

# 2021



**HEXTAR RETAIL BERHAD**

200301031466 (633887-M)



**ANNUAL REPORT**

## ABOUT US

Hextar Retail Berhad ("HRB" or "the Company") 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 38 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 Bidar, 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.



# 23<sup>RD</sup>

## Annual General Meeting of Hextar Retail Berhad

### Venue

Level 17-01, Hextar Tower, Empire City, No. 8, Jalan Damansara PJU 8, Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan

### Day & Date

Thursday, 18 June 2026

### Time

11.00 a.m.

## 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.

# INSIDE THIS REPORT



## OUR PROFILE

---

- 02 Corporate Structure
- 03 Corporate Information
- 06 Profile of Board of Directors
- 09 Profile of Key Senior Management

## OUR PERFORMANCE

---

- 11 Financial Highlights
- 12 Managing Director's Messages
- 15 Management Discussion & Analysis
- 22 Sustainability Statement

## OUR GOVERNANCE

---

- 80 Corporate Governance Overview Statement
- 92 Audit Committee Report
- 96 Statement on Risk Management and Internal Control
- 102 Statement of Directors' Responsibility

## OUR FINANCIALS

---

- 103 Director's Report
- 112 Statement by Directors
- 113 Statutory Declaration
- 114 Independent Auditors' Report
- 119 Statements of Financial Position
- 121 Statements of Profit or Loss and Other Comprehensive Income
- 123 Statements of Changes in Equity
- 126 Statements of Cash Flows
- 131 Notes to the Financial Statements

## OTHER INFORMATION

---

- 196 List of Material Properties
- 200 Shariah Screening Related Information
- 202 Additional Compliance Information Disclosures
- 204 Analysis of Shareholdings
- 207 Analysis of Warrant Holdings
- 209 Notice of Annual General Meeting
- 214 Statement Accompanying Notice of Annual General Meeting  
Form of Proxy

# CORPORATE STRUCTURE



## HEXTAR RETAIL BERHAD 200301031466 (633887-M)

Main Subsidiaries	
100%	Finesse Moulding (M) Sdn. Bhd.
100%	Hexstar Timber Sdn. Bhd. (formerly known as Lim Ket Leng Timber Sdn. Bhd.)
100%	Hock Hoe Hin Forest Produce Sdn. Bhd.
100%	Hexstar Realty Sdn. Bhd. (formerly known as Lim Ket Leng Realty Sdn. Bhd.)
100%	HRB Property Sdn. Bhd. (formerly known as Scenic Moulding (M) Sdn. Bhd.)
100%	Hexstar F&B Sdn. Bhd.
100%	Multi Nation Sdn. Bhd.
100%	Soma Wellness Sdn. Bhd. (formerly known as Hex Aura Sdn. Bhd.)
100%	Wonderia Lifestyle Sdn. Bhd.
51%	Soulful Bliss Sdn. Bhd.
51%	Pump Fitness (Balakong) Sdn. Bhd.

Subsidiaries of Soma Wellness Sdn. Bhd. (formerly known as Hex Aura Sdn. Bhd.)	
100%	Soma Borneo Sdn. Bhd.
100%	Serenity Autumn Sdn. Bhd.
100%	Serenity Springs Sdn. Bhd.
100%	Serenity Summer Sdn. Bhd.
51%	Elysian Aura Sdn. Bhd.

Subsidiaries of Delish Hub Sdn. Bhd.	
100%	Tailang Delight Sdn. Bhd.
100%	Tastewave Sdn. Bhd.

Subsidiaries of Hexstar F&B Sdn. Bhd.	
51%	Craving Hub Sdn. Bhd.
51%	Delish Hub Sdn. Bhd.
51%	Fabulous Bites Sdn. Bhd.
100%	Flavora Sdn. Bhd.
51%	Fresh Palate Sdn. Bhd.
100%	Mingle Hub Sdn. Bhd.
51%	Blissful Fusion Sdn. Bhd.
100%	Zok Noodle SQ Sdn. Bhd.
100%	Essence Gastronomy Sdn. Bhd.
100%	Flavour Crafters Hub Sdn. Bhd.
51%	Gastronomic Gems Sdn. Bhd.
51%	Palate Symphony Sdn. Bhd.
100%	Spice Haven Delights Sdn. Bhd.
51%	Tasty Trails Culinary Sdn. Bhd.
51%	Taste Perspectives Sdn. Bhd.
100%	VCR Cafe Sdn. Bhd.
100%	Coffee Spoon Sdn. Bhd.
100%	Fork Theory Sdn. Bhd.
100%	Fry Spot Sdn. Bhd.
100%	Hungry Hour Sdn. Bhd.
100%	Rasa Gepuk Sdn. Bhd.
100%	Spice & Spoon Sdn. Bhd.

## CORPORATE INFORMATION



### BOARD OF DIRECTORS

**Datuk Iskandar Bin Sarudin**

*Independent Non-Executive Chairman*

**Vo Nghia Huu**

*Managing Director*

**Dr. Lim Chee Lip**

*Executive Director & 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  
Ong Han Lin  
Ng Vic Ca  
See Siou Bin



## CORPORATE INFORMATION

### COMPANY SECRETARIES

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

**Lau Hooi Pin** (MAICSA 7081620)  
 (SSM PC No. 202408000447)

### REGISTERED OFFICE

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

### HEAD OFFICE

Lot 12, Jalan RP3,  
 Taman Rawang Perdana,  
 48000 Rawang,  
 Selangor, Malaysia.  
 Tel: 03 - 6091 7477  
 Email: info@hextarretail.com  
 Website: www.hextarretail.com

### 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: 03 - 2279 3088  
 Fax: 03 - 2279 3099

### PRINCIPAL BANKERS

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



### SHARE REGISTRAR

**Aldpro Corporate Services Sdn Bhd**  
 B-21-1, Level 21, Tower B,  
 Northpoint Mid Valley City,  
 No. 1, Medan Syed Putra Utara,  
 59200 Kuala Lumpur, W.P. Kuala Lumpur.  
 Tel: 03 - 9770 2200  
 Fax: 03 - 2201 7774  
 Email: admin@aldpro.com.my

### STOCK EXCHANGE LISTING

**Bursa Malaysia Securities Berhad**  
**Main Market**

**Ordinary Shares**  
 Stock Code : 7202  
 Stock Name : HEXRTL

**Warrants**  
 Stock Code : 7202WA  
 Stock Name : HEXRTL-WA

## PROFILE OF BOARD OF DIRECTORS



- 1. Datuk Iskandar Bin Sarudin**  
Independent Non-Executive Chairman

- 2. Vo Nghia Huu**  
Managing Director

- 3. Dr. Lim Chee Lip**  
Executive Director & Chief Commercial Officer

- 4. Khor Hun Nee**  
Independent Non-Executive Director

- 5. Teh ZiYang**  
Independent Non-Executive Director

- 6. Ooi Youk Lan**  
Non-Independent Non-Executive Director

## PROFILE OF BOARD OF DIRECTORS



### DATUK ISKANDAR BIN SARUDIN

Independent Non-Executive



Male



Malaysian



Aged 71

**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 holds a Bachelor of Arts with Honours (Malay Studies) from Universiti Malaya ("UM"), Kuala Lumpur. He started his career in the Malaysian Administrative and Diplomatic Service in 1979. 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 appointed as the Principal Assistant Secretary, Ministry of Foreign Affairs, Malaysia. He was later entrusted by the Ministry with the establishment of the 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.

Following his retirement in 2015, Datuk Iskandar has been serving as the President of Persatuan Muafakat One Belt One Road Malaysia since 2016.

Currently, he sits on the board of AEON Co. (M) Berhad as an Independent Non-Executive Director.

He has no family relationship with any Director and/or major shareholders of the Company nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries ("Group").

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 31 December 2025 ("FYE 2025").

He has attended all five (5) Board Meetings held during the FYE 2025.



### VO NGHIA HUU

Managing Director



Male



Australian



Aged 53

**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 Chairman of the Executive and Risk Management Committee ("ERMC").

Upon completing his Certificate III in Business Administration from TAFE College, Australia, he commenced 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 was instrumental in expanding the outlets throughout the state.

In 2008, he joined the export sales department at Hextar Chemicals Sdn Bhd where he was responsible for product registration and securing branded products, while also developing the organic product portfolio. He subsequently moved to Hextar R&D International Sdn. Bhd. and was focusing on product development and registration in overseas markets, including Australia, Vietnam and Fiji. He later assumed the role of Country Manager, leading the establishment of export businesses in these countries. Over the years, he has accumulated extensive experience in management and marketing.

He does not hold any directorship in other public companies and listed issuer.

He is the brother-in-law of Dato' Ong Choo Meng, a major shareholder of the Company. Save and except for the above, he has no family relationship with any other Director and/or major shareholders of the Company nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the FYE 2025.

He has attended all five (5) Board Meetings held during the FYE 2025.

## PROFILE OF BOARD OF DIRECTORS



### DR. LIM CHEE LIP

Executive Director & Chief Commercial Officer



Male



Malaysian



Aged 39

**Dr. Lim Chee Lip** was appointed to our Board as the Executive Director & Chief Commercial Officer since 2 January 2024. He also serves as a member of the ERMCA.

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.

Upon completing his studies, he was engaged 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 possesses extensive experiences in corporate management, including directing, strategic planning and expansion of various private and public companies in Malaysia.

He does not hold any directorship in other public companies and listed issuer.

He has no family relationship with any other Director and/or major shareholders of the Company nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the FYE 2025.

He has attended all five (5) Board Meetings held during the FYE 2025.



### TEH ZIYANG

Independent Non-Executive Director



Male



Malaysian



Aged 33

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

He embarked on his career in 2010 with his family's furniture business. Subsequently, he joined Frazel Group Sdn. Bhd. in 2017 where he worked under the project and administration department, concentrating on property development and investment in Malaysia. He was later appointed as Chief Operating Officer in 2020, with primary responsibility for translating the company's operational strategy into actionable goals.

Drawing from his involvement in diverse business activities, he has developed extensive experience in operations, corporate strategy, performance management, operational decision-making and strategic formulation.

He does not hold any directorship in other public companies and listed issuer.

He does not have family relationship with any other Director and/or major shareholders of the Company nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the FYE 2025.

He has attended all five (5) Board Meetings held during the FYE 2025.

## PROFILE OF BOARD OF DIRECTORS



### KHOR HUN NEE

Independent Non-Executive Director



Female



Malaysian



Aged 49

**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 Licence issued by the Securities Commission Malaysia.

She commenced her career in 2000 as an auditor with Ernst & Young, where she served for approximately four (4) years. She subsequently advanced to several senior finance roles in Intel Technology Sdn. Bhd. Computer Systems Adviser and Airbus Helicopters Malaysia Sdn. Bhd. Over the course of her career, she has built extensive experience in financial management, financial reporting, corporate finance, auditing and taxation. She is currently working as a licensed financial planner on a self-employed basis.

Presently, she serves as an Independent Non-Executive Director in JAKS Resources Berhad and Asteel Group Berhad.

She does not have family relationship with any other Director and/or major shareholders of the Company nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

She has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon her by any relevant regulatory bodies for the FYE 2025.

She has attended all five (5) Board Meetings held during the FYE 2025.

### OOI YOUK LAN

Non-Independent Non-Executive Director



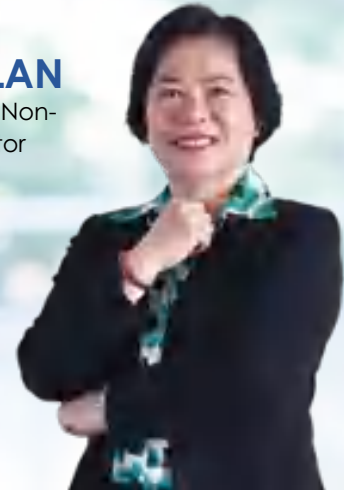
Female



Malaysian



Aged 59



**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 more than 33 years of experience in audit, taxation, finance, accounting, treasury and corporate exercise across a wide range of industries, including both listed and private companies in Malaysia.

She joined the Hextar Group of Companies as the Group Financial Controller in 2012 and currently serves as the Group Chief Financial Officer of Hextar Group of Companies. In her current role, she is primarily responsible for overseeing and managing the overall financial and accounting functions, banking relationships, corporate exercises and strategies of the Group.

Presently, she does not hold any directorship in other public companies and listed issuer, but serving as a director of several private companies.

She does not have family relationship with any other Director and/or major shareholders of the Company nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

She has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon her by any relevant regulatory bodies for the FYE 2025.

She has attended all five (5) Board Meetings held during the FYE 2025.

## PROFILE OF KEY SENIOR MANAGEMENT



### ONG HAN LIN

Chief Financial Officer



Male



Malaysian



Aged 37

**Ong Han Lin** was appointed as the Chief Financial Officer of the Group on 1 July 2025 and is responsible for handling our Group's overall finance functions including monitoring of financial performance and results, financial reporting, treasury management and tax compliance. He also serves as a member of the ERM. C.

He graduated with a Bachelor in Commerce (Hons) Accounting from Universiti Tunku Abdul Rahman in 2012. He is a FCCA and a member of the MIA.

He began his career as an Audit Assistant in auditing firm, TML Corporate Services Sdn. Bhd. ("TML") and pursued his professional affiliation of ACCA from 2013 to 2015 on part time basis. During his tenure in TML he was mainly responsible in handling the auditing small medium companies and computing draft tax computation.

In 2015, he left TML and joined KPMG PLT as an Audit Associate and was promoted to Senior Audit Associate in 2016, where he was involved in statutory audit assignments. In January 2018, he was promoted to Assistant Manager where his role was extended to leading and monitoring a team of senior and audit associates for listed companies and special audit assignments in Malaysia. He left the firm in May 2020.

In May 2020, he joined Oceaneering Services (Malaysia) Sdn. Bhd. ("Oceaneering") as Senior Accountant. During his tenure in Oceaneering, he was involved in shared service center and mainly dealt with the components in the United States, United Kingdom, India, Thailand, Australia and Malaysia. He also dealt with auditor and tax agent to meet the compliance and deadline as stated by government authority.

In August 2021, he joined Mestron Holdings Berhad ("Mestron") as Finance and Accounts Manager and was subsequently promoted to Chief Financial Officer in March 2022. He left Mestron in June 2025 and thereafter joined the Group in his current position.

Presently, he does not hold directorship in any other public listed companies or private limited companies. He has no family relationship with any Directors and/or major shareholders of the Company nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the FYE 2025.

## PROFILE OF KEY SENIOR MANAGEMENT



**NG VIC CA**  
Chief Operating Officer



Female



Malaysian



Aged 40

**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 also serves as a member of the ERMIC.

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.

Presently, she does not hold directorship in any other public listed companies or private limited companies. She has no family relationship with any Directors and/or major shareholders of the Company nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

She has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon her by any relevant regulatory bodies for the FYE 2025.



**SEE SIOU BIN**  
General Manager



Male



Malaysian



Aged 40

**See Siou Bin** was appointed as the General Manager of Finesse Moulding (M) Sdn. Bhd. on 26 December 2021. He also serves as a member of the ERMIC. 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 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.

Presently, he does not hold directorship in any other public listed companies or private limited companies. He has no family relationship with any Directors and/or major shareholders of the Company nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the FYE 2025.

