Malaysia Timber Council ("MTC") and SIRIM to cultivate a data-driven culture. We continued to implement lean management practices to optimise production while reducing waste generation. We will also continue to explore, where possible, improvement opportunities in new technologies to reduce production time, energy consumption and promote circularity through the responsible use of raw materials and inputs.

SUSTAINABILITY STATEMENT (cont'd)

Economic (Cont'd)

Product & Service Quality

HRB places great emphasis on ensuring the quality of our products. We remain committed to providing our global customers with consistent quality to retain their trust and confidence in us.

Our production processes strictly adhere to ISO 9001 and FSC standards to ensure the highest level of quality management and responsible sourcing practices. Our quality management system has obtained ISO 9001:2015 certified under the scope of "Manufacture of Wooden Picture Frame Mouldings" since 2001.



HRB is aware of the possible adverse impacts of our products on the health and safety of customers. To mitigate such risks, we ensure that our technical team complies with the following regulations to assure that our raw material safety levels meet the safety and health requirements:

- Restriction of Hazardous Substance Directive 2011/65/EU (RoHS);
- The Code of Federal Regulations, Chapter II – Consumer Products Safety Commission of the United States of America; and
- The United States Environmental Protection Agency Air Resources Board – Airborne Toxic Control Measure ("ATCM").

Customer Satisfaction

At HRB, customer satisfaction is our utmost priority. We place a large focus on maintaining long, sustainable relationships with our customers and strive for the continuous improvement of our products.

We engage with our customers through an annual customer satisfaction survey to gain insights into the evolving needs of customers, drive product enhancements, and support the development of better business strategies. The survey covers product quality, packaging attributes, product design, professionalism, customisation capabilities, technical and innovative capabilities, delivery lead time as well as overall competitiveness.

In FYE 2024, we have obtained a vast majority of feedback on the customer satisfaction survey, with a 93% response rate. Our average satisfaction score for the year has slightly improved from 4.32 to 4.45 out of 5.

Data Management and Security

Respecting and protecting our customers' data and privacy is especially important given the increasing reliance on information technology ("IT") systems in our business. HRB takes the necessary precautions to ensure that any customer data shared with us is protected against unauthorised use, access or disclosure. All customer information is retained and used in accordance with local data protection and confidentiality laws.

During the year, we have upgraded our server as well as our firewall configurations to ensure enhanced protection on our customers data against the ever-evolving cyber threats. Our IT systems are managed in-house, with the server room strictly restricted to authorised personnel only. Our Information Security Policy provides guidance on how to handle customer data or personal data, proper usage of IT systems and cybersecurity maintenance. All employees are required to sign a declaration that they have understood the Information Security Policy during induction.

SUSTAINABILITY STATEMENT (cont'd)

Economic (Cont'd)

Similar as in the previous year, we are pleased to report that in FYE 2024, there were no substantiated complaints concerning breaches of customer privacy and data loss.



Number of substantiated complaints concerning breaches of customer privacy and identified leaks, thefts, or loss of customer data

FYE 2023

0

FYE 2024

0

Environmental

Energy Conservation

HRB recognises the need to minimise environmental impact caused by our operations by conserving energy and reducing our carbon footprint. As part of our energy conservation efforts, we have implemented several initiatives to enhance energy efficiency across the Group's operations in the following areas:



Installation of Light
Emitting Diode Lightings

28% of our floor space have installed LED to helps Company reduce electricity & energy usage, reduce heat emission and minimise replacement frequency.



Investment in Solar Energy

4 of our factory buildings are installed with solar panels. The total power generated from solar energy in the current year amounts to 1,196,331 kWh.



Environmental Green
Fund Scheme

This scheme was established in 2010 to raise awareness on energy conservation and 3Rs (Reuse, Reduce, Recycle) within our Group.

These initiatives that we have implemented aligns with UNSDG 7, 'Affordable and Clean Energy', focusing on more affordable, reliable, and sustainable energy consumption. Our goal is to utilise renewable energy sources in our business operations wherever feasible and at the same time, promote energy efficiency within our Group.

7 AFFORDABLE AND
CLEAN ENERGY



SUSTAINABILITY STATEMENT (cont'd)

Environmental (Cont'd)

Our business operations consume a considerable amount of energy in the forms of vehicle fuel, mainly diesel and petrol used in forklifts and Group-owned vehicles as well as electricity consumed at our factory premises and office.

Our energy intensity has remained stable with this year's intensity being recorded at 0.38 GJ per RM1,000 revenue generated (FYE 2023: 0.36 GJ), demonstrating a consistent energy efficiency performance. We are committed in continuously monitoring our energy usage and strive for enhancing energy efficiency in our production processes to support the transition to a more sustainable future. The following table our total energy consumption for FYE 2024:

Energy Consumption for each source	FYE 2023 Consumption	FYE 2024 Consumption
Diesel (Litres)	52,080	43,235
Petrol (Litres)	9,254	12,234
Solar panels (kWh)	411,797	953,762
Purchased electricity (kWh)	3,497,430	4,683,328

Total Energy Used	FYE 2023	FYE 2023 (restated)	FYE 2024
Total fuel consumption (GJ) ¹	2,304.3	2,124.1 ³	1,905.0
Total electricity consumption (GJ) ²	12,590.7	14,073.2 ³	20,293.5
Total Energy Use (GJ)	14,895.0	16,197.3	22,198.5

¹ Using the conversion factor retrieved from Malaysia Energy Statistics Handbook 2022 ("MESH") and Department for Environment Food and Rural Affairs UK ("DEFRA")

² Using the conversion factor retrieved from Malaysia Grid Emission Factor (2017-2022) ("GEF")

³ This data has been restated based on updated conversion factors. Total energy consumption is calculated based on unit conversion of total fuel consumption (Diesel: 1 Litre = 0.035 GJ; Petrol: 1 Litre = 0.031 GJ) and total electricity consumption (1kWh = 0.0036 GJ)

GHG Emissions

As a Group primarily focused on WPFM manufacturing, HRB acknowledges that our operations contribute to GHG emissions, which have a significant impact on the climate. Therefore, we are committed to closely tracking our carbon emissions to ensure compliance with environmental standards. This tracking initiative also allows us to identify areas for improvement and implement sustainable practices that reduce our overall environmental impact.

13
CLIMATE
ACTION



This initiative is to be in line with UNSDG 13 "Climate Action", our goal is to mitigate climate change by managing greenhouse gas emissions responsibly and enhancing resilience to climate impacts within our Group.

We have continued our effort in tracking our Scope 1 and 2 emissions, with the main source of direct emission deriving from consumption of fuel (Scope 1), and the indirect emission comes from the usage of purchased electricity (Scope 2). In FYE 2024, our total Scope 1 and 2 emissions was recorded at 3,765.6 tonnes of CO₂e (FYE 2024: 2,865.0 tonnes of CO₂e) and our intensity level is reported at 65.27 kgCO₂e per RM1,000 Revenue (FYE 2024: 64.42 kgCO₂e per RM1,000 Revenue).

SUSTAINABILITY STATEMENT (cont'd)

Environmental (Cont'd)

	FYE 2023	FYE 2023 (restated)	FYE 2024
Scope 1 emission (tCO ₂ e) ¹	160.4	158.0 ³	140.7
Scope 2 emission (tCO ₂ e) ²	2,651.1	2,707.0 ³	3,624.9

¹ Emission Factors uses the conversion rate retrieved from Department for Environment Food and Rural Affairs UK ("DEFRA")

² Emission Factors are using the conversion rate retrieved from Malaysia Grid Emission Factor (2017-2022) ("GEF")

³ This data has been restated based on updated conversion factors. Total energy consumption is calculated based on unit conversion of total fuel consumption (Diesel: 1 Litre = 0.035 GJ; Petrol: 1 Litre = 0.031 GJ) and total electricity consumption (1kWh = 0.0036 GJ)

Waste Management

Wood Waste Recycling

As a WPFM manufacturer that relies heavily on timber as raw material, HRB is aware that proper waste management is key to minimise and reuse waste materials and pollutants that are generated in the production process to create a zero-waste environment.



In line with UNSDG 12 "Responsible Consumption and Production", our goal is to minimise waste and maximise resource efficiency by ensuring we manage waste our material inputs and outputs responsibly within our Group.

Guided by our timber yield monitoring and timber usage optimisation strategies, wood waste such as short woods, wood chips and saw dust generated from our production are recycled and reused in our production. Short woods are joined to create long lumbers which are used to produce premium finished products while wood chips and briquette blocks converted from saw dust are utilised to generate heat and supply energy to the Group's kiln-drying plant.

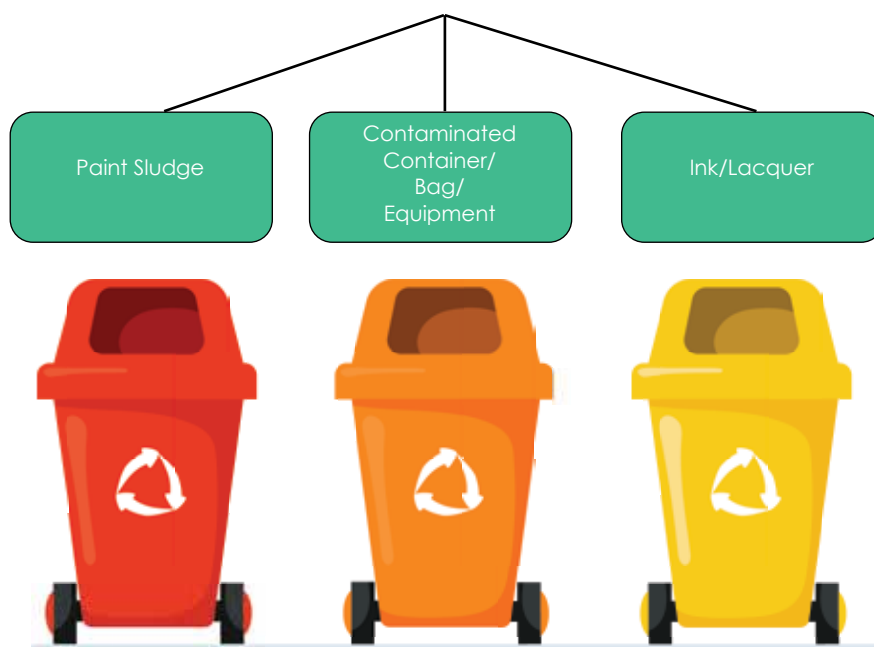
Scheduled Waste

We have in place working instructions and standard operating procedures on scheduled waste management, to ensure that all our scheduled wastes are stored in the designated area with proper labelling and to be declared online in the Electronic Scheduled Waste Information System under the Department of Environment ("DOE") before disposal.

SUSTAINABILITY STATEMENT (cont'd)

Environmental (Cont'd)

We segregate our scheduled waste into 3 major types



In compliance with applicable environmental laws and regulations, scheduled wastes are disposed by licensed scheduled waste contractors within 180 days from waste generation. All paint sludge is collected before disposal to minimise water contamination. Our Certified Environmental Professional in Scheduled Waste Management possesses the necessary skills and competencies to monitor the Group's scheduled waste management. Our Environmental Committee and designated production workers have attended scheduled waste management internal training to keep abreast of the latest environmental regulations.

As of FYE 2024, we generated a total of 64.5 Metric tonnes scheduled waste which is categorised as hazardous waste.

	FYE 2023	FYE 2024
Total amount of waste generated (Metric tonnes)	28.0	64.5

Non-methane Air Emissions Monitoring

Our air emissions are closely monitored by our Certified Environmental Professional in Bag Filter Operation ("CePBFO"). During the year, we have conducted a Stack Emission Monitoring through an independent environmental consultant certified by the DOE in accordance with ISO 1596:2003. The Group has complied with the Environmental Quality (Clean Air) Regulations 2014 as the air emission from our chimneys and the boilers are within the regulated particulate matter ("PM") level and nonmethane volatile organic compounds level.

Water Management

HRB recognises that water is a vital resource in our production processes. We strive to optimise our processes to enhance water efficiency and treat all wastewater leaving our facilities to avoid polluting the environment.

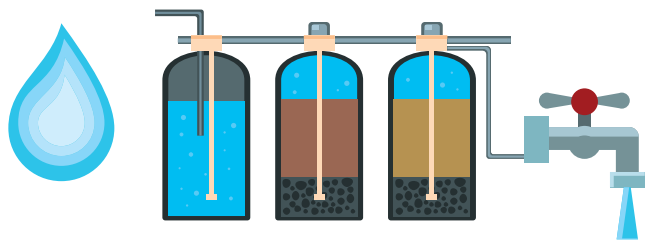


In line with UNSDG 6 "Clean Water and Sanitation", we are committed to ensuring efficient water usage and responsible wastewater treatment in our production process. By implementing proper water management practices, we aim to protect water resources, prevent pollution, and promote sustainable water management within our Group.

SUSTAINABILITY STATEMENT
(cont'd)

Environmental (Cont'd)

	FYE 2023	FYE 2024
Total Water consumption (Megalitres)	22.40	15.42



Water Intensity:
In FYE 2024 is reported at **267.3 Litres** per RM1,000 Revenue
(FYE 2023 reported at **503.6 Litres** per RM1,000 Revenue)

In FYE 2024, we recorded a lower total water consumption at 15.42 Megalitres as well as water intensity with 267.3 Litres per RM1,000 Revenue, compared to previous year reported at 22.40 Megalitres with an intensity of 503.6 Litres per RM1,000 Revenue. We will continue to enhance our water conservation efforts to reduce our overall water consumption and intensity.

Social

Occupational Safety and Health

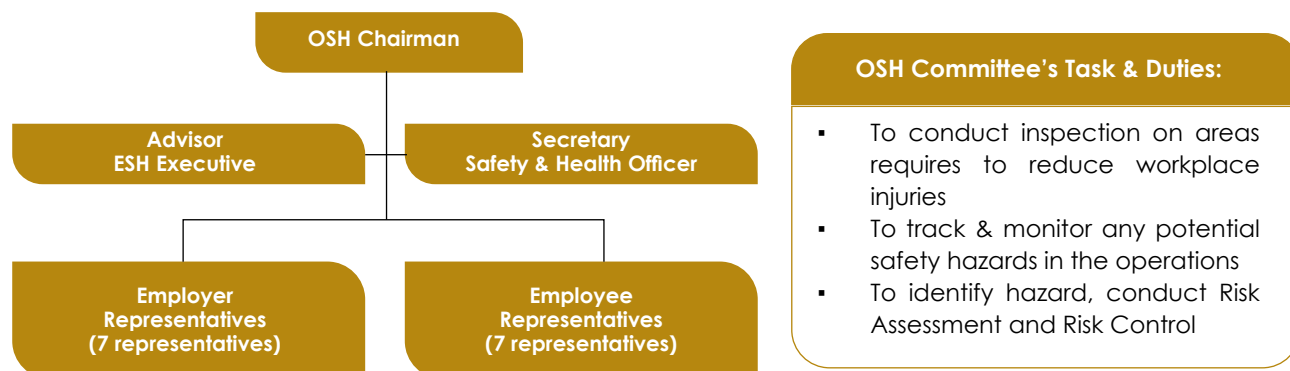
A safe workplace environment is HRB's utmost priority as it sets the foundation for our business to thrive. We enforce safe behaviours and provide good working conditions in compliance with applicable laws and regulations, including the Occupational Safety and Health Act 1994 and the Factories and Machinery Act 1967, as well as our own Safety and Health Policy.

Our Group Safety and Health Policy outlines the proper measures and procedures to conduct our operations in a safe manner. This includes allocating adequate resources to train our employees, reviewing safety and health management systems regularly and holding heads of department accountable for achieving safety and health objectives. In adherence to the Occupational Safety and Health of Exposure Hazardous to Regulations 2000, we have also conducted an annual Local Exhaust Ventilation System assessment in this current year by engaging with an external licensed hygiene technician, to ensure that the chimneys in our manufacturing plants are working in good order.

Our Occupational Safety and Health ("OSH") Committee, led by our Managing Director, is responsible for quarterly safety inspections across our operations. These safety inspections cover areas such as equipment and machinery, fire safety and security, chemicals, hygiene, personal protective equipment, forklifts, entrances, exits, walkways, floors, first aid box, electrical safety and workers' compliance. We manage workplace hazards using the Hazard Identification, Risk Assessment and Risk Control methodology to effectively track and monitor any potential safety hazards in our operations.

SUSTAINABILITY STATEMENT (cont'd)

Social (Cont'd)



The Group keeps track of our safety performance and is summarised as follows:

	FYE 2023	FYE 2024
Number of work-related fatalities	0	0
Fatalities rate	0.00	0.00
Number of high-consequence work-related injuries (excluding fatalities)	0	0
Rate of high-consequence work-related injuries (excluding fatalities)	0.00	0.01
Number of work-related lost-time incidents	8	5
Lost Time Incident Rate ("LTIR") per 200,000 hours worked ¹	2.63	1.53

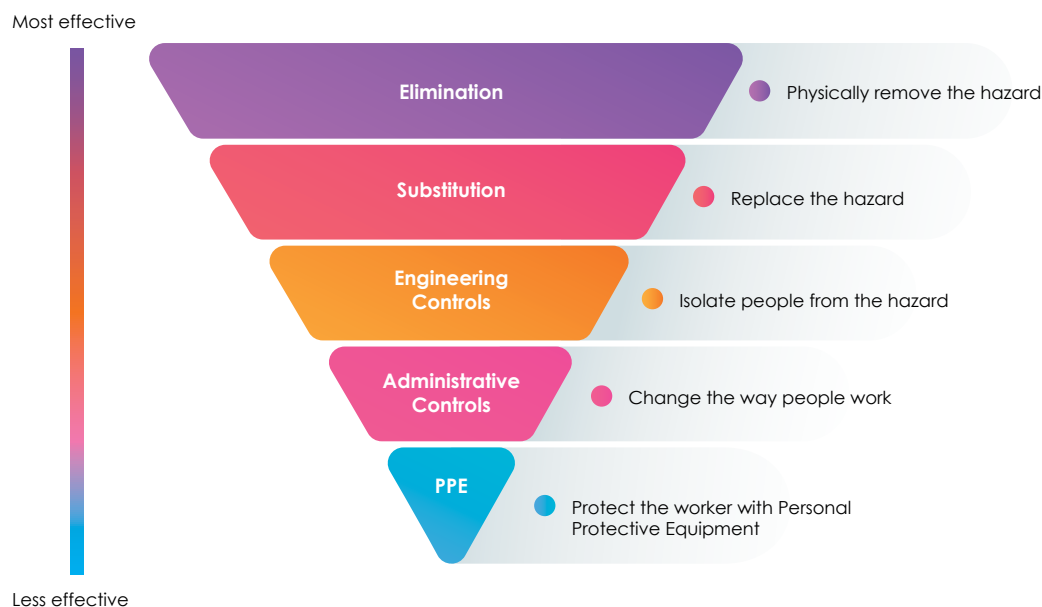
¹ LTIR = Number of lost time injuries in the reporting period *200,000/ Total number of hours worked in the reporting period

As a result of our ongoing efforts in upholding our safety procedures as detailed above, we are able to reduce out number of work-related lost-time incidents to 5 in FYE 2024. Nevertheless, we will continue to uphold our efforts in this area and remain committed to performing detailed investigations along with mitigation plans on our work-related accidents.

To ensure the safety of our workers, we implemented the hierarchy of controls to minimise hazards to a level as low as reasonably practicable. For instance, we have increased the level of automations through the application of engineering controls to reduce employees' exposure to hazards. Additionally, all employees will undergo an annual medical surveillance as they may be exposed to harmful chemicals in the production process. HRB will continue our commitment to achieve zero cases of workplace injuries and ensure the health and wellness of our employees.

SUSTAINABILITY STATEMENT (cont'd)

Social (Cont'd)



In FYE 2024, we organised a wider range of Health and safety standard training programs for our employees covering areas relevant to their working condition. These include:

1. Tool Box Meeting
2. Noise Training
3. Chemical Handling Awareness Training
4. Personal Protective Equipment Training
5. Emergency Response Team Fire Fighting Training
6. Forklift Training
7. Contractor Briefings & Maintenance Safety Briefings
8. Scheduled Waste Management Training

We are pleased to report a total of 290 employees have undergone health and safety trainings this year. To ensure comprehensive coverage, all new hires, whether office workers or production staff, will undergo an Environmental, Health and Safety induction training. On top of that, we also extend our health and safety awareness through contractor briefings and maintenance safety briefings to reinforce our safety awareness and practices across all levels of operations.

	FYE 2023	FYE 2023 (Restated)	FYE 2024
Number of employees trained on health and safety standards	7	310	290

SUSTAINABILITY STATEMENT (cont'd)

Social (Cont'd)

EMPLOYEE WELFARE AND ENGAGEMENT

The development and well-being of our employees are pivotal in driving the sustainable growth of our business. We aspire to create long-term value with our talent and leadership and strive to support our employees in reaching their full potential.



In line with UNSDG 3 "Good Health and Well-Being" and UNSDG 8 "Decent Work and economic Growth", we aim to create a supportive and empowering workplace and strive to foster an optimistic and healthy working environment for employees to thrive for their full potential.

We offer competitive compensation packages to attract and retain top talents. We conduct an annual review on employees' remuneration to ensure that it remains competitive in the market. We also conduct a performance review annually for all employees, allowing them to provide feedback, self-assess and receive support from their supervisors.

We recognise and reward employees who have contributed to the Group for more than ten years by awarding them with the Long Service Award to show appreciation for their dedication and loyalty. In FYE 2024, there were 16 employees entitled to the Long Service award, of which 3 of them have been working with the Group for more than 15 years while the 4 employees have been staying with the Group for more than 30 years and above.

Furthermore, we provide opportunities for our employees to freely raise their opinions and feedback through our Open Door Policy. This enables employees to voice out complaints, suggestions and challenges through open communication and discussion with Management. We have also put in place a formal grievance mechanism to provide an employee channel for dialogue and problem-solving. This allows employees to clear doubts and avoid unnecessary dispute and misunderstanding.

In 2024, our Group remained dedicated in fostering employee engagement through various cultural celebration to build a sense of community within the organization.

At the beginning of year, we welcomed the auspicious Year of the Dragon, a symbol of strength, wisdom, and prosperity, with a vibrant Chinese New Year celebration alongside our employees. The event was filled with festive joy, fostering unity across all cultural backgrounds while embracing the spirit of renewal and success that the dragon represents.

Our Group also celebrated Hari Raya Aidilfitri with our employees, bringing everyone together to share festive joy, savour delicious traditional delicacies, and engage in meaningful interactions.



Figure 1: Photo taken during Chinese New Year Celebration



Figure 2: Photo taken during Hari Raya Celebration

SUSTAINABILITY STATEMENT (cont'd)

Social (Cont'd)

To round off the year, our Group also hosted a year-end Christmas celebration to bring together all our employees a fun and lively gathering, wrapping up the year with joy and togetherness, regardless of our differences in race and belief.



Figure 3: Photo taken during Christmas event

We are also pleased to report that HRB has maintained zero substantiated complaints concerning human rights violations.

	FYE 2023	FYE 2024
Number of substantiated complaints concerning human rights violations	0	0

As we highly value employee feedback, we conduct an Employee Job Satisfaction Survey once every two years to gain insights into our employees' opinions and needs. This survey covers employees' job satisfaction level, awareness on corporate value, relationship with direct superior as well as leadership. We adopt a consultative approach in encouraging employees to openly express their comments and suggestions for the Group to enhance on existing operational efficiencies or employees' welfare. HRB will be conducting our employee survey exercise in 2025.

Retaining talent is also crucial for the long-term viability of our business. We understand that the effectiveness of our workforce is closely linked to employee's loyalty, hence we have set a target of maintaining an annual employee turnover rate of within 20%. As of FYE 2024, our new hire rates and turnover rates are 17.8% and 16.7% respectively. The high attrition of general workers in FYE 2024 had resulted in the overall high turnover rate.

Our Group has remained low percentage on contractor and temporary staff in this current year, at 1.29% (FYE 2023: 0%) as we rely heavily on permanent staff who are more familiar with the company's process and contribute significantly to our long-term goals.

Number of employees	FYE 2023	FYE 2024
Percentage of employees that are contractors or temporary staff	0.00%	1.29%
Total number of new hires	29	54

SUSTAINABILITY STATEMENT (cont'd)

Social (Cont'd)

Total number of employee turnover by employee category:	FYE 2023	FYE 2024
Management	5	4
Executive	6	2
Non-executive/Technical Staff	7	19
General Workers	76	39

Training and Development

HRB is fully aware of the importance of training and development in the overall growth and success of our business. To enhance the learning capabilities of our employees, we encourage our employees to join the yearly structured training programmes to hone their skills and enhance their competencies. On an ad hoc basis, we provide more specialised training based on employees' request, after assessing their training needs and obtaining their department manager's approval.

In FYE 2024, clocked a total of 1,000 hours (FYE 2023: 2,616 hours) where the average training hours reported at 3 hours per employees (FYE 2023: 8 hours). The disparity in training hours compared to FYE 2024 was due to high movement of staff in current year disrupting the training plans initiatives.

Hours of Training Attended

Employee Category	FYE 2023	FYE 2024
Management	347	190
Executive	900	247
Non-executive/Technical staff	325	283
General Workers	1,044	280
Total	2,616	1,000

Workforce Diversity

HRB is cognisant of the value of workforce diversity and inclusion brings in achieving our business goals. This commitment is embedded in our Gender Diversity Policy, which outlines our dedication to promoting gender equality and ensuring that all employees have equal opportunities to succeed.



In line with UNSDG 5 "Gender Equality" and UNSDG 10 "Reduced Inequalities", we are committed to fostering an inclusive and diverse workforce. Our goal is to create a workplace where every individual, regardless of gender or background, gets an equal opportunity to thrive and contribute to our collective success.

As of 31st December 2024, our workforce gender and gender profile are presented as follows:

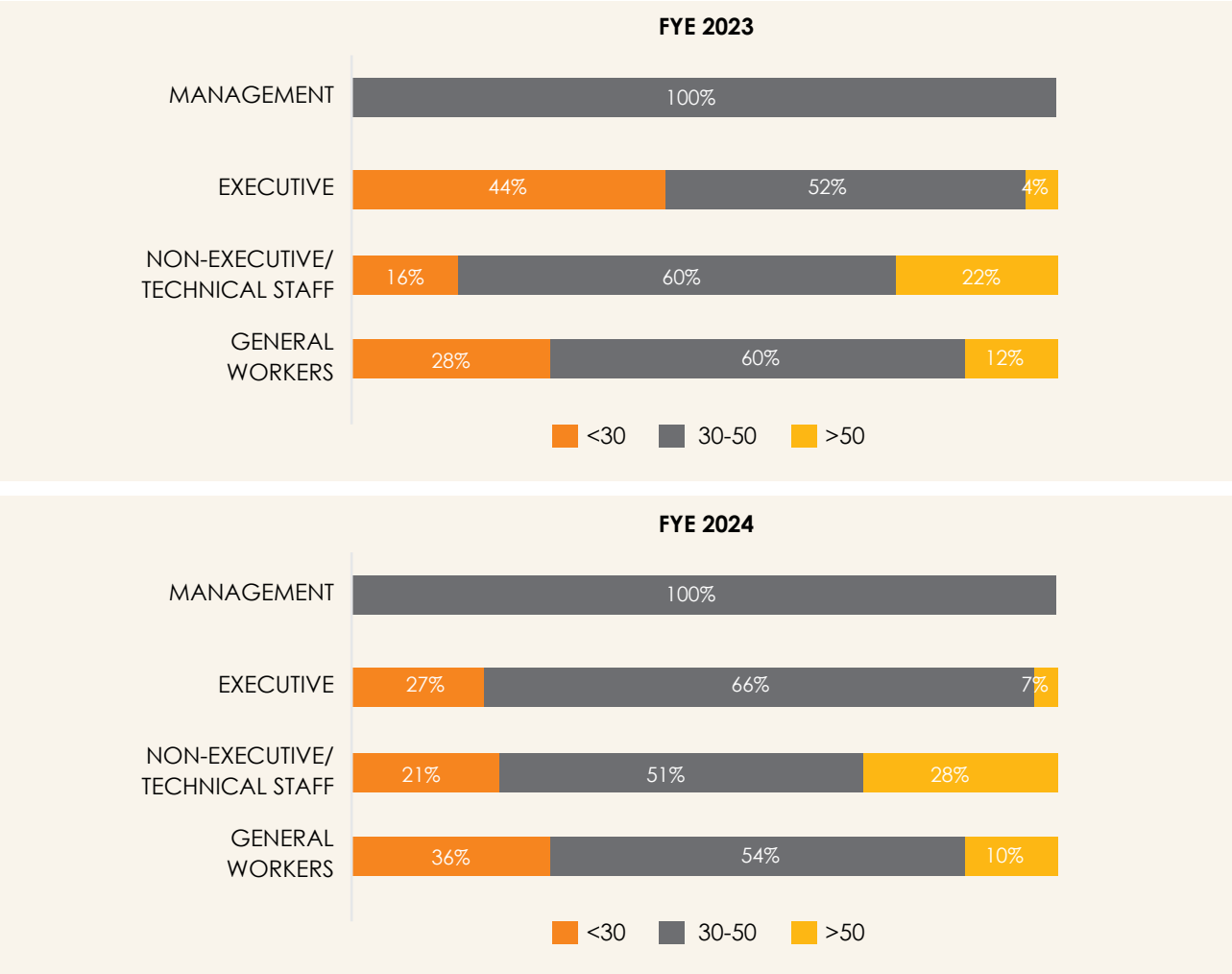
Employees Gender Profile

FYE 2023		Employee Category	FYE 2024	
Male	Female		Male	Female
67%	33%	Management	56%	44%
56%	44%	Executive	47%	53%
75%	25%	Non-executive/Technical Staff	68%	32%
75%	25%	General Workers	79%	21%

SUSTAINABILITY STATEMENT
(cont'd)

Social (Cont'd)

Employees Age Profile



Directors Gender & Age Profile

	FYE 2023	FYE 2024
Male	60%	67%
Female	40%	33%
Under 30	0%	0%
Between 30-50	60%	50%
Above 50	40%	50%

Community Outreach

HRB is committed to drive positive and sustainable changes in our community and to give back to the society. We endeavour to continue the implementation of our internship programme, recruiting interns across departments such as Production Management, Maintenance, Information Technology, and Supply Chain. This initiative allows our interns to have an early exposure to the real-world and gain valuable work experience.

In FYE 2024, we have embarked on several community activities to show our support to the society. One of our key initiatives was launching "Back to School" program in collaboration with ABARO School Shoes Malaysia, to provide essential school items to students in SK Rawang, Selangor. This initiative underscores our commitment to promote equal opportunities in education and fostering a positive impact on the community.

SUSTAINABILITY STATEMENT (cont'd)

Social (Cont'd)



Figure 4 & 5: Group photo and gifting ceremony during "Back to School" program

Besides, our employees have once again participation in the 29th Spastic Fun Run also known as Annual Charity Walk Jog Wheel-a-thon, organised by the Spastic Children's Association of Selangor and Federal Territory. The aim of this activity was to raise awareness and public support for people with disabilities. This event was held at Dataran Merdeka, Kuala Lumpur, where participants will have a fun run with the disabled, promoting inclusivity and fostering community engagement.



Figure 6: Employees group photo at Spastic Fun Run event

The following table lays out our total contribution through these events:

	FYE 2023	FYE 2024
Total amount invested in the community where the target beneficiaries are external to HRB (MYR)	4,000	3,900
Total number of beneficiaries of the investment in communities	2	2

Note: Number of beneficiaries refers to the number of organisations.

SUSTAINABILITY STATEMENT (cont'd)

Governance

Corporate Governance and Business Ethics

HRB is committed to a robust corporate governance system that supports the business and engenders a culture of transparency and accountability.

This is in line with UNSDG 16 "Peace, Justice, and Strong Institutions", where our goal is to uphold the highest standards of ethical conduct. By doing so, we contribute to a just and transparent business environment, protecting the interests of all stakeholders and fostering trust and stability within our Group.



Our Fit and Proper Policy continues to serve as guidance for our Nomination and Remuneration Committee to undertake objective assessment with merit criteria when reviewing any appointment and re-appointment of directors in the Company. The Fit and Proper Policy ensures that the Directors to be appointed are assessed based on character, experience, integrity, competence and time to effectively discharge his or her role in the Board.

Our Board of Directors has put in place clear and effective policies to ensure accountability and integrity in the operation of our business. Our Code of Business Conducts & Ethics ("The Code"), applicable to all employees, provides guidelines for reporting and investigating reports of unethical practices and actions to be taken in such situations. All Directors and employees are introduced to the Code upon their appointment or employment to ensure that are aware and familiar with the ethical expectations of the Group.

The Group's zero-tolerance stance against bribery and corruption is outlined in our Anti-Bribery and Corruption Policy ("ABC Policy"), which provides guidance in relation to transactions such as gifts, entertainment and conflict of interest situations. Besides, our Group also have a Whistleblowing Policy & Procedure to set out to support the implementation of the Code and ABC Policy by setting up an appropriate channel for employees and stakeholders to report any improprieties on any suspected or known fraud, bribery, corruption or malpractice.

All the abovementioned policies are publicly accessible on our website at <https://hextarretail.com/corporate-governance/>.

	FYE 2023	FYE 2024
Percentage of operations that underwent corruption risk assessments	100%	100%

Percentage of employees received anti-corruption training (%)	FYE 2023	FYE 2024
Management	100%	100%
Executive	93%	100%
Non-executive	3%	25%
General Workers	0%	0%

In FYE 2024, we have undertaken a bribery and corruption risk assessment that covers our operations and various stakeholder groups. There were zero cases of corruption across the Group and all management level employees have completed the necessary anti-corruption training. Given that non-executive employees and general workers have limited involvement in our decision-making processes, we prioritised anti-corruption training for our management and executives. We aim to maintain zero incidents of corruption across our operations in FYE 2025.

	FYE 2023	FYE 2024
Number of confirmed incidents of corruption	0	0

SUSTAINABILITY STATEMENT (cont'd)

Governance (Cont'd)

Compliance with Laws and Regulations

HRB implemented policies to ensure compliance with local regulatory requirements, particularly in areas of environmental and social compliance. We strive to be a trusted partner to our customers, suppliers, shareholders and the communities where we operate.

We are guided by our Environmental Policy which covers the following principles:

- comply with the relevant environmental legal and regulatory requirements;
- prevent pollution, damage or deterioration of environment by addressing tangible aspect and internal/external issues determined through risk management procedure and life cycle considerations;
- implement action plans for identified environmental objectives and identified threats/opportunities, assess environmental performance and address non-compliance and appropriate emergency situations; and
- increase the awareness of proper material usage and environmental-friendly operation practices among employees. Employers and employees will share the responsibility of creating a clean and safe workplace and cultivate it as a culture.

These policies are reviewed at least annually to meet the changing needs of the industry and regulatory requirements.

Our manufacturing facilities such as boilers, blowers, wood impregnation plants and air receiver tanks have been certified by the Department of Occupational Safety and Health in accordance with the Factories and Machinery Act 1987.

On the social front, no employees have been dismissed and no public cases have been brought against the Group due to non-compliance to applicable laws and regulations. We are pleased to report that HRB have maintained zero cases in non-compliance with laws and regulations this year, and we aim to maintain zero cases in FYE 2025.

	FYE 2023	FYE 2024
Number of significant instances of non-compliance with laws and regulations that resulted in significant fines or legal actions	0	0

Forward Looking Statement

Moving forward, HRB will remain committed in aligning our sustainability initiatives with our business operations. We will continuously assess and adapt our strategies to ensure they remain effective and feasible, balancing our ESG responsibilities with economic realities and market conditions. We will establish relevant goals to reduce our carbon footprint, align our business activities with the transition to a low-carbon economy, and comply with applicable environmental regulations and guidelines. Our dedication to sustainability will guide our actions as we strive to create a positive impact on the environment and society.

SUSTAINABILITY STATEMENT (cont'd)

Governance (Cont'd)

Performance Target

As our continuous commitments to Sustainability initiative and the UNSDG, we are pleased to present our targets milestone for FYE 2024 and our subsequent target for next year to demonstrate our persistent in fostering good sustainability initiative in our Group. These targets are currently set on a yearly basis to easier monitor our performance and devise improvement plans required. Moving forward, we may look into medium and long-term targets to further integrate sustainability practices into our operations.

Social	Target for FYE 2024	Progress	Target for FYE 2025
Occupational Safety and Health	We aim to achieve zero incidents of lost-time injuries	Achieved	To achieve zero incidents of lost-time injuries
Workforce Diversity	We aim to maintain 40% women participation in leadership roles/ management position	Achieved at Management level	To ensure 30% women participation in both Board level & Management level
Employee Welfare and Engagement	Our target is to have an annual employee turnover rate of within 20%	Achieved	To maintain our target of having an annual employee turnover rate of within 20%

Governance	Target for FYE 2024	Progress	Target for FYE 2025
Corporate Governance and Business Ethics	We aim to maintain zero incidents of corruption across our operations	Achieved	To maintain zero corruption incidents across our operations
Compliance with Laws and Regulations	We aim to maintain zero cases of non-compliance with laws and regulations that resulted in fines or penalties	Achieved	To maintain as zero cases of non-compliance with laws and regulations that resulted in fines or penalties

SUSTAINABILITY STATEMENT (cont'd)

Performance Data Table

Indicator	Measurement Unit	2023	2024
Economic Performance			
Revenue	MYR '000	44,476	57,694
Profit After Tax	MYR '000	1,120	1,051
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	96.50	96.70
Customer Satisfaction			
Customer satisfaction score	Rate	4.32	4.45
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Management	Percentage	100.00	100.00
Executive	Percentage	92.60	100.00
Non-executive/Technical Staff	Percentage	3.10	25.25
General Workers	Percentage	0.00	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00 *	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Compliance with Laws and Regulations			
Number of significant instances of non-compliance with laws and regulations that resulted in significant fines or legal actions	Number	0	0
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	4,499.30 *	6,166.30
Energy intensity	Intensity (per MYR '000 of Revenue)	0.10 *	0.11
Bursa (Emissions management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	158.00 *	140.70
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	2,707.00 *	3,624.90
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	No Data Provided
GHG emissions (Scope 1 & 2) intensity	Intensity (per MYR '000 of Revenue)	64.42 *	65.27
Bursa (Waste management)			
Bursa C10(a) Total waste generated	Metric tonnes	28.00 *	64.45
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	0.00	0.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	28.00 *	64.45
Total (hazardous) waste generated	Metric tonnes	28.00	64.45
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	22.400000	15.420000
Water intensity	Intensity (per MYR '000 of Revenue)	503.60 *	267.30
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	2.63	1.53
Bursa C5(c) Number of employees trained on health and safety standards	Number	310 *	290
Total hours worked	Hours	608,836	655,494
Number of lost-time incidents	Number	8	5
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Management	Hours	347	190
Executive	Hours	900	247
Non-executive/Technical Staff	Hours	325	283

Internal assurance

External assurance

No assurance

(*) Restated

SUSTAINABILITY STATEMENT (cont'd)

Performance Data Table (Cont'd)

Indicator	Measurement Unit	2023	2024
General Workers	Hours	1,044	280
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00	1.29
Bursa C6(c) Total number of employee turnover by employee category			
Management	Number	5	4
Executive	Number	6	2
Non-executive/Technical Staff	Number	7	19
General Workers	Number	76	39
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Total number of employee turnover	Number	94	64
Total number of new hires	Number	29	54
New hire rate	Rate	9.20	17.80
Turnover rate	Rate	24.80	16.70
Total employee training hours	Hours (1 d.p.)	2,616.0	1,000.0
Average training hours per employee	Hours (1 d.p.)	8.3	3.3
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Management Under 30	Percentage	0.00	0.00
Management Between 30-50	Percentage	100.00	100.00
Management Above 50	Percentage	0.00	0.00
Executive Under 30	Percentage	44.40	27.00
Executive Between 30-50	Percentage	51.90	66.00
Executive Above 50	Percentage	3.70	7.00
Non-executive/Technical Staff Under 30	Percentage	15.60	21.50
Non-executive/Technical Staff Between 30-50	Percentage	62.50	50.80
Non-executive/Technical Staff Above 50	Percentage	21.90	27.70
General Workers Under 30	Percentage	27.90	36.00
General Workers Between 30-50	Percentage	60.30	53.70
General Workers Above 50	Percentage	11.70	10.30
Gender Group by Employee Category			
Management Male	Percentage	66.70	44.40
Management Female	Percentage	33.30	55.60
Executive Male	Percentage	55.60	46.70
Executive Female	Percentage	44.40	53.30
Non-executive/Technical Staff Male	Percentage	75.00	67.70
Non-executive/Technical Staff Female	Percentage	25.00	32.30
General Workers Male	Percentage	75.30	78.50
General Workers Female	Percentage	24.70	21.50
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	60.00	66.70
Female	Percentage	40.00	33.30
Under 30	Percentage	0.00	0.00
Between 30-50	Percentage	60.00	50.00
Above 50	Percentage	40.00	50.00
Percentage of employees by gender - male	Percentage	73.30	73.60
Percentage of employees by gender - female	Percentage	26.70	26.40
Percentage of employees by age group - under 30	Percentage	27.30	31.40
Percentage of employees by age group - between 30 to 50	Percentage	61.00	55.10
Percentage of employees by age group - above 50	Percentage	11.70	13.50
Internal assurance	External assurance	No assurance	(*)Restated

SUSTAINABILITY STATEMENT
(cont'd)

Performance Data Table (Cont'd)

Indicator	Measurement Unit	2023	2024
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	4,000.00	3,900.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	2	2
Internal assurance	External assurance	No assurance	(*)Restated

Assurance Statement

This Sustainability Statement has not been subjected to an assurance process in FYE 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

The Board recognises the significance of adopting sound corporate governance practices across the Group as a fundamental responsibility in safeguarding and enhancing shareholder value and stakeholder interests. It remains committed to upholding effective corporate governance principles in alignment with the recommendations of the Malaysian Code on Corporate Governance ("MCCG").

The Board is pleased to present this CG Statement, which provides an overview of the Board's key initiatives and commitments to promote good corporate governance throughout the Group during the FYE 2024. This statement has been prepared in accordance with Paragraph 15.25(1) and Practice Note 9 of the MMLR, with the application of the following three (3) key corporate governance principles as guided by the MCCG:

Principle A Board Leadership and Effectiveness;

Principle B Effective Audit and Risk Management; and

Principle C Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

Shareholders are encouraged to read this CG Statement alongside the Company's CG Report, which provides comprehensive disclosures on the implementation of each corporate governance practices. The CG Report is available on the Bursa Securities' website at <https://www.bursamalaysia.com/>.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART I: BOARD RESPONSIBILITIES

1. Board Leadership

The Board assumes full responsibility for the Group's overall performance and provides strategic guidance to achieve its corporate goals and objectives. It advises and directs the Management while formulating corporate strategies for growth and business development. The Board has established the Group's vision and mission as the ultimate business objective. In carrying out its responsibilities, the Board adheres to the principles outlined in the Board Charter, which define its roles and duties concerning the Group's business conduct, performance, risk management, internal controls, corporate governance, succession planning, investor relations, shareholders' engagement, and regulatory compliance.

The Board is led by Datuk Iskandar Bin Sarudin, the Independent Non-Executive Chairman of the Company. He plays a vital role in fostering good corporate governance and ensuring the Board's overall effectiveness. As the Board Chairman, he actively facilitates Board meetings, ensuring that the diverse perspectives and opinions are thoroughly and constructively discussed, thereby contributing to the Group's progress.

To enhance efficiency and effectiveness, the Board has delegated specific responsibilities to three (3) Board Committees, namely the AC, NRC and ERM. These Board Committees operate within their respective Terms of Reference and are empowered to perform their designated functions and responsibilities. The Board Committees report to the Board on key matters discussed during their respective committee's meetings, presenting recommendations for the Board's consideration and decision-making.

The Board also receives support from the Managing Director, Executive Director and Key Senior Management ("KSM") in overseeing the Group's day-to-day operations. To ensure a balance of power and authority at the Board level, the roles of the Board Chairman and Managing Director are held by two (2) separate individuals. Datuk Iskandar Bin Sarudin, as the Board Chairman, is responsible for overseeing and enhancing the Board's overall effectiveness, with a focus on strategy, corporate governance and compliance matters. Meanwhile, Mr. Vo Nghia Huu, as the Managing Director, leads the executive function by implementing the Board's decisions and strategies while supervising the Group's daily operations. The distinct responsibilities of the Board Chairman and Managing Director are clearly outlined in the Board Charter, which is accessible on the Company's website at <https://hextarretail.com/corporate-governance/>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

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

PART I: BOARD RESPONSIBILITIES (CONT'D)

1. Board Leadership (Cont'd)

Beyond his role as Board Chairman, Datuk Iskandar Bin Sarudin also serves as a member of the AC and NRC. While this deviates from Practice 1.4 of the MCCG, it does not compromise his objectivity in deliberating on matters presented by the Board Committees. This is ensured through collective discussions among Independent Non-Executive Directors during committee meetings. Furthermore, the Board Chairman does not participate in the Group's managerial or operational activities.

The Board continuously evaluates the Group's business and management performance to ensure the availability of essential resources. Throughout the FYE 2024, the Board convened a total of five (5) meetings, with all Directors demonstrating their strong commitment with the following attendance records:

Director	Meeting Attendance	Percentage of Attendance
Datuk Iskandar Bin Sarudin	5/5	100%
Vo Nghia Huu	5/5	100%
Dr. Lim Chee Lip (Appointed on 02/01/2024)	5/5	100%
Teh ZiYang	5/5	100%
Khor Hun Nee	5/5	100%
Ooi Youk Lan	5/5	100%

During the FYE 2024, to enhance support for the Board, Ms. Lim Li Heong and Ms. Wong Mee Kiat were appointed as Joint Company Secretaries on 2 January 2024. Together with Ms. Wong Youn Kim, the Board was supported by three (3) well-qualified and competent Company Secretaries, all of whom fulfilled the necessary qualifications and were duly qualified under Section 235(2)(a) of the Companies Act 2016. They are also members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). Subsequently on 1 July 2024, Ms. Wong Youn Kim resigned as Company Secretary of HRB.

The Company Secretaries play a pivotal role in ensuring the smooth functioning of the Board and Board Committees by providing guidance on corporate governance, regulatory compliance and best practices. They facilitate Board and Board Committees meeting, ensuring that discussions and decisions align with the Group's strategic objectives and governance framework. In addition, they support the Board in implementing governance policies, monitoring regulatory developments and ensuring compliance with applicable laws and listing requirements, enabling the Board to make well-informed decisions.

During the FYE 2024, the Company Secretaries attended all Board and Board Committees meetings, ensuring seamless proceedings while accurately documenting key discussions and resolutions of the meetings. Following the conclusion of each meeting, meeting minutes were promptly prepared and circulated to the Board for review and confirmation at the subsequent meeting, maintaining transparency and accountability.

Committed to maintaining high governance standards, the Company Secretaries actively kept abreast of regulatory developments through ongoing professional development programmes and industry updates. They fulfilled the required Continuing Professional Development (CPD) points as mandated by MAICSA and the Companies Commission of Malaysia, ensuring their expertise remained current. The Board acknowledges their professionalism and valuable contributions in strengthening governance throughout FYE 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

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

PART I: BOARD RESPONSIBILITIES (CONT'D)

2. Delegation of Responsibilities

The Company has established a comprehensive Board Charter, serving as a foundational guide for all Board members by clearly defining their fiduciary roles and obligations. This document outlines the duties of the Board, Board Committees, Board Chairman and Managing Director, while also providing guidelines for meetings and financial reporting procedures. While the Board delegates certain functions and authorities to Board Committees and Management, the Board Charter explicitly reserves specific matters for the Board, ensuring its continued collective oversight within the Company.

The Board Charter is reviewed and updated regularly to remain aligned with the latest regulatory standards and is available on the Company's website at <https://hextarretail.com/corporate-governance/>.

3. Business Ethics and Integrity

The Board recognises the importance of fostering an ethical culture within the Group to safeguard its reputation and strengthen stakeholders' trust. To this end, the Board has adopted the Code of Business Conducts and Ethics ("the Code") to uphold the highest standards of ethical business conduct across the organisation. Alongside the Group's Employee Handbook and other internal policies, procedures and guidelines, the Code establishes core principles and expectations for ethical behaviour in managing the Group's information, assets and interactions with third parties.

In compliance with Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018, the Board has adopted an Anti-Bribery and Corruption Policy ("ABC Policy"), demonstrating the Group's zero-tolerance stance on bribery and corruption. The ABC Policy serves as a comprehensive framework for identifying and addressing bribery and corruption risks. The Board remains committed to upholding robust anti-bribery and corruption measures through regular reviews of the Group's anti-bribery and corruption policies, controls and risk management strategies. These reviews help identify potential risks, evaluate the effectiveness of existing controls and ensure continuous improvement in the Group's efforts to prevent bribery and corruption.

To support the enforcement of the Code and ABC Policy, the Board has established the Whistleblowing Policy and Procedure. While the policy provides employees and stakeholders with a secure channel to report genuine concerns regarding misconduct or malpractice within the Group and it addresses fraud-related concerns. This policy also ensure whistleblower protection. Employees who observe or suspect fraudulent activity may report it to their departmental manager or the Human Resources & Administration Manager, as applicable. Alternatively, concerns can be directly raised to the AC Chairperson, Ms. Khor Hun Nee, at celine.khor@hextar.com.

For reports concerning unethical behaviour, malpractices or violations of laws, regulations and policies, whistleblowers are advised to submit the Whistleblower Report Form to the AC Chairperson at celine.khor@hextar.com or the Managing Director at eric.vo@finessemoulding.com. Alternatively, the form may be mailed in a sealed envelope to the AC Chairperson. Upon receiving a whistleblower report, the AC Chairperson will initiate an investigation, and appropriate disciplinary action will be taken against any wrongdoing.

The Code, ABC Policy and Whistleblowing Policy and Procedure are reviewed regularly and as needed to ensure their continued relevance and compliance with applicable laws and regulations. All updated policies are accessible for public reference on the Company's website at <https://hextarretail.com/corporate-governance/>.

For the FYE 2024, the Board is pleased to report that the Group has not received any whistleblower reports regarding breaches of the Company's policies or relevant laws and regulations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

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

PART I: BOARD RESPONSIBILITIES (CONT'D)

4. Sustainability Management

To achieve long-term success, the Board recognises that business sustainability requires the continuous and balanced growth of the Group's operations while safeguarding the natural environment and enhancing socio-economic well-being for employees and local communities. As the ultimate authority on the Group's sustainability initiatives, the Board has adopted the Sustainability Policy, outlining the Group's commitments and reinforcing sustainability principles and practices across environmental, workplace and community aspects.

In overseeing sustainability matters, the Board is supported by the AC, which is responsible for reviewing the Group's overall risk management, including sustainability related risks and issues. The AC works closely with the ERM and Head of Departments to identify, monitor and mitigate sustainability risks while exploring opportunities to enhance the Group's sustainable growth.

The Company provides annual disclosures on its sustainability risks, opportunities, strategies, commitments, performance and initiatives through the Sustainability Statement in the Annual Report. Through continuous management of the Group's sustainability efforts and integration into its business operations, the Company achieved recognition in the FTSE4Good Bursa Malaysia (F4GBM) and FTSE4Good Bursa Malaysia Syariah (F4GBMS) indexes in December 2023, attaining a 3-star ESG rating and ranking among the top 26%–50% of listed companies in the FTSE Bursa Malaysia EMAS Index. Furthermore, the Company has successfully upheld its position in both indexes as of December 2024. Additionally, the Company received the gold award in the emerging star category at The Edge Malaysia ESG Awards 2024 for its commitment to environmental sustainability. For further details regarding the Group's sustainability management, please refer to the Sustainability Statement of this Annual Report.