## FINANCIAL HIGHLIGHTS

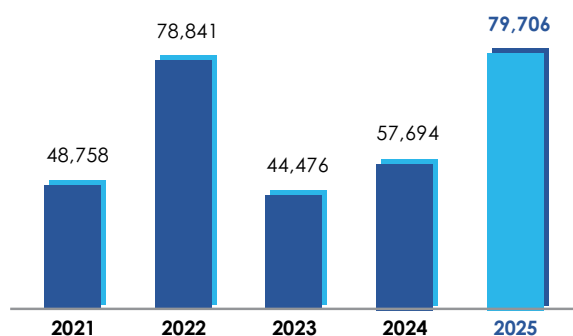
Financial Year Ended 31 December	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
Revenue	48,758	78,841	44,476	57,694	79,706
Profit/(Loss) Before Tax	8,579	22,741	1,997	2,205	(3,695)
Profit/(Loss) After Tax Attributable to					
Owners of the Company	6,408	18,994	1,163	1,561	(4,526)
Cash and Cash Equivalents	16,554	24,129	21,801	55,694	27,130
Return on Equity (%)	4.7	11.8	0.8	0.7	(2.4)
Net Assets per Share (sen) <sup>(1)</sup>	38.15	43.33	39.91	42.25	40.88
Earnings per Share (sen) <sup>(1)</sup>	1.78	5.23	0.31	0.36	(0.92)
Dividend per Share (sen)	-	-	5.50	-	-
Dividend Payout Ratio (%)	-	-	1,192.4	-	-
Net Dividend Yield (%) <sup>(2)</sup>	-	-	11.0	-	-

### Notes:

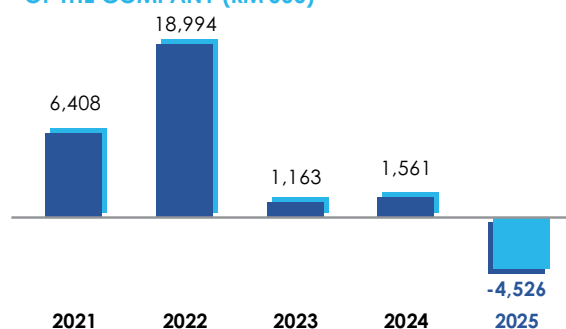
<sup>(1)</sup> The comparative figures have been restated to incorporate retrospective adjustment in respect of bonus issuance for the years 2021 to 2022.

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

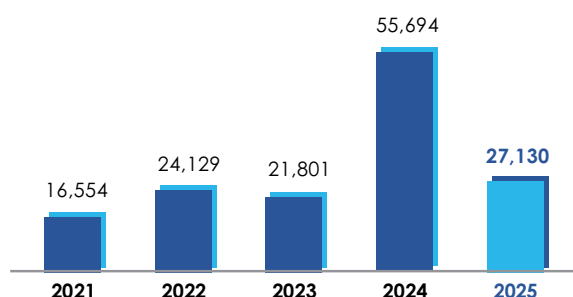
### REVENUE (RM'000)



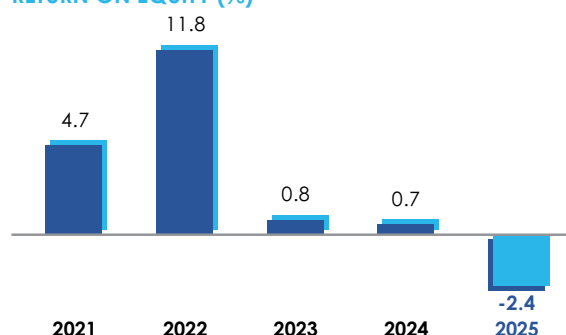
### PROFIT/(LOSS) AFTER TAX ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM'000)



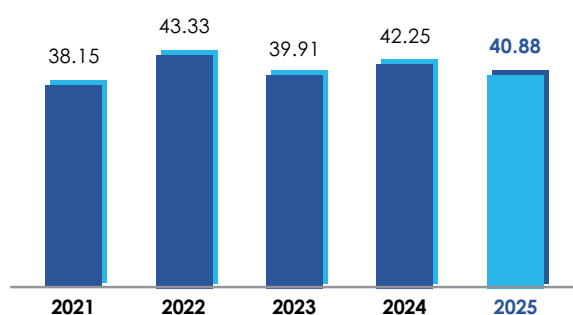
### CASH AND CASH EQUIVALENTS (RM'000)



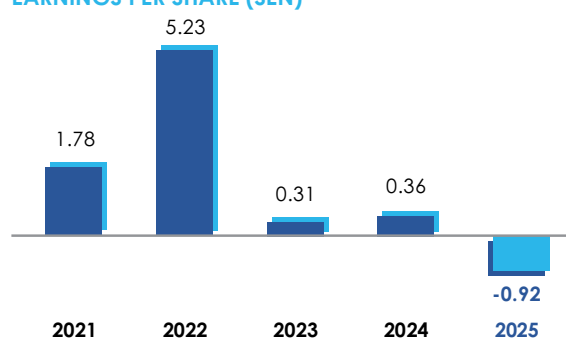
### RETURN ON EQUITY (%)



### NET ASSET PER SHARE (SEN)



### EARNINGS PER SHARE (SEN)



## 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 2025 ("FYE 2025").

Amid an increasingly complex global environment, the Group has remained resilient and adaptive, continuing to focus on delivering sustainable, long-term value to our shareholders.

### VO NGHIA HUU

Managing Director

#### ECONOMIC AND BUSINESS LANDSCAPE

The global economic landscape has become more fragile and uncertain, shaped by escalating geopolitical tensions, supply chain realignments, and heightened volatility in energy and commodity markets. Recent conflicts in the Middle East, alongside the prolonged US-Iran war, have intensified disruptions to global trade flows and triggered significant energy price shocks, further fuelling inflationary pressures worldwide.

Geopolitical risks have now overtaken inflation as the primary concern for policymakers and financial markets, underscoring a structural shift in the global risk environment. At the same time, ongoing trade fragmentation and protectionist measures continue to reshape global supply chains, requiring businesses to rethink sourcing strategies and operational resilience.

While global growth remains positive, it is moderating and increasingly uneven across regions, with forecasts indicating a slower expansion relative to historical averages and persistent downside risks. Inflationary pressures are gradually easing in some markets but remain elevated and volatile, particularly in emerging economies, as energy costs and geopolitical uncertainties persist.

Against this backdrop, HRB Group has prioritised agility and resilience by implementing cost optimisation initiatives, enhancing operational efficiency, and maintaining strict quality standards. We continue to adapt to shifting consumer preferences, including demand for convenience, affordability, and experiential retail offerings.

## MANAGING DIRECTOR'S MESSAGES

In line with our diversification strategy, we expanded into the Retail division including F&B, lifestyle and wellness through strategic partnerships. Our collaboration with Tam Jai International Co. Limited ("TJI") and GoPizza Inc. positions us to capitalise on the growing demand for fast-casual dining experiences, while diversifying our revenue base beyond our core wooden picture frame mouldings ("WPFM") business.

### FINANCIAL HIGHLIGHTS

In the FYE 2025, the Group recorded strong revenue growth of 38.2%, increasing from RM57.69 million to RM79.71 million, primarily driven by contributions from our retail segment. This reflects the Group's ability to capture new growth opportunities despite a challenging macroeconomic environment.

However, the Group recorded loss before tax ("LBT") of RM3.70 million due to margin compression was observed due to external pressures, including higher operating costs, and depreciation, partially mitigated by improved operational performance.

Despite global uncertainties, the Group maintained a robust financial position, supported by strong liquidity and a solid balance sheet. This financial resilience enables us to navigate ongoing volatility while positioning the Group for future growth.

### UPHOLDING CORPORATE GOVERNANCE

In an era of heightened scrutiny and stakeholder expectations, strong corporate governance remains a cornerstone of our business. We are committed to upholding transparency, accountability, and ethical conduct across all levels of the organisation.

During the year, we strengthened our governance framework through enhancements to key policies, ensuring alignment with evolving regulatory requirements and best practices. These efforts reinforce stakeholder confidence and support sustainable long-term growth.

### CULTIVATING SUSTAINABILITY AND EFFICIENCY

Sustainability continues to be integral to our strategy, particularly as environmental and social considerations gain prominence amid global climate challenges and resource constraints.

We have intensified our efforts in energy efficiency and the adoption of renewable energy solutions, contributing to reduced carbon emissions and improved operational sustainability. Our group was awarded the Gold Prize under Category 2 at The Malaysia Smart Manufacturing Awards 2025, recognising our excellence in the implementation of smart manufacturing practices across the industry.

### REWARDING SHAREHOLDERS

In light of ongoing global uncertainties and the need to preserve financial flexibility, the Board has decided not to recommend a dividend for the FYE 2025. This approach allows us to retain capital to support strategic investments and navigate potential market disruptions.



## MANAGING DIRECTOR'S MESSAGES

### FUTURE OUTLOOK

Looking ahead, the global economic outlook remains cautiously balanced. While growth is expected to continue, it is likely to be constrained by persistent geopolitical tensions, elevated energy prices, and structural shifts in global trade and supply chains.

Businesses must operate in an environment where volatility is no longer cyclical but structural, requiring continuous adaptation and strategic agility. At the same time, emerging opportunities—particularly in consumer-driven sectors, digitalisation, and evolving retail formats—continue to present avenues for growth.

Against this backdrop, we remain optimistic about the prospects of our WPFM segment and are committed to improving efficiency and maintaining product quality. Concurrently, we will accelerate our expansion in the retail and F&B sectors, leveraging strategic partnerships such as TJI, GoPizza, Playa and Mimone and exploring new franchising opportunities.

As we move forward, we will continue to balance growth ambitions with prudent risk management, ensuring that the Group remains resilient and well-positioned in an increasingly complex global environment.

### APPRECIATION

On behalf of the Board, I would like to express our sincere appreciation to our shareholders, customers, business partners, and employees for their continued trust and support.

In a world defined by uncertainty and transformation, your confidence and commitment remain the foundation of our success. Together, we will continue to navigate challenges, seize opportunities, and build a sustainable future for the Group.

**Mr. Vo Nghia Huu**

Managing Director

# 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 400 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 shareholders' value.

During the FYE 2025, 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 health and beauty store.

## FINANCIAL PERFORMANCE REVIEW

	FYE 2025 RM'000	FYE 2024 RM'000	Variances	
			RM'000	%
<b>Financial Indicators</b>				
Revenue	79,706	57,694	22,012	38.2
Gross Profit ("GP")	34,621	19,564	15,057	77.0
(Loss)/Profit Before Tax ("LBT/PBT")	(3,695)	2,205	(5,900)	(267.6)
(Loss)/Profit After Tax ("LAT/PAT")	(5,785)	1,051	(6,836)	(650.4)
<b>Financial Ratios</b>				
GP margin (%)	43.4	33.9	-	9.5
LBT/PBT margin (%)	(4.6)	3.8	-	(8.4)
LAT/PAT margin (%)	(7.3)	1.8	-	(9.1)

## MANAGEMENT DISCUSSION & ANALYSIS

### FINANCIAL PERFORMANCE REVIEW (CONT'D)

The global economy in 2025 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.

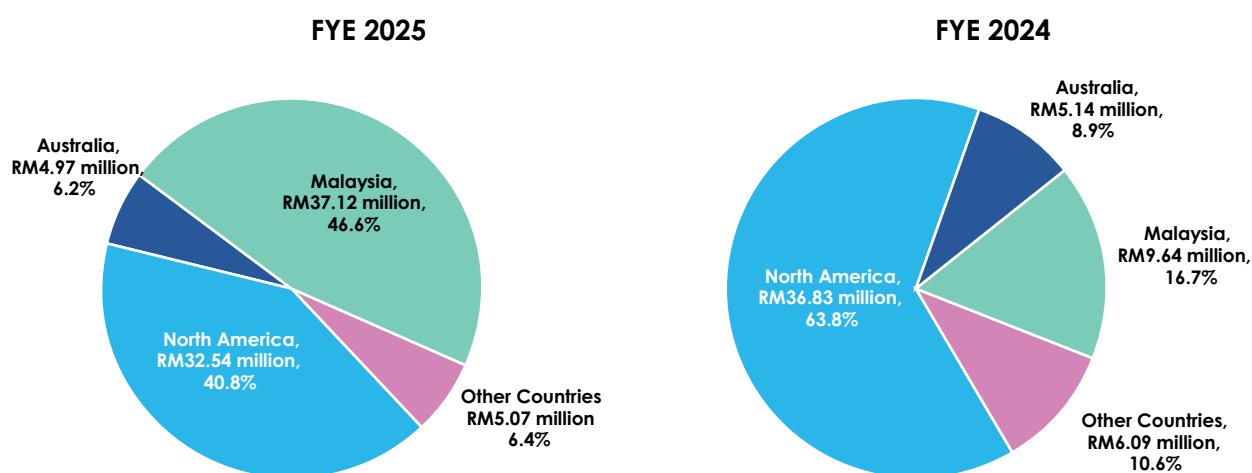
Despite these uncertainties, our Group has demonstrated resilience, recording a higher revenue of RM79.71 million in FYE 2025, representing an increase of RM22.01 million or 38.2%, compared to RM57.69 million in FYE 2024. The growth was primarily attributable to our successful expansion into the retail segment, which contributed RM36.65 million to our Group's total revenue in FYE 2025. In addition, softer performance in our WPFM segment, which saw a revenue decrease of RM5.54 million or 11.4%, from RM48.60 million in FYE 2024 to RM43.06 million in FYE 2025. The decrease in revenue from this segment was mainly driven by lower export volumes of WPFM products and the strengthening of the RM against the USD.

In line with the revenue growth, our Group's GP increased by RM15.06 million or 76.9%, from RM19.56 million in FYE 2024 to RM34.62 million in FYE 2025. Our Group's GP margin also improved by 9.5%, from 33.9% in FYE 2024 to 43.4% in FYE 2025. The significant improvement in both our GP and GP margin was mainly attributable to higher GP margin derived from our WPFM segment, driven by better cost optimisation implemented by the management. 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.

However, our Group's recorded LAT of RM5.79 million compared to PAT of RM1.05 million in FYE 2024, primarily due to initial setup costs and higher operating expenses incurred in connection with retail expansion.

### Operation Review by Countries

Our revenue segmentation by geographical markets for FYE 2025 and FYE 2024 are shown as follows: -



Similar to the previous financial year, overseas customers were the main revenue contributor to our Group, contributing 53.4% of the Group's total revenue in FYE 2025, while the remaining 46.6% was derived from local customers.

In the overseas market, North America continues to be our largest revenue contributor, accounting for 40.8% of our Group's total revenue in FYE 2025. Revenue from North America decreased by 23.0%, mainly due to higher revenue generated from our retail segment in Malaysia by 29.9%.