To ensure alignment with evolving sustainability trends, Directors actively participated in various sustainability-related training programmes throughout the FYE 2024, as detailed in Section 5 of this statement. These training sessions provided valuable insights into global best practices, regulatory developments and emerging ESG challenges, equipping Directors with the knowledge to make informed decisions that support the Group's long-term sustainability goals. Additionally, the Company conducts an annual review of ESG risks enhancing sustainability performance by assessing potential risks, identifying improvement opportunities and implementing mitigation measures.

PART II: BOARD COMPOSITION

5. Board Diversity and Objectivity

Currently, the Board consists of six (6) members, details are as follows:

Name	Designation
Datuk Iskandar Bin Sarudin	Independent Non-Executive Chairman
Vo Nghia Huu	Managing Director
Dr. Lim Chee Lip (Appointed on 02/01/2024)	Executive Director cum Chief Commercial Officer
Teh ZiYang	Independent Non-Executive Director
Khor Hun Nee	Independent Non-Executive Director
Ooi Youk Lan	Non-Independent Non-Executive Director

The existing Board structure complies with the requirements of Paragraph 15.02 of the MMLR and Practice 5.2 of MCCG, with half of the Board comprising Independent Directors. This ensures objective deliberations and independent decision-making, safeguarding the interests of shareholders and stakeholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

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

PART II: BOARD COMPOSITION (CONT'D)

5. Board Diversity and Objectivity (Cont'd)

The independence of Independent Directors is further reinforced by a policy limiting their tenure to nine (9) years. Upon reaching this tenure, an Independent Director may only continue serving on the Board if re-designated as a Non-Independent Director, subject to the Board's approval. Alternatively, should the Board seek to retain the Director as an Independent Director, it must provide reasonable justification and obtain annual shareholders' approval at the AGM. As of 31 December 2024, none of the Independent Directors have served the Company for more than nine (9) years.

To ensure Board diversity and objectivity, the Board has entrusted the NRC with the responsibility of overseeing and enhancing its composition, effectiveness and governance. This includes evaluating the Board's structure, assessing the independence and performance of Directors. During the FYE 2024, the NRC carried out the following responsibilities in accordance with its Terms of Reference and made recommendations to the Board:

- a) reviewed the required mix of skills, experience and contributions of Directors;
- b) assessed the effectiveness of the Board as a whole and its Committees;
- c) evaluated the independence of Independent Directors;
- d) reviewed and recommended the re-election of Directors at the forthcoming AGM;
- e) reviewed and recommended the remuneration packages of the Managing Director and Executive Director for the FYE 2025; and
- f) reviewed and recommended the Directors' fees and benefits for Non-Executive Directors for the FYE 2025.

During the FYE 2024, the NRC played a key role in strengthening Board composition by ensuring appointments aligned with the Company's strategic direction and governance principles. On 2 January 2024, Dr. Lim Chee Lip was appointed to the Board following the NRC's due deliberation and recommendation. Dr. Lim Chee Lip's professional qualifications and extensive experience in strategic planning and business expansion were key factors in this decision. The NRC and the Board are confident that his qualifications and experience equip him to contribute effectively to the Company's strategic growth and development.

In maintaining a robust and diverse Board, the NRC upholds a fair and transparent selection process, ensuring equal opportunities when identifying qualified candidates. Instead of solely relying on recommendations from the existing Board members, KSM or major shareholders, the NRC also considers external sources such as the Malaysian Alliance of Corporate Directors, Malaysian Institute of Directors, Malaysian Directors Academy, and NAM Institute for the Empowerment of Women Malaysia (NIEW) when filling Board and Board Committee vacancies. In addition, the NRC adheres to the Fit and Proper Policy, which serves as a guiding framework for assessing Board appointment, composition and Directors' tenure.

Pursuant to Clause 97 of the Company's Constitution, an election of Directors shall take place every year at the AGM, where one-third (1/3) of the Directors shall retire from office at least once every three (3) years but is eligible for re-election. The NRC, in accordance with its Terms of Reference, is responsible for recommending the re-election of the retiring Directors to the Board and seeking shareholders' approval at the forthcoming AGM.

The NRC and the Board (save for the retiring Directors) have reviewed the overall performance and contributions of the following Directors who retire by rotation in accordance with Clause 97 of the Company's Constitution and being eligible, have offered themselves for re-election at the forthcoming 22nd AGM:

- (a) Ms. Ooi Youk Lan; and
- (b) Mr. Teh ZiYang.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

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

PART II: BOARD COMPOSITION (CONT'D)

5. Board Diversity and Objectivity (Cont'd)

The comprehensive profiles of the retiring Directors, detailing their age, gender, tenure, other directorships, qualifications and professional background, are available in the Profile of Board of Directors section of the Annual Report 2024.

While the Board recognises the strength and capability of its current composition, it remains mindful of the importance of gender diversity in fostering a well-balanced Board. As of 31 December 2024, the Board demonstrates its commitment to gender diversity with two (2) female Directors and two (2) female representatives at the KSM level.

To maintain the Board diversity and objectivity, the Board regards ongoing Directors' training and development as a vital anchor for all Board members to keep abreast of regulatory changes and corporate governance practices, enabling them to fulfill their fiduciary duties and carry out their roles and responsibilities effectively. Continuous learning enhances the Directors' independent decision-making, broadens perspectives and fosters a governance culture that values diversity and inclusion.

In compliance with Paragraph 15.08 of the MMLR, the Directors attended external training programmes to deepen their expertise and stay updated on industry and regulatory developments. The training programmes and seminars attended by the Directors during the FYE 2024 are as follows:

Name	Training Programmes Attended
Datuk Iskandar Bin Sarudin	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Vo Nghia Huu	Anti-Bribery and Corruption of Classic Scenic Group
	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	Thrive at Life, Thrive at Work: Employee Wellbeing Solutions
Ooi Youk Lan	CGT for foreign and domestic transaction
	Post Budget 2025
Khor Hun Nee	Business Sustainability Management
	Annual Signature Financial Planning Symposium 2024 - Navigating the Financial Landscape
	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	IT Security Awareness
	Guidelines on Advertisement
	EPS-MIS Guidelines
	Compliance & Shariah Training
	Code of Ethics and Rules of Professional Conduct
	Anti-bribery & Corruption
Teh ZiYang	Anti-Money Laundering, Anti-Terrorism Financing
	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Dr. Lim Chee Lip	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

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

PART II: BOARD COMPOSITION (CONT'D)

6. Overall Board Effectiveness

During the FYE 2024, the NRC undertook its annual assessment to evaluate the effectiveness of the Board, Board Committees and Independent Directors. The assessment was conducted through self-evaluation using physical assessment forms circulated to all Board members in advance for completion. The Board deems this current assessment approach facilitated by the Company Secretary to be effective and therefore, no external party was engaged for this purpose.

The assessment forms were designed with reference to the Company's Fit and Proper Policy, serving as general guidelines for evaluating Directors' fitness and propriety. The performance evaluation criteria adopted are detailed in the CG Report. All Board members completed confidential assessment questionnaires, and the results were collated and summarised for NRC review. The NRC deliberated the findings in a scheduled meeting and subsequently reported them to the Board.

Based on the assessment results, the NRC concluded that the Directors possess the necessary skills, knowledge and time commitment to fulfill their roles effectively. The Board and its Committees were found to have an appropriate mix of expertise and business acumen to support the Group's long-term growth. Additionally, all Independent Directors meet the independence criteria outlined in the MMLR and will continue to provide objective and independent judgement.

PART III: REMUNERATION

7. Remuneration Policy

In HRB, the NRC is responsible for assessing, designing and recommending suitable remuneration packages for the Board and KSM to attract, motivate and retain talent committed to achieving the Group's business objectives. The NRC operates in accordance with its Terms of Reference, which outline its roles in overseeing remuneration matters for the Company and the Group. These terms are available on the Company's website at <https://hextarretail.com/corporate-governance/>.

Decisions regarding Directors' remuneration are guided by the NRC's Terms of Reference and the Board Charter and Remuneration Policy. The remuneration of Executive Directors is tied to the Group's performance, reflecting their contributions, achievements, and the Group's overall performance. Whereas the remuneration of Non-Executive Directors is determined based on their level of responsibilities and contributions towards the Board, subject to shareholders' approval at the AGM.

During the FYE 2024, the NRC conducted a review of the remuneration packages for the Board for the financial year ending 31 December 2025. The objective was to ensure alignment with the Group's long-term objectives and values. To maintain transparency and fairness, respective Directors abstained from deliberating and voting on their own remuneration.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

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

PART III: REMUNERATION (CONT'D)

8. Remuneration of Directors

The Directors' remuneration on Company and Group basis for the FYE 2024 are as follows:

	Company		Group					
	Fees (RM'000)	Allowance (RM'000)	Fees (RM'000)	Salary (RM'000)	Allowance (RM'000)	Bonus (RM'000)	Other Emoluments (RM'000)	Benefits- in-Kind (RM'000)
Non-Executive Directors								
Datuk Iskandar Bin Sarudin	56	5	56	-	5	-	-	-
Teh ZiYang	38	5	38	-	5	-	-	-
Ooi Youk Lan	36	5	36	-	5	-	-	-
Khor Hun Nee	46	5	46	-	5	-	-	-
Executive Directors								
Vo Nghia Huu	-	-	-	444	22	37	1	11
Dr. Lim Chee Lip (Appointed on 02/01/2024)	-	-	-	386	-	33	52	8

9. Remuneration of KSM

The NRC aims to ensure that the KSM's remuneration packages align with their individual roles, capabilities, professionalism, skills, expertise and contributions to the Group. Given the industry's competitive landscape, the Board remains committed to safeguarding the security and confidentiality of KSM's remuneration details to protect the Company's best interests. Accordingly, the Board has decided not to disclose the remuneration information of KSM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I: AUDIT COMMITTEE

10. Effective and Independent Audit Committee

The current AC consists solely of Independent Non-Executive Directors, as follows:

Position	Name	Directorship
Chairperson	Khor Hun Nee	Independent Non-Executive Director
Member	Datuk Iskandar Bin Sarudin	Independent Non-Executive Chairman
Member	Teh ZiYang	Independent Non-Executive Director

The AC is primarily responsible for ensuring financial integrity and overseeing the Group's overall risk management. To uphold impartiality and independence, the roles of AC Chairperson and Board Chairman are held by different individuals. Ms. Khor Hun Nee, the AC Chairperson, is a fellow member of the Association of Chartered Certified Accountants ("FCCA") and a member of the Malaysian Institute of Accountants ("MIA"). She is also a Certified Financial Planner (CFP) and holds a Capital Markets Services Representative's License (CMSRL) issued by Securities Commission Malaysia. With over 18 years of experience in finance management, financial reporting, corporate finance, auditing and taxation and corporate affairs across various private and publicly listed companies in Malaysia, she brings strong professional expertise to lead the AC effectively.

While only one-third (1/3) of the AC members hold professional qualifications from accounting bodies, all members are financially literate and possess the necessary skills and knowledge to understand the Group's business and oversee matters within its purview, including financial reporting and auditing processes. The AC remains committed to continuous professional development through training programmes and updates provided by both Management and External Auditors. This ensures that all members stay well-informed on the latest developments in accounting and auditing standards, practices and regulations.

To uphold a high standard of financial integrity, the AC's Terms of Reference stipulates a cooling-off period of at least three (3) years before a former key audit partner is eligible for an appointment as AC member. Currently, none of the existing AC members have previously served as key audit partners involved in auditing the Group.

As outlined in the AC's Terms of Reference, the AC is responsible for evaluating the suitability, objectivity and independence of the External Auditors on annual basis. As such, the AC has considered the following factors, among others:

- (i) the independence of the external audit firm;
- (ii) the competence, quality, experience and resources of the External Auditors and their staff assigned to the audit;
- (iii) the adequacy of the scope of the audit plan;
- (iv) the ability of the External Auditors to meet deadlines and responding to issues in a timely manner; and
- (v) the nature and extent of non-audit services provided by the External Auditors and the associated fees.

Based on the evaluation results carried out by the AC, the performance and independence of the External Auditors, Messrs. UHY Malaysia PLT was satisfactory in accordance with the evaluation criteria. The AC concluded that the External Auditors possess the necessary competence, capacity, resources and objectivity in performing the statutory audit for the FYE 2024. Thus, the AC has recommended the re-appointment of Messrs. UHY Malaysia PLT as the Company's External Auditors for the financial year ending 31 December 2025 to the Board to seek for shareholders' approval at the forthcoming AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

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

PART II: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

11. Adequate Risk Management and Internal Control Framework

The Board affirms its commitment to maintaining a robust risk management and internal control framework to safeguard shareholders' investments and the Group's assets. This is achieved through the adoption of a risk management framework aligned with the ISO 31000:2018 standard, supported by the implementation of the Risk Management Policy, Risk Impact Measure Guidelines, and the Risk Materiality Assessment & Mapping Register. This comprehensive framework provides a structured approach to risk identification, evaluation and management while facilitating effective stakeholder communication.

Beyond risk management, the Board has implemented various corporate policies to support seamless business operations and governance. These include a well-defined organisational structure, regular business review meetings and the formalisation of internal policies, standards and procedures.

The ERM Council holds periodic meetings to review the Group's monthly management reports, which cover financial and operational performance while ensuring alignment with evolving risk, regulatory and business landscapes. On a yearly basis, the ERM Council reviews the Group's Risk Register and presents the findings to the AC, which subsequently reports to the Board the effectiveness of the Group's risk management framework and any emerging or arising risks requiring their attention. The Board concluded that the Group's risk management and internal control system remains effective in protecting shareholders' investments and the Group's assets. Further details on the Group's risk management and internal control framework are available in the Statement on Risk Management and Internal Control in this Annual Report.

12. Internal Audit Function

To ensure the robustness and effectiveness of the Group's risk management and internal control system, the Board has outsourced the internal audit function to an independent professional firm, Wensen Consulting Asia (M) Sdn. Bhd. ("Wensen" or "Internal Auditors"). This strategic approach reinforces objectivity, with the Internal Auditors reporting directly to the AC. To safeguard their independence, the AC has obtained a written declaration from Wensen, confirming the absence of any relationships or conflicts of interest that could compromise their impartiality.

The outsourced internal audit team is led by Mr. Edward Yap, Executive Director of Wensen, who holds several professional qualifications. He is a member of the Institute of Internal Auditors Malaysia ("IIA"), Association of Chartered Certified Accountants (ACCA) and the MIA. He also holds memberships in the Institute of Singapore Chartered Accountants (ISCA) and FCCA.

All internal audit reviews are conducted in accordance with the approved Internal Audit Plan and adhere to the International Professional Practice Framework (IPPF) issued by IIA. During the FYE 2024, the Internal Auditors deployed a team of three (3) personnel, comprising an Engagement Director, a Senior Consultant and a Junior Consultant, to support the internal audit function. The AC ensures the Internal Auditors has unrestricted access to all necessary information and resources within the Group to facilitate a comprehensive audit review.

Upon completing each quarterly audit review, the Internal Auditor presents a detailed report to the AC during scheduled meetings. This report highlights identified weaknesses, areas for improvement, root-cause analyses and recommended measures to enhance operational efficiency. The Management acknowledges the audit findings and implements corrective action plans within the stipulated timeframe. Follow-up reviews are conducted to assess the effectiveness of these measures, ensuring continuous improvement in the Group's risk management and internal control framework.

For further details on the Group's internal audit function, please refer to the AC Report and the Statement on Risk Management and Internal Control in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

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

PART I: ENGAGEMENT WITH STAKEHOLDERS

13. Communication between the Company and Stakeholders

HRB is committed to maintaining effective, timely and transparent communication with shareholders and stakeholders. The Company strictly adheres to Bursa Securities' disclosure framework and listing requirements, ensuring the prompt dissemination of accurate and comprehensive information to facilitate shareholders' well-informed investment decisions.

The Company utilised various channels and platforms for information disclosure, including:

- (i) Company's website;
- (ii) Announcements made to Bursa Securities;
- (iii) AGM;
- (iv) Annual Reports; and
- (v) Email and face-to-face communications.

While the Company endeavours to provide comprehensive information, it remains mindful of legal and regulatory requirements governing the disclosure of material and price-sensitive information.

PART II: CONDUCT OF GENERAL MEETINGS

14. Meaningful General Meetings

The AGM serves as the vital platform for direct communication between shareholders and the Board. The Board remains committed to fostering transparency and active shareholder participation through well-structured general meetings, facilitating an open dialogue between the Board, Management and shareholders. The Company ensures that shareholders receive the Notice of AGM at least 28 days in advance, allowing ample time for shareholders to review the agenda and make arrangements to attend and participate in the AGM. For the 21st AGM held on 13 June 2024, the notice was circulated on 29 April 2024 accompanied by the administrative notes to shareholders, exceeding the required notice period.

To enhance greater accessibility and engagement, the Company conducted its EGM on 27 February 2024 and 21st AGM on 13 June 2024 entirely on a virtual basis via the Remote Participation and Electronic Voting (RPEV) facilities provided and managed by Boardroom Share Registrars Sdn Bhd via <https://meeting.boardroomlimited.my/>. This approach ensured equal transparency and participation as in-person meetings, allowing shareholders and proxies to submit real-time questions and vote electronically. The Board Chairman also encouraged shareholders and proxies to raise questions electronically via the chat box on the online meeting platform. Shareholders were guided on their rights and participation procedures through a video demonstration before voting commenced. The voting process was further verified by an independent scrutineer, SKY Corporate Services Sdn. Bhd.

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)

14. Meaningful General Meetings (Cont'd)

Further, all six (6) Directors demonstrated their commitments by attending the general meetings. The Board Chairman, along with the members of the Board Committees and KSM, provided meaningful responses to all questions and concerns raised prior to the meetings, as well as those posted during the EGM and 21st AGM. The External Auditors were also invited to the AGM to address any queries from shareholders related to the audit process and the preparation of the Group's and Company's financial statements, if any.

To ensure continued engagement, the meeting minutes including voting outcomes were published on the Company's website at <https://ir2.chartnexus.com/hexrtl/general-meetings.php> within 30 business days after the conclusion of general meetings, reinforcing its commitment to transparency and meaningful shareholder communication.

COMPLIANCE STATEMENT

The Group has consistently upheld corporate governance principles and practices in all material aspects, in line with the MCCG and the relevant chapters of the MMLR on corporate governance, except for the departures outlined in the Company's CG Report. The Board remains committed to maintaining strong corporate governance by continuously embracing the principles and best practices outlined in the MCCG and other relevant laws, as appropriate and applicable.

This CG Statement is approved by the Board on 16 April 2025.

AUDIT COMMITTEE REPORT

Pursuant to the Paragraph 15.15(1) of the MMLR, the Board is pleased to present the AC Report, outlining the functions and activities of the AC in fulfilling its duties and responsibilities for the FYE 2024.

1. COMPOSITION AND MEETINGS

The primary function of the AC is to assist the Board in fulfilling its statutory duties and responsibilities related to the independent review on corporate accounting, financial reporting, risk management and the internal control system. The AC is also responsible for overseeing the independence and quality of both external and internal audit functions to promote sound control and governance within the Group.

In compliance with Paragraph 15.09(1) of the MMLR and Practice 9.4 of the MCCG, the AC comprises three (3) Independent Non-Executive Directors, with Ms. Khor Hun Nee as the AC Chairperson. She leads the AC meetings and is a FCCA, a member of MIA, a member of CFP and a holder of CMSRL.

The composition of the AC and meeting attendance of each AC member during the FYE 2024 are tabled as follows:

Name	Designation	Directorship	Meeting Attendance
Khor Hun Nee	Chairperson	Independent Non-Executive Director	5/5
Datuk Iskandar Bin Sarudin	Member	Independent Non-Executive Chairman	5/5
Teh ZiYang	Member	Independent Non-Executive Director	5/5

The AC is guided by its Term of Reference, which cover its authority, functions, meeting proceedings and reporting procedures to ensure the effective discharge of its duties and responsibilities. The AC's Terms of Reference is available on the Company's website at <https://hextarretail.com/corporate-governance/>.

According to the AC's Terms of Reference, the AC is required to meet at least four (4) times in each financial year. The AC convened 5 AC meetings during the FYE 2024. Ms. Fong Wai Yi, the Chief Financial Officer, along with Mr. Jaden Yee, Senior Finance Manager and Mr. Clement Chong, Finance Manager were invited to all AC meetings to facilitate discussions by providing additional information on operations, financials and audit related matters. Representatives of External Auditors, Internal Auditors and KSM were also invited to the AC meetings, when necessary, to provide clarification on relevant agenda items as needed.

The meeting agenda and materials were distributed to the AC members in advance to ensure they had sufficient to peruse the relevant matters, facilitating their deliberation and decision-making process during the scheduled meetings. The Company Secretary also attended all meetings to record the minutes, which subsequently tabled for confirmation at the next AC and presented at the Board meeting for the Board's notation.

AUDIT COMMITTEE REPORT (cont'd)

2. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The activities undertaken by the AC in the discharging its functions and duties during the FYE 2024 are summarised as follows:

(A) Financial Reporting

- (i) Ensured that the following processes and controls were in place for effective financial reporting:
 - reviewed the management accounts and relevant disclosure materials prepared by KSM and approved by the Board. The AC shall seek advice and assistance from the External Auditors as needed;
 - conducts quarterly reviews on legal matters and contractual commitments before making public announcements to Bursa Securities; and
 - consultations with the Company Secretary and External Auditors are undertaken to ensure compliance with the MMLR and relevant disclosure requirements.
- (ii) Reviewed the quarterly financial results of the Group for:
 - a. First Quarter ended 31 March 2024 at meeting held on 23 May 2024;
 - b. Second Quarter ended 30 June 2024 at meeting held on 20 August 2024;
 - c. Third Quarter ended 30 September 2024 at meeting held on 20 November 2024; and
 - d. Fourth Quarter ended 31 December 2024 at meetings held on 26 February 2025 on 16 April 2025.
- (iii) Reviewed the final draft of the audited financial statements for the FYE 2023 in the presence of External Auditors to deliberate on key matters before submission to the Board for consideration and approval on 4 April 2024. The audited financial statements are made in compliance with the applicable Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS"), Companies Act 2016 ("CA 2016") and MMLR; and
- (iv) Discussed with both Management and External Auditors the accounting policies, principles and standards applies, as well as their judgement on items that could impact the financial statements and issues arising from the statutory audit.

(B) External Audit

- (i) Reviewed the audit plan, including audit methodology, scope, potential key audit matters, target audit timeline and proposed audit fee;
- (ii) Reviewed and discussed the External Auditors' findings and accounting adjustments;
- (iii) Discussed the judgements and accounting estimates reviewed and assessed by the External Auditors;
- (iv) Conducted a private meeting with the External Auditors on 27 February 2024, without the presence of the Executive Directors and Management, to objectively discuss and review audit procedures and key audit issues; and
- (v) Conducted an annual assessment and evaluation of the External Auditors' performance, considering their independence, competency, reliability, compliance and resources and made recommendations to the Board for their re-appointment.

AUDIT COMMITTEE REPORT (cont'd)

2. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (CONT'D)

(C) Internal Audit

- (i) Reviewed and endorsed the internal audit plan presented by the Internal Auditors, outlining the proposed audit scope, areas, timeline, key risks, key audit focus and fees;
- (ii) Reviewed the internal audit report, including audit findings, key risks, preventive control recommendations, Management's responses as well as corrective actions, responsible individuals/ departments and implementation timeframes. The Internal Auditors also provided the AC with updates on the status of previous audit findings to ensure that identified weaknesses were appropriately addressed; and
- (iii) Reviewed the qualifications, competency and resources of the Internal Auditors.

Further details of the activities performed by the Internal Auditors are included in the Statement on Risk Management and Internal Control in this Annual Report.

(D) Risk Management and Internal Control

- (i) Reviewed the Group's Enterprise Risk Management process, including the identification and assessment of risks as well as the Management's responses to the identified risks;
- (ii) Reviewed the Group's anti-bribery and corruption measures, with emphasis on stakeholders' expectations, potential bribery and corruption risks, and responses to the identified risks;
- (iii) Reviewed the internal control system implemented within the Group to ensure its effectiveness, proper administration and regularly monitoring; and
- (iv) Deliberated on the status of obtaining the Certificate of Accommodation for Hostel from Labour Office for safety compliance.

(E) Related Party Transactions ("RPT") and Conflict of Interest ("COI")

- (i) Reviewed all RPT undertaken by the Group and any potential COI scenarios, ensuring adherence to the Company's RPT Policies and Procedures.

In compliance with the specified policy, the AC is responsible for assessing the Group's RPT and reporting to the Board, considering the following key criteria:

- the RPT must be in the best interest of the Company as a whole;
- the RPT should demonstrate fair value and reasonableness;
- proper documentation is required for the RPT; and
- adequate disclosure of the RPT should be made.

During the FYE 2024, the AC has ensured that all RPT were conducted at arm's length and under normal commercial terms with proper disclosure.

- (ii) Deliberated on amendments to the MMLR in relation to COI disclosures.

(F) Annual Report

Reviewed the AC Report, CG Statement, CG Report, Statement on Directors' Responsibility for preparation of Financial Statements, Statement on Risk Management and Internal Control, Management Discussion & Analysis and Sustainability Statement before submission for the Board's approval.

AUDIT COMMITTEE REPORT (cont'd)

3. INTERNAL AUDIT FUNCTION

The Board regards internal audit function as an essential component of the Group's governance process. To this end, the Group has outsourced its internal audit function to an independent professional service provider, Wensen Consulting Asia (M) Sdn. Bhd. ("Wensen" or "Internal Auditors"). The outsourced internal audit team was led by Wensen's Executive Director, Mr. Edward Yap, a member of the IIA, Association of Chartered Certified Accountants (ACCA) and the MIA. He also holds memberships in the Institute of Singapore Chartered Accountants (ISCA) and FCCA. He was supported by two (2) staff members in the internal audit reviews conducted during the FYE 2024. All internal audit personnel involved were free from any relationships or conflicts of interest which could impair their objectivity and independence.

The Internal Auditors report directly to the AC to maintain the highest standards of independence and integrity. The Internal Auditors have performed audit in accordance with the International Professional Practice Framework (IPPF) for Internal Auditing published by the IIA. During the FYE 2024, the Internal Auditors conducted internal audit reviews in the following areas:

Internal Audit Review	Coverage Period
Sustainability Governance, Framework and Policies	1 January 2023 to 31 December 2023
Production Management	1 July 2023 to 30 June 2024
Health, Safety and Environmental Management	1 September 2023 to 31 August 2024
Cash Management	Commencement of operations up to 30 November 2024

The Internal Auditors presented audit findings, including root-cause analysis and recommendations for improvement during the AC meetings for examination and discussion. A follow-up on previous internal audit reviews was conducted and reported to the AC to ensure that corrective actions were implemented within the target timeframe by the Management. This process ensures that the Group's operations, governance, risk management and internal control system are continuously monitored and improved in alignment with regulatory and business environment changes.

To uphold the effectiveness of the internal control system within the Group, an assessment of the Internal Auditors is conducted every two (2) years. On 16 April 2025, the AC has assessed and evaluated the adequacy of the Internal Auditors' scope, function, competency and resources.

The total professional fee incurred for the Group's internal audit function for the FYE 2024 was RM44,000. For further insights of our internal audit function, please refer to the Statement on Risk Management and Internal Control in this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

In compliance with Paragraph 15.26(b) of the MMLR, the Board of Hextar Retail Berhad ("HRB" or "the Company") is pleased to present the Statement on Risk Management and Internal Control ("Statement"), which outlines the nature and scope of the risk management and internal control system of the Group for the FYE 2024. This Statement is made in accordance with Principle B of the Malaysian Code on Corporate Governance and is guided by the *Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers*.

BOARD RESPONSIBILITIES

The Board recognises the importance of an effective risk management and internal control system for the Group's long-term success. Accordingly, the Board acknowledges its responsibility for maintaining a sound and effective risk management and internal control system to safeguard the shareholders' investments, stakeholders' interests and the Group's assets.

Given the inherent limitations in any risk management and internal control systems, the framework is designed to manage risks within an acceptable level rather than eliminate them entirely. While it aims to support the Group in achieving its business objectives, it can only provide reasonable but not absolute assurance against material financial misstatements, losses, fraud or any unforeseen circumstances. The Board believes that the current risk management and internal control systems are effective and sufficient to protect shareholders' investments, stakeholders' interests and the Group's assets.

While the Board holds ultimate responsibility for the Group's risk management and internal control system, the Audit Committee ("AC") and Executive and Risk Management Committee ("ERMC") are tasked with reviewing and overseeing its implementation across the Group.

RISK MANAGEMENT SYSTEM

During the FYE 2024, the AC, with support from the ERMC, provided oversight and assessed the effectiveness of the Group's sustainability-related strategies. The ERMC is entrusted with identifying, evaluating and managing the significant risks faced by HRB Group on an ongoing basis and reporting to the Board via the AC at least once a year. The ERMC, led by the Managing Director, Mr. Vo Nghia Huu, comprises the Executive Director, Chief Financial Officer and General Manager of the Company.

The primary responsibilities of the ERMC include, among others:

- (i) managing the day-to-day operations of the Group;
- (ii) implementing strategic business plans and policies approved by the Board;
- (iii) establishing and maintaining an adequate and effective Enterprise Risk Management framework and Anti-Bribery Management System;
- (iv) reviewing the risks and opportunities associated with business strategies and operating processes; and
- (v) formulating major policies in areas such as succession planning and talent management, human resource management, information technology, communications and investment project reviews.

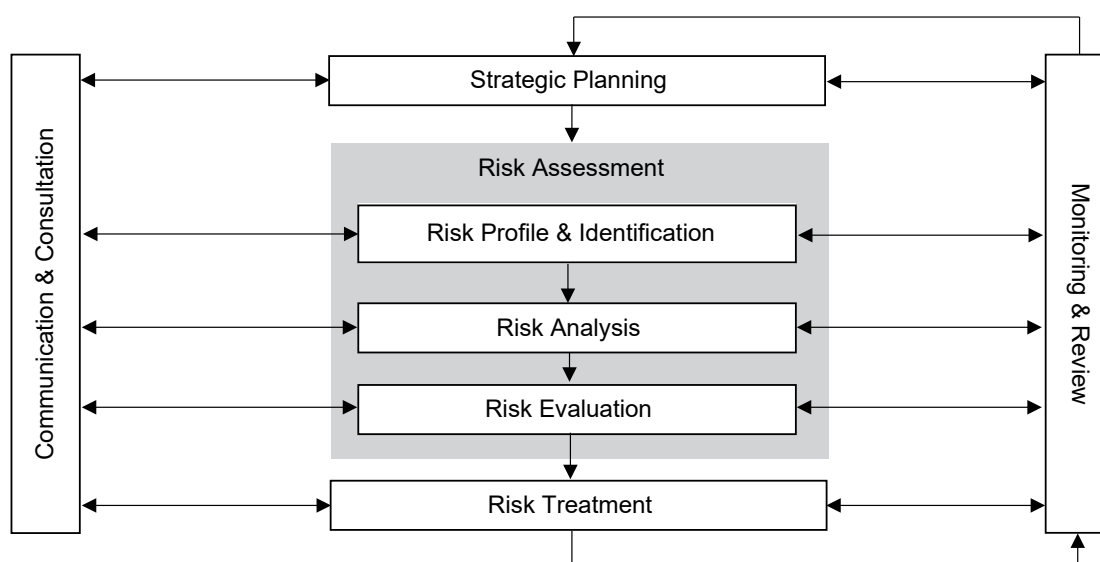
STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

RISK MANAGEMENT SYSTEM (CONT'D)

The ERM is also responsible for conducting an annual assessment on the adequacy and effectiveness of the Group's risk management and internal control system, and reporting the results to the AC. Any substantial risks which may pose a significant adverse impact on the Group's operations and business performance are escalated to the Board's attention.

The Group's risk management framework is guided by ISO 31000:2018, an international risk management framework established by the International Organisation for Standardisation (ISO). To facilitate effective risk management, the Group has implemented a Risk Management Policy, along with its Risk Impact Measure Guidelines and the Risk Materiality Assessment & Mapping Register.

The key features of the Group's risk management framework are as follows:



Step 1 Communication & Consultation

Communicate with both internal and external stakeholders for a better understanding on potential or emerging risks, including their cause, potential consequences and any measures undertaken. This action should take place in every stage of the risk management process.

Step 2 Strategic Planning

Develop risk criteria by considering the concerns of both external and internal contexts. External context encompasses politic, economy, social, and culture, technology, environment as well as legal and regulators. Internal context pertains to the Group's strengths and weaknesses in terms of people, governance processes, policies, infrastructure, organisational structure and culture.

Step 3 Risk Profile & Identification

This is the initial step of the risk assessment process. All significant risks, along with the respective risk owners, departmental functions, consequences, existing control system and risk profile are identified and recorded in the Risk Register.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

RISK MANAGEMENT SYSTEM (CONT'D)

<p>Step 4</p> <p>Risk Analysis</p>	<p>In the second step of risk assessment, the identified risks are evaluated for their likelihood and impact with the following three (3) approaches:</p> <p>Quantitative assessment The use of quantitative measures to define the actual or perceived potential loss and/or damage;</p> <p>Qualitative assessment The use of historical knowledge or experience to determine the level and nature of risk; and</p> <p>Combination The combination of both quantitative and qualitative assessment.</p> <p>In HRB, all risks are analysed into three (3) tiers, namely high, medium and low, considering their probability and impact to the Group. The outcome of the risk analysis will be properly documented in the Risk Register, which covers several areas and functions, including production, procurement, marketing, warehousing, process engineering, quality control, maintenance, information technology, human resources, safety and health, finance and accounting, as well as pandemic business contingency.</p>
<p>Step 5</p> <p>Risk Evaluation</p>	<p>Following the identification and analysis of risks, risk owners and the ERM C shall evaluate the acceptability of the risks and prioritise the risks accordingly. This evaluation determines whether the risks are within the Group's control or beyond its control such as legislative changes and natural events.</p>
<p>Step 6</p> <p>Risk Treatment</p>	<p>After performing the risk assessment, to identify, determine and implement the most suitable risk treatment options, including:</p> <p>Terminate risk To eliminate material risk from business operations, whenever practicable and commercially sensible;</p> <p>Transfer risk To outsource the risk to an organisation which is more appropriately skilled or resourced to manage the particular risk, whenever appropriate;</p> <p>Treat risk To reduce the likelihood and impact of the risk, whenever the risk is unable to be transferred or eliminated; and</p> <p>Tolerate risk To adopt appropriate operational controls for an effective ongoing risk management, whenever the risk is acceptable.</p>
<p>Step 7</p> <p>Monitor & Review</p>	<p>Risk owners should monitor, review and update the Risk Register at least once in a year, or whenever necessary, to ensure it is relevant to the current business and regulatory environment. The ERM C is responsible to review the Risk Register annually and report to the AC, which subsequently report to the Board on any emerging risks that may result in potential material impact to the Group.</p>

The annual risk assessment for the FYE 2024 was conducted and presented during the AC meeting and the Board meeting held on 27 February 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

INTERNAL CONTROL SYSTEM

Internal control plays a crucial role in ensuring the effective operation of the risk management system. Within HRB Group, internal controls are implemented by the Management and monitored by the AC. The AC highlights any significant internal control deficiencies that may impact the Group's strategic and business plans to the Board during scheduled quarterly Board meetings.

During the FYE 2024, the key internal controls in place within the Group are as follows:

- (a) The Board Charter and Terms of Reference for all Board Committees are clearly defined and established;
- (b) A Fit and Proper Policy for the NRC, which sets out formal and objective criteria for the appointment and re-appointment of Directors;
- (c) A well-defined and documented management organisational structure with clear reporting lines of accountability and authority to support the segregation of duties and delegation of authority;
- (d) A business plan including the annual budget is prepared to assess the Group's financial and operational performance. The business plan is reviewed by the ERM before presenting it to the Board for approval;
- (e) During the FYE 2024, the ERM convened 9 meetings to review the Group's monthly Management Report, ensuring that operational and financial performance aligns with corporate objectives, strategies and the annual budget. Additionally, the ERM deliberated on and developed strategies and policies to address evolving risks, regulatory requirements and business conditions;
- (f) The AC assists the Board in reviewing quarterly financial results, the Annual Report, audited financial statements, the Group's risk profile and internal control matters highlighted by the Internal Auditors. The AC is also responsible for monitoring the implementation of recommendations that are proposed by the Internal Auditors to address identified weaknesses in control areas;
- (g) The Group's Quality Management System is accredited with ISO 9001:2015 under the scope of "manufacture of wooden picture frame mouldings". Internal quality audits and annual surveillance audits are conducted internally and by an external certification body to ensure compliance with ISO 9001:2015 standards. ISO Quality Policy is in place to serve as a guiding framework for stringent quality control measures;
- (h) Several corporate policies including Code of Business Conducts and Ethics ("the Code"), Anti-Bribery and Corruption Policy ("ABC") and Whistleblowing Policy and Procedure are in place to guide employees and stakeholders on ethical business conduct and practices;
- (i) SOPs covering various operational areas are implemented throughout the Group. To support appropriate human resources development, policies governing employee recruitment and termination, formal training programmes, annual performance assessments and other relevant procedures are in place to ensure that the employees are competent and well-trained in fulfilling their responsibilities; and
- (j) Operational review meetings are held to enhance the effectiveness of the existing internal control system. These meetings involved the participation of all Executive Directors and HODs to identify, discuss and resolve significant operational issues across various areas such as marketing, quality assurance, health and safety and others.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

INTERNAL AUDIT FUNCTION

The Group's internal audit function has been outsourced to Wensen Consulting Asia (M) Sdn. Bhd. to support the Board and the AC by providing an independent assessment of the overall adequacy and effectiveness of the Group's internal control system.

To ensure an effective audit process, the Internal Auditors was granted access to the Group's internal documents and conducted interviews with the Management. During the FYE 2024, the Internal Auditors conducted four (4) internal audit reviews in the following operational areas:

Internal Audit Review	Coverage Period
Sustainability Governance, Framework and Policies	1 January 2023 to 31 December 2023
Production Management	1 July 2023 to 30 June 2024
Health, Safety and Environmental Management	1 September 2023 to 31 August 2024
Cash Management	Commencement of operations up to 30 November 2024

Following the completion of the audit engagement, the Internal Auditors presented the audit findings, highlighted identified weaknesses during audit review and proposed relevant recommendations at the AC meetings. The Management is responsible for executing the corrective actions, while the AC shall monitor and ensure that these actions are carried out within the specified timeframe. The Internal Auditors will conduct a follow-up review on the implementation of corrective actions related to previous audit findings and reports the outcomes to the AC.

Based on the internal audit reviews conducted in the FYE 2024, the Board is satisfied that no significant weaknesses were noted in the internal control system that may have a material impact or require a separate disclosure in the Company's Annual Report.

SOUND GOVERNANCE WITH ETHICAL BUSINESS ENVIRONMENT

The Group has implemented various policies to foster strong corporate governance and uphold high business ethics. These policies include the Code, ABC Policy and Whistleblowing Policy and Procedure. Among these policies, the Code serves as a framework to uphold the highest standards of ethical business conduct, focusing on the following areas:

- Conflict of interest;
- Regulatory compliance;
- Protection and proper use of the Group's assets;
- Confidential information;
- Insider information and securities trading;
- Gift, entertainment and social amenities;
- Reporting of violations of the Code;
- Safety policy;
- Equal employment opportunity, discrimination and harassment;
- Financial integrity, disclosure and control;
- Anti-fraud and whistle blowing;
- Outside interest; and
- Fair and courteous behaviour.

The Group upholds a zero-tolerance policy against fraud, bribery, and corruption, ensuring that business is conducted with integrity and ethical responsibility at all times. To reinforce this commitment, the Group has adopted the ABC Policy and Whistleblowing Policy and Procedure as formal guidelines. These policies provide structured approaches to addressing fraud-related concerns and matters pertaining to corruption risk assessment, conflict of interest, gifts, entertainment, hospitality and travel, donations and sponsorships, anti-money laundering, facilitation payments and due diligence.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

SOUND GOVERNANCE WITH ETHICAL BUSINESS ENVIRONMENT (CONT'D)

In cases where wrongdoing is observed or suspected, the employees or stakeholders may report their concerns to Ms. Khor Hun Nee, the AC Chairperson or Mr. Vo Nghia Huu, the Managing Director via the Whistleblower Report Form. The procedures for making a whistleblowing report are detailed in the Whistleblowing Policy and Procedure. Whistleblowers are protected from any adverse and retaliatory actions in accordance with the policy, provided that the report is made in good faith.

The relevant corporate policies are available on the Company's website at <https://hextarretail.com/corporate-governance/>.

MANAGEMENT'S ASSURANCE

The Managing Director, on behalf of the Management, has provided reasonable assurance to the Board that the Group's risk management and internal control system has been implemented adequately and effectively in all material aspects. The Board is also satisfied that nothing has come to their attention which would render the financial results presented and the information provided to be false or misleading in any material aspect.

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Listing Requirements, the External Auditors have reviewed this Statement for the inclusion in this Annual Report for FYE 2024. Their limited assurance review was performed in accordance with the Audit and Assurance Practice Guide ("AAPG") 3: *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report* issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the External Auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and management thereon. Additionally, the External Auditors are not required to consider whether the processes described to address material internal control aspects of any significant issues disclosed in the Annual Report will effectively resolve those issues.

Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that caused them to believe that this Statement is not prepared in all material aspects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Guideline, nor is factually inaccurate.

CONCLUSION

The Board acknowledges the need for continuous improvement in the Group's risk management and internal control system to align with business growth and the evolving business environment. Accordingly, the Board, alongside the Board Committees and Management, remains committed to maintaining and enhancing these systems on an ongoing basis.

For the FYE 2024, no significant internal control deficiencies or material weaknesses resulting in material losses, contingencies or uncertainties were identified that would require separate disclosure in this Annual Report. The Board is of the opinion that the existing system is satisfactory and sufficient to safeguard the shareholders' investments, stakeholders' interests and the Group's assets.

This Statement was approved by the Board on 16 April 2025.

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARATION OF FINANCIAL STATEMENTS

The Directors are required by the CA 2016 to prepare the financial statements for each financial year and to ensure that the financial statements are prepared in accordance with the applicable MFRS, IFRS, CA 2016 and the MMLR.

The Directors are responsible to ensure that the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and cash flows for the financial year then ended.

In preparing the financial statements for the FYE 2024, the Board is satisfied that the Directors have: -

- adopted and applied appropriate and relevant accounting policies consistently;
- ensured compliance with applicable accounting standards including MFRS, IFRS and CA 2016, subject to any material departure being explained in the financial statements;
- made judgements and estimates that are reasonable and prudent; and
- prepared the financial statements on a going concern basis.

In addition, the Directors are responsible to ensure that the Group and the Company keep proper accounting and other records that disclose the financial position of the Group and of the Company with reasonable accuracy at all times in compliance with the requirements of the CA 2016.

The Directors also acknowledge their overall responsibility for taking reasonable steps to safeguard the assets of the Group and of the Company to prevent and detect fraud, other irregularities and material misstatements.

This statement was approved by the Board on 16 April 2025.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

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 2024.

Principal Activities

The Company is principally engaged in investment holding activities, whilst the principal activities of the subsidiaries are disclosed in Note 7 to the financial statements. There have been no significant change in the nature of these activities during the financial year.

Financial Results

	Group RM'000	Company RM'000
Profit/(Loss) after tax for the financial year	1,051	(271)
Attributable to:		
Owners of the Company	1,561	(271)
Non-controlling interests	(510)	-
	1,051	(271)

Reserves and Provisions

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

Dividends

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend in respect of the current financial year.

Directors

The Directors in office since the beginning of the current financial year until the date of this report are:

Datuk Iskandar Bin Sarudin
 Vo Nghia Huu*
 Dr. Lim Chee Lip* (appointed on 2.1.2024)
 Ooi Youk Lan
 Khor Hun Nee
 Teh ZiYang

* *Director of the Company and its subsidiaries*

The Directors who held office in subsidiaries (excluding Directors who are also Directors of the Company) since the beginning of the current financial year until the date of this report are:

Wong Yew Loong
 Lee Yong Song (appointed on 19.1.2024)
 Ng Vic Ca (appointed on 18.6.2024)
 Christian Edelmann (appointed on 18.6.2024)
 Chong Weng Wah (appointed on 12.6.2024)
 Adam Corrie Lee Bin Abdullah (appointed on 26.9.2024)
 Chin Kien Rong (appointed on 7.6.2024 and resigned on 30.11.2024)
 Liu Jingyi (resigned on 30.6.2024)
 Tan Nadine Hong (resigned on 30.6.2024)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024 (cont'd)

Directors (cont'd)

The information required to be disclosed pursuant to Section 253(2) of the Companies Act 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiaries and made a part hereof.

Directors' Interests in Shares and Debentures

The interests in the shares and options over unissued shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end according to the Register of Directors' Shareholdings are as follows:

Direct interest in the Company	At 1.1.2024	Number of Warrants 2021/2026		At 31.12.2024
		Granted	Sold	
Teh ZiYang	75,000	-	(75,000)	-

None of the other Directors in office at the end of the financial year had any interest in the ordinary shares, options over unissued shares or debentures of the Company and of its related corporations during the financial year.

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 a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

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

The details of the Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2024 are as follows:

	Group RM'000	Company RM'000
Fees	245	176
Remuneration	953	-
Other short-term employee benefits	42	20
Estimated monetary value of benefit-in-kind	19	-
	1,259	196

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024 (cont'd)

Issue of Shares and Debentures

During the financial year, the Company issued 113,813,000 new ordinary shares for a total cash consideration of RM55,488,000 pursuant to a private placement.

The new ordinary shares issued during the financial year rank parri passu in all respects with the existing ordinary shares of the Company.

There was no issuance of debentures during the financial year.

Options Granted Over Unissued Shares

Warrants 2021/2026

In 2021, the Company issued 120,499,740 new ordinary shares as bonus shares together with 120,499,740 warrants, on the basis of 1 bonus share together with 1 free warrant for every 1 existing ordinary share held in the Company.

The warrants can be exercised during the exercise period commencing on and including the date of the first issue of the warrants, i.e. 9 August 2021 to 8 August 2026. Each warrant entitles the registered holder the rights at any time during the exercise period to subscribe in cash for 1 new ordinary share of the Company at an exercise price of RM0.61 each.

In 2023, following the completion of the bonus issue on 12 May 2023, the exercise price for the outstanding warrants was adjusted from RM0.61 to RM0.41 and additional 54,319,410 warrants were issued.

As at 31 December 2024, 162,871,250 warrants remained unexercised.

Indemnity and Insurance Costs

The Directors and officers of the Group and of the Company are covered by a liability insurance for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently, dishonestly or derived any personal profit or advantages.

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and officers of the Group and of the Company were RM10,000,000 and RM10,000 respectively.

There was no indemnity given to or insurance effected for auditors of the Company during the financial year.

Other Statutory Information

- (a) Before the financial statements of the Group and of the Company were prepared, 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 there were no bad debts to be written off and no allowance for doubtful debts was required; and
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024 (cont'd)

Other Statutory Information (cont'd)

- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render it necessary to write off any bad debts or to make any allowance for doubtful debts in the financial statements of the Group and of the Company; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
 - (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 liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (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; and
 - (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.

Subsidiaries

The details of the Company's subsidiaries are as follows:

Name of company	Principal place of business/ Country of incorporation	Effective interest as at 16.4.2025 %	Principal activities
Direct holding:			
Finesse Moulding (M) Sdn. Bhd.	Malaysia	100	Manufacture and sale of wooden picture frame mouldings
Lim Ket Leng Timber Sdn. Bhd.	Malaysia	100	Manufacture and sale of timber products
Hock Hoe Hin Forest Produce Sdn. Bhd.	Malaysia	100	Sawmilling contractor
Scenic Moulding (M) Sdn. Bhd.	Malaysia	100	Property holding and rental of properties

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024 (cont'd)

Subsidiaries (cont'd)

The details of the Company's subsidiaries are as follows: (cont'd)

Name of company	Principal place of business/ Country of incorporation	Effective interest as at 16.4.2025 %	Principal activities
Direct holding: (cont'd)			
Lim Ket Leng Realty Sdn. Bhd.	Malaysia	100	Property holding and rental of properties
Hextar F&B Sdn. Bhd. (formerly known as Lim Ket Leng Marketing Sdn. Bhd.) ("HFB")	Malaysia	100	Investment holding
Hex Aura Sdn. Bhd. (formerly known as Classic Frame Moulding (M) Sdn. Bhd.) ("HASB")	Malaysia	100	Investment holding
Multi Nation Sdn. Bhd. (formerly known as CScenic Agro Marketing Sdn. Bhd.)	Malaysia	100	Convenient stores operator
Indirect holding:			
Held through HASB			
Elysian Aura Sdn. Bhd.	Malaysia	51	Dormant
Soulful Bliss Sdn. Bhd.	Malaysia	51	Dormant
Held through HFB			
Craving Hub Sdn. Bhd.	Malaysia	51	Restaurant and cafe operator
Delish Hub Sdn. Bhd. ("DHSB")	Malaysia	51	Investment holding
Fabulous Bites Sdn. Bhd.	Malaysia	51	Restaurant and cafe operator
Flavora Sdn. Bhd.	Malaysia	100	Dormant
Fresh Palate Sdn. Bhd.	Malaysia	51	Restaurant and cafe operator
Mingle Hub Sdn. Bhd.	Malaysia	100	Dormant
Blissful Fusion Sdn. Bhd.	Malaysia	51	Restaurant and cafe operator
Zok Noodle SQ Sdn. Bhd. (formerly known as Epicurean Crafters Sdn. Bhd.)	Malaysia	100	Dormant
Essence Gastronomy Sdn. Bhd.	Malaysia	100	Dormant
Flavour Crafters Hub Sdn. Bhd.	Malaysia	100	Restaurant and cafe and operator
Gastronomic Gems Sdn. Bhd.	Malaysia	100	Dormant
Palate Symphony Sdn. Bhd.	Malaysia	100	Dormant
Spice Haven Delights Sdn. Bhd.	Malaysia	100	Dormant
Taste Perspectives Sdn. Bhd.	Malaysia	100	Dormant
Tasty Trails Culinary Sdn. Bhd.	Malaysia	100	Dormant
VCR Cafe Sdn. Bhd.	Malaysia	100	Dormant
Held through DHSB			
Tastewave Sdn. Bhd.	Malaysia	51	Dormant
Tailang Delight Sdn. Bhd.	Malaysia	51	Dormant

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024 (cont'd)

Significant Events During The Financial Year

The significant events during the financial year are disclosed in Note 34 to the financial statements.

Subsequent Event

The subsequent event is disclosed in Note 35 to the financial statements.

Auditors' Remuneration

The details of the auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2024 are RM287,500 and RM83,000 respectively.

Auditors

The Auditors, UHY Malaysia PLT, have expressed their willingness to continue in office.

UHY Malaysia PLT (LLP0041391-LCA & AF 1411) was registered on 19 December 2024 and with effect from that date, UHY Malaysia (formerly known as UHY) (AF 1411), a conventional partnership was converted to a limited liability partnership.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 16 April 2025.

.....
VO NGHIA HUU

.....
DR. LIM CHEE LIP

PETALING JAYA

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 79 to 134 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 2024 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 16 April 2025.