## MANAGEMENT DISCUSSION & ANALYSIS

### FINANCIAL POSITION REVIEW

#### Statement of Financial Position

	31 December 2025 RM'000	31 December 2024 RM'000	Variances	
			RM'000	%
<b>Financial Indicators</b>				
Non-current assets	186,109	133,393	52,716	39.5
Current assets	98,955	102,793	(3,838)	(3.7)
<b>Total assets</b>	<b>285,064</b>	<b>236,186</b>	<b>48,878</b>	<b>20.7</b>
Non-current liabilities	49,004	19,595	29,409	150.1
Current liabilities	49,680	8,216	41,464	504.7
<b>Total liabilities</b>	<b>98,684</b>	<b>27,811</b>	<b>70,883</b>	<b>254.9</b>
Net assets	186,380	208,375	(21,995)	(10.6)
<b>Financial Ratios</b>				
Current ratio (times)	2.0	12.5	(10.5)	(84.1)
Net assets per share (sen)	40.88	42.25	(1.4)	(3.2)

Our Group's total assets increased by RM48.88 million or 20.7%, from RM236.19 million as at 31 December 2024 to RM285.06 million as at 31 December 2025, primarily attributable to the increase in non-current assets by RM63.01 million. The increase in non-current assets was mainly due to higher capital expenditure and right-of-use assets predominantly from retail segment in line with our diversification strategy amounted to RM52.7mil.

Our Group's total liabilities increased by RM70.9 million or 254.9%, from RM27.8 million as at 31 December 2024 to RM98.7 million as at 31 December 2025, primarily attributable to the increase in lease liabilities of RM35.4 million, resulting from the lease arrangements for our retail outlets and short-term borrowings of RM 29.5 million to support the rapid expansion in retail division.

Overall, our Group concluded the financial year with a softer financial position, marked by an increase in capital expenditure, right-of-use assets and intangible assets to RM185.24 million and current ratio of 1.99 times. As at 31 December 2025, our net assets decreased to RM186.38 million, translating to a lower net assets per share of 40.88 sen.

#### Statement of Cash Flows

	FYE 2025 RM'000	FYE 2024 RM'000
Net cash(used in)/from operating activities	(16,440)	10,855
Net cash used in investing activities	(19,328)	(31,352)
Net cash from financing activities	7,526	54,348
<b>Net changes in cash and cash equivalents</b>	<b>(28,242)</b>	<b>33,851</b>
Cash and cash equivalents at the beginning of the financial year	55,694	21,801
Effect of foreign exchange translation	(322)	42
<b>Cash and cash equivalents at the end of the financial year</b>	<b>27,130</b>	<b>55,694</b>

## MANAGEMENT DISCUSSION & ANALYSIS

### FINANCIAL POSITION REVIEW (CONT'D)

#### Statement of Cash Flows (Cont'd)

Our Group generated a slightly lower net cash from operating activities of RM16.44 million in FYE 2025, compared to RM10.86 million generated in FYE 2024. This decrease was mainly due to an increase in our trade and other receivables, driven by deposits paid to landlords from the retail segment and in line with revenue growth during the financial year.

In terms of investing activities, our Group reported a net cash outflow of RM19.33 million, primarily due to acquisition of PPE amounting to RM23.67 million in retail segment and offset against withdrawal of short-term investments of RM5.48 million.

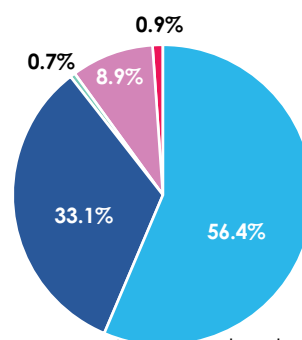
Our Group recorded a net cash from financing activities of RM7.53 million in FYE 2025, primarily due to proceeds of drawdown from borrowings of RM29.32 million and offset against payment of lease liabilities of RM4.2 million and purchase of treasury shares of RM17.5 million.

#### CAPITAL STRUCTURE, RESERVES AND EXPENDITURE

As at 31 December 2025, the Company's share capital amounts to RM124.70 million, comprising of 496,236,368 ordinary shares, with a net assets per share of 40.88 sen. Barring any unforeseen circumstances, our Group has adequate working capital to meet our budgeted requirements after taking into consideration our cash and cash equivalents of RM27.13 million and current ratio of 1.99 times as at 31 December 2025.

During the FYE 2025, our Group has incurred a total Capital Expenditure ("CAPEX") of RM23.82 million, breakdown as follows: -

CAPEX	RM'000
● Renovation	13,426
● Equipment, furniture and fittings	7,876
● Motor vehicles	165
● Asset under construction	2,124
● Plant and machinery	225
	<b>23,816</b>



As at 31 December 2025, the Group's capital commitments include the approved and contracted purchase of PPE, amounting to RM1.00 million.

#### ANTICIPATED OR KNOWN RISK

##### Stability of Timber Supply and Fluctuation in Timber Prices

The stability of timber supply and volatility in timber prices continue to represent key risks to the Group, as timber logs remain the primary raw material in the production of WPFM. The Group faces ongoing challenges arising from increasingly stringent environmental regulations, including tighter controls on deforestation and limits on annual harvesting quotas. In addition, climate-related disruptions—such as prolonged monsoon seasons and extreme weather patterns—have heightened supply uncertainty and constrained logging activities.

Macroeconomic pressures, including persistent global inflationary trends and geopolitical uncertainties, have further contributed to upward pressure on timber prices. These factors may lead to increased input costs, thereby affecting the Group's margins and overall profitability.

## MANAGEMENT DISCUSSION & ANALYSIS

### ANTICIPATED OR KNOWN RISK (CONT'D)

#### Stability of Timber Supply and Fluctuation in Timber Prices (Cont'd)

To mitigate these risks, the Group maintains a minimum timber inventory buffer of six (6) months to cushion against short-term supply disruptions. The Group also continues to diversify its sourcing strategy by engaging alternative suppliers and exploring the use of different timber species. Strong supplier relationships remain a key priority to ensure supply continuity and secure more favourable commercial terms.

#### Fluctuations in Currency Exchange Rates

The Group's financial performance remains sensitive to fluctuations in foreign exchange rates, particularly as a substantial portion of its revenue is derived from export markets and denominated primarily in USD. Volatility in the USD/MYR exchange rate may materially impact revenue translation and profit margins.

To manage this exposure, the Group actively utilises forward foreign exchange contracts as part of its hedging strategy to reduce uncertainty and enhance visibility over cash flows associated with foreign currency transactions.

#### Business Risk

The Group operates in an increasingly competitive and cost-sensitive environment, with key risks stemming from rising raw material prices, labour cost pressures, and intensified competition from low-cost manufacturers in the region. Ongoing economic uncertainties and inflationary pressures continue to influence operating costs and consumer demand, thereby impacting profitability.

To sustain its competitive position, the Group adopts a balanced approach focusing on both price and non-price factors. This includes emphasising product quality, value-based pricing strategies, and continuous innovation in design and functionality. The Group also remains committed to cost optimisation initiatives, including sourcing cost-efficient yet high-quality raw materials, as well as advancing factory transformation through automation and digitalisation. Close collaboration with suppliers, customers, and design partners further enables the development of differentiated and market-responsive products.

#### Manpower Supply Risk

The Group's WPFM segment continues to rely significantly on foreign labour, making it sensitive to changes in labour policies and regulatory requirements. Stricter enforcement of employment regulations, particularly those relating to worker welfare, accommodation standards, and recruitment practices, may pose operational challenges if not properly managed.

Non-compliance could result in labour shortages, operational disruptions, and an inability to meet customer demand. To mitigate these risks, the Group remains proactive in monitoring regulatory developments and ensuring full compliance with applicable laws. Efforts are also made to maintain a balanced and sustainable workforce composition, while enhancing workforce stability through improved management practices and adherence to evolving regulatory standards.

## MANAGEMENT DISCUSSION & ANALYSIS

### ANTICIPATED OR KNOWN RISK (CONT'D)

#### Diversification Risk

As the Group expands into the retail segment, it is exposed to a new set of operational and market-specific risks. These include potential demand softening amid uncertain global economic conditions, intensified competition from both established retailers and digitally native brands, as well as evolving consumer preferences. In addition, sociopolitical developments and ongoing changes in regulatory frameworks may impact operating conditions and compliance requirements within the retail landscape.

To address these challenges, the Group will leverage the experience and capabilities of its key management personnel to oversee and manage retail operations effectively, ensuring business continuity and operational resilience. The Group will also adopt a disciplined approach to performance monitoring through regular operational and financial reviews of the retail segment.

In parallel, prudent financial management practices and streamlined operational processes will be implemented to enhance efficiency, maintain cost discipline, and mitigate potential downside risks associated with market volatility.

### FUTURE OUTLOOK AND PROSPECTS

The International Monetary Fund ("IMF") projects global economic growth of 3.3% in 2026, 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 2025, underpinned by stronger domestic demand and a rebound in exports. Moving into 2026, 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 Malaysia's food and beverage ("F&B") industry 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%. 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 23 June 2025, announced our strategic partnership with GoPizza Inc., South Korea's No.1 fast pizza brand, marking the brand's official debut in Malaysia. Under this partnership, the Group will lead GOPIZZA's expansion and localisation strategy in Malaysia, introducing its globally celebrated menu and tech-driven kitchen operations to the local market. The first Malaysian GOPIZZA outlet is opened in Q3 of 2025 in Klang Valley area. This strategic collaboration reinforces our commitment to delivering unique and modern dining concepts that resonate with today's consumer. GOPIZZA's youthful energy, tech-driven service, and globally appealing flavours are exactly the kind of innovations we seek in our F&B ventures.

## MANAGEMENT DISCUSSION & ANALYSIS

### FUTURE OUTLOOK AND PROSPECTS (CONT'D)

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 2026. 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



## About This Sustainability Statement

Hextar Retail Berhad ("the Group" or "HRB") is committed to conducting its business in a responsible and sustainable manner, balancing economic performance with environmental stewardship and social responsibility. This Sustainability Statement ("Statement") provides an overview of the Group's approach to managing material economic, environmental, social, and governance ("EESG") matters, including the strategies, initiatives, policies, and performance for the financial year ended 31 December 2025 ("FYE 2025").

In FYE 2025, the Group has enhanced its sustainability reporting to better reflect its evolving business landscape, particularly with the expansion of its retail segment as well as its established wooden picture frame moulding ("WPFM") segment. This Statement presents a comprehensive account of the Group's sustainability priorities, guided by its materiality assessment and informed through ongoing stakeholder engagement, to ensure alignment with stakeholder expectations and business objectives.

The Group continues to strengthen its sustainability practices through the integration of Environmental, Social and Governance ("ESG") considerations into its governance framework, operational processes, and decision-making. Efforts have also been made to improve data management systems and reporting practices to enhance the accuracy, consistency, and transparency of disclosures.

As the Group progresses in its sustainability journey, it remains committed to continuous improvement by expanding the scope of its disclosures, enhancing the quality of its reporting, and aligning with evolving regulatory requirements and industry best practices to support long-term value creation for its stakeholders.

## SUSTAINABILITY STATEMENT

### Reporting Scope and Boundaries

In FYE 2025, the Group has expanded its sustainability reporting scope to include both its retail segment and WPFM segment, reflecting the evolving nature and growing scale of its operations. The inclusion of the retail segment enhances the completeness and relevance of the Group's sustainability disclosures, as it represents an increasingly significant component of the Group's overall business activities.

This Sustainability Statement covers the period from 1 January 2025 to 31 December 2025, with historical data from preceding years included for comparison, where available and relevant. Unless otherwise stated, all data is reported as at 31 December 2025.

The reporting boundary is determined based on the Group's operational control approach, encompassing entities and operations where the Group has control over operational and sustainability-related decision-making.

### Reporting Framework

The Statement complies with Bursa Malaysia's Malaysia Securities Berhad's Main Market Listing Requirements. Our ESG disclosures have been prepared with reference to the Sustainability Reporting Guide (3rd Edition), the GRI Standards and the UNSDGs.

### Statement of Assurance

For FYE 2025, the Group has not obtained independent external assurance for the disclosures presented in this Sustainability Statement. No formal internal assurance was conducted for this reporting cycle.

The Board of Directors has reviewed and approved this Sustainability Statement and is satisfied that it provides a fair and balanced representation of the Group's sustainability performance, in line with its strategic direction and operational activities.

The sustainability data disclosed has been compiled through established internal processes involving respective Heads of Departments and reviewed by the Executive and Risk Management Committee ("ERMC") to ensure accuracy, completeness, and consistency.

The Group remains committed to strengthening its data management systems and reporting processes, particularly in light of the expansion of its retail operations. As these processes continue to mature, the Group will consider obtaining formal internal and/or external assurance in future reporting cycles to further strengthen the credibility of its disclosures.

### Feedback

The Group welcomes stakeholders' feedback to enhance our practices, performance and reporting. For any suggestions or comments on this Statement, please contact us using the details below:

Email: [info@hextarretail.com](mailto:info@hextarretail.com)

### Materiality

This Statement highlights the key issues that have a significant impact on our business and stakeholders. We apply a structured three-step materiality assessment process to identify and prioritise these matters based on their relevance and impact. The report outlines our approach to managing four (4) sustainability approaches that play a critical role in shaping our business and delivering value to stakeholders.









### Disclaimer

This Statement may include forward-looking statements that are subject to assumptions, risks, and uncertainties. Actual performance, outcomes, and results may differ materially from those expressed or implied in these statements due to various factors. These forward-looking statements reflect management's current expectations of future events, which may change over time. Several factors could cause actual results to vary significantly from the projections or expectations outlined herein.

# SUSTAINABILITY STATEMENT

## Sustainability Approach

HRB adopts a holistic sustainability approach centred on ESG. Our sustainability approach aligns with relevant United Nations Sustainable Development Goals (UNSDGs).

<b>Our Vision</b>	To be the preferred business partner and employer of choice where we enrich lives with our products and solutions.			
<b>Our Mission</b>	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.			
<b>Sustainability Approach</b>	<b>Economic</b>	<b>Environmental</b>	<b>Social</b>	<b>Governance</b>
<b>Material Matters</b>	<ul style="list-style-type: none"> <li>Economic Performance</li> <li>Supply Chain Management</li> <li>Research &amp; Development Transformation</li> <li>Product &amp; Service Quality</li> <li>Customer Satisfaction</li> <li>Data Management &amp; Security</li> </ul>	<ul style="list-style-type: none"> <li>Energy &amp; Water Management</li> <li>GHG Emissions</li> <li>Waste Management</li> </ul>	<ul style="list-style-type: none"> <li>Community Outreach</li> <li>Employee Welfare &amp; Engagement</li> <li>Food Safety</li> <li>Human Rights</li> <li>Talent Retention &amp; Development</li> <li>Occupational Health &amp; Safety</li> <li>Workforce Diversity</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Governance &amp; Ethics</li> </ul>
<b>Alignment with UN SDGs</b>	      			
<b>Strategic Stakeholders</b>	 Shareholders	 Customers	 Government Regulators/ Authorities	
	 Suppliers	 Employees	 Non-Governmental Organisations/ Local Communities	

## SUSTAINABILITY STATEMENT

### Sustainability Policy and Governance Structure

The Group's sustainability approach is guided by its Sustainability Policy, which outlines its commitment to integrating sustainable practices across business operations while maintaining a balanced approach between economic performance, environmental stewardship, and social responsibility.

The Group is committed to embedding sustainability considerations into its decision-making processes and daily operations, ensuring that business growth is achieved responsibly and in alignment with stakeholder expectations. The Sustainability Policy serves as a foundation in driving consistent sustainability practices across all business segments.