.....
VO NGHIA HUU

.....
DR. LIM CHEE LIP

PETALING JAYA

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, **FONG WAI YI** (MIA Membership No: CA 38140), being the officer primarily responsible for the financial management of Hextar Retail Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 79 to 134 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 16 April 2025.

.....
FONG WAI YI

Before me,

ZAINUL ABIDIN BIN AHMAD
COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEXTAR RETAIL BERHAD

(REGISTRATION NO. 200301031466 (633887-M))
(INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hextar Retail Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or 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 79 to 134.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with 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. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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"), 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. We have determined that there are no key audit matters to communicate in our report.

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.

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, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEXTAR RETAIL BERHAD (cont'd)

(Registration No. 200301031466 (633887-M)
(Incorporated in Malaysia)

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the 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's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions 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 disclosure in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEXTAR RETAIL BERHAD (cont'd)

(Registration No. 200301031466 (633887-M))

(Incorporated in Malaysia)

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 safeguards applied.

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

Other Matters

- (a) The financial statements of the Group and of the Company for the financial year ended 31 December 2023 was audited by another auditor who expressed an unmodified opinion on those statements on 4 April 2024.
- (b) 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.

UHY Malaysia PLT

202406000040 (LLP0041391-LCA) & AF 1411
Chartered Accountants

YEOH AIK CHUAN

Approved Number: 02239/07/2026 J
Chartered Accountant

KUALA LUMPUR

16 April 2025

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	118,361	113,076	95	-
Right-of-use assets	5	12,891	188	-	-
Intangible assets	6	1,715	1,177	-	-
Investment in subsidiaries	7	-	-	73,049	68,536
Investment in an associate	8	-	-	-	-
Deferred tax assets	9	426	-	-	-
		133,393	114,441	73,144	68,536
Current Assets					
Inventories	10	15,101	21,821	-	-
Trade and other receivables	11	12,199	4,665	11,116	1,382
Current tax assets		1,243	1,143	-	-
Derivative financial assets	12	7	121	-	-
Short-term investments	13	6,200	-	-	-
Cash and cash equivalents	14	55,694	21,801	31,100	1,614
		90,444	49,551	42,216	2,996
Asset held for sale	15	12,349	-	14,000	-
		102,793	49,551	56,216	2,996
Total Assets		236,186	163,992	129,360	71,532
EQUITY AND LIABILITIES					
Equity					
Share capital	16	123,450	67,962	123,450	67,962
Reserves	17	38,707	38,708	-	-
Retained earnings		46,620	44,785	2,892	3,163
Equity attributable to owners of the Company		208,777	151,455	126,342	71,125
Non-controlling interests		(402)	(48)	-	-
Total Equity		208,375	151,407	126,342	71,125
Non-Current Liabilities					
Lease liabilities	18	11,160	64	-	-
Deferred tax liabilities	9	8,435	8,269	-	-
		19,595	8,333	-	-
Current Liabilities					
Trade and other payables	19	5,141	3,866	3,018	407
Contract liabilities	20	458	142	-	-
Lease liabilities	18	2,339	128	-	-
Current tax liabilities		278	116	-	-
		8,216	4,252	3,018	407
Total Liabilities		27,811	12,585	3,018	407
Total Equity and Liabilities		236,186	163,992	129,360	71,532

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	21	57,694	44,476	-	8,500
Cost of sales		(38,130)	(33,711)	-	-
Gross profit		19,564	10,765	-	8,500
Other income		309	229	-	3
Distribution expenses		(1,553)	(735)	-	-
Administrative expenses		(10,501)	(5,453)	(1,000)	(1,384)
Other expenses		(4,806)	(3,335)	(127)	(58)
Results from operating activities		3,013	1,471	(1,127)	7,061
Finance income	22	1,265	534	856	116
Finance costs	23	(380)	(8)	-	-
Share of results of an associate		(1,693)	-	-	-
Profit/(Loss) before tax	24	2,205	1,997	(271)	7,177
Income tax expense	25	(1,154)	(878)	-	-
Profit/(Loss) after tax		1,051	1,119	(271)	7,177
Other comprehensive income					
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Foreign currency translation differences for foreign operation		(1)	1	-	-
Total other comprehensive (expense)/income		(1)	1	-	-
Total comprehensive income/ (expense) for the financial year		1,050	1,120	(271)	7,177
Profit/(Loss) after tax attributable to:					
Owners of the Company		1,561	1,163	(271)	7,177
Non-controlling interests		(510)	(44)	-	-
Profit/(Loss) after tax		1,051	1,119	(271)	7,177
Total comprehensive income/(expense) attributable to:					
Owners of the Company		1,560	1,164	(271)	7,177
Non-controlling interests		(510)	(44)	-	-
Total comprehensive income/(expense) for the financial year		1,050	1,120	(271)	7,177
Earnings per share attributable to owners of the Company (sen)					
Basic	27(a)	0.36	0.31		
Diluted	27(b)	0.33	0.28		

The annexed notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Attributable to Owners of the Company									
Non-DistributableDistributable									
Group	Note	Share Capital RM'000	Revaluation Reserve RM'000	Foreign Currency		Retained Earnings RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
				Translation Reserve RM'000					
At 1 January 2023									
Profit for the financial year		64,630	38,707	-	-	57,492	160,829	-	160,829
Other comprehensive income for the financial year		-	-	-	-	1,163	1,163	(44)	1,119
Total comprehensive income for the financial year		-	-	1	-	-	1	-	1
		-	-	1	1,163	1,164	(44)	(44)	1,120
Transactions with Owners of the Company									
Issuance of ordinary shares	16	3,332	-	-	-	-	3,332	-	3,332
Dividends paid	26	-	-	-	-	(13,870)	(13,870)	-	(13,870)
Acquisition of a subsidiary		-	-	-	-	-	-	(4)	(4)
		3,332	-	-	-	(13,870)	(10,538)	(4)	(10,542)
At 31 December 2023/At 1 January 2024									
Profit for the financial year		67,962	38,707	1	44,785	151,455	(48)	(48)	151,407
Other comprehensive expense for the financial year		-	-	-	1,561	1,561	(510)	(510)	1,051
Total comprehensive income for the financial year		-	-	(1)	-	-	(1)	-	(1)
		-	-	(1)	1,561	1,560	(510)	(510)	1,050
Transactions with Owners of the Company									
Issuance of ordinary shares	16	55,488	-	-	-	-	55,488	-	55,488
Disposal of subsidiaries	7(g)	-	-	-	-	-	-	208	208
Dilution of interests in subsidiaries	7(e)	-	-	-	274	274	274	(52)	222
		55,488	-	-	274	274	55,762	156	55,918
At 31 December 2024									
		123,450	38,707	-	46,620	208,777	(402)	(402)	208,375

The annexed notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

Company	Note	Share Capital RM'000	Retained Earnings RM'000	Total Equity RM'000
At 1 January 2023		64,630	9,856	74,486
Profit for the financial year, representing total comprehensive income for the financial year		-	7,177	7,177
Transactions with Owners of the Company				
Issuance of ordinary shares	16	3,332	-	3,332
Dividends paid	26	-	(13,870)	(13,870)
		3,332	(13,870)	(10,538)
At 31 December 2023/1 January 2024		67,962	3,163	71,125
Loss for the financial year, representing total comprehensive expense for the financial year		-	(271)	(271)
Transactions with Owners of the Company				
Issuance of ordinary shares	16	55,488	-	55,488
At 31 December 2024		123,450	2,892	126,342

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flows from/(for) operating activities					
Profit/(Loss) before tax		2,205	1,997	(271)	7,177
Adjustments for:					
Depreciation of:					
- property, plant and equipment		3,802	2,975	1	-
- right-of-use assets		1,280	74	-	-
Amortisation of intangible assets		112	-	-	-
Impairment loss on investment in subsidiaries		-	-	-	28
Impairment loss on investment in an associate		-	-	42	-
Inventories written down to net realisable value		-	229	-	-
Dividend income from subsidiaries		-	-	-	(8,500)
Fair value gain on derivative financial assets		(7)	(121)	-	-
Loss/(Gain) on disposal of property, plant and equipment		11	(69)	-	-
Property, plant and equipment written off		5	1	-	-
Unrealised (gain)/loss on foreign exchange		(166)	6	-	(3)
Gain on disposal of subsidiaries	7(g)	(237)	-	-	-
Reversal of inventories written down		(229)	-	-	-
Finance costs		380	8	-	-
Finance income		(1,265)	(534)	(856)	(116)
Share of results of an associate		1,693	-	-	-
Operating profit/(loss) before working capital changes		7,584	4,566	(1,084)	(1,414)
Changes in working capital:					
Inventories		6,522	7,460	-	-
Trade and other receivables		(5,475)	1,890	(510)	3
Trade and other payables		2,083	(893)	(82)	282
Contract liabilities		316	(349)	-	-
Cash generated from/(used in) operations		11,030	12,674	(1,676)	(1,129)
Dividends received		-	-	-	8,500
Interest paid		(73)	-	-	-
Interest received		1,250	534	856	116
Net income tax paid		(1,352)	(1,721)	-	-
Net cash from/(used in) operating activities		10,855	11,487	(820)	7,487
Cash flows for investing activities					
Acquisition of:					
- property, plant and equipment	(a)	(10,416)	(3,435)	(96)	-
- intangible assets		(640)	-	-	-
- investment in an associate		(14,042)	-	(14,042)	-
- short-term investments		(6,200)	-	-	-
Net advances to subsidiaries		-	-	(6,531)	(1,382)
Net cash outflows from disposal of subsidiaries	7(g)	(371)	-	-	-
Net additions of capital contribution to subsidiaries		-	-	(4,513)	(87)
Proceeds from disposal of property, plant and equipment		317	236	-	-
Net cash used in investing activities		(31,352)	(3,199)	(25,182)	(1,469)

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flows from/(for) financing activities					
Dividends paid to owners of the Company	26	-	(13,870)	-	(13,870)
Proceeds from issuance of ordinary shares	16	55,488	3,332	55,488	3,332
Proceeds from issuance of shares by subsidiaries to non-controlling interests		222	-	-	-
Interest paid in relation to lease liabilities		(307)	(8)	-	-
Payment of lease liabilities	(b)	(1,055)	(70)	-	-
Net cash from/(used in) financing activities		54,348	(10,616)	55,488	(10,538)
Net increase/(decrease) in cash and cash equivalents		33,851	(2,328)	29,486	(4,520)
Effect of foreign exchange translation differences		42	-	-	-
Cash and cash equivalents at 1 January		21,801	24,129	1,614	6,134
Cash and cash equivalents at 31 December		14	55,694	31,100	1,614

(a) Acquisition of property, plant and equipment

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Purchase of property, plant and equipment	4	10,680	2,538	96	-
Add: Settlement of amount due to creditor for purchase of property, plant and equipment acquired in prior year		166	1,085	-	-
Less: Amount due to creditor		-	(166)	-	-
Less: Acquired through hire purchase arrangements		(430)	-	-	-
Less: Deposits paid in prior year		-	(22)	-	-
Acquisition of property, plant and equipment by way of cash		10,416	3,435	96	-

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

(b) Cash outflows for leases as a lessee

		Group	
	Note	2024 RM'000	2023 RM'000
Included in operating activities:			
Payment relating to short-term leases	24	13	93
Included in financing activities:			
Payment of lease liabilities		1,055	70
Interest paid in relation to lease liabilities	23	307	8
Total cash outflows for leases		1,375	171

(c) Reconciliation of movements of liabilities to cash flows arising from financing activities

		Group	
	Note	2024 RM'000	2023 RM'000
Lease liabilities			
At 1 January		192	-
Net changes from financing activities		(1,362)	(78)
Lease modification		114	-
Acquisition of new leases		16,058	262
Finance cost	23	307	8
Disposal of subsidiaries		(1,810)	-
At 31 December		13,499	192

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal place of business of the Company is located at Lot 9, 10, 11, 12 & 13, Jalan RP3, Rawang Industrial Estate, Taman Rawang Perdana, 48000 Rawang, Selangor Darul Ehsan.

The registered office of the Company is located at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur.

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as "the Group" and individually referred to as "Group entities"). The financial statements of the Company as at and for the financial year ended 31 December 2024 do not include other entities.

The Company is principally engaged in investment holding activities, whilst the principal activities of the subsidiaries are disclosed in Note 7 to the financial statements. There have been no significant change in the nature of these activities during the financial year.

These financial statements were authorised for issue by the Board of Directors on 16 April 2025.

2. Basis of Preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards 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 material accounting policies below.

Adoption of amended standards

During the financial year, the Group and the Company have adopted the following amendments to standards issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

The adoption of the amendments to standards did not have any significant impact on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

2. Basis of Preparation (cont'd)

(a) Statement of compliance (cont'd)

Standards issued but not yet effective

The Group and the Company have not applied the following new standards and amendments to standards that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurements of Financial Instruments	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11:		1 January 2026
• Amendments to MFRS 1		
• Amendments to MFRS 7		
• Amendments to MFRS 9		
• Amendments to MFRS 10		
• Amendments to MFRS 107		
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature- dependent Electricity	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above new standards and amendments to standards, if applicable, when they become effective.

The initial application of the above-mentioned new standards and amendments to standards are not expected to have any significant impacts on the financial statements of the Group and of the Company except as follows:

MFRS 18 *Presentation and Disclosure in Financial Statements* will replace MFRS 101 *Presentation of Financial Statements* upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statements of financial position and the statements of cash flows will also be affected. The potential impact of the new standard on the financial statements of the Group and of the Company have yet to be assessed.

(b) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

2. Basis of Preparation (cont'd)

(c) Significant accounting judgements, estimates and assumptions

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

Judgements

There are no significant areas of judgement in applying accounting policies that have significant effect on the amount recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Depreciation and useful lives of property, plant and equipment and right-of-use ("ROU") assets

The Group reviews the residual values, useful lives and depreciation methods at the end of each reporting period. Judgements are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment and ROU assets may differ from the estimates applied and therefore, future depreciation charges could be revised. The carrying amounts of the Group's and of the Company's property, plant and equipment and ROU assets are disclosed in Note 4 and Note 5 to the financial statements respectively.

Revaluation of property, plant and equipment

Freehold lands of the Group are reported at revalued amounts which are based on valuations performed by independent professional valuers by reference to the sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The carrying amount of property, plant and equipment measured at revaluation as at the reporting date is disclosed in Note 4 to the financial statements.

Measurement of the recoverable amount of cash-generating unit

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The key assumptions used to determine the recoverable amounts are disclosed in Note 6 to the financial statements.

Inventories valuation

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. Details of inventories are disclosed in Note 10 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

2. Basis of Preparation (cont'd)

(c) Significant accounting judgements, estimates and assumptions (cont'd)

Key sources of estimation uncertainty (cont'd)

Lease terms

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Income 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 and the Company recognise liabilities for tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amount of deferred tax assets is disclosed in Note 9 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. Material Accounting Policy Information

The Group and the Company apply the material accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

In the Company's separate financial statements, investment in subsidiaries are stated at cost less any accumulated impairment losses. On disposal of such investment, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss.

(ii) Business combinations

The Group applies the acquisition method to account for business combinations from the acquisition date, which is the date on which the control is transferred to the Group.

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

(iii) Goodwill on consolidation

Goodwill arising from business combinations is measured at cost less accumulated impairment losses. Goodwill with indefinite useful lives is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying amount may be impaired.

(b) Investment in an associate

Investment in an associate is accounted for in the consolidated using the equity method less any impairment losses and in the Company's separate financial statements, investment in an associate is stated at cost less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associate, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

(c) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. Material Accounting Policy Information (cont'd)

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses except for freehold lands are stated at fair value.

(ii) Property under revaluation model

The Group revalues its freehold lands every three years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying amount. Surplus arising from revaluation are dealt with in the revaluation reserve account.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold lands are not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for its intended use.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Leasehold lands	32 - 45 years
Buildings	32 - 50 years
Plant and machinery	5 - 25 years
Equipment, furniture and fittings	3 - 12 years
Motor vehicles	10 years
Renovation	2 - 10 years

(e) Leases

As lessee

(i) Right-of-use assets

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

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

(ii) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group entities uses its incremental borrowing rate as the discount rate.

Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. Material Accounting Policy Information (cont'd)

(e) Leases (cont'd)

(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.

(f) Financial assets

Recognition and initial measurement

Financial assets are recognised on the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial asset categories and subsequent measurement

For the purpose of subsequent measurement, the Group and the Company classify their financial assets in the following categories:

- Financial assets at amortised cost; and
- Financial assets at fair value through profit or loss

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets are not reclassified subsequent to their initial recognition unless the Group and the Company change its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets at fair value through profit or loss

Subsequent to the initial recognition, the financial assets at fair value through profit or loss are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income. Other net gains or losses, including any interest or dividend income, are also recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. Material Accounting Policy Information (cont'd)

(g) Financial liabilities

Recognition and initial measurement

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

At initial recognition, the Group and the Company measure a financial liability at its fair value less, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments.

Financial liability categories and subsequent measurement

For the purpose of subsequent measurement, the Group and the Company classify their financial liabilities as financial liabilities at amortised cost.

Financial liabilities at amortised cost

Financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains or losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value.

The cost of inventories is measured based on first-in, first out method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

(i) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amounts of the assets in the cash-generating unit (group of cash-generating units).

An impairment loss is reversed if, and only if, there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. Material Accounting Policy Information (cont'd)

(j) Asset held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and the sale is expected to be completed within one year from the date of classification. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition.

Non-current assets (or disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

(k) Share capital

Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(l) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

4. Property, Plant and Equipment

2024	Freehold lands RM'000	Leasehold lands RM'000	Buildings RM'000	Plant and machinery RM'000	Equipment, furniture and fittings RM'000	Motor vehicles RM'000	Renovation RM'000	Assets under construction RM'000	Total RM'000
Group									
Cost/Valuation									
At 1 January 2024	67,840	3,170	35,352	38,111	5,213	1,456	2,226	2,843	156,211
Additions	-	-	-	21	4,237	793	5,244	385	10,680
Transfer	-	-	-	718	-	-	-	(718)	-
Disposals	-	-	-	(61)	(251)	(185)	(25)	-	(522)
Write-offs	-	-	-	(28)	-	-	-	-	(28)
Disposal of subsidiaries	-	-	-	-	(854)	-	(672)	-	(1,526)
At 31 December 2024	67,840	3,170	35,352	38,761	8,345	2,064	6,773	2,510	164,815
Accumulated depreciation									
At 1 January 2024	-	163	12,107	24,436	4,438	825	1,166	-	43,135
Charge for the financial year	-	93	795	1,693	501	176	544	-	3,802
Disposals	-	-	-	(61)	(7)	(126)	-	-	(194)
Write-offs	-	-	-	(23)	-	-	-	-	(23)
Disposal of subsidiaries	-	-	-	-	(151)	-	(115)	-	(266)
At 31 December 2024	-	256	12,902	26,045	4,781	875	1,595	-	46,454
Carrying amount									
At 31 December 2024	67,840	2,914	22,450	12,716	3,564	1,189	5,178	2,510	118,361

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

4. Property, Plant and Equipment (cont'd)

2023 Group	Freehold lands RM'000	Leasehold lands RM'000	Buildings RM'000	Plant and machinery RM'000	Equipment, furniture and fittings RM'000	Motor vehicles RM'000	Renovation RM'000	Assets under construction RM'000	Total RM'000
Cost/Valuation									
At 1 January 2023	67,840	3,170	35,352	32,930	4,614	2,449	2,127	6,287	154,769
Additions	-	-	-	1,418	614	-	99	407	2,538
Transfers	-	-	-	3,851	-	-	-	(3,851)	-
Disposals	-	-	-	(44)	-	(993)	-	-	(1,037)
Write-offs	-	-	-	(44)	(15)	-	-	-	(59)
At 31 December 2023	67,840	3,170	35,352	38,111	5,213	1,456	2,226	2,843	156,211
Accumulated depreciation									
At 1 January 2023	-	70	11,312	22,990	4,283	1,457	976	-	41,088
Charge for the financial year	-	93	795	1,524	170	203	190	-	2,975
Disposals	-	-	-	(35)	-	(835)	-	-	(870)
Write-offs	-	-	-	(43)	(15)	-	-	-	(58)
At 31 December 2023	-	163	12,107	24,436	4,438	825	1,166	-	43,135
Carrying amount									
At 31 December 2023	67,840	3,007	23,245	13,675	775	631	1,060	2,843	113,076

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

4. Property, Plant and Equipment (cont'd)

	Equipment, furniture and fittings RM'000	Assets under construction RM'000	Total RM'000
Company			
Cost			
At 1 January 2023/31 December 2023/1 January 2024	15	-	15
Additions	9	87	96
Write-offs	(15)	-	(15)
At 31 December 2024	9	87	96
Accumulated depreciation			
At 1 January 2023/31 December 2023/1 January 2024	15	-	15
Charge for the financial year	1	-	1
Write-offs	(15)	-	(15)
At 31 December 2024	1	-	1
Carrying amount			
At 31 December 2024	8	87	95
At 31 December 2023	-	-	-

(a) Fair value for property, plant and equipment

On 31 December 2024, the Group's freehold lands were revalued by the independent firms of professional valuers with appropriate professional qualifications and recent experience in the location and category of property being valued.

The fair value of freehold lands was determined based on market comparable approach. In the market comparable approach, sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into the valuation approach is price per square foot of comparable properties.

The fair value of the freehold lands of RM67,840,000 (2023: RM67,840,000) is categorised as Level 3 fair value.

Had the revalued freehold lands been carried under cost model, the net carrying amount of the freehold lands that would have been recognised in the financial statements of the Group is RM24,833,000 (2023: RM24,833,000).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

5. Right-of-use Assets

	Group	
	2024 RM'000	2023 RM'000
Lease of buildings		
Cost		
At 1 January	262	-
Additions	15,628	262
Lease modification	114	-
Disposal of subsidiaries	(2,179)	-
At 31 December	13,825	262
Accumulated depreciation		
At 1 January	74	-
Charge for the financial year	1,280	74
Disposal of subsidiaries	(420)	-
At 31 December	934	74
Carrying amount		
At 31 December	12,891	188

The Group leases a number of properties that run between 1 year and 3 years, with an option to renew the lease after that date.

The lease contains an extension option exercisable by the Group up to 3 years before the end of the non-cancellable contract period. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension option. The Group reassesses whether it is reasonably certain to exercise the option if there is a significant event or significant change in circumstances within its control.

6. Intangible Assets

	Goodwill RM'000	Licence Fee RM'000	Total RM'000
Group			
Cost			
At 1 January 2023/31 December 2023/1 January 2024	1,177	-	1,177
Additions	-	929	929
Disposals of subsidiaries	-	(360)	(360)
At 31 December 2024	1,177	569	1,746
Accumulated amortisation			
At 1 January 2023/31 December 2023/1 January 2024	-	-	-
Charge for the financial year	-	112	112
Disposals of subsidiaries	-	(81)	(81)
At 31 December 2024	-	31	31
Carrying amount			
At 31 December 2024	1,177	538	1,715
At 31 December 2023	1,177	-	1,177

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

6. Intangible Assets (cont'd)

Goodwill

Impairment testing for cash-generating unit containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's wooden picture frame mouldings division which represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The recoverable amount for the above was based on its value in use and was determined by discounting the future cash flows expected to be generated from the continuing use of the wooden picture frame mouldings division and was based on the following key assumptions:

(a) Cash flows

The cash flows were projected based on actual operating results and a 5-year (2023: 5-year) projection.

(b) Revenue

The anticipated average annual revenue growth included thereon in the cash flow projections was 5.5% (2023: 12.0%).

(c) Pre-tax discount rate

A pre-tax discount rate of 10.8% (2023: 11.0%) was applied in determining the recoverable amount. The discount rate was estimated based on the Group's weighted average cost of capital.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources (historical data) of information.

The management believes that any reasonably possible change in the key assumptions on which management has based on its determination of the wooden picture frame mouldings division recoverable amount would not cause the segment's carrying amount to exceed its recoverable amount.

Licence Fee

The licence fee is in respect of the rights to operate brand stores in Malaysia and is amortised over the remaining term of the licence agreement.

7. Investment in Subsidiaries

(a) Investment in subsidiaries

	Cost of investment RM'000	Capital contributions RM'000	Total RM'000
Company			
2024			
Cost			
At 1 January 2023	41,858	32,062	73,920
Net additions	-	87	87
At 31 December 2023/1 January 2024	41,858	32,149	74,007
Net additions	-	4,513	4,513
At 31 December 2024	41,858	36,662	78,520

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

7. Investment in Subsidiaries (cont'd)

(a) Investment in subsidiaries (cont'd)

	Cost of investment RM'000	Capital contributions RM'000	Total RM'000
Accumulated impairment losses			
At 1 January 2023	4,691	752	5,443
Impairment loss recognised	-	28	28
At 31 December 2023/1 January 2024/ 31 December 2024	4,691	780	5,471
Carrying amount			
At 31 December 2024	37,167	35,882	73,049
At 31 December 2023	37,167	31,369	68,536

Capital contribution represents unsecured, interest free non-trade advances given to subsidiaries and repayment of the advances is at the discretion of the subsidiaries. These advances are, in substance, a part of the Company's net investment in those subsidiaries, and stated at cost less accumulated impairment losses, if any.

(b) Details of subsidiaries

Name of company	Principal place of business/ Country of incorporation	Effective interest		Principal activities
		2024 %	2023 %	
Direct holding:				
Finesse Moulding (M) Sdn. Bhd.	Malaysia	100	100	Manufacture and sale of wooden picture frame mouldings
Lim Ket Leng Timber Sdn. Bhd.	Malaysia	100	100	Manufacture and sale of timber products
Hock Hoe Hin Forest Produce Sdn. Bhd. ^	Malaysia	100	100	Sawmilling contractor
Scenic Moulding (M) Sdn. Bhd.	Malaysia	100	100	Property holding and rental of properties
Lim Ket Leng Realty Sdn. Bhd.	Malaysia	100	100	Property holding and rental of properties
Hextar F&B Sdn. Bhd. (formerly known as Lim Ket Leng Marketing Sdn. Bhd.) ("HFB")	Malaysia	100	100	Investment holding

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

7. Investment in Subsidiaries (cont'd)

(b) Details of subsidiaries (cont'd)

Name of company	Principal place of business/ Country of incorporation	Effective interest		Principal activities
		2024 %	2023 %	
Direct holding: (cont'd)				
Hex Aura Sdn. Bhd. (formerly known as Classic Frame Moulding (M) Sdn. Bhd.) ("HASB")	Malaysia	100	100	Investment holding
Multi Nation Sdn. Bhd. (formerly known as CScenic Agro Marketing Sdn. Bhd.)	Malaysia	100	100	Convenient stores operator
Indirect holding: Held through HASB				
Elysian Aura Sdn. Bhd.	Malaysia	51	-	Dormant
Soulful Bliss Sdn. Bhd.	Malaysia	51	-	Dormant
Held through HFB				
Craving Hub Sdn. Bhd. ("CHSB")	Malaysia	51	100	Restaurant and cafe operator
Delish Hub Sdn. Bhd. ("DHSB")	Malaysia	51	51	Investment holding
Fabulous Bites Sdn. Bhd. ("FBSB")	Malaysia	51	100	Restaurant and cafe operator
Flavora Sdn. Bhd.	Malaysia	100	100	Dormant
Fresh Palate Sdn. Bhd. ("FPSB")	Malaysia	51	100	Restaurant and cafe operator
Mingle Hub Sdn. Bhd.	Malaysia	100	100	Dormant
Puresip Sdn. Bhd. ("PSSB")	Malaysia	-	100	Beverage store operator
Yummy Sip Sdn. Bhd. ("YSSB")	Malaysia	-	100	Beverage store operator
Blissful Fusion Sdn. Bhd. ("BFSB")	Malaysia	51	-	Restaurant and cafe operator
Zok Noodle SQ Sdn. Bhd. (formerly known as Epicurean Crafters Sdn. Bhd.)	Malaysia	100	-	Dormant

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

7. Investment in Subsidiaries (cont'd)

(b) Details of subsidiaries (cont'd)

Name of company	Principal place of business/ Country of incorporation	Effective interest		Principal activities
		2024 %	2023 %	
Indirect holding: Held through HFB (cont'd)				
Essence Gastronomy Sdn. Bhd.	Malaysia	100	-	Dormant
Flavour Crafters Hub Sdn. Bhd.	Malaysia	100	-	Restaurant and cafe operator
Gastronomic Gems Sdn. Bhd.	Malaysia	100	-	Dormant
Palate Symphony Sdn. Bhd.	Malaysia	100	-	Dormant
Spice Haven Delights Sdn. Bhd.	Malaysia	100	-	Dormant
Taste Perspectives Sdn. Bhd.	Malaysia	100	-	Dormant
Tasty Trails Culinary Sdn. Bhd.	Malaysia	100	-	Dormant
VCR Cafe Sdn. Bhd.	Malaysia	100	-	Dormant
Tai Lang Pte. Ltd. ("TLPL")	Singapore	-	60	Dormant
Held through DHSB				
Tastewave Sdn. Bhd. ("TSB")	Malaysia	51	-	Dormant
Tailang Delight Sdn. Bhd. ("TDSB")	Malaysia	51	-	Dormant

[^] Subsidiary not audited by UHY Malaysia PLT

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

7. Investment in Subsidiaries (cont'd)

(c) Incorporation of subsidiaries

Financial year ended 31 December 2024

- (a) On 23 January 2024, the Company's wholly-owned subsidiary, HFB incorporated ten (10) wholly-owned subsidiaries in Malaysia with an issued and paid-up share capital of RM1 respectively for the purpose of expanding into the Food and Beverage business as follows:

- (i) Blissful Fusion Sdn. Bhd.
- (ii) Zok Noodle SQ Sdn. Bhd. (formerly known as Epicurean Crafters Sdn. Bhd.)
- (iii) Essence Gastronomy Sdn. Bhd.
- (iv) Flavour Crafters Hub Sdn. Bhd.
- (v) Gastronomic Gems Sdn. Bhd.
- (vi) Palate Symphony Sdn. Bhd.
- (vii) Spice Haven Delights Sdn. Bhd.
- (viii) Tasty Trails Culinary Sdn. Bhd.
- (ix) Taste Perspectives Sdn. Bhd.
- (x) VCR Cafe Sdn. Bhd.

- (b) On 22 November 2024, the Company's wholly-owned subsidiary, HASB incorporated two (2) subsidiaries in Malaysia with an issued and paid-up share capital of RM100 respectively for the purpose of expanding into the retail business as follows:

- (i) Elysian Aura Sdn. Bhd.
- (ii) Soulful Bliss Sdn. Bhd.

HASB subscribed 51 newly issued shares. Consequently, these companies became 51%-owned subsidiaries of HASB.

Financial year ended 31 December 2023

- (a) On 20 November 2023, the Company's wholly-owned subsidiary, HFB incorporated ten (10) wholly-owned subsidiaries in Malaysia with an issued and paid-up share capital of RM1 respectively for the purpose of expanding into the Food and Beverage business as follows:

- (i) Craving Hub Sdn. Bhd.
- (ii) Delish Hub Sdn. Bhd.
- (iii) Fabulous Bites Sdn. Bhd.
- (iv) Flavora Sdn. Bhd.
- (v) Fresh Palate Sdn. Bhd.
- (vi) Mingle Hub Sdn. Bhd.
- (vii) Puresip Sdn. Bhd.
- (viii) Yummy Sip Sdn. Bhd.
- (ix) Tailang Delight Sdn. Bhd.
- (x) Tastewave Sdn. Bhd.

(d) Acquisition of a subsidiary

Financial year ended 31 December 2023

- (a) On 1 December 2023, HFB acquired 6,000 ordinary shares of TLPL, representing 60% equity interest in TLPL for cash consideration of RM21,010. TLPL is incorporated in Singapore and is expected to principally engage in Food and Beverage business. It has yet to commence operations as at 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

7. Investment in Subsidiaries (cont'd)

(e) Additional investments

Financial year ended 31 December 2024

- (a) On 12 January 2024, a wholly-owned subsidiary of HFB, CHSB issued 99 fully paid-up ordinary shares at an issue price of RM1.00 per share and HFB subscribed 50 newly issued shares. Subsequent to the issuance of shares, CHSB became a 51%-owned subsidiary of HFB.
- (b) On 31 January 2024, a wholly-owned subsidiary of HFB, PSSB issued 149,999 fully paid-up ordinary shares at an issue price of RM1.00 per share and HFB subscribed 76,499 newly issued shares. Subsequent to the issuance of shares, PSSB became a 51%-owned subsidiary of HFB.
- (c) On 7 February 2024, a wholly-owned subsidiary of HFB, YSSB issued 149,999 fully paid-up ordinary shares at an issue price of RM1.00 per share and HFB subscribed 76,499 newly issued shares. Subsequent to the issuance of shares, YSSB became a 51%-owned subsidiary of HFB.
- (d) On 8 April 2024, YSSB issued 52,000 fully paid-up ordinary shares at an issue price of RM1.00 per share and HFB subscribed for 26,520 newly issued shares. YSSB remained as 51%-owned subsidiary of HFB.
- (e) On 8 April 2024, PSSB issued 100,000 fully paid-up ordinary shares at an issue price of RM1.00 per share and HFB subscribed for 51,000 newly issued shares. PSSB remained as 51%-owned subsidiary of HFB.
- (f) On 7 June 2024, a wholly-owned subsidiary of HFB, BFSB issued 99 fully paid-up ordinary shares at an issue price of RM1.00 per share and HFB subscribed 50 newly issued shares. Subsequent to the issuance of shares, BFSB became a 51%-owned subsidiary of HFB.
- (g) On 11 June 2024, a wholly-owned subsidiary of HFB, FPSB issued 99 fully paid-up ordinary shares at an issue price of RM1.00 per share and HFB subscribed 50 newly issued shares. Subsequent to the issuance of shares, FPSB became a 51%-owned subsidiary of HFB.
- (h) On 31 December 2024, a wholly-owned subsidiary of HFB, FBSB issued 99 fully paid-up ordinary shares at an issue price of RM1.00 per share and HFB subscribed 50 newly issued shares. Subsequent to the issuance of shares, FBSB became a 51%-owned subsidiary of HFB.

The effect of change in the equity interest that is attributable to the owners of the parent is as follows:

	2024 RM'000
Carrying amount acquired by non-controlling interests	52
Consideration received from non-controlling interests	222
Increase in parent's equity	<u>274</u>

Financial year ended 31 December 2023

- (a) On 27 December 2023, DHSB issued 99 fully paid-up ordinary shares at an issue price of RM1.00 per share and HFB subscribed 50 newly issued shares. Subsequent to the issuance of the new shares, DHSB became a 51%-owned subsidiary of HFB.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

7. Investment in Subsidiaries (cont'd)

(f) Internal re-organisation

On 24 January 2024, HFB disposed its entire equity interest in TSB and TDSB to DHSB for a purchase consideration of RM1.00 each respectively.

(g) Disposal of subsidiaries

Financial year ended 31 December 2024

(a) On 30 June 2024, HFB disposed of its entire equity interest in TLPL for a total cash consideration of RM1. Consequently, TLPL ceased to be a 60%-owned subsidiary of HFB.

(b) On 25 November 2024, HFB disposed of its entire equity interest in PSSB and YSSB for a total consideration of RM1 each. Consequently, PSSB and YSSB ceased to be a 51%-owned subsidiary of HFB.

The effect of disposal of the subsidiaries on the financial position of the Group at the date of disposal is as follows:

	2024 RM'000
Property, plant and equipment	1,260
Right-of-use assets	1,759
Intangible assets	279
Inventories	423
Trade and other receivables	967
Cash and cash equivalents	371
Trade and other payables	(3,693)
Lease liabilities	(1,810)
Net liabilities	(444)
Less: Non-controlling interests	208
Less: Foreign exchange translation reserve reclassified to profit or loss	(1)
Proceeds from disposal	-*
Gain on disposal of subsidiaries	(237)

The cash flows arising from disposal of the subsidiaries is as follows:-

	2024 RM'000
Proceeds from disposal	-*
Less: Cash and cash equivalents of subsidiaries disposed of	371
Net cash outflow from the disposal of subsidiaries	371

* less than one thousand.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

7. Investment in Subsidiaries (cont'd)

(h) Material partly-owned subsidiaries

Summarised financial information of non-controlling interests has not been presented as the non-controlling interests of the subsidiaries are not individually material to the Group.

8. Investment in an Associate

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unquoted shares in Malaysia, at cost		14,042	-	14,042	-
Share of post acquisition reserves		(1,693)	-	-	-
		12,349	-	14,042	-
Accumulated impairment loss		-	-	(42)	-
		12,349	-	14,000	-
Classified as asset held for sale	15	(12,349)	-	(14,000)	-
		-	-	-	-

On 22 April 2024, the Company has completed the acquisition of Tranche 1 Sale Shares of 4,142,418 ordinary shares in Redina Malaysia Sdn. Bhd. ("Redina"), a company incorporated in Malaysia, from Perdanis Distribution (M) Sdn. Bhd. ("Perdanis"), representing 20% equity interest in Redina for a total cash consideration of RM14,000,000. Redina is principally engaged as apparel dealer, importer and general merchant. Consequently, Redina became an associate of the Company.

On 31 December 2024, the Company issued a written termination notice to Perdanis to terminate the Share Sale Agreement for the acquisition of Redina. Consequently, the Company is entitled to terminate the acquisition of Tranche 2 Sale Shares, and Perdanis shall repurchase the Tranche 1 Sale Shares from the Company at the Tranche 1 Purchase Consideration.

The investment in an associate has been presented in the statements of financial position as asset held for sale as disclosed in Note 15 to the financial statements.

9. Deferred Tax Assets/(Liabilities)

The net deferred tax assets and liabilities show on the statements of financial position are as follows:

	Group	
	2024 RM'000	2023 RM'000
Deferred tax assets	426	-
Deferred tax liabilities	(8,435)	(8,269)
	(8,009)	(8,269)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

9. Deferred Tax Assets/(Liabilities) (cont'd)

		Group
	Note	2024 RM'000
		2023 RM'000
At 1 January		(8,269)
Recognised in profit or loss	25	260
At 31 December		(8,009)

The components and movements of deferred tax assets and liabilities of the Group after appropriate offsetting are as follows:

Deferred tax assets

	Lease liabilities RM'000	Unused tax losses RM'000	Unabsorbed capital allowances RM'000	Other temporary differences RM'000	Total RM'000
Group					
At 1 January 2024	-	15	344	66	425
Recognised in profit or loss	3,108	371	(85)	14	3,408
At 31 December 2024 (before offsetting)	3,108	386	259	80	3,833
Less: Offsetting					(3,407)
At 31 December 2024 (after offsetting)					426
At 1 January 2023	-	14	28	99	141
Recognised in profit or loss	-	1	316	(33)	284
At 31 December 2023 (before offsetting)	-	15	344	66	425
Less: Offsetting					(425)
At 31 December 2023 (after offsetting)					-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

9. Deferred Tax Assets/(Liabilities) (cont'd)

The components and movements of deferred tax assets and liabilities of the Group after appropriate offsetting are as follows: (cont'd)

Deferred tax liabilities

	Property, plant and equipment RM'000	Right-of-use assets RM'000	Revaluation surplus RM'000	Total RM'000
Group				
At 1 January 2024	(4,393)	-	(4,301)	(8,694)
Recognised in profit or loss	(92)	(3,056)	-	(3,148)
At 31 December 2024 (before offsetting)	(4,485)	(3,056)	(4,301)	(11,842)
Less: Offsetting				3,407
At 31 December 2024 (after offsetting)				(8,435)
At 1 January 2023	(4,300)	-	(4,301)	(8,601)
Recognised in profit or loss	(93)	-	-	(93)
At 31 December 2023 (before offsetting)	(4,393)	-	(4,301)	(8,694)
Less: Offsetting				425
At 31 December 2023 (after offsetting)				(8,269)

The deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2024 RM'000	2023 RM'000
Unused tax losses	1,078	1,114
Other deductible temporary differences	-	490
	1,078	1,604
Deferred tax at tax rate of 24%	259	385

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

9. Deferred Tax Assets/(Liabilities) (cont'd)

Based on the current legislation, the unused tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment.

Unused tax losses for which no deferred tax asset was recognised are as follows:

	2024 RM'000	Group 2023 RM'000
Expiring within 5 years	1,001	1,037
Expiring within 6 to 10 years	77	77
	<u>1,078</u>	<u>1,114</u>

10. Inventories

	2024 RM'000	Group 2023 RM'000
Raw materials and consumables	11,763	17,440
Work-in-progress	2,415	3,156
Finished goods	923	1,225
	<u>15,101</u>	<u>21,821</u>
Recognised in profit or loss		
Inventories recognised as cost of sales	38,359	33,482
Inventories written down to net realisable value (included in cost of sales)	-	229
Reversal of inventories written down (included in cost of sales)	(229)	-

In the previous financial year, included in raw materials and consumables were sawn timber inventories amounted to RM229,000 which were written down to net realisable value. The determination of the level of write-down of sawn timber inventories involves significant judgement made by the Directors in predicting the amount of future demand from customers vis-à-vis the risk of physical deterioration of the sawn timber inventories. In mitigating the risk of physical deterioration that may affect the valuation of sawn timber inventories, all sawn timber inventories of the Group are subjected to the following processes before they are stored in the warehouse:

- (a) chemical pressure treatment of sawn timber to infuse an acceptable level of chemical preservatives into the timber; and
- (b) kiln-drying of sawn timber to a permissible moisture content level.

The reversal of inventories written down was in respect of the risk of physical deterioration of raw materials has been eliminated.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

11. Trade and Other Receivables

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade				
Trade receivables from contracts with customers	3,910	3,135	-	-
Less: Accumulated impairment losses	-	(491)	-	-
	3,910	2,644	-	-
Non-trade				
Other receivables and deposits	7,152	1,336	517	7
Prepayments	1,137	685	4	4
Amount due from subsidiaries	-	-	10,595	1,371
	12,199	4,665	11,116	1,382

Movements in the allowance for impairment losses on trade receivables are as follows:

	Credit impaired RM'000	Loss allowance RM'000
Group		
At 1 January 2023/31 December 2023/1 January 2024	(491)	(491)
Write-offs	491	491
At 31 December 2024	-	-

Other receivables and deposits

Included in other receivables and deposits is an amount due from a former associate of RM495,000 (2023: Nil). The amount owing is non-trade in nature, unsecured, bears interest rate of 18% (2023: Nil) per annum and is repayable in 2025.

Prepayments

Prepayments are mainly related to advance payments made to suppliers and service providers.

Amount due from subsidiaries

The amount due from subsidiaries are unsecured, bears interest rate of 7% (2023: Nil) per annum and is repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

12. Derivative Financial Assets

	2024		2023	
	Nominal value RM'000	Assets RM'000	Nominal value RM'000	Assets RM'000
Group				
Derivatives held for trading at fair value through profit or loss				
- Forward exchange contracts	901	7	10,141	121

Forward exchange contracts are used to manage the foreign currency exposures arising from the Group's receivables denominated in currencies other than the functional currency of the Group entities. Forward exchange contracts entered into by the Group had maturities of less than one year after the end of the reporting period. Where necessary, the forward exchange contracts are rolled over at maturity.

13. Short-term Investments

The short-term investments of the Group represent fixed income trust fund and are carried at amortised cost which bear fixed interest rate of 12.0% (2023: Nil) per annum. The short-term investments are placed with creditworthy entity which have original maturity period of 10 months (2023: Nil).

14. Cash and Cash Equivalents

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and bank balances	46,667	14,594	25,788	1,578
Highly liquid investments with non-bank financial institutions	9,027	7,207	5,312	36
	55,694	21,801	31,100	1,614

The Directors regard the highly liquid investments with non-bank financial institutions as cash and cash equivalents in view of their high liquidity and insignificant risk of changes in fair value.

15. Asset Held for Sale

The carrying amount of the investment in an associate is the same as its carrying amount before it was reclassified as held for sale.

The details of asset held for sale are disclosed in Note 8 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

16. Share Capital

	Group / Company			
	Number of shares		Amount	
	2024 Unit'000	2023 Unit'000	2024 RM'000	2023 RM'000
Issued and fully paid ordinary shares with no par value				
At 1 January	379,378	247,457	67,962	64,630
Issuance of ordinary shares:				
- Bonus shares issued	-	126,430	-	-
- Exercise of warrants	-	5,491	-	3,332
- Private placement	113,813	-	55,488	-
At 31 December	493,191	379,378	123,450	67,962

Ordinary shares

During the financial year, the Company issued 113,813,000 new ordinary shares for a total cash consideration of RM55,488,000 pursuant to a private placement.

The new ordinary shares issued during the financial year rank parri passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Bonus shares and Warrants 2021/2026

On 12 August 2021, the Company issued 120,499,740 new ordinary shares as bonus shares together with 120,499,740 attached free warrants, on the basis of 1 bonus share together with 1 free warrant for every 1 existing ordinary share held in the Company.

The warrants can be exercised during the exercise period commencing on and including the date of the first issue of the warrants, i.e. 9 August 2021 to 8 August 2026. Each warrant entitles the registered holder the rights at any time during the exercise period to subscribe in cash for 1 new ordinary share of the Company at an exercise price of RM0.61 each.

On 12 May 2023, the Company issued 126,430,188 new ordinary shares as bonus shares, on the basis 1 bonus share for every 2 existing ordinary share held in the Company. The bonus shares were issued as fully paid shares at no consideration and without any capitalisation of the Company's reserves. Following the completion of the bonus issue, the exercise price of the outstanding warrants was adjusted from RM0.61 to RM0.41 and additional 54,319,410 warrants were issued.

In the previous financial year, 5,490,700 warrants have been exercised where 5,403,700 and 87,000 new ordinary shares were issued at an exercise price of RM0.61 and RM0.41 respectively per ordinary share for a total cash consideration of RM3,331,927.

As at 31 December 2024, there are 162,871,250 (2023: 162,871,250) warrants which remain unexercised.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

17. Reserves

		Group	
	Note	2024 RM'000	2023 RM'000
Non-distributable			
Revaluation reserve	(a)	38,707	38,707
Foreign currency translation reserve		-	1
		38,707	38,708

(a) The revaluation reserve relates to the revaluation surplus of the Group's freehold lands.

18. Lease Liabilities

	Group	
	2024 RM'000	2023 RM'000
At 1 January	192	-
Additions	16,058	262
Lease modification	114	-
Accretion of interest	307	8
Payments	(1,362)	(78)
Disposal of subsidiaries	(1,810)	-
At 31 December	13,499	192
Presented as:		
Non-current	11,160	64
Current	2,339	128
	13,499	192

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

19. Trade and Other Payables

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade				
Trade payables	1,419	669	-	-
Non-trade				
Other payables and accruals	3,722	3,197	313	395
Amount due to subsidiaries	-	-	2,705	12
	5,141	3,866	3,018	407

Amount due to subsidiaries

The amount due to subsidiaries are unsecured, non-interest bearing advances and repayable on demand.

20. Contract Liabilities

	Group	
	2024 RM'000	2023 RM'000
Contract liabilities at the beginning of the financial year		
recognised as revenue	142	491
Advances received from customers	458	142

The contract liabilities primarily relate to advance consideration received from contract customers for wooden picture frame mouldings to be exported. The contract liabilities are expected to be recognised as revenue over the next financial year.

21. Revenue

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue from contracts with customers	57,694	44,476	-	-
Revenue from other source				
Dividend income from subsidiaries	-	-	-	8,500
	57,694	44,476	-	8,500

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

21. Revenue (cont'd)

Set out below is the disaggregation of Group's revenue from contracts with customers:

Group	Reportable segments and major products					
	Wooden picture frame mouldings		Retail		Total	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Primary geographical markets						
North America	36,829	33,426	-	-	36,829	33,426
Australia	5,140	5,042	-	-	5,140	5,042
Malaysia	553	845	9,091	-	9,644	845
Others	6,081	5,163	-	-	6,081	5,163
	48,603	44,476	9,091	-	57,694	44,476

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

21. Revenue (cont'd)

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms
Wooden picture frame mouldings and other timber products	Revenue is recognised at a point in time when the goods are delivered on board of the export vessel (export sales) or delivered and accepted by the customers at their premises (local sales) or in accordance with the terms CIF (Cost, Insurance, Freight) or FCA (Free Carrier Arrangement), as applicable.	Credit period of 0-60 days from invoice date.
Retail of food and beverage	Revenue is recognised at a point in time when the goods are delivered and accepted by the customers.	Cash term.

22. Finance Income

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest income of financial assets calculated using the effective interest method that are at amortised cost	542	33	396	-
Interest and investment income of financial assets at fair value through profit or loss	723	501	460	116
	1,265	534	856	116

23. Finance Costs

	Group	
	2024 RM'000	2023 RM'000
Interest expenses of financial liabilities that are not at fair value through profit or loss	73	-
Interest expenses on lease liabilities	307	8
	380	8

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

24. Profit/(Loss) Before Tax

Profit/(Loss) before tax is arrived at after charging/(crediting):

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration:				
- Statutory audit:				
- UHY Malaysia PLT	278	-	75	-
- Other auditor	2	243	-	94
- Non-statutory audit:				
- UHY Malaysia PLT	8	-	8	-
- Other auditor	-	67	-	17
Depreciation of:				
- Property, plant and equipment	3,802	2,975	1	-
- Right-of-use assets	1,280	74	-	-
Amortisation of intangible assets	112	-	-	-
Impairment loss on investment in subsidiaries	-	-	-	28
Impairment loss on investment in an associate	-	-	42	-
Inventories written down to net realisable value	-	229	-	-
Leases expenses relating to short-term leases	13	93	-	-
Loss/(Gain) on disposal of property, plant and equipment	11	(69)	-	-
Property, plant and equipment written off	5	1	-	-
Loss/(Gain) on foreign exchange:				
- Realised	938	893	-	-
- Unrealised	(166)	6	-	(3)
Fair value gain on derivative financial assets	(7)	(121)	-	-
Gain on disposal of subsidiaries	(237)	-	-	-
Reversal of inventories written down	(229)	-	-	-
Personnel expenses (including key management personnel):				
- Wages, salaries and others	16,346	12,192	-	-
- Defined contribution plan	1,053	884	-	-

25. Income Tax Expense

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Current tax				
Current tax provision	1,396	971	-	-
Under provision in prior year	18	98	-	-
	1,414	1,069	-	-
Deferred tax (Note 9)				
Origination and reversal of temporary differences	(175)	(167)	-	-
Over provision in prior year	(85)	(24)	-	-
	(260)	(191)	-	-
	1,154	878	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

25. Income Tax Expense (cont'd)

A reconciliation of income tax expense applicable to profit/(loss) before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before tax	2,205	1,997	(271)	7,177
At Malaysian statutory tax rate of 24% (2023: 24%)	529	479	(65)	1,722
Income not subject to tax	(285)	(186)	(110)	(2,068)
Expenses not deductible for tax purposes	1,103	516	175	346
Utilisation of deferred tax assets not recognised	(126)	(5)	-	-
Under provision of income tax in prior years	18	98	-	-
Over provision of deferred tax in prior year	(85)	(24)	-	-
Income tax expense for the financial year	1,154	878	-	-

26. Dividends

	Group and Company	
	2024	2023
	RM'000	RM'000
A first interim single-tier dividend of RM0.055 per ordinary share in respect of financial year ended 31 December 2023	-	13,870

The Directors do not recommend the payment of any dividend in respect of the current financial year.