### Sustainability Policy

As outlined in the Group's Sustainability Policy, we are committed to embedding sustainable practices across our diverse business operations. We strive to maintain a strategic balance between robust economic performance, environmental stewardship, and the social well-being of our employees and the communities where we operate.

In FYE 2025, we updated our sustainability commitments to better reflect our expanding retail presence while maintaining our manufacturing standards. Our key commitments include:

- **Compliance & Ethics:** To strictly comply with all applicable environmental, labour, and corporate governance laws and regulations in Malaysia.
- **Operational Excellence:** To mitigate environmental pollution through resource efficiency, continual operational improvements, and the transition toward energy-efficient building management for our retail outlets.
- **Responsible Sourcing:** To maintain an effective timber Chain of Custody ("CoC") management system and, increasingly, to incorporate sustainable packaging and ethical vendor screening within our retail supply chain.
- **Empowering People:** To provide equal employment opportunities, championing diversity and inclusion across our manufacturing plants and retail storefronts with zero tolerance for harassment or discrimination.
- **Safety & Health:** To ensure a safe, healthy, and conducive workplace through rigorous training awareness and the provision of appropriate protective equipment and wellness support.

### Sustainability Governance Structure

The Group has established a structured governance framework to oversee sustainability-related matters, ensuring clear roles and responsibilities across different levels of the organisation.

## SUSTAINABILITY STATEMENT



Roles	Responsibilities
<p><b>Board of Directors ("The Board")</b></p>	<ul style="list-style-type: none"> <li>• <b>Roles:</b> In charge of the Group's overall Sustainability strategic direction and oversight of sustainability-related matters.</li> <li>• <b>Responsibilities:</b> <ul style="list-style-type: none"> <li>- To review and approve sustainability-related policies, targets and reporting.</li> <li>- To ensure integration of sustainability into our business strategies and aligns with the Group's long-term business objectives.</li> <li>- To ensure sustainability-related strategies are aligned with corporate strategies and risk management for the Group.</li> </ul> </li> </ul>
<p><b>Audit Committee ("AC")</b></p>	<ul style="list-style-type: none"> <li>• <b>Roles:</b> Ensure sustainability-related initiatives and reporting aligns with the Group's sustainability vision, as well as monitoring the Group's sustainability performance.</li> <li>• <b>Responsibilities:</b> <ul style="list-style-type: none"> <li>- To review and report key sustainability-related risks and opportunities identified by the ERM.</li> <li>- To review the Group's sustainability-related policies, procedures, targets and reporting</li> </ul> </li> </ul>
<p><b>Enterprise and Risk Management Committee ("ERM")</b></p> <ul style="list-style-type: none"> <li>• Managing Director</li> <li>• Executive Director</li> <li>• Chief Financial Officer (CFO)</li> <li>• Chief Operating Officer (COO)</li> <li>• General Manager</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Roles:</b> Serves as Sustainability leadership team with oversight of the development and implementation of sustainability initiatives of the Group.</li> <li>• <b>Responsibilities:</b> <ul style="list-style-type: none"> <li>- To identify and assess the Group's sustainability-related risks and opportunities.</li> <li>- To develop the Group's sustainability-related policies, procedures, initiatives, metrics and targets.</li> <li>- To review, oversee and monitor sustainability-related initiatives workflow as well as the data collection process conducted by each department.</li> <li>- To monitor performance of sustainability-related initiative, metrics and targets of identified material matters.</li> <li>- To ensure Group sustainability reporting requirements are adhered to.</li> </ul> </li> </ul>
<p><b>Head of Department ("HOD")</b></p> <ul style="list-style-type: none"> <li>• Human Resource</li> <li>• Information Technology</li> <li>• Production Management</li> <li>• Research &amp; Development</li> <li>• Finance &amp; Accounting</li> <li>• Occupational Safety &amp; Health</li> <li>• Marketing</li> <li>• Supply Chain</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Roles:</b> Execute and implement sustainability initiatives into respective business sector and daily operation.</li> <li>• <b>Responsibilities:</b> <ul style="list-style-type: none"> <li>- 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.</li> <li>- To execute and implement sustainability-related initiatives workflow and data collection of metrics and targets.</li> </ul> </li> </ul>

## SUSTAINABILITY STATEMENT



### Stakeholders Engagement

Stakeholders play a vital role in shaping the Group's strategies, as they both influence and are impacted by our operations. The Group actively engages with its stakeholders on a regular basis to ensure alignment with their evolving expectations and concerns, while leveraging insights gathered to inform strategic decision-making and business direction.



The Group defines stakeholders as individuals or groups with a vested interest in the organisation, who may affect or be affected by its activities, decisions, and performance. Recognising the importance of stakeholder engagement, the Group remains committed to maintaining open and constructive communication channels to strengthen relationships, enhance transparency, and support long-term business sustainability in a dynamic operating environment.

Stakeholders	Why They Matter	Key Areas of Concerns	Engagement Methods	How We Respond
Shareholders 	<ul style="list-style-type: none"> <li>Play a crucial role in supporting HRB's growth and long-term sustainability.</li> <li>Their investments enable business expansion, innovation, and financial resilience.</li> <li>Maintaining trust and transparency is key to ensuring continued access to funding and shareholder confidence.</li> </ul>	<ul style="list-style-type: none"> <li>Revenue and profit growth</li> <li>Market share and competitiveness</li> <li>Company's reputation</li> <li>Sustainable dividend stream</li> <li>Corporate ESG responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Annual/ Extraordinary general meeting</li> <li>Quarterly reports</li> <li>Annual reports</li> <li>Our corporate website</li> <li>Media releases and Announcements</li> </ul>	<ul style="list-style-type: none"> <li>Provide quarterly updates of financial performance and publish annual reports</li> <li>Establish comprehensive policies and uphold good governance practices</li> <li>Announce business performance-related information</li> <li>Engage with shareholders and investors through general meetings</li> </ul>
Customers 	<ul style="list-style-type: none"> <li>Understanding customer needs and expectations helps us enhance product offerings, service quality, and customer experience.</li> <li>Maintaining customer trust and satisfaction strengthens brand loyalty, market competitiveness, and long-term business growth.</li> </ul>	<ul style="list-style-type: none"> <li>Purchase pricing, order terms and conditions</li> <li>Delivery lead time</li> <li>Product quality and safety</li> <li>Service level and effective communication</li> <li>Corporate ESG responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Yearly customer satisfaction survey</li> <li>Yearly business visit</li> <li>On-going interaction</li> <li>Company website</li> </ul>	<ul style="list-style-type: none"> <li>Comply with the ISO9001:2015 Quality Management System</li> <li>Conduct annual customer engagement surveys to obtain feedback and assess satisfaction</li> <li>Regularly review and improve supply chain processes to identify inefficiencies that may affect both delivery timelines and pricing.</li> </ul>

## SUSTAINABILITY STATEMENT

Stakeholders	Why They Matter	Key Areas of Concerns	Engagement Methods	How We Respond
Suppliers 	<ul style="list-style-type: none"> <li>Suppliers play a critical role in ensuring the reliability, quality and sustainability of HRB's supply chain.</li> <li>Strong supplier relationships contribute to operational efficiency, cost management, and business continuity.</li> </ul>	<ul style="list-style-type: none"> <li>Fair pricing, terms and conditions</li> <li>Payment terms and conditions</li> <li>Effective communication and long-term business relationship</li> </ul>	<ul style="list-style-type: none"> <li>On-going interaction</li> <li>Yearly supplier evaluation</li> <li>Supplier audit and/or site visit</li> </ul>	<ul style="list-style-type: none"> <li>Ensure all vendors successfully undergo annual evaluations to meet established standards</li> <li>Uphold procurement processes that are fair, transparent and guided by SOPs</li> <li>Maintain regular communication with vendors</li> </ul>
Employees 	<ul style="list-style-type: none"> <li>Employees are the driving force behind HRB's success, contributing to innovation, productivity, and overall business performance.</li> <li>Ensuring fair employment practices, career development opportunities, and well-being fosters employee satisfaction and commitment.</li> </ul>	<ul style="list-style-type: none"> <li>Job satisfaction</li> <li>Career development and advancement</li> <li>Competitive remuneration package</li> <li>Working environment</li> <li>Occupational safety and health</li> <li>Balance gender diversity</li> <li>Corporate ESG responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Company meetings and engagement</li> <li>Yearly employee performance appraisal</li> <li>Employee training evaluation</li> <li>Master training plan</li> <li>Yearly production operator health surveillance</li> </ul>	<ul style="list-style-type: none"> <li>Provide relevant upskilling and training programmes for career development</li> <li>Offer competitive remuneration proposals and attractive benefits</li> <li>Provide a safe and supportive work environment that supports employee morale and well-being</li> <li>Comply with the Employment Act 1955 and its amendments</li> </ul>

## SUSTAINABILITY STATEMENT

Stakeholders	Why They Matter	Key Areas of Concerns	Engagement Methods	How We Respond
Government Regulatory/ Authorities 	<ul style="list-style-type: none"> <li>Government and regulatory authorities set the legal and compliance framework that governs HRB's business operations.</li> <li>Compliance with laws, regulations, and industry standards ensures business continuity and risk mitigation.</li> <li>Engaging with regulators helps shape policies, improve industry standards, and support national sustainability goals.</li> </ul>	<ul style="list-style-type: none"> <li>Legal and regulatory compliance</li> <li>Corporate governance</li> <li>Financial crime prevention</li> <li>Cultivation of an ethical and risk awareness workplace</li> <li>Corporate ESG responsibility</li> </ul>	<ul style="list-style-type: none"> <li>On-going training or seminar</li> <li>Periodic reporting and updates to regulators</li> <li>Internal audit</li> <li>Bursa announcement</li> <li>Renewal of licenses and permits</li> </ul>	<ul style="list-style-type: none"> <li>Enforce compliance with the latest laws and regulations</li> <li>Ensure licences and permits are renewed annually</li> <li>Regularly review and update internal procedures and SOP to meet statutory requirements on new regulations or updates</li> </ul>
Non-Governmental Organisations ("NGO")/ Local communities 	<ul style="list-style-type: none"> <li>NGO and local communities are integral to HRB's social responsibility.</li> <li>Engaging with communities ensures that HRB contributes to economic empowerment, education, and social well-being.</li> </ul>	<ul style="list-style-type: none"> <li>Employment and business opportunities</li> <li>Community health, safety, and wellbeing</li> </ul>	<ul style="list-style-type: none"> <li>Sponsorship and welfare programmes</li> <li>Community outreach and volunteering initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Support social and economic initiatives through strategic sponsorships and community engagement</li> </ul>

## SUSTAINABILITY STATEMENT

### Materiality Assessment

In line with the Group's expanding operational footprint, particularly the significant growth of its retail segment, HRB undertook a materiality reassessment in FYE 2025.

The reassessment was necessary to ensure that the Group's sustainability priorities remain relevant and reflective of its current business structure, as the previous materiality assessment conducted in FYE 2023 primarily covered the WPFM segment.

During the year, the Group enhanced its materiality assessment approach by expanding stakeholder representation across business segments and streamlining the list of material matters to ensure more focused and meaningful stakeholder evaluation.

Materiality remains a key driver of the Group's value creation, enabling the identification and prioritisation of sustainability matters that are most significant to both the business and its stakeholders.

The Group adopts a three-step materiality assessment process to systematically identify, evaluate, and prioritise ESG matters that may impact operational performance and long-term growth.

#### 1. Identification

In identifying material sustainability matters, the Group conducted: a benchmarking exercise against industry standards, peer disclosures, and emerging ESG trends and a review of Bursa Malaysia's common and sector-specific sustainability matters.

Through this process, a total of 20 material topics were identified as relevant to the Group's operations.

#### 2. Prioritisation

The identified material matters were assessed and ranked based on their significance to stakeholders through a customised assessment survey distributed to both internal and external stakeholders and evaluation of the relative importance of each topic from a stakeholder perspective. Survey responses were compiled and analysed, and the results were presented in the form of a materiality matrix, reflecting the relative importance of each sustainability matter.

Following the assessment and rationalisation process, including the consolidation of overlapping topics, the identified matters were refined into 17 final material topics, reflecting greater relevance, clarity, and alignment with the Group's evolving business operations.

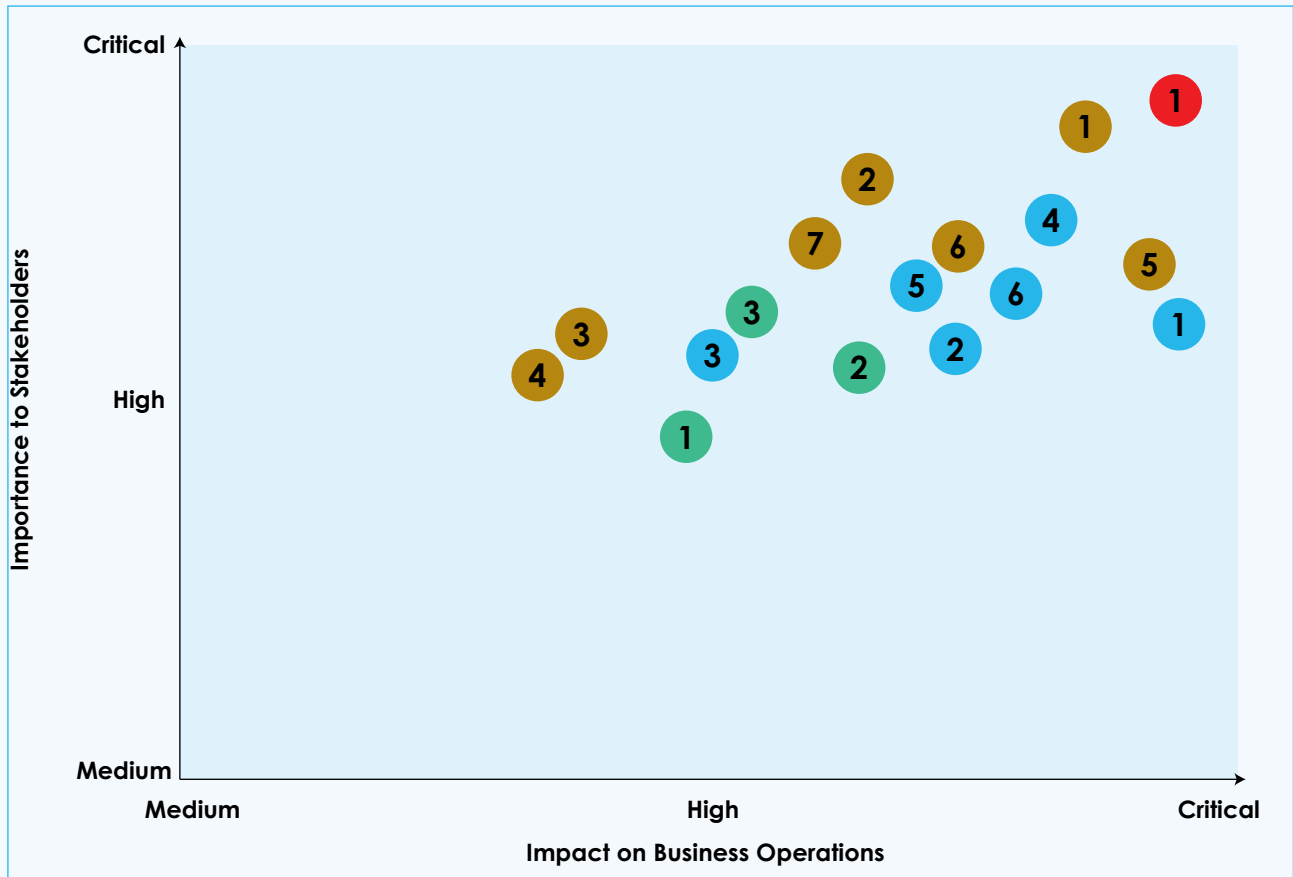
#### 3. Review and Validation

To ensure robustness and governance oversight, the materiality matrix was reviewed by the ERM and the materiality assessment process and results were tabled to the Board of Directors for approval.

## SUSTAINABILITY STATEMENT

### Materiality Matrix

The outcome of the Group's materiality assessment is presented in the form of a materiality matrix, which illustrates the relative importance of each identified sustainability matter based on two key dimensions, namely significance to stakeholders and impact on the Group's business operations. Each material topic is plotted based on aggregated stakeholder responses using a weighted-average methodology, ensuring an objective and balanced representation of priorities. Matters positioned in the upper-right quadrant of the matrix represent the most critical areas requiring focused management attention and resource allocation.



Economic	Environmental	Social	Governance
<ol style="list-style-type: none"> <li>Economic Performance</li> <li>Supply Chain Management</li> <li>Research and Development</li> <li>Product &amp; Service Quality</li> <li>Customer Satisfaction</li> <li>Data Management &amp; Security</li> </ol>	<ol style="list-style-type: none"> <li>Energy and Water Management</li> <li>GHG Emissions</li> <li>Waste Management</li> </ol>	<ol style="list-style-type: none"> <li>Occupational Safety and Health</li> <li>Employee Welfare &amp; Engagement</li> <li>Workforce Diversity</li> <li>Community Outreach</li> <li>Human Rights</li> <li>Food Safety</li> <li>Talent Retention &amp; Development</li> </ol>	<ol style="list-style-type: none"> <li>Corporate Governance and Business Ethics</li> </ol>

## SUSTAINABILITY STATEMENT

### Materiality Matrix (Cont'd)

#### New Material Topics Identified in FYE 2025

Following the reassessment in FYE 2025, the Group identified four new material sustainability matters, reflecting the evolving nature of its operations driven by the expansion of both the retail segment and the WPFM segment.

Food Safety has been identified as a material topic in view of the Group's increasing involvement in retail operations, particularly those involving service front line staff and kitchen operations. As the Group expands into areas that directly interact with consumers, ensuring food quality, hygiene, and safety standards is essential to safeguard consumer well-being, maintain compliance with regulatory requirements, and uphold brand reputation.

Human Rights have also emerged as a material topic, driven by the Group's workforce composition across both segments. WPFM segment involves a significant number of general and foreign workers within factory environments, while the retail segment introduces additional workforce diversity. This increases the importance of ensuring fair labour practices, appropriate working conditions, and adherence to ethical employment standards across all operations.

Packaging Management has been identified as a material topic. The WPFM segment requires substantial volumes of industrial packaging to ensure product protection during handling and transportation, while the expanding retail segment contributes to the use of consumer-facing and food-grade packaging materials. Both segments are considered significant in terms of packaging usage, driven by different operational needs. The Group recognises that each segment presents distinct opportunities for waste reduction and material optimization, prompting the Group to recognise this as a relevant sustainability matter.

Talent Retention and Development is presented as a standalone material topic as it is distinct from Employee Welfare & Engagement. While employee welfare focuses on employee well-being and workplace experience, talent retention and development relates to how the Group manages, supports, and sustains its workforce over time. In previous years, these aspects were reported under Employee Welfare & Engagement. In FYE 2025, the Group has refined its presentation by separating the two to better reflect the different focus and nature of these disclosures.

#### Management Approach for Combined Material Matters

As part of the materiality reassessment, the Group also undertook a rationalisation exercise to streamline and enhance the relevance of its material topics.

Energy Conservation and Water Management have been consolidated and renamed as "Energy and Water Management" to better reflect the integrated nature of resource consumption within the Group's operations. Given that energy and water usage are often interrelated in operational processes, managing them under a unified topic allows for a more holistic and efficient approach to resource management, performance monitoring, and sustainability reporting.

In addition, Supply Chain Management and Packaging Management have been combined. While Packaging Management has been identified as a new material topic, the Group is currently at an early stage in developing specific initiatives within the retail segment as the primary focus remains on operational expansion. As such, packaging considerations are presently addressed within the broader context of supply chain management, allowing the Group to progressively enhance its approach as operational maturity increases.

We have reviewed that Compliance with Laws & Regulations is not presented as a standalone material topic. While regulatory compliance remains critical, it is a fundamental requirement embedded across all operations and material sustainability matters. Hence, it is integrated within each relevant material topic to ensure a more holistic and practical approach to addressing regulatory obligations.








## SUSTAINABILITY STATEMENT

### Materiality Matrix (Cont'd)

#### UN Sustainable Development Goals (UNSDGs)

The Group recognises the importance of the UNSDGs as a global framework for addressing key environmental and social challenges. In line with this, the Group has identified and aligned its material sustainability matters, initiatives, and performance with relevant UNSDGs and their corresponding targets.

This alignment enables the Group to better understand its contributions towards sustainable development, while ensuring that its business activities are conducted in a manner that supports broader societal and environmental outcomes. The mapping also provides a structured approach to track progress and communicate the Group's sustainability performance in relation to internationally recognised benchmarks.

UN SDG	Targets	FYE 2025 Performance
	<b>5.5:</b> Ensure women's full and effective participation and equal opportunities for leadership	<ul style="list-style-type: none"> <li>Maintained 33% women representation on the Board in FYE 2025</li> </ul>
	<b>7.2:</b> By 2030, increase substantially the share of clean energy in the global energy mix	<ul style="list-style-type: none"> <li>Generated 1,173,427 kWh of renewable energy from solar installations in FYE 2025</li> </ul>
	<p><b>8.7:</b> Eliminate forced labour, modern slavery, human trafficking and the worst forms of child labour</p> <p><b>8.8:</b> Protection of labour rights and promotion of safe and secure working environments for all</p>	<ul style="list-style-type: none"> <li>Recorded zero substantiated instances of human rights violations and no fines or penalties were imposed for non-compliance for FYE 2025</li> </ul>
	<b>10.3:</b> Ensure equal opportunity and reduce inequalities by eliminating discrimination and promoting inclusion	<ul style="list-style-type: none"> <li>100% of employees received appraisal regardless of gender.</li> </ul>
	<b>11.3:</b> Reduce the environmental impact of cities	<ul style="list-style-type: none"> <li>Installation of Solar PV systems at factories avoided estimated 908.2 tonnes of CO<sub>2</sub>e emissions</li> </ul>
	<b>12.5:</b> By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	<ul style="list-style-type: none"> <li>Waste diverted recorded at 4,001.4 tonnes in FYE 2025.</li> <li>Established categorised recycling stations on every office floor to facilitate the proper sorting of waste</li> </ul>
	<b>3.8:</b> Provide comprehensive health coverage, including financial protection, access to essential healthcare services and affordable medicines	<ul style="list-style-type: none"> <li>Provided Group Term Life Insurance, Group Personal Insurance, and Group Hospitalisation benefits for full-time employees</li> </ul>
	<b>16.5:</b> Substantially reduce corruption and bribery in all their forms	<ul style="list-style-type: none"> <li>Continued to strengthen anti-bribery practices in line with MACC Act requirements</li> <li>Maintained zero confirmed cases of corruption for the third consecutive year</li> </ul>

## SUSTAINABILITY STATEMENT

### Economic

#### Economic Performance

The Group's economic performance reflects its strategic transition and expansion into the retail segment during FYE 2025. This expansion has contributed to a significant increase in revenue, which grew from RM57.7 million in FYE 2024 to RM79.7 million in FYE 2025, driven by the inclusion of the retail business and an expanded operational footprint.

During the year, the Group recorded a loss after tax of RM5.8 million, compared to a profit after tax of RM1.1 million in FYE 2024. This was primarily attributable to the rapid expansion of the retail segment, which involved upfront investment costs, including outlet setup, operational scaling, and workforce expansion. The number of outlets increased significantly to 54 outlets in FYE 2025, reflecting the Group's accelerated growth strategy.

The Group views FYE 2025 as a strategic investment phase, where short-term financial performance is impacted by expansion-related costs, while laying the foundation for future revenue growth and market positioning.

Beyond its financial performance, the Group continues to contribute to the Malaysian economy through its business activities. The expansion of the retail segment during the year has supported local employment opportunities, increased procurement spending with domestic suppliers, and contributed to the national tax base. This phase of expansion represents a strategic investment in building operational scale and market presence, which is expected to support the Group's ability to generate sustainable long-term economic value.

For further details on the Group's financial performance, please refer to the Management Discussion and Analysis and Financial Statements sections within this Annual Report.

#### Supply Chain Management

The Group adopts a long-standing approach to responsible procurement, supported by an established timber CoC management system. The Group has been certified by the Forest Stewardship Council ("FSC") (FSC-C021788) since 2009, under the scope of purchasing FSC-certified timber, manufacturing using a transfer system, and the sale of FSC-certified WPFM.

The FSC is an international non-governmental organisation that promotes environmentally appropriate, socially beneficial, and economically viable forest management. This certification enables the Group to ensure traceability of timber sources and supports responsible forest management practices throughout its supply chain.

#### Ethical Procurement and Supplier Due Diligence

Integrity is the cornerstone of our supply chain. All suppliers are strictly required to acknowledge and adhere to the Anti-Bribery and Corruption ("ABC") Policy of HRB. During the supplier onboarding process, we conduct a rigorous Supplier Assessment that includes risk assessment evaluating potential partners against our ABC standards. Any anomalies trigger further due diligence, including CTOS checks and specific ethical inquiries. We evaluate suppliers based on 6Cs- competency, capacity, commitment, control, cash, cost, and communication to ensure they align with our operational requirements.

#### Responsible Timber Sourcing

The Group sources both forest timber and plantation timber, with all suppliers required to possess valid CoC certification, and certain suppliers also holding Programme for the Endorsement of Forest Certification (PEFC) certification. These certifications support traceability and promote responsible forest management practices across the supply chain.

## SUSTAINABILITY STATEMENT

### Economic (Cont'd)

#### Supply Chain Management (Cont'd)

##### Responsible Timber Sourcing (cont'd)

The selection of timber is based on product quality requirements and customer specifications. At the same time, the Group continues to explore the increased use of plantation timber, where feasible, as part of its efforts to support more sustainable sourcing practices. This approach reflects the Group's commitment to balancing environmental considerations with operational requirements and customer expectations. The proportion of forest and plantation timber sourced during FYE 2025 is summarised below:

Timber Source	FYE 2025 (RM'000)
Forest Timber	99.3%
Plantation Timber	0.7%

##### Timber Utilisation and Resource Efficiency

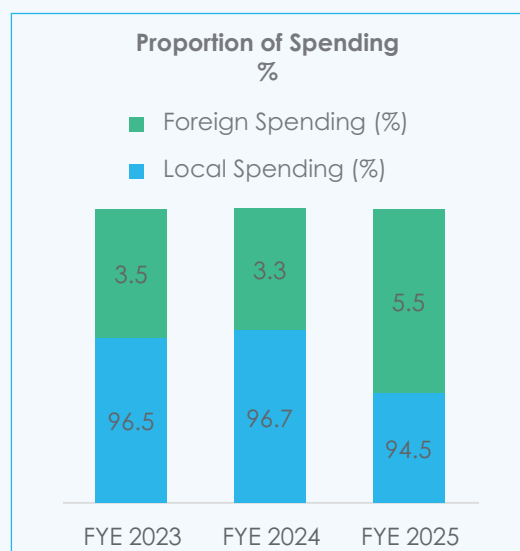
To enhance resource efficiency and minimise material wastage, the Group implements a log timber assessment process upon procurement. Timber logs are inspected based on physical conditions including defects such as cracks, holes, and other quality issues to ensure only suitable materials are used in production.

Based on the assessment, a log scoring system is applied to evaluate the extent of potential material loss. This enables the Group to optimise timber utilisation and reduce downstream wastage while maintaining product quality standards. The scoring outcomes also support commercial negotiations with suppliers on a case-by-case basis.

During FYE 2025, the Group further strengthened this approach through a log discount initiative which not only supported cost management but also reinforced efficient use of raw materials, particularly in response to external cost pressures such as tariffs in export markets.

##### Local and Foreign Procurement

The Group prioritises local sourcing to support domestic suppliers and reduce supply chain risks. During FYE 2025, 94.5% of total procurement spending was attributed to local suppliers, compared to 96.7% in FYE 2024. The slight increase in foreign sourcing was primarily attributable to the retail segment, where certain products were procured from overseas suppliers to meet specific quality requirements and cost considerations.



## SUSTAINABILITY STATEMENT

### Economic (Cont'd)

#### Supply Chain Management (Cont'd)

##### Packaging Management

In the WPFM segment, the Group adopts packaging practices that emphasise durability, efficiency, and recyclability to support more sustainable logistics operations. Industrial packaging materials including corrugated cardboard, wooden pallets, nylon strapping, and stretch wrap are selected not only to ensure product protection during transportation but also to promote reuse and recyclability, thereby reducing packaging waste and associated lifecycle emissions.

The Group also implements right-sizing practices to optimise packaging dimensions, which helps to minimise material consumption and reduce excess packaging. In addition, improved container load efficiency enables more effective utilisation of transport capacity, contributing to fewer shipments and lower fuel consumption. These practices support the reduction of Scope 3 greenhouse gas ("GHG") emissions, particularly from downstream transportation and distribution activities.

For the retail segment, packaging management practices are currently under review, as the Group continues to prioritise operational efficiency while exploring opportunities to enhance sustainable packaging solutions.

#### Research and Development

The Group's research and development efforts are focused on enhancing product design capabilities and improving production efficiency through continuous innovation and process optimisation.

##### Product Design and Customisation

During FYE 2025, the Group introduced four (4) new series with 32 designs of mouldings and frames, contributing 282,400 feet of orders. These designs were primarily developed in response to specific customer requirements, reflecting the Group's ability to accommodate customised orders and adapt to evolving customer preferences.

##### Precision Manufacturing through Advanced Machining

To support product development and improve manufacturing accuracy, the Group has adopted advanced machining equipment which uses controlled electrical discharges to cut and shape metal plates that are used in the profiling process.

By improving the precision of these metal components, the Group is able to achieve consistent wood moulding profiles and reduce variations in production. The integration of this technology enhances tooling accuracy, leading to improved product consistency, reduced dimensional errors, and strengthened capability to deliver more refined and customised wood designs.

##### Material Efficiency through Finger Joint Technology

The Group continues to improve material utilisation and production efficiency through the implementation of an automated finger jointing process. In this process, shorter wood pieces generated from cutting operations are fed into the machine, where adhesive is applied and the pieces are mechanically joined into longer, continuous wood lengths for subsequent production stages.

This process ensures accurate alignment and consistent joint quality, while reducing reliance on manual handling and improving processing efficiency. At the same time, it enables the Group to maximise the utilisation of short wood pieces by converting them into usable production inputs, thereby reducing material wastage.