27. Earnings per Share

(a) Basic earnings per share

The basic earnings per share is 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	
	2024	2023
Profit attributable to owners of the Company (RM'000)	1,561	1,163
Weighted average number of ordinary shares at 31 December (basic)('000)	437,809	377,273
Basic earnings per share (sen)	0.36	0.31

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

27. Earnings per Share (cont'd)

(b) Diluted earnings per share

Diluted earnings per share is calculated based on the adjusted 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 have been adjusted for the dilutive effects of all potential ordinary shares as follows:

	Group 2024	2023
Profit attributable to owners of the Company (basic) (RM'000)	1,561	1,163
Weighted average number of ordinary shares at 31 December (basic) ('000)	437,809	377,273
Effect of warrants on issue	32,108	36,876
Weighted average number of ordinary shares at 31 December (diluted) ('000)	469,917	414,149
Diluted earnings per share (sen)	0.33	0.28

The average market value of the Company's shares for purpose of calculating the dilutive effect of warrants was based on quoted market prices for the period during the warrants were outstanding.

28. Key Management Personnel Compensations

The key management personnel compensations are as follows:

	Group 2024 RM'000	2023 RM'000	Company 2024 RM'000	2023 RM'000
Directors of the Company				
Fees	176	143	176	143
Remuneration	953	1,298	-	-
Other short-term employee benefits	42	38	20	24
	1,171	1,479	196	167
Directors of the subsidiaries				
Fees	69	-	-	-
Other key management personnel				
Remuneration	1,172	551	-	-
	2,412	2,030	196	167

Other key management personnel comprise persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

The estimated monetary or value benefit-in-kind provided by the Group to the Directors of the Company is RM19,000 (2023: RM11,000).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

29. Capital Commitments

	2024 RM'000	Group 2023 RM'000
Capital expenditure commitments		
Property, plant and equipment contracted but not provided for in the financial statements	883	188

30. 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 comprise the Directors and key management personnel of the Group.

The Group has related party relationship with its subsidiaries and key management personnel.

(b) Significant related party transactions

Related party transactions have been entered into the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the Group and the Company have the following transactions with related parties during the financial year:

	2024 RM'000	2023 RM'000
Group		
Transactions with related parties		
Purchase of property, plant and equipment	2,648	-
Company		
Transactions with subsidiaries		
Management fees paid or payable	66	63
Interest income received or receivable	(229)	-
Dividend income	-	(8,500)
Net additions of capital contributions	(4,513)	(87)

Transactions with related parties represent transactions with companies in which a major shareholder of the Company has substantial financial interests.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31. Operating Segments

The Group has two reportable segments, as described below, which represent the business units of the Group. The business units carry out different business activities and adopt different business strategies in carrying out their businesses. For each of the business units, the Group's Executive Directors (the chief operating decision makers) review internal management reports on a quarterly basis. The following summary describes the operations in each of the Group's reportable segment:

Reportable segment	Principal business activities
Wooden picture frame mouldings	Manufacture and sale of wooden picture frame mouldings and other timber products
Retail *	Operate restaurant and cafe, beverage store, convenient store and apparel dealer, importer and general merchant

** New reporting segment for the financial year ended 31 December 2024. In the previous financial year, the segment fell under non-reportable segment as it did not meet the quantitative threshold.*

The manufacture and sale of wooden picture frame mouldings and other timber products are aggregated to form a reported segment due to the nature and economic characteristic of the products are similar.

Other non-reportable segment represents investment holding. None of these segments met the quantitative thresholds for reporting segments.

Performance is measured based on segment profit as included in the internal management reports that are reviewed by the Group's Executive Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

Segment asset is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the Group's Executive Directors. Segment total assets is used to measure the return on assets of each segment. The Group operates predominantly in Malaysia. Accordingly, the geographical information about non-current assets is not presented.

Segment liabilities

Segment liability is measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by the Group's Executive Directors. Segment total liabilities is used to evaluate liquidity risk of each segment.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31. Operating Segments (cont'd)

	Wooden picture frame mouldings RM'000	Retail RM'000	Other non-reportable segments RM'000	Consolidation adjustments RM'000	Total RM'000
Group					
2024					
Segment profit/(loss)	4,888	(3,580)	(257)	-	1,051
<i>Included in the measure of segment profit are:</i>					
Revenue from external customers	48,603	9,091	-	-	57,694
Inter-segment revenue	-	90	-	(90)	-
Reversal of inventories written down	229	-	-	-	229
Depreciation and amortisation	(3,261)	(1,932)	(1)	-	(5,194)
Gain on disposal of subsidiaries	-	237	-	-	237
Finance income	631	5	858	(229)	1,265
Finance costs	(97)	(512)	-	229	(380)
Share of results of an associate	-	(1,693)	-	-	(1,693)
Tax (expense)/credit	(1,493)	339	-	-	(1,154)
Segment assets	121,912	45,006	115,401	(46,133)	236,186
<i>Included in the measure of segment assets are:</i>					
Additions to non-current assets other than financial instruments and deferred tax assets	1,476	24,737	95	-	26,308
Segment liabilities	5,607	33,990	3,333	(15,119)	27,811
2023					
Segment profit/(loss)	2,750	(276)	7,145	(8,500)	1,119
<i>Included in the measure of segment profit are:</i>					
Revenue from external customers	44,429	47	-	-	44,476
Inter-segment revenue	-	-	8,500	(8,500)	-
Inventories written down to net realisable value	(229)	-	-	-	(229)
Depreciation and amortisation	(3,041)	(8)	-	-	(3,049)
Finance income	413	3	118	-	534
Finance costs	(8)	-	-	-	(8)
Tax expense	(878)	-	-	-	(878)
Segment assets	118,092	1,817	71,574	(27,491)	163,992
<i>Included in the measure of segment assets are:</i>					
Additions to non-current assets other than financial instruments and deferred tax assets	2,320	480	-	-	2,800
Segment liabilities	11,572	1,998	440	(1,425)	12,585

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31. Operating Segments (cont'd)

Major customers

The following are major customers with revenue equal or more than 10% of the Group's total revenue:

	2024 RM'000	2023 RM'000	Segment
Customer A	7,843	7,595	Wooden picture frame mouldings
Customer B	10,478	8,687	Wooden picture frame mouldings

32. Financial Instruments

(a) Classification of financial instruments

The following table analyses the financial assets and financial liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Carrying amount RM'000	Amortised cost RM'000	Fair value through profit or loss RM'000
Group			
2024			
Financial assets			
Trade and other receivables*	11,062	11,062	-
Derivative financial assets	7	-	7
Short-term investments	6,200	6,200	-
Cash and cash equivalents	55,694	46,667	9,027
	72,963	63,929	9,034
Financial liabilities			
Trade and other payables	5,141	5,141	-
Lease liabilities	13,499	13,499	-
	18,640	18,640	-
2023			
Financial assets			
Trade and other receivables*	3,980	3,980	-
Derivative financial assets	121	-	121
Cash and cash equivalents	21,801	14,594	7,207
	25,902	18,574	7,328
Financial liabilities			
Trade and other payables	3,866	3,866	-
Lease liabilities	192	192	-
	4,058	4,058	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

32. Financial Instruments (cont'd)

(a) Classification of financial instruments (cont'd)

The following table analyses the financial assets and financial liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (cont'd)

	Carrying amount RM'000	Amortised cost RM'000	Fair value through profit or loss RM'000
Company			
2024			
Financial assets			
Trade and other receivables*	11,112	11,112	-
Cash and cash equivalents	31,100	25,788	5,312
	42,212	36,900	5,312
Financial liabilities			
Trade and other payables	3,018	3,018	-
2023			
Financial assets			
Trade and other receivables*	1,378	1,378	-
Cash and cash equivalents	1,614	1,578	36
	2,992	2,956	36
Financial liabilities			
Trade and other payables	407	407	-

* Exclude prepayments.

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency and market price risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

32. Financial Instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its trade and other receivables and highly liquid investments with non-bank financial institutions. The Company's exposure to credit risk arises principally from inter-company advances and highly liquid investments with non-bank financial institutions. There are no significant changes as compared to prior year.

Inter-company advances

The Company provides unsecured advances to inter-company. The Company monitors the ability of the inter-company to repay advances on an individual basis.

Generally, the Company considers advances to inter-company have low credit risk. The Company assumes that there is a significant increase in credit risk when an inter-company's financial position deteriorates significantly.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position. There is no indication that the amount due from inter-company is not recoverable. Hence, loss allowance is not provided for.

Trade receivables

Risk management objectives, policies and process of managing the risk

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partial or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amount in the statements of financial position.

Management has taken reasonable steps to ensure that trade receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these trade receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis and past payment trend analysis to monitor the credit quality of trade receivables. Any trade receivables having significant balances past due more than 30 days (2023: 30 days) and have exceeded their individual historical collection period, which are deemed to have higher credit risk, are monitored individually.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

32. Financial Instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(i) Credit risk (cont'd)

Trade receivables (cont'd)

Concentration of credit risk

The exposure of credit risk for trade receivables as at the end of the reporting period by geographic region is as follows:

	Group	
	2024 RM'000	2023 RM'000
North America	2,837	1,957
Japan	291	230
Malaysia	73	82
Others	709	375
	3,910	2,644

At the reporting date, approximately 71% (2023: 74%) of the Group's trade receivables were due from 5 (2023: 6) major customers located in North America. There are no other customers which individually represents more than 10% of the total trade receivables balance.

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 90 days from invoice date. The Group's debt recovery process is as follows:

- Above 90 days from invoice date, the Group will start to initiate debt recovery process which is monitored by the sales management team; and
- When a customer defaults on debt recovery arrangements, the Group will commence legal proceedings against the customer.

The Group measures expected credit losses ("ECLs") of trade receivables individually. Consistent with the debt recovery process, invoices of which customers have defaulted on debt recovery arrangements are generally considered as credit impaired.

Loss rates are determined for each individual customers using past payment trends and other external information relating to the customers that are publicly available. In determining the loss rates for each individual customers, the Group also considers actual credit loss experience over the past three years.

The Group also considers differences between (i) economic conditions during the period over which the historic data has been collected, (ii) current conditions and (iii) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

32. Financial Instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(i) Credit risk (cont'd)

Trade receivables (cont'd)

Recognition and measurement of impairment losses (cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables which are grouped together as they are expected to have similar risk nature.

	Gross amount RM'000	Loss allowances RM'000	Net amount RM'000
Group			
2024			
Not past due	3,238	-	3,238
Past due			
Less than 30 days	475	-	475
31 to 60 days	195	-	195
61 to 90 days	-	-	-
More than 90 days	2	-	2
	672	-	672
	3,910	-	3,910
2023			
Not past due	2,560	-	2,560
Past due			
Less than 30 days	16	-	16
31 to 60 days	22	-	22
61 to 90 days	3	-	3
More than 90 days	43	-	43
	84	-	84
Credit Impaired			
Individually impaired	491	(491)	-
	3,135	(491)	2,644

Trade receivables of the Group are not supported by any collateral.

Besides the individually impaired mentioned above, there are no allowance for impairment loss in respect of trade receivables as at the end of the reporting period as the amounts are recoverable.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

32. Financial Instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(i) Credit risk (cont'd)

Cash and cash equivalents

The cash and cash equivalents are held domestically with licensed banks and non-bank financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These licensed banks and financial institutions have low credit risks. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

(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 their various payables.

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 finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

32. Financial Instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(ii) Liquidity risk (cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. 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 can be required to pay.

	Interest rate %	Carrying amount RM'000	Contractual cash flows RM'000	Under 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	Over 5 years RM'000
Group 2024							
Trade and other payables	-	5,141	5,141	5,141	-	-	-
Lease liabilities	5.40 - 6.45	13,499	15,444	2,992	3,113	8,992	347
Derivative financial assets							
Forward exchange contracts (gross settled):							
- Inflow	-	(7)	(901)	(901)	-	-	-
- Outflow	-	-	894	894	-	-	-
		18,633	20,578	8,126	3,113	8,992	347
2023							
Trade and other payables	-	3,866	3,866	3,866	-	-	-
Lease liabilities	6.45	192	202	137	65	-	-
Derivative financial assets							
Forward exchange contracts (gross settled):							
- Inflow	-	(121)	(10,141)	(10,141)	-	-	-
- Outflow	-	-	10,020	10,020	-	-	-
		3,937	3,947	3,882	65	-	-
Company 2024							
Trade and other payables		3,018	3,018	3,018	-	-	-
2023							
Trade and other payables		407	407	407	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

32. Financial Instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(iii) Market risk

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Euro ("EUR") and Japanese Yen ("YEN").

The Group performs ongoing review over its exposure to foreign currency risk and manages the risk by hedging, if necessary, its foreign currency denominated trade receivables, trade payables and estimated foreign currency exposure in respect of forecast sales over the next three to six months. The percentage of foreign currency to be hedged is reviewed and determined by the management periodically. The Group uses forward exchange contracts to hedge its foreign currency risk. Forward exchange contracts used by the Group have maturities of less than one year after the end of the reporting period. Where necessary, the forward exchange contracts are rolled over at maturity.

The carrying amounts of the Group's foreign currency denominated monetary assets as at the end of the reporting period are as follows:

	Denominated in		
	USD RM'000	EUR RM'000	YEN RM'000
Group			
2024			
Trade receivables	3,546	-	291
Forward exchange contracts	7	-	-
Cash and cash equivalents	8,623	1,286	2,749
Net exposure	12,176	1,286	3,040
2023			
Trade receivables	2,332	-	230
Forward exchange contracts	121	-	-
Cash and cash equivalents	202	696	1,553
Net exposure	2,655	696	1,783

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

32. Financial Instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(iii) Market risk (cont'd)

(a) Foreign currency risk (cont'd)

Foreign currency risk sensitivity

The following table demonstrates the sensitivity of the Group's profit after tax/equity to a reasonably possible change in the USD, EUR, and YEN exchange rates against RM with all other variables held constant

	Effects on profit after tax/equity	
	2024	2023
	RM'000	RM'000
<hr/>		
Group		
Change in currency rate		
USD		
- Strengthened by 5% (2023: 5%)	463	101
- Weakened by 5% (2023: 5%)	(463)	(101)
EUR		
- Strengthened by 5% (2023: 5%)	49	26
- Weakened by 5% (2023: 5%)	(49)	(26)
YEN		
- Strengthened by 5% (2023: 5%)	116	68
- Weakened by 5% (2023: 5%)	(116)	(68)
	<hr/>	

(b) Market price risk

Market price risk arises from the Group's and the Company's investments in highly liquid investments that are held with local non-bank financial institutions.

The Group's and the Company's highly liquid investments are money market funds that are not exposed to significant risk of changes in fair value. Consequently, the Group and the Company are of the view that the highly liquid investments are not exposed to significant price risk.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The fixed rate debt instruments of the Group and of the Company as disclosed in Note 11 are not subject to interest rate risk since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates. The Group and the Company do not have any interest-bearing borrowings and hence, are not exposed to interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

32. Financial Instruments (cont'd)

(c) Fair value information

The carrying amounts of short-term receivables and payables and cash and cash equivalents approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

The Group and the Company do not have financial instruments not carried at fair value for which fair value is required to be disclosed.

The table below analyses financial instruments carried at fair value together with their carrying amount shown in the statements of financial position.

	Fair value of financial instruments carried at fair value			Total RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
Group					
2024					
Highly liquid investments with non-bank financial institutions	-	9,027	-	9,027	9,027
Forward exchange contracts	-	7	-	7	7
	-	9,034	-	9,034	9,034
2023					
Highly liquid investments with non-bank financial institutions	-	7,207	-	7,207	7,207
Forward exchange contracts	-	121	-	121	121
	-	7,328	-	7,328	7,328
Company					
2024					
Highly liquid investments with non-bank financial institutions	-	5,312	-	5,312	5,312
2023					
Highly liquid investments with non-bank financial institutions	-	36	-	36	36

Level 2 fair value

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds) as advised by the financial institutions.

Fair value of highly liquid investments with non-bank financial institutions is calculated based on the net assets value of the highly liquid investments as advised by the non-bank financial institutions.

Transfer between levels of fair value hierarchy

There is no transfer between levels of fair value hierarchy during the current and previous financial year.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

33. Capital Management

The Group's objectives when managing capital are to safeguard the Group'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 may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio of the Group at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total external borrowings.

34. Significant Events During the Financial Year

(a) On 12 December 2023, the Company proposed the following (collectively "Proposals"):

- (i) private placement of up to 113,813,000 new ordinary shares in the Company, representing up to 30% of the total number of issued shares of the Company;
- (ii) acquisition of 10,563,167 ordinary shares in Redina Malaysia Sdn. Bhd. ("Redina") from Perdanis Distribution (M) Sdn. Bhd., representing 51.0% equity interest in Redina for a total purchase consideration of RM35,700,000 to be satisfied wholly by way of cash;
- (iii) diversification of the Company's existing businesses to include in the retail business of apparel and food and beverages; and
- (iv) change of the Company's name from "Classic Scenic Berhad" to "Hextar Retail Berhad" ("Proposed Change of Name").

On 18 January 2024, Bursa Malaysia Securities Berhad has approved the listing of the Placement Shares.

On 27 February 2024, the Proposals were approved in the Company's Extraordinary General Meeting.

On 4 March 2024, the Company received the Notice of Registration of New Name pursuant to Section 28 of the Companies Act 2016 issued by the Companies Commission of Malaysia dated 28 February 2024. Accordingly, the name of the Company had been changed from "Classic Scenic Berhad" to "Hextar Retail Berhad" with effect from 28 February 2024.

On 22 April 2024, M&A Securities Sdn. Bhd. ("M&A Securities") announced that the solicitors for the Proposals had vide its letter dated 22 April 2024 confirmed that the acquisition of the Tranche 1 Sale Shares is deemed completed on 22 April 2024 in accordance to the terms and conditions of the Share Sale Agreement.

On 3 July 2024, M&A Securities announced that the Proposed 30% Private Placement has been completed following the listing of a total of 113,813,000 Placement Shares on the Main Market of Bursa Malaysia Securities Berhad.

(b) The details of change in corporate structure as disclosed in Note 7 and Note 8 to the financial statements.

35. Subsequent Event

On 6 February 2025, a 51%-owned subsidiary of HFB, BFSB issued 139,900 fully paid-up ordinary shares at an issue price of RM1.00 per share and HFB subscribed for 71,349 newly issued shares. BFSB remained as a 51%-owned subsidiary of HFB.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

36. Comparative Figures

The following figures have been reclassified to conform with the presentation of the current financial year:

	As previously reported RM'000	As restated RM'000
Group		
STATEMENTS OF FINANCIAL POSITION (Extract):		
Current Assets		
Trade and other receivables	3,980	4,665
Prepayments	685	-
Company		
STATEMENTS OF FINANCIAL POSITION (Extract):		
Current Assets		
Trade and other receivables	1,378	1,382
Prepayments	4	-
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Extract):		
Other expenses	(30)	(58)
Net loss on impairment of financial instruments	(28)	-
STATEMENTS OF CASH FLOWS (Extract):		
Cash flows from operating activities		
Changes in working capital:		
Trade and other receivables	(1,365)	3
Trade and other payables	268	282
Cash used in operations	(2,511)	(1,129)
Net cash from operating activities	6,105	7,487
Cash flows for investing activities		
Net advances to subsidiaries	-	(1,382)
Net cash used in investing activities	(87)	(1,469)

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

Private Placement

On 12 December 2023, the Company announced to undertake a private placement of to up to 113,813,000 new ordinary shares, representing up to 30.0% of the total number of issued shares of the Company.

Bursa Securities had on 18 January 2024 approved the listing and quotation up to 113,813,000 Placement Shares to be issued pursuant to the Private Placement.

On 24 May 2024, the Company issued 10,000,000 new ordinary shares through first tranche of Private Placement at an issue price of RM0.4150 per share. On 25 June 2024, the Company issued 24,000,000 new ordinary shares through second tranche of Private Placement at an issue price of RM0.4850 per share. On 2 July 2024, the Company issued 79,813,000 new ordinary shares through third tranche of Private Placement at an issue price of RM0.5000 per share.

The Private Placement has been completed following the listing of a total 113,813,000 Placement Shares on the Main Market of Bursa Securities.

As at 31 December 2024, the status of the utilisation of proceeds arising from the three (3) tranches of Private Placement is set out as below: -

Purpose	Purpose Utilisation RM'000	Actual Proceed Raised RM'000	Actual Utilisation RM'000	Balance RM'000	Intended Timeframe for Utilisation
Business expansion for F&B	30,725	40,897	15,009	25,888	Within 24 months
Proposed acquisition	14,000	14,000	14,042	(42)*	Within 12 months
Estimated expenses for Proposals	800	800	797	3	Within 6 months
Total	45,525	55,697	29,848	25,849	

* The excess in utilisation arises from the payment of stamp duty for share transfer.

Audit and Non-Audit Fees Paid/ Payable to External Auditors

During the FYE 2024, the amount of audit and non-audit fees paid/ payable to the External Auditors, Messrs. UHY Malaysia PLT, by the Company and the Group respectively were as follows: -

	The Company RM	The Group RM
Audit Fees	75,000	278,000
Non-Audit Fees		
- Statement of Risk Management and Internal Control	8,000	8,000
Total	83,000	286,000

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES (cont'd)

Material Contracts

Saved as disclosed below, there were no material contracts entered into by the Company and its subsidiaries involving the interest of Directors and its major shareholders which was either still subsisting at the end of FYE 2024 or entered into since the end of the previous financial year: -

- (a) On 2 September 2024, the Group announced that two (2) Deeds of Novation were entered into between Fabulous Bites Sdn Bhd ("FBSB"), a 51.0%-owned indirect subsidiary of the Company, LQ Retail Sdn Bhd ("LRSB") and Cuppers Sdn Bhd ("Cuppers") to novate all Cuppers's rights, interest, benefits, obligation and liabilities in and under the: -
- (i) the Principal Tenancy Agreement ("Tenancy Agreement") and the Premises provisionally known as #Lot L2.52.0, Level 2, The Exchange TRX, Persiaran TRX, Tun Razak Exchange, 55188 Kuala Lumpur, W.P. Kuala Lumpur; and
 - (ii) the Principal Licence Agreement for External Seating Area ("Licence Agreement") and the Licensed Area provisionally known as #Lot L2.52E.0, Level 2, The Exchange TRX, Persiaran TRX, Tun Razak Exchange, 55188 Kuala Lumpur, W.P. Kuala Lumpur.

In accordance with the Deeds of Novation, FBSB shall pay to Cuppers a total of RM0.15 million as the deposit payment in relation to the Tenancy Agreement and Licence Agreement.

In addition, the Group announced the acquisition of assets from Cuppers for a total cash consideration of RM1.09 million.

Saved for Lee Yong Song, a common director of FBSB and Cuppers, who holds an indirect interest of 71.0% in Cuppers through his shareholding in VCR Holdings Sdn Bhd, none of the Directors, major shareholders and persons connected with the Directors and/ or major shareholders, have any interest, direct or indirect in the two (2) Deeds of Novation and the acquisition of assets.

For clarity, Lee Yong Song does not hold any HRB's shares, he is not a Board member of HRB, and has no relationship with the directors and substantial shareholders of HRB.

- (b) On 18 September 2024, the Group announced a Deed of Novation was entered into between Craving Hub Sdn Bhd ("CHSB"), a 51.0%-owned indirect subsidiary of the Company, LRSB and Zok TRX Sdn Bhd ("ZTRX") to novate all ZTRX's rights, interest, benefits, obligations and liabilities in and under the Tenancy Agreement and the Premises provisionally known as #Lot L2.65.0, Level 2, The Exchange TRX, Persiaran TRX, Tun Razak Exchange, 55188 Kuala Lumpur, W.P. Kuala Lumpur.

In accordance with the Deed of Novation, CHSB shall pay ZTRX a total of RM0.24 million as the deposit payment in relation to the Tenancy Agreement.

In addition, the Group announced the acquisition of assets from ZTRX for a total cash consideration of RM1.56 million.

Saved as disclosed below, none of the Directors, major shareholders and/ or persons connected with the Directors and/ or major shareholders, have any interest, direct or indirect in the Deed of Novation and the assets acquisition:

- (i) Wong Yew Loong, a common director of CHSB and ZTRX, has a direct interest of 18.0% in ZTRX; and
- (ii) Dato' Ong Choo Meng, a major shareholder of the Group, has a direct interest of 82.0% in ZTRX.

For clarity, Wong Yew Loong does not hold any HRB's shares, he is not a Board member of HRB, and has no relationship with the directors and substantial shareholders of HRB.

The material contracts as disclosed above should be read in conjunction with the Company's announcement to Bursa Securities dated 2 September 2024 and 18 September 2024.

Recurrent Related Party Transaction ("RRPT")

During FYE 2024, there was no RRPT entered which requires shareholders' mandate.