This approach supports both operational efficiency and the Group's broader efforts in resource optimisation and waste reduction.

## SUSTAINABILITY STATEMENT

### Economic (Cont'd)

#### Research and Development (Cont'd)

#### Material Efficiency through Finger Joint Technology (Cont'd)



We will continue to explore opportunities to enhance operational efficiency and process optimisation, including the potential adoption of automation across its production processes where feasible. In parallel, the Group continues to assess potential adoption of more environmentally friendly materials, such as sustainable paint alternatives, without compromising product quality and customer requirements. This reflects the Group's ongoing focus on innovation, responsible manufacturing practices, and long-term value creation.

#### Product & Service Quality

##### Commitment to Product Quality and Compliance

The Group maintains an established quality management system aligned with ISO 9001:2015, covering the manufacture of wooden picture frame mouldings, and has retained this certification since 2001. This system is embedded across daily operations, ensuring that quality requirements are consistently applied from raw material selection through to final finishing.

In parallel, sourcing practices remain guided by Forest Stewardship Council (FSC) principles, supporting responsible procurement of wood-based materials. Rather than relying solely on final inspection, the Group emphasises process-level controls across each stage of production, enabling early identification of defects and maintaining consistency in product output delivered to customers.

##### Material Safety and Regulatory Compliance

Product quality is further supported by controls over material safety and regulatory compliance, particularly for products supplied to international markets. The Group continues to align its material selection and finishing processes with applicable safety requirements to ensure that products meet health and safety expectations.

Key reference frameworks include:

- Restriction of Hazardous Substances (RoHS) Directive 2011/65/EU,
- the United States Consumer Product Safety Commission regulations,
- the Airborne Toxic Control Measure (ATCM) under the United States Environmental Protection Agency.

These requirements are integrated into operational practices, ensuring that substances used in production remain within acceptable safety thresholds and do not pose adverse risks to end users.

## SUSTAINABILITY STATEMENT

### Economic (Cont'd)

#### Product & Service Quality (Cont'd)

##### Internal Quality Assurance through Rigorous Reporting

To bridge the gap between policy and output, we utilise a detailed Internal Quality Control Report for every production batch. This report acts as a critical checkpoint in our quality ecosystem, ensuring that every product meets our high standards before reaching the customer. The quality control process covers the entire production flow, documenting specific measurements and observations:

- **Comprehensive Material and Production Tracking:** Each section of Quality Control Report captures the Customer Name, Item Description, and the specific batch number to ensure full traceability.
- **Technical Quality Parameters:** We apply defined quality parameters across the production processes to ensure consistency and adherence to internal standards. Measurements are systematically conducted and recorded against established benchmarks to identify and address any deviations in a timely manner.
- **Accountability and Oversight:** The process is governed by a multi-tier verification system. Once the production is completed, the report is prepared and signed by the production personnel, then strictly reviewed and signed by a department supervisor to confirm that the quality meets our defined benchmarks.

##### Service Quality and Hygiene Assurance

The Group maintains defined hygiene standards across its wellness operations through a structured Hygiene and Replacement Standard Operating Procedure ("HRSOP"). These procedures are designed to ensure that all treatment environments, materials, and practices meet consistent cleanliness and safety expectations, supporting the delivery of a reliable and hygienic customer experience.

The HRSOP covers key areas of hygiene and operational control as follows:

- **Sanitisation Protocols:** All treatment beds, chairs, and equipment are cleaned and sanitised after each session. Towels, bedsheets, and covers are required to be freshly laundered, completely dry, and odour-free prior to use. Any item that is stained, worn or damaged is replaced immediately to maintain hygiene standards.
- **Personal and Professional Hygiene:** Therapists are required to maintain personal cleanliness at all times, including wearing clean uniforms and ensuring proper grooming. Hand hygiene is strictly enforced, with handwashing or sanitisation required before and after each treatment session.
- **Operational Readiness:** All materials used for each customer must be new, clean, and properly prepared prior to treatment. Disposable items such as bedsheets and personal-use materials are strictly single-use and disposed of immediately after each session. Treatment areas are reset in accordance with standard setup requirements to ensure readiness for the next customer.

## SUSTAINABILITY STATEMENT

### Economic (Cont'd)

#### Product & Service Quality (Cont'd)

#### Service Quality and Hygiene Assurance (Cont'd)



#### Customer Satisfaction

The Group places importance on understanding customer expectations and maintaining service quality through structured feedback mechanisms. Customers' feedback is obtained through both periodic surveys and direct engagement channels, enabling the Group to assess performance, identify areas for improvement, and enhance overall customer experience.

#### Annual Customer Satisfaction Survey

We conduct an annual Customer Satisfaction Survey to measure our performance across several key areas. For FYE 2025, the survey was distributed to the top 15 customers representing approximately 90% of total export sales, with all invited customers responding, resulting in a 100% response rate. The survey evaluates customer satisfaction based on the following criteria:

- **Product Quality:** The durability, finish, and overall craftsmanship of our wooden mouldings.
- **Delivery Timeliness:** Our ability to meet promised lead times and shipping schedules.
- **Customer Service:** The responsiveness and helpfulness of our marketing and support teams.
- **Price Competitiveness:** How our pricing aligns with the value provided in the current market.

The feedback gathered is analysed by management to identify strengths and areas for improvement. During the year, we achieved a high satisfaction rating, maintaining a consistent performance level compared to the previous year:

Financial Year	Average Satisfaction Score (out of 5.0)
FYE 2024	4.45
FYE 2025	4.40

## SUSTAINABILITY STATEMENT

### Economic (Cont'd)

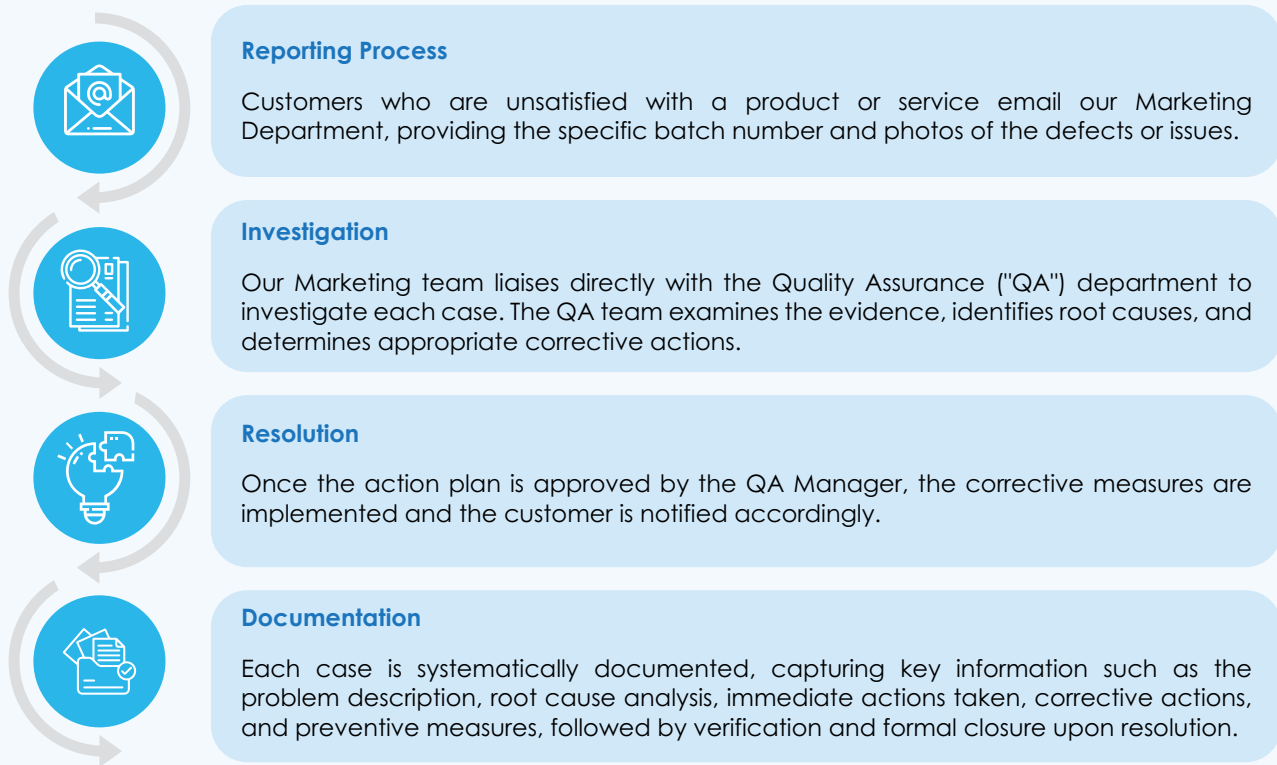
#### Customer Satisfaction (Cont'd)

##### Annual Customer Satisfaction Survey (Cont'd)

Customer feedback highlighted strengths in professionalism, packaging, and responsiveness, while areas such as pricing competitiveness and product consistency in certain cases were identified for further improvement.

##### Corrective Action Management

The Group maintains a structured approach to managing customers' complaint cases through a Corrective Action Report process, ensuring that all issues are assessed and addressed in a timely and systematic manner.



In FYE 2025, we recorded a total of 49 cases, the majority of which were minor in nature, accounting for 40 out of 49 cases, indicating that most issues reported were non-critical and did not materially affect product functionality. A total of 8 cases were classified as moderate, involving issues that required corrective actions but did not render the products unusable. Only 1 case was classified as invalid, where the issues raised did not meet the criteria for actionable quality issues.

Overall, the predominance of minor cases suggests that most customers' feedback relates to non-critical issues such as surface finish or minor defects, which are addressed through routine quality improvements. The Group continues to monitor and resolve all reported cases systematically to ensure product quality and customer satisfaction are maintained.

## SUSTAINABILITY STATEMENT

### Economic (Cont'd)

#### Data Management & Security

In an increasingly digital business landscape, HRB recognises that the protection of information assets is critical to maintaining the trust of customers, shareholders, and stakeholders. The Group's approach to data management and security is guided by the core principles of Confidentiality, Integrity, and Availability, ensuring that information is safeguarded against unauthorised access, modification, or loss, while remaining accessible for operational needs. This enables reliable decision-making and supports sustainable business growth.

#### Cybersecurity Awareness and Workforce Readiness

Recognising that employees play a critical role in safeguarding information, the Group conducts regular Security Awareness Training to strengthen cybersecurity awareness and promote responsible data handling practices.

In August 2025, a comprehensive training session was conducted covering organisational and physical security, identification of phishing attempts through simulated scenarios, personal data handling, and incident response protocols. This mandatory initiative achieved an 81% participation rate, with participants attaining an average score of 10.93 out of 12, reflecting a strong level of awareness and understanding of cybersecurity practices.

#### Information Security Governance and Controls

The Group has established internal information security practices supported by policies, procedures, and control measures to safeguard business information, employee data, and operational systems. These practices are guided by recognised information security principles, focusing on the protection of data confidentiality, integrity and availability.

HRB continues to strengthen its internal controls through ongoing improvements and periodic internal reviews to ensure that security practices remain effective and aligned with evolving risks and industry expectations.

#### Key controls implemented by the Group include:

- Maintenance of an IT asset register and inventory
- Role-based access control to systems and information
- Established information security policies and procedures
- Controlled approval processes for system access and software usage
- Security awareness training for employees
- Data backup management to ensure information recoverability

#### Continuous Monitoring and Security Controls

To ensure our defenses remain robust, the organisation performs periodic internal reviews of its security controls and policies to ensure they remain effective and aligned with the evolving threat landscape. All company devices are subjected to quarterly security checks to verify compliance with Group standards. These reviews allow us to identify potential vulnerabilities early and refine our procedures to maintain an optimal security posture across all business segments.

## SUSTAINABILITY STATEMENT

### Economic (Cont'd)

#### Data Management & Security (Cont'd)

##### System Maintenance and Patch Management

The Group implements routine system maintenance practices to ensure the integrity and security of its IT infrastructure. End-user devices are configured to receive automatic security updates, enabling timely deployment of critical patches.

For core infrastructure components, including servers, firewalls, and network equipment, updates and patches are applied in a scheduled and controlled manner to minimise system vulnerabilities while maintaining operational stability and availability.

##### Business Continuity and Disaster Recovery

To mitigate the risk of operational disruptions, the Group maintains an IT Contingency Plan to support the recovery of critical systems in the event of incidents such as fire, flood, or system failure. The plan outlines key response steps, including notification, recovery, and restoration processes, to facilitate timely resumption of operations.

These measures are supported by regular data backup practices, including periodic database maintenance and housekeeping activities, to ensure the integrity, availability, and recoverability of critical information.

##### Privacy and Data Protection Compliance

To ensure compliance with applicable laws and protect personal privacy, the Group adheres to the Personal Data Protection Act 2010 (PDPA). A formal consent framework is in place whereby all employees are required to acknowledge and consent to the processing of personal data strictly for employment-related purposes.

During the year, the Group maintained a strong track record in data protection, with zero substantiated complaints concerning breaches of customer privacy, and no identified incidents of data leakage, theft, or loss.

	FYE 2023	FYE 2024	FYE 2025
Substantiated complaints concerning breaches of customer privacy	0	0	0

## SUSTAINABILITY STATEMENT

### Environmental

#### Energy and Water Management

##### Commitment to Resource Efficiency

As HRB continues to expand its physical presence across Malaysia, we remain mindful of our environmental footprint. Our strategy focuses on decoupling our operational growth from our resource consumption through technological upgrades and behavioral changes. By investing in renewable energy and energy-efficient infrastructure, we aim to optimise our resource intensity while maintaining the high service standards of our retail and manufacturing segments.

##### Consumption Trends and Intensity

The increase in total electricity consumption in FYE 2025 was primarily driven by the expansion of retail outlets, which broadened the Group's operational footprint. This was further contributed by the relocation of corporate office operations to a dedicated floor, resulting in higher energy usage.

Despite the increase in absolute consumption, electricity consumption per employee improved by 18.6% in FYE 2025, reflecting more efficient energy use relative to workforce size.

Metric	FYE 2023	FYE 2024	FYE 2025
Total Electricity Consumption (kWh/year)	3,497,430	4,683,328	5,940,451
Number of Employees	321	310	483
Electricity Consumption per Employee (kWh/year/staff)	10,895	15,108	12,299

Water consumption increased significantly in FYE 2025, mainly due to the expansion of retail outlets, which contributed to higher operational water demand. In addition, water usage from hostel facilities has further contributed to the overall increase.

The Group will continue to strengthen its efforts in managing water consumption, particularly within hostel operations, to improve overall water efficiency.

Metric	FYE 2023	FYE 2024	FYE 2025
Water Consumption (M <sup>3</sup> )	22,400	15,420	98,713
Number of Employees	321	310	483
Water Consumption per Employee (M <sup>3</sup> /year/staff)	70	50	204

# SUSTAINABILITY STATEMENT

## Environmental (Cont'd)

### Energy and Water Management (Cont'd)

#### Consumption Trends and Intensity (Cont'd)



#### Energy Efficiency: The LED Transition Project

To mitigate the impact of our expanding retail footprint, we have accelerated our transition to energy-efficient lighting. In FYE 2025, we successfully increased our LED lighting coverage to 70% of our total floor space, a significant jump from 28% in FYE 2024. This transition significantly reduces our heat load and electricity demand per square foot, directly lowering our operational costs and carbon emissions across our stores and factories.

## SUSTAINABILITY STATEMENT

## Environmental (Cont'd)

## Energy and Water Management (Cont'd)

## Renewable Energy: Solar PV Integration

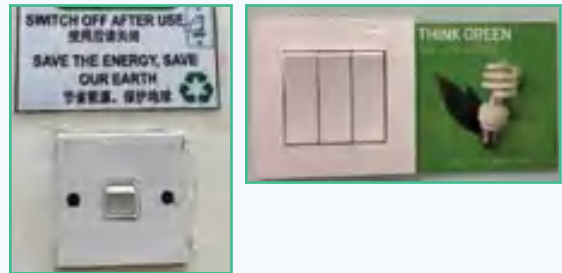
Our WPFM segment continues to lead our renewable energy efforts through the installation of rooftop solar photovoltaic ("PV") systems.

- **Expanding Capacity:** We increased our solar-equipped facilities from four factories in FYE 2024 to five factories in FYE 2025. We have further committed to equipping an additional factory by 2026.
- **Clean Energy Generation:** Our investment has yielded a consistent upward trend in self-generated renewable energy:

Year	Solar Energy Generated (kWh)
FYE 2023	411,797
FYE 2024	953,762
FYE 2025	1,173,427

## Promoting a Culture of Conservation

Beyond technical solutions, HRB emphasises the importance of individual accountability. We have implemented a Group-wide awareness campaign, placing visible reminders and notices at electrical switches. These notices encourage employees to "Switch Off and Conserve," fostering a culture where every staff member contributes to reducing unnecessary waste. This behavioral approach complements our hardware upgrades, ensuring that conservation remains a core value within the HRB workplace.



## GHG Emissions

HRB recognises climate change as a key environmental priority and is committed to progressively enhancing its GHG emissions management in line with internationally recognised framework the Greenhouse Gas Protocol.

In FYE 2025, the Group expanded its GHG accounting boundary to reflect evolving business operations, including the incorporation of new retail outlets, hostel facilities and the transition of corporate offices into independently managed premises. This has strengthened the Group's ability to track, manage, and disclose emissions in a more comprehensive and transparent manner.

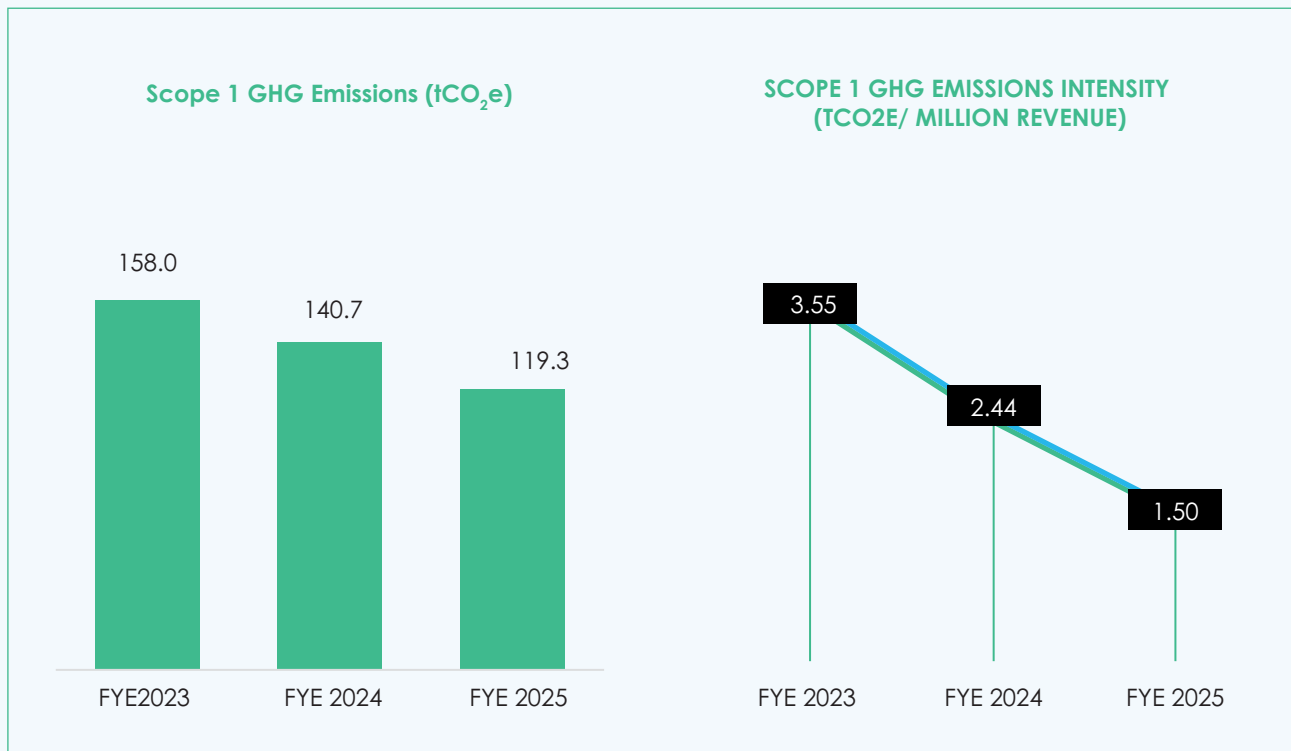
## SUSTAINABILITY STATEMENT

### Environmental (Cont'd)

#### GHG Emissions (Cont'd)

##### Scope 1 Emissions (Direct Emissions)

Scope 1 emissions represent direct GHG emissions from fuel combustion in the Group's company-owned vehicles, including petrol and diesel consumption. A summary of Scope 1 emissions for FYE 2023 to FYE 2025 is presented below:



Note:

1. Our calculation methodology adopted the GHG Protocol Corporate Accounting and Reporting Standard.
2. Scope 1 GHG emission factors were extracted from the UK Government's GHG Conversion Factor 2023, 2024 and 2025.

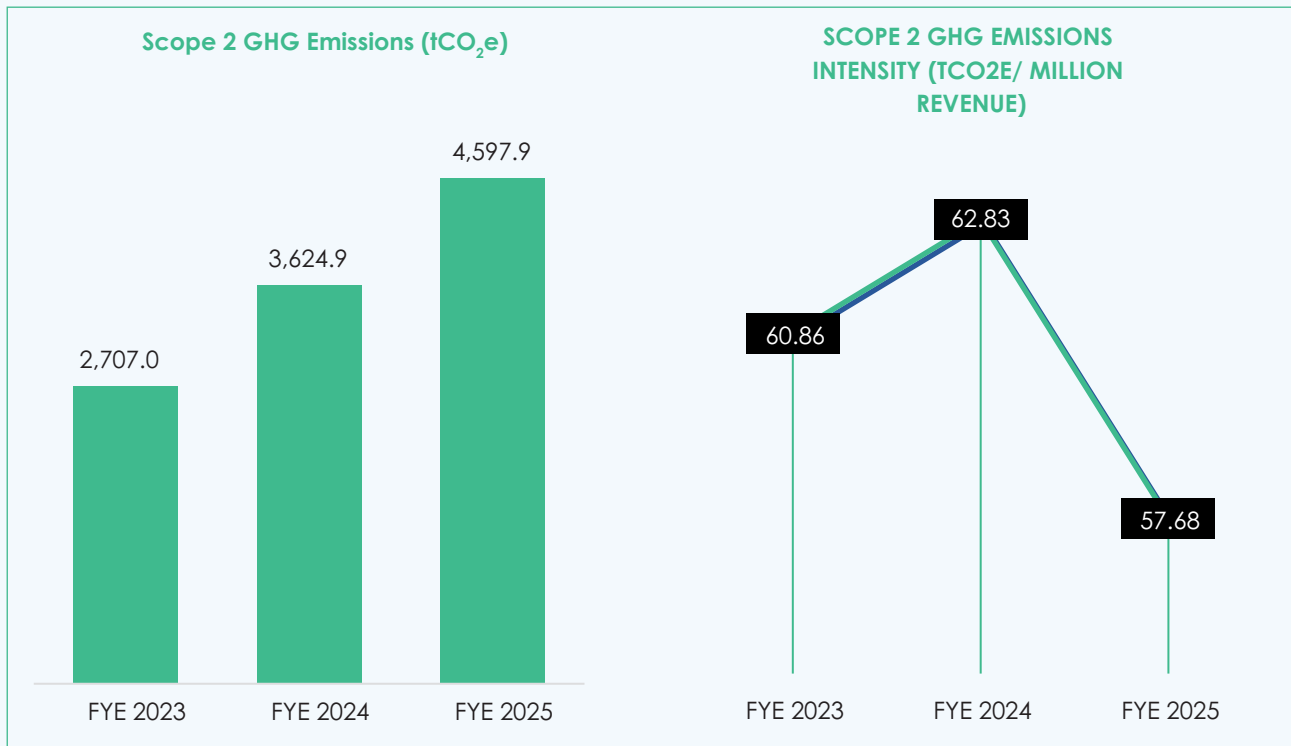
## SUSTAINABILITY STATEMENT

## Environmental (Cont'd)

## GHG Emissions (Cont'd)

## Scope 2 Emissions (Indirect Energy Emissions)

Scope 2 emissions refer to indirect GHG emissions from the consumption of purchased electricity. A summary of Scope 2 emissions for FYE 2023 to FYE 2025 is presented below:



The increase in Scope 2 GHG emissions in FYE 2025 is primarily driven by the significant expansion of the retail segment which has led to higher electricity consumption due to a broader operational footprint. Despite the increase in absolute emissions, Scope 2 GHG emissions intensity per revenue decreased, mainly due to stronger revenue growth and improved operational scale, resulting in more efficient energy use relative to business output.

## Note:

1. Our calculation methodology adopted the GHG Protocol Corporate Accounting and Reporting Standard.
2. Scope 2 GHG emission factors were extracted from the National Energy Commission: Grid Emissions Factor (GEF) Malaysia 2022.

## SUSTAINABILITY STATEMENT

### Environmental (Cont'd)

#### GHG Emissions (Cont'd)

##### Scope 3 Emissions (Other Indirect Emissions)

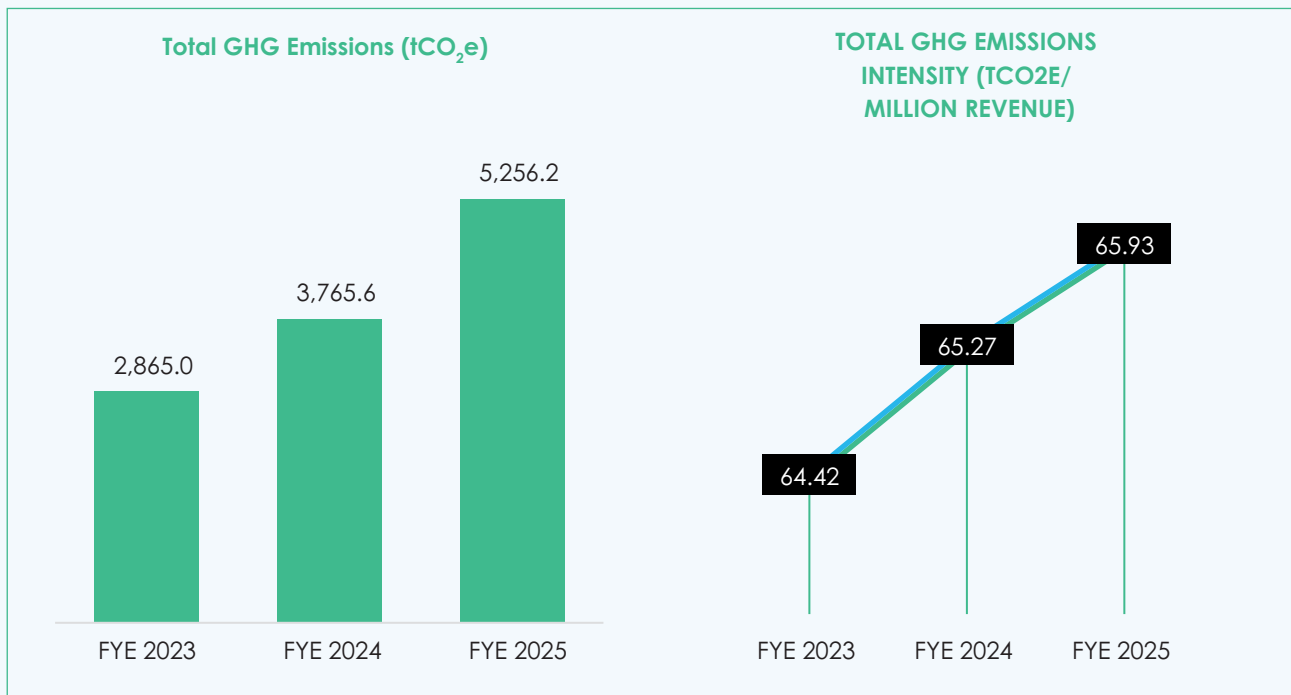
Scope 3 includes all other indirect emissions resulting from the Group's business activities that are not directly owned or controlled by us. We remain committed to expanding our Scope 3 emissions reporting in the future, in line with our ongoing efforts to enhance data collection and align with best practices in corporate sustainability reporting.

	FYE 2025
<b>Scope 3 GHG Emissions Category 6 Emissions Business Travel (tCO<sub>2</sub>e)</b>	<b>22.4</b>
<b>Scope 3 GHG Emissions Category 7 Employees Commute (tCO<sub>2</sub>e)</b>	<b>516.5</b>
<b>Total Scope 3 GHG Emissions</b>	<b>538.9</b>
<b>Scope 3 GHG Emissions Intensity/Million Revenue</b>	<b>6.76</b>

Note:

1. Scope 3 GHG emission factors were extracted from the UK Government's GHG Conversion Factor 2025.
2. FYE 2025 employee commute data are based on actual data from surveyed employees, with estimates for non-surveyed employees derived from the average emissions of the surveyed group.
3. Emissions from air travel are calculated based on travel distance, with appropriate emission factors applied based on flight class and route classification.

##### Summary of GHG Emissions



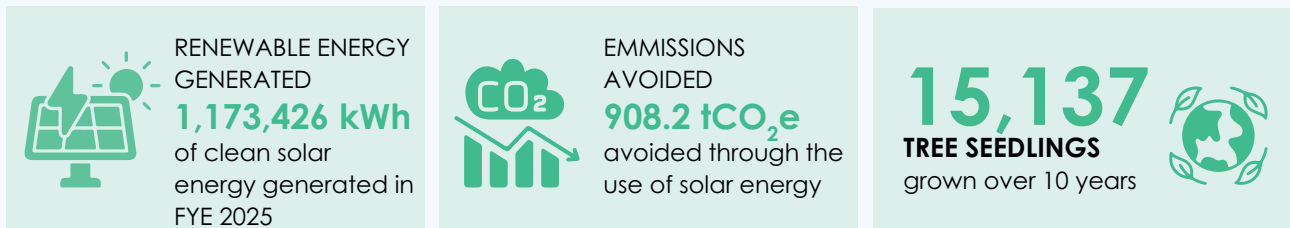
## SUSTAINABILITY STATEMENT

## Environmental (Cont'd)

## GHG Emissions (Cont'd)

## Renewable Energy and Emissions Avoidance

As part of its efforts to reduce reliance on grid electricity and lower its carbon footprint, the Group has progressively invested in on-site renewable energy through solar PV installations. In FYE 2025, 1,173,426 kWh of renewable electricity generated has contributed to an emissions avoidance of 908.2 tCO<sub>2</sub>e. The emissions avoided are equivalent to the CO<sub>2</sub> absorbed by more than 15,000 tree seedlings grown over 10 years, demonstrating the positive environmental impact of the Group's renewable energy initiatives.