LIST OF MATERIAL PROPERTIES

No.	Address/Title No.	Tenure	Description of property/ Existing use	Land area/ Built-up area (sq. ft.)	Acquisition/ Revaluation Date	Approximate Age of Building	Audited NBV as at 31 December 2024 (RM'000)
1	Lot 9, Jalan RP3, Taman Rawang Perdana, 48000 Rawang, Selangor Darul Ehsan held under title GRN 86305, Lot 186 Seksyen 19 (formerly under HSD 28279 PT 10351, Mukim of Rawang), Bandar Rawang, District of Gombak, Selangor Darul Ehsan.	Freehold	Factory complex and office premises for the manufacturing of wooden picture frame moulding	76,209/ 69,369	25.03.1991 (acquisition) 31.12.2024 (revaluation)	30 years	10,718
2	Lot 10, Jalan RP3, Taman Rawang Perdana, 48000 Rawang, Selangor Darul Ehsan held under title GRN 86306, Lot 187 Seksyen 19 (formerly under HSD 28280 PT 10352, Mukim of Rawang), Bandar Rawang, District of Gombak, Selangor Darul Ehsan.	Freehold	Factory complex and office premises for the manufacturing of wooden picture frame moulding	76,058/ 65,383	03.01.1992 24.08.1994 (acquisition) 31.12.2024 (revaluation)	27 years	10,844
3	Lot 11, Jalan RP3, Taman Rawang Perdana, 48000 Rawang, Selangor Darul Ehsan held under title GRN 86307, Lot 188 Seksyen 19 (formerly under HSD 28281 PT 10353, Mukim of Rawang), Bandar Rawang, District of Gombak, Selangor Darul Ehsan.	Freehold	Factory complex and office premises for the manufacturing of wooden picture frame moulding	94,422/ 70,347	19.07.2002 (acquisition) 31.12.2024 (revaluation)	20 years	13,619
4	Lot 12, Jalan RP3, Taman Rawang Perdana, 48000 Rawang, Selangor Darul Ehsan held under title GRN 86308, Lot 189 Seksyen 19 (formerly under HSD 28282 PT 10354, Mukim of Rawang), Bandar Rawang, District of Gombak, Selangor Darul Ehsan.	Freehold	Factory complex and office premises for the manufacturing of wooden picture frame moulding	98,631/ 106,692	21.04.1999 (acquisition) 31.12.2024 (revaluation)	23 years	15,362

LIST OF MATERIAL PROPERTIES (cont'd)

No.	Address/Title No.	Tenure	Description of property/ Existing use	Land area/ Built-up area (sq. ft.)	Acquisition/ Revaluation Date	Approximate Age of Building	Audited NBV as at 31 December 2024 (RM'000)
5	Lot 13, Jalan RP3, Taman Rawang Perdana, 48000 Rawang, Selangor Darul Ehsan held under title GRN 86309, Lot 191 Seksyen 19 (formerly under HSD 28283 PT 10355, Mukim of Rawang), Bandar Rawang, District of Gombak, Selangor Darul Ehsan.	Freehold	Factory complex and office premises for the manufacturing of wooden picture frame moulding, pallets and stillages	76,478/ 60,500	08.01.1999 (acquisition) 31.12.2024 (revaluation)	24 years	11,099
6	Lot 41, Jalan RP, Taman Rawang Perdana, 48000 Rawang, Selangor Darul Ehsan held under title GRN 86350, Lot 204 Seksyen 19 (formerly under HSD 28293 PT 10365, Mukim of Rawang), Bandar Rawang, District of Gombak, Selangor Darul Ehsan.	Freehold	Factory complex and warehouse premises for the manufacturing of wooden picture frame moulding	79,739/ 74,261	25.01.2006 (acquisition) 31.12.2024 (revaluation)	17 years	12,051
7	GM 4833, Lot 1371, Mukim Ulu Yam, Tempat Ulu Kg. Tembayan, Daerah Hulu Selangor, Selangor Darul Ehsan.	Freehold	Vacant land	125,238/ N/A	11.05.2012 (acquisition) 31.12.2024 (revaluation)	N/A	3,500
8	GM 6281 (formerly known as EMR 3236), Lot 1832, Mukim Ulu Yam, Daerah Hulu Selangor, Selangor Darul Ehsan.	Freehold	Vacant land	78,953/ N/A	22.06.2012 (acquisition) 31.12.2024 (revaluation)	N/A	790
9	GM 4848 (formerly known as EMR 3181), Lot 1833, Mukim Ulu Yam, Daerah Hulu Selangor, Selangor Darul Ehsan.	Freehold	Vacant land	95,282/ N/A	22.06.2012 (acquisition) 31.12.2024 (revaluation)	N/A	950
10	Lot 569, Taman Rawang Perdana, 48000 Rawang, Selangor Darul Ehsan held under title GRN 86843, Lot 569 Seksyen 19 (formerly under HSD 28340 PT 10412, Mukim of Rawang), Bandar Rawang, District of Gombak, Selangor Darul Ehsan.	Freehold	Warehouse building construction in-progress	39,148/ N/A	26.09.2012 (acquisition) 31.12.2024 (revaluation)	N/A	2,300

LIST OF MATERIAL PROPERTIES (cont'd)

No.	Address/Title No.	Tenure	Description of property/ Existing use	Land area/ Built-up area (sq. ft.)	Acquisition/ Revaluation Date	Approximate Age of Building	Audited NBV as at 31 December 2024 (RM'000)
11	Lot 12821, Kawasan Perindustrian Bidor, 35500 Bidor, Perak Darul Ridzuan held under title HSD 2142 PT 3147, Mukim of Bidor, District of Batang Padang, Perak Darul Ridzuan.	Leasehold 60 years, expiring in 2055	Factory complex and warehouse premises for the sawmilling and manufacturing of wooden picture frame moulding	223,997/ 112,240	31.03.2022 (acquisition)	2 years	5,532
12	Lot 12822, Kawasan Perindustrian Bidor, 35500 Bidor, Perak Darul Ridzuan held under title HSD 4069 PT 3376, Mukim of Bidor, District of Batang Padang, Perak Darul Ridzuan.	Leasehold 60 years, expiring in 2057	Factory complex and warehouse premises for the sawmilling and manufacturing of wooden picture frame moulding	102,860/ 49,765	31.03.2022 (acquisition)	2 years	2,663
13	Lot 12823, Kawasan Perindustrian Bidor, 35500 Bidor, Perak Darul Ridzuan held under title HSD 4071 PT 3375, Mukim of Bidor, District of Batang Padang, Perak Darul Ridzuan.	Leasehold 60 years, expiring in 2057	Factory complex and warehouse premises for the sawmilling and manufacturing of wooden picture frame moulding	139,909/ 67,690	31.03.2022 (acquisition)	2 years	3,621
14	Lot 17334, Kawasan Perindustrian Bidor, 35500 Bidor, Perak Darul Ridzuan held under title HSD 14794 PT 6680, Mukim of Bidor, District of Batang Padang, Perak Darul Ridzuan.	Leasehold 60 years, expiring in 2067	Vacant land	52,861/ N/A	31.03.2022 (acquisition)	N/A	155

ANALYSIS OF SHAREHOLDINGS

AS AT 2 APRIL 2025

ISSUED SHARES OF THE COMPANY

Total Number of Issued Shares & Class of Shares	:	493,190,568 Ordinary Shares
Number of Shareholders	:	2,536
Voting Rights	:	One vote per Ordinary Share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
Less than 100	75	2.96	2,746	0.00
100 - 1,000	350	13.80	146,500	0.03
1,001 - 10,000	921	36.32	4,808,213	0.98
10,001 - 100,000	939	37.02	30,324,660	6.15
100,001 to less than 5% of issued shares	249	9.82	321,716,949	65.23
5% and above of issued shares	2	0.08	136,191,500	27.61
Total	2,536	100.00	493,190,568	100.00

LIST OF SUBSTANTIAL SHAREHOLDERS

Name	Direct	No. of Ordinary Shares %	Indirect	%
Hextar Portfolio Sdn Bhd	86,191,500	17.47	-	-
Dato' Ong Choo Meng	50,000,000	10.14	86,191,500 ⁽¹⁾	17.47

Note:

⁽¹⁾ Deemed interested in the shares held by Hextar Portfolio Sdn. Bhd. in the Company pursuant to Section 8(4) of the Companies Act 2016.

DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct	No. of Ordinary Shares %	Indirect	%
Datuk Iskandar Bin Sarudin	-	-	-	-
Vo Nghia Huu	-	-	-	-
Dr. Lim Chee Lip	-	-	-	-
Teh ZiYang	-	-	-	-
Khor Hun Nee	-	-	-	-
Ooi Youk Lan	-	-	-	-

ANALYSIS OF SHAREHOLDINGS

AS AT 2 APRIL 2025 (cont'd)

LIST OF THIRTY LARGEST SHAREHOLDERS

	Name	No. of Shares Held	%
1.	Hextar Portfolio Sdn Bhd	86,191,500	17.47
2.	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Choo Meng (PJCAC)	50,000,000	10.14
3.	Cartaban Nominees (Tempatan) Sdn Bhd RHB Trustees Berhad for Kenanga Islamic Absolute Return Fund	22,500,000	4.56
4.	Stream Enterprise (M) Sdn Bhd	20,000,000	4.06
5.	RHB Nominees (Tempatan) Sdn Bhd OSK Capital Sdn Bhd for Ong Kah Hoe	12,530,000	2.54
6.	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chee Sing	10,425,000	2.11
7.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Low Peng Sian @ Chua Peng Sian	10,000,000	2.03
8.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Por Teong Eng	10,000,000	2.03
9.	Phillip Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Cheong Kong Fitt (Dato' Sri)	9,495,000	1.93
10.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tee Tiam Hock	9,317,850	1.89
11.	Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Por Teong Eng (Margin)	9,071,000	1.84
12.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chee Meng (7014967)	8,000,000	1.62
13.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account for Desiran Realiti Sdn Bhd (MY3933)	8,000,000	1.62
14.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Desiran Realiti Sdn Bhd (7000431)	7,400,000	1.50
15.	Ang Toon Chew & Sons (Malaysia) Sendirian Berhad	7,200,000	1.46
16.	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Gan Sheng Yih (MGN-GSY0001M)	6,859,900	1.39
17.	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account – AmBank (M) Berhad for Tan Chee Meng (Smart)	5,700,000	1.16
18.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account for Tan Pei Shiun (MY4503)	4,873,800	0.99
19.	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tee Tiam Hock (MGN-TTH0005M)	4,648,200	0.94

ANALYSIS OF SHAREHOLDINGS

AS AT 2 APRIL 2025

(cont'd)

LIST OF THIRTY LARGEST SHAREHOLDERS (CONT'D)

	Name	No. of Shares Held	%
20.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Jason Koh Jian Hui	4,273,100	0.87
21.	Ming Yau Chuan	4,061,050	0.82
22.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account for Loon Chin Seng (MY4493)	3,500,000	0.71
23.	Ong Ken Sim	3,390,000	0.69
24.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Ooi Peng Cuan (PB)	3,354,000	0.68
25.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account for Charlie Ching Wee Chun (MY3732)	3,316,450	0.67
26.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account for Cheong Kong Fitt (MY4512)	3,075,000	0.62
27.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tee Tiam Hock	3,000,000	0.61
28.	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Kook Liong (MGN-OKL0003M)	3,000,000	0.61
29.	Apex Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Andrew Tan Jun Suan (Margin)	2,870,000	0.58
30.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Jason Koh Jian Hui (7000184)	2,746,300	0.56
	Total	338,798,150	68.70

ANALYSIS OF WARRANTHOLDINGS

AS AT 2 APRIL 2025

ANALYSIS BY SIZE OF WARRANTHOLDINGS

Size of Warrantholdings	No. of Warrantholders	%	No. of Warrants Held	%
Less than 100	76	5.31	2,905	0.00
100 - 1,000	298	20.81	73,950	0.05
1,001 - 10,000	558	38.97	2,416,475	1.48
10,001 - 100,000	386	26.95	12,151,070	7.46
100,001 to less than 5% of issued warrants	110	7.68	66,411,150	40.78
5% and above of issued warrants	4	0.28	81,815,700	50.23
Total	1,432	100.00	162,871,250	100.00

LIST OF SUBSTANTIAL WARRANTHOLDERS

Name	Direct	No. of Warrants %	Indirect	%
Hextar Portfolio Sdn Bhd	34,520,700	21.20	-	-
Dato' Ong Choo Meng	47,295,000	29.03	34,520,700 ⁽¹⁾	21.20

⁽¹⁾ Deemed interested in the warrants held by Hextar Portfolio Sdn. Bhd. in the Company pursuant to Section 8(4) of the Companies Act 2016.

DIRECTORS' WARRANTHOLDINGS

Name	Direct	No. of Warrants %	Indirect	%
Datuk Iskandar Bin Sarudin	-	-	-	-
Vo Nghia Huu	-	-	-	-
Dr. Lim Chee Lip	-	-	-	-
Teh ZiYang	-	-	-	-
Khor Hun Nee	-	-	-	-
Ooi Youk Lan	-	-	-	-

LIST OF THIRTY LARGEST WARRANTHOLDERS

Name	No. of Warrants Held	%
1. Hextar Portfolio Sdn Bhd	34,520,700	21.20
2. Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Choo Meng (Dato')	27,195,000	16.70
3. AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank (M) Berhad for Dato' Ong Choo Meng (Smart)	11,100,000	6.81
4. CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account for Ong Choo Meng (Dato') (MY3918)	9,000,000	5.52
5. CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Ooi Peng Cuan (PB)	6,100,000	3.74

ANALYSIS OF WARRANTHOLDINGS AS AT 2 APRIL 2025 (cont'd)

LIST OF THIRTY LARGEST WARRANTHOLDERS (CONT'D)

Name	No. of Warrants Held	%
6. Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Ah Chai (8103749)	4,890,000	3.00
7. AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yap Boon Chin	4,147,100	2.55
8. Ang Toon Chew & Sons (Malaysia) Sendirian Berhad	3,600,000	2.21
9. Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Ah Chai	3,300,000	2.03
10. Sim Mui Khee	2,550,000	1.57
11. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ching Yi Heng	2,450,000	1.50
12. AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Charlie Ching Wee Chun	2,405,100	1.48
13. AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Soon Khean	1,358,100	0.83
14. CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account for Dato' Ong Choo Meng (MY3273)	1,310,000	0.80
15. Maybank Securities Nominees (Asing) Sdn Bhd Pledged Securities Account for Nonaka Riko	1,213,000	0.74
16. AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chua Kai Woen	1,083,500	0.67
17. Chan Choung Ming	1,061,000	0.65
18. AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Koh Tse Heong	1,020,200	0.63
19. Ong Lee Ling	890,200	0.55
20. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kok Huay Lee	834,000	0.51
21. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Koh Tse Heong	830,000	0.51
22. Ming Yau Chuan	799,800	0.49
23. Monefield Holding Sdn Bhd	774,600	0.48
24. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ho Eng Seng	671,000	0.41
25. Tey Chee Leong	621,250	0.38
26. AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Vin Vin	620,700	0.38
27. Ng Xi Mun	619,500	0.38
28. Ong Aye Ho	605,500	0.37
29. CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account for Teh Swee Heng (MM1118)	600,000	0.37
30. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yap Jin Xiang	581,100	0.36
Total	126,751,350	77.82

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Second (22nd) Annual General Meeting ("AGM") of the Company will be held at Level 17-01, Hextar Tower, Empire City, No. 8, Jalan Damansara PJU 8, Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan on Thursday, 19 June 2025 at 11.00 a.m., for the following purposes:

AGENDA

Ordinary Business

- | | |
|--|------------------------------|
| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and the Auditors thereon. | Explanatory Note 1 |
| 2. To approve the payment of Directors' fees to the Non-Executive Directors up to an amount of RM300,000/-, from 19 June 2025 until the conclusion of the next Annual General Meeting of the Company. | Ordinary Resolution 1 |
| 3. To approve the payment of Directors' benefits to the Non-Executive Directors up to an amount of RM50,000/-, from 19 June 2025 until the conclusion of the next Annual General Meeting of the Company. | Ordinary Resolution 2 |
| 4. To re-elect the following Directors who are retiring in accordance with Clause 97 of the Constitution of Company: | |
| (a) Ms. Ooi Youk Lan | Ordinary Resolution 3 |
| (b) Mr. Teh ZiYang | Ordinary Resolution 4 |
| 5. To re-appoint Messrs UHY Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 5 |

Special Business

To consider and, if thought fit, to pass the following ordinary resolutions:

- | | |
|--|------------------------------|
| 6. Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 | Ordinary Resolution 6 |
|--|------------------------------|

"THAT subject always to the Companies Act 2016 ("Act"), Constitution of the Company, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and approvals of the relevant governmental/regulatory bodies (if applicable), the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Act to issue new shares in the Company from time to time and upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued during the preceding twelve (12) months pursuant to this resolution, does not exceed 10% of the total number of the issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities.

AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting ("AGM") of the Company, or at the expiry of the period within which the next AGM is required to be held after the approval was given, unless revoked or varied by an ordinary resolution of the Company at a general meeting, whichever is the earlier."

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

7. **Proposed Renewal of Authority for Purchase of Own Shares by the Company** **Ordinary Resolution 7** **("Proposed Renewal of Authority")**

"THAT subject to the Companies Act 2016 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Constitution and the requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authorities, 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 10% of the 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 its shares shall not exceed the total retained profits of the Company at the time of purchase; and
- (iii) the Directors of the Company may resolve to retain the shares so purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder, where such shares are held as treasury shares, the Directors may resell the treasury shares or transfer the treasury shares or cancel the treasury shares or distribute the treasury shares as dividends to shareholders.

AND THAT the authority conferred by this resolution will commence immediately upon the passing of this ordinary resolution and will continue to be in force until:

- (i) the conclusion of the next Annual General Meeting ("AGM") at which time it shall lapse unless by an ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first,

but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the Main Market Listing Requirements of Bursa Securities and/or any other relevant governmental and/or regulatory authorities.

AND THAT the Directors of the Company be and are hereby authorized to take all such steps as are necessary or expedient to implement or to effect the purchase(s) of the shares with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities from time to time or as the Directors may deem fit and expedient in the best interest of the Company."

- 8. To transact any other business for which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

BY ORDER OF THE BOARD,

LIM LI HEONG

(MAICSA 7054716) (SSM PC No. 202008001981)

WONG MEE KIAT

(MAICSA 7058813) (SSM PC No. 202008001958)

Company Secretaries

Kuala Lumpur

30 April 2025

Notes:

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint up to two (2) proxies to attend and vote instead of him/her. There shall be no restriction as to the qualification of proxy.
2. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
3. Where a member of the Company is an exempt authorised nominee ("EAN") as defined under the Securities Industry (Central Depositories) Act 1991 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 EAN may appoint in respect of each omnibus account it holds.
4. In the case of a corporate member, the instrument appointing the proxy shall be given under its Common Seal or under the hand of a duly authorised officer or attorney and supported by a notarially certified copy of that power or authority.
5. The Form of Proxy must be deposited at the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. **at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia**, not less than 24 hours before the time appointed for the holding of the Twenty-second (22nd) AGM or any adjournment thereof.
6. Only members whose names appear on the Record of Depositors as at 12 June 2025 ("General Meeting Record of Depositors") shall be entitled to attend, speak or vote at this AGM or appoint proxy(ies) to attend and/or vote in his/her behalf.
7. All the Resolutions set out in this Notice will be put to vote by poll.

Explanatory Notes

1. Item 1 of the Agenda

The Audited Financial Statements are for discussion only as it does not require members/shareholders' approval under the provisions of Section 340(1)(a) of the Companies Act 2016 and hence, will not be put for voting.

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

2. Ordinary Resolutions 3 and 4 - Re-election of Directors

The Nomination and Remuneration Committee ("NRC") has considered the performance and contribution of each of the retiring Directors, namely Ms. Ooi Youk Lan and Mr. Teh ZiYang and has also assessed the independence of the Independent Non-Executive Director standing for re-election.

Based on the Board's effectiveness evaluation for the financial year ended 31 December 2024, the Board has determined that Ms. Ooi Youk Lan and Mr. Teh ZiYang (who has reaffirmed his independence) possess the necessary character, skills, experience, expertise, integrity, and competence to effectively fulfill their roles as Directors. Their deep understanding of the business enables them to provide valuable insights and strategic guidance, contributing meaningfully to the Company's growth and long-term success. In his capacity as an Independent Non-Executive Director, Chairman of Nomination and Remuneration Committee and a member of the Audit Committee, he has consistently exercised due care, diligence, and professionalism in discharging his responsibilities.

Ms. Ooi Youk Lan brings extensive expertise in audit, taxation, finance, accounting, treasury, and corporate exercises. As a qualified professional with certifications from the Association of Chartered Certified Accountants (ACCA) and the Malaysian Institute of Accountants (MIA), she has a strong foundation in the financial industry. Her deep knowledge and experience enable her to provide valuable insights and strategic perspectives to the Board.

Mr. Teh ZiYang has extensive experience in business operations, corporate strategy, and performance management. With a strong background in various business activities, he maintains an independent perspective in decision-making while playing a key role in driving operational strategies and business growth. He leverages his expertise in property development, investment, and strategic planning to contribute effectively to corporate success.

The Board has endorsed the NRC's recommendation to seek shareholders' approval for the re-election of Ms. Ooi Youk Lan and Mr. Teh ZiYang, who had abstained from deliberations and decisions on their respective re-election at the NRC and Board meetings.

The profiles of the retiring Directors are set out in the Profile of the Board of Directors on pages 4 to 7 of this Annual Report and their interest in the securities of the Company are set out in the section of Analysis of Shareholdings and Analysis of Warrantholdings of the Annual Report.

3. Ordinary Resolution 6 - Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution 6 is a renewal of the previous year's general mandate and if passed, will empower the Directors of the Company to issue and allot new shares in the Company at any time and for such purposes as the Directors considered would be in the best interests of the Company up to an aggregate not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company without convening a general meeting.

This authority unless revoked or varied at a general meeting will expire at the next AGM.

The mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purposes of funding investments, projects, working capital and/or acquisition as deemed necessary.

As of the date of this Notice for the 22nd AGM, the Company had obtained a general mandate from its shareholders at the 21st AGM held on 13 June 2024, pursuant to Sections 75 and 76 of the Companies Act 2016. This mandate authorised the Directors to allot and issue shares at their discretion, provided that the total number of shares issued does not exceed 10% of the Company's total issued shares (excluding treasury shares).

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

4. Ordinary Resolution 7 - Proposed Renewal of Authority for Purchase of Own Shares

The proposed Ordinary Resolution 7, if passed will allow the Company to purchase its own shares up to a limit of 10% of the total number of issued shares of the Company by utilizing the funds allocated which shall not exceed the total retained profits of the Company.

Please refer to Share Buy-Back Statement dated 30 April 2025 for further information.

DIGITAL COPY OF ANNUAL REPORT 2024, SHARE BUY-BACK STATEMENT, NOTICE OF 22nd AGM AND FORM OF PROXY

The Annual Report 2024, Share Buy-Back Statement dated 30 April 2025 ("Statement"), Notice of 22nd AGM and Form of Proxy are available online for download from the Company's announcement on Bursa Malaysia Securities Berhad's website at www.bursamalaysia.com.

The abovementioned documents together with the Request Form for hardcopy of the Annual Report 2024 and Statement can also be downloaded from the Company's website at www.hextarretail.com or by scanning the QR code below:



PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purpose"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) for the Purpose, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a results of the member's breach of warranty.

STATEMENT ACCOMPANYING NOTICE OF TWENTY-SECOND (22nd) AGM

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. Details of individual who is standing for election as Director

No individual is seeking election as a Director at the 22nd AGM of the Company other than the re-election of the retiring Directors as set out in Item 2 of the Explanatory Notes.

2. Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

Details on the authority to issue and allot shares in HEXRTL pursuant to Sections 75 and 76 of the Companies Act 2016 are provided under the Explanatory Notes on Special Business.

**HEXTAR RETAIL BERHAD**

[Registration No. 200301031466 (633887-M)]
(Incorporated in Malaysia)

FORM OF PROXY

Number of shares	CDS A/C No.
H/P No.	email

I/We _____ (NRIC No./Company No.) _____
(FULL NAME IN BLOCK LETTERS)

of _____
(FULL ADDRESS)

being a member/members of HEXSTAR RETAIL BERHAD hereby appoint the following person(s) or failing whom, the Chairman of the meeting as my/our proxy/proxies to vote for me/us on my/our behalf, at the Twenty-Second (22nd) Annual General Meeting of the Company to be held at Level 17-01, Hextar Tower, Empire City, No. 8, Jalan Damansara PJU 8, Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan on Thursday, 19 June 2025 at 11.00 a.m. and at any adjournment thereof.

Name of Proxy, NRIC No. & Address	No. of shares	Percentage
1. Name: NRIC No.: H/P No.: Address: email:		
2. Name: NRIC No.: H/P No.: Address: email:		
Total		100%

NO.	RESOLUTIONS		FOR	AGAINST
1.	Approval of Directors' fees to the Non-Executive Directors up to an amount of RM300,000/-, from 19 June 2025 until the conclusion of the next Annual General Meeting	Ordinary Resolution 1		
2.	Approval of Directors' benefits to the Non-Executive Directors up to an amount of RM50,000/-, from 19 June 2025 until the conclusion of the next Annual General Meeting	Ordinary Resolution 2		
3.	Re-election of Ms Ooi Youk Lan (Clause 97)	Ordinary Resolution 3		
4.	Re-election of Mr Teh ZiYang (Clause 97)	Ordinary Resolution 4		
5.	Re-appointment of Messrs UHY Malaysia PLT as Auditors	Ordinary Resolution 5		
6.	Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016	Ordinary Resolution 6		
7.	Proposed Renewal of Authority for Purchase of Own Shares	Ordinary Resolution 7		

Please indicate with an "X" in the appropriate boxes on how you wish your vote to be casted on the Resolutions specified in the Notice of Meeting. Unless voting instructions are indicated in the space above, the proxy will vote as he/she thinks fit.

Date _____

Signature of Shareholder _____

Notes:

- A member of the Company entitled to attend and vote at this meeting is entitled to appoint up to two (2) proxies to attend and vote instead of him/her. There shall be no restriction as to the qualification of proxy.
- Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
- Where a member of the Company is an exempt authorised nominee ("EAN") as defined under the Securities Industry (Central Depositories) Act 1991 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 EAN may appoint in respect of each omnibus account it holds.
- In the case of a corporate member, the instrument appointing the proxy shall be given under its Common Seal or under the hand of a duly authorised officer or attorney and supported by a notarially certified copy of that power or authority.
- The Form of Proxy must be deposited at the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. **at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia**, not less than 24 hours before the time appointed for the holding of the Twenty-Second (22nd) AGM or any adjournment thereof.
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AFFIX
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SHARE REGISTRAR

HEXTAR RETAIL BERHAD
[Registration No. 200301031466 (633887-M)]

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13,
46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia

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