Note:

1. Emissions avoidance conversion is based on Grid Emissions Factor (GEF) Malaysia 2022.
2. The number of tree seedlings grown for 10 years conversion based on reference from the U.S. Environmental Protection Agency (EPA).

## Waste Management

## Air Emissions Performance and Compliance

The Group conducts periodic Isokinetic Stack and Air Emission Monitoring to verify that air pollutants emissions from its operations remain within regulatory limits. This monitoring is performed in accordance with the Malaysian Department of Environment ("DOE") requirements, applying recognised standards such as MS 1596:2003 to ensure accuracy and comparability of results.

The monitoring specifically assessed the levels of air pollutants emitted from various stationary sources, including 18 chimneys and one boiler, to ensure they remain within the permissible limits set by the authorities.

The monitoring involved a comprehensive measurement of key parameters across all discharge points. The following table summarises the quantitative results:



Test Parameter	Source	Result Range	Limit Value	Compliance Status
Total Particulate Matter (PM)	Chimneys No. 1 – 23	3.4 to 18.2 mg/m <sup>3</sup>	50 mg/m <sup>3</sup>	Complied
Total Particulate Matter (PM)	Boiler	15.7 mg/m <sup>3</sup>	150 mg/m <sup>3</sup>	Complied
Non-Methane Volatile Organic Compounds (NMVOC)	Selected Chimneys	Not detected (<0.1 mg/m <sup>3</sup> )	20 mg/m <sup>3</sup>	Complied
NMVOC (non-halogenated)	Selected Chimneys	5.5 to 7.7 mg/m <sup>3</sup>	150 mg/m <sup>3</sup>	Complied
Dark Smoke	Boiler	Not Exceeding Chart No.1	Ringelmann Chart No.1	Complied

The monitoring results conclude that all air pollutant levels are well below the limits prescribed by the Malaysian Environmental Quality (Clean Air) Regulations 2014. By maintaining these emission levels, the Group effectively manages its environmental footprint and mitigates risks associated with air pollution.

## SUSTAINABILITY STATEMENT

### Environmental (Cont'd)

#### Waste Management (Cont'd)

##### Waste Diversion and Resource Recovery

In line with our commitment to environmental stewardship and operational efficiency, the Group has implemented robust circular economy practices to ensure that wood by-products are diverted from landfills and reintegrated into the value chain.

Short wood generated from cutting processes was systematically recovered and reassembled to form longer usable timber for production. As the Group's manufacturing requires continuous long-length wood, this practice allows direct reintegration of short wood back into the production cycle. In 2025, this initiative resulted in the recovery of 8,540,035 feet of usable long wood, significantly reducing material wastage and raw material consumption.

To optimise energy efficiency, wood chips and briquettes which are utilised internally to generate heat energy for the Group's kiln-drying operations, reducing our reliance on external energy sources.

Beyond internal reuse, remaining wood waste streams including bark, briquettes, sawdust, short wood and off-cuts are sold to third parties for beneficial use. These materials are typically repurposed as secondary fuel sources or other industrial applications, supporting broader circular economy practices and preventing landfill disposal. The following table details the total volume of waste diverted through internal reuse and external sales to third parties:

Type of diverted waste	FYE 2025 Volume (Tonnes)
Bark	46.5
Briquettes	76.8
Saw dust	739.0
Short woods	1,796.7
Off-cuts	1,342.4
<b>Total</b>	<b>4,001.4</b>

##### Scheduled Waste Management

To uphold the highest standards of environmental safety, we have established comprehensive working instructions and standard operating procedures governing scheduled waste management. These protocols ensure that all scheduled wastes are stored in strictly designated areas with proper labeling. In accordance with the requirements of DOE, all waste is declared online via the Electronic Scheduled Waste Information System (eSWIS) prior to disposal.

In full compliance with applicable environmental laws and regulations, our scheduled wastes are disposed of by licensed scheduled waste contractors within 180 days from the date of generation. To specifically mitigate the risk of water contamination, all paint sludge is systematically collected before disposal. Monitoring of these processes is overseen by our Certified Environmental Professional in Scheduled Waste Management, who possesses the technical competencies required to ensure the Group's compliance and operational integrity.

## SUSTAINABILITY STATEMENT

### Environmental (Cont'd)

#### Waste Management (Cont'd)

##### Scheduled Waste Performance Data

Our commitment to waste reduction is reflected in our performance over the last three financial years. In FY2025, the Group recorded a total of 46.1 tonnes of scheduled waste, representing a significant 28.5% decrease compared to FYE 2024.

Total Energy Used	FYE 2023	FYE 2024	FYE 2025
Total amount of waste generated (Metric tonnes)	28	64.5	46.1

The reduction in scheduled waste generation in FYE 2025 is primarily attributable to process improvements within the gesso department, which is responsible for coating and finishing activities involving paints and related materials. These improvements have reduced the generation of paint-related sludge and residues, which are classified under scheduled waste codes SW416, SW417 and SW418. The reduction is further supported by a moderation in production activities during the year.

A breakdown of scheduled waste generated in FYE 2025 by waste code is presented below:

Waste Code	Description	FYE 2025 (tonnes)
SW416	Sludges of inks, paints, pigments, lacquer, dye or varnish	6.38
SW417	Spent inks, paints, pigments, lacquers, dyes or varnishes containing organic solvents	17.47
SW418	Discarded or off-specification inks, paints, pigments, lacquers, dyes or varnishes containing organic solvents	21.52
SW409	Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes	0.64
SW410	Rags, plastics, papers or filters contaminated with scheduled wastes	0.09
<b>Total</b>		<b>46.10</b>

##### Workplace Waste Segregation Practices

To promote responsible waste management at the workplace, the Group has placed 3R- Reduce, Resue, and Recycle bins and general waste bins at each floor of its corporate office, enabling employees to segregate recyclable materials such as paper, plastic and glass.

This setup is designed to make waste segregation a convenient and habitual practice, encouraging employees to take an active role in reducing landfill waste. Recyclable materials collected from these bins are subsequently channelled for recycling through designated service providers, supporting the Group's broader waste diversion efforts.



Through these initiatives, the Group continues to foster a culture of environmental awareness and shared responsibility, reinforcing that effective waste management begins with everyday actions at the workplace.

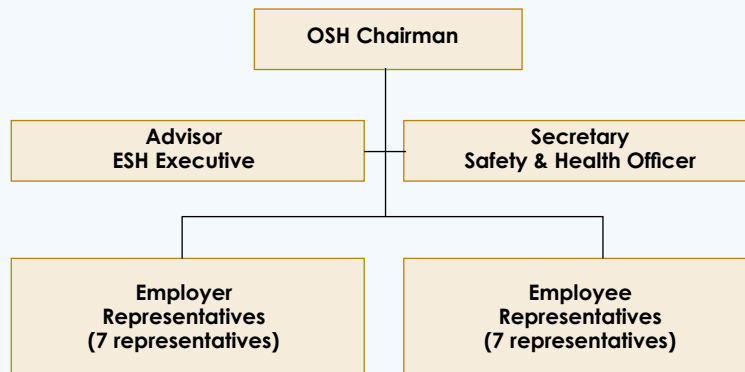
## SUSTAINABILITY STATEMENT

### Social

#### Occupational Safety and Health

HRB is committed to providing a safe and healthy working environment for all employees, contractors, and stakeholders across its operations. Recognising that occupational safety and health is fundamental to sustainable business performance, the Group adopts a structured approach encompassing governance, risk management, training, and continuous monitoring. Through the implementation of established safety policies, operational controls, and performance tracking mechanisms, the Group strives to minimise workplace risks and foster a strong safety culture across all levels of the organization.

The Group has established a structured Occupational Safety and Health ("OSH") governance framework led by an OSH Committee, comprising an OSH Chairman, a Safety and Health Officer (Secretary), and an ESH Executive (Advisor), supported by equal representation from employer and employee representatives. This balanced composition ensures effective communication, consultation, and collaboration across all levels of the organisation. The Committee serves as the central platform for overseeing workplace safety performance, reviewing incidents, and driving continuous improvements in occupational safety practices.



#### Occupational Safety and Health Policy

The Group's commitment to workplace safety is guided by a formal OSH Policy, which emphasises compliance with applicable regulations, including the Occupational Safety and Health (Amendment) Act 2022, and the adoption of best practices in safety management. The policy promotes a proactive safety culture through continuous training and awareness, encourages shared responsibility between management and employees, and establishes clear accountability for safety performance. Regular audits, risk assessments, and performance reviews are conducted to ensure ongoing compliance and continuous improvement.

#### Training and Awareness

To strengthen safety awareness and competency, the Group conducts regular OSH training programmes covering key operational risks. In FYE 2025, a total of 277 employees attended health and safety-related training programmes. These included:

1. First Aid Training
2. Toolbox Briefings
3. Forklift Safety Training
4. HSE Induction for New Employees

Participation levels varied across the different training programmes based on job roles, operational requirements, and training relevance. These initiatives are designed to equip employees with essential knowledge on hazard awareness, safe work practices, and emergency response, while fostering a safety-first mindset across the workforce.



## SUSTAINABILITY STATEMENT

### Social (Cont'd)

#### Occupational Safety and Health (Cont'd)

##### Training and Awareness (Cont'd)

	FYE 2025	FYE 2024	FYE 2023
Number of employees trained on Health and Safety standards	277	290	310

##### Hazard Identification, Risk Assessment and Risk Control ("HIRARC")

The Group adopts a structured HIRARC approach to systematically identify workplace hazards, evaluate associated risks, and implement appropriate mitigation measures. The assessment covers key operational activities such as machinery operation, manual handling, and exposure to dust and noise, with control measures including engineering safeguards, administrative controls, and the use of personal protective equipment ("PPE"). This proactive risk management approach enables the Group to minimise potential safety risks and prevent workplace incidents.

##### Engineering Controls – Local Exhaust Ventilation ("LEV")

To control employee exposure to airborne contaminants, including wood dust and chemical vapours, HRB operates LEV systems across its production facilities. In accordance with the requirements of the Occupational Safety and Health Act 1994 and the Occupational Safety and Health (Use and Standards of Exposure of Chemicals Hazardous to Health) Regulations 2000 (USECHH), periodic inspection, testing and examination of engineering control equipment are carried out by a competent person.

An annual inspection has been conducted covering a total of 18 LEV systems and concluded that all systems were operating effectively. Measured duct transport velocities for dust extraction systems ranged from approximately 3,010 to 4,066 ft/min, which are within or above the recommended range of 3,000–3,500 ft/min.

Based on the findings of the inspection and assessment, the LEV systems are considered to be performing in accordance with applicable regulatory requirements and relevant industry guidelines, supporting the effective control of airborne contaminants at source and minimising potential exposure risks to employees.

##### Occupational Safety and Health Performance

In FYE 2025, the Group maintained transparency in reporting workplace safety performance in accordance with the requirements of the Occupational Safety and Health Act 1994. The table below summarises the Group's work-related injury performance for the financial year.

	FYE 2025	FYE 2024	FYE 2023
Number of work-related fatalities	-	-	-
Fatalities rate	-	-	-
Number of high-consequence work-related injuries	-	-	-
Rate of high-consequence work-related injuries	-	0.01	-
Number of work-related lost-time incidents	6	5	8
Lost Time Incident Rate ("LTIR")	2.16	1.53	2.63

LTIR is calculated based on the Bursa Malaysia Sustainability Reporting Guide, per 200,000 hours worked annually.

## SUSTAINABILITY STATEMENT

### Social (Cont'd)

#### Occupational Safety and Health (Cont/d)

##### Occupational Safety and Health Performance (Cont'd)

The Group remains committed to maintaining a safe working environment by promptly investigating all workplace incidents and implementing appropriate corrective and preventive actions. Each reported case is subjected to internal investigation to identify root causes, followed by targeted measures to mitigate recurrence. These actions primarily focus on reinforcing safe work practices, improving workplace controls, and enhancing employee awareness through safety briefings and supervision.

Incident	Type of Injury	Consequence	Corrective Action Implemented
Lost-time injury (LTI)	Finger crushing injury	<ul style="list-style-type: none"> <li>15 days medical leave</li> <li>Reported to DOSH</li> </ul>	<ul style="list-style-type: none"> <li>Conducted safety briefing on proper machine operation.</li> <li>Reinforced adherence to SOP.</li> <li>Enhanced hazard signage on machinery.</li> </ul>
Lost-time injury (LTI)	Abdominal bruising	<ul style="list-style-type: none"> <li>3 days medical leave</li> <li>Reported to DOSH</li> </ul>	<ul style="list-style-type: none"> <li>Conducted briefing on working at height risks.</li> <li>Installed warning signage to prevent unsafe climbing.</li> </ul>
Lost-time injury (LTI)	Wrist strain	<ul style="list-style-type: none"> <li>5 days medical leave</li> <li>Reported to DOSH</li> </ul>	<ul style="list-style-type: none"> <li>Reinforced compliance with SOP and safe handling practices through supervisor briefings and safety reminders.</li> </ul>
Lost-time injury (LTI)	Swollen ankle	<ul style="list-style-type: none"> <li>1.5 days medical leave</li> <li>Reported to DOSH</li> </ul>	<ul style="list-style-type: none"> <li>Conducted safety briefing on proper trolley handling.</li> </ul>
Lost-time injury (LTI)	Incision Injury	<ul style="list-style-type: none"> <li>7 days medical leave</li> <li>Reported to DOSH</li> </ul>	<ul style="list-style-type: none"> <li>Immediate repair of machine.</li> <li>Conducted safety briefing and reminders on safe machine handling practices.</li> </ul>
Lost-time injury (LTI)	Upper limb injury	<ul style="list-style-type: none"> <li>1 day medical leave</li> <li>Reported to DOSH</li> </ul>	<ul style="list-style-type: none"> <li>Conducted safety briefing and reminders on safe machine handling practices.</li> </ul>
Medical Treatment	Shoulder fracture	<ul style="list-style-type: none"> <li>Medical Treatment</li> <li>Reported to DOSH</li> </ul>	<ul style="list-style-type: none"> <li>Reinforced safety awareness for factory transit.</li> <li>Installed warning signage at incident location.</li> </ul>

#### Employee Welfare and Engagement

At HRB, our people are our most valuable asset of our operations. We are committed to fostering a workplace culture that prioritises holistic well-being, professional fulfillment, and a deep sense of belonging. We recognise that a motivated and engaged workforce is fundamental to our long-term resilience and operational excellence. By investing in comprehensive welfare programmes and active engagement initiatives, we ensure that our employees remain empowered to contribute to the Group's shared success.

##### Competitive Compensation and Welfare Incentives

We believe in rewarding discipline, excellence, and specialized expertise through a structured incentive framework. To support the well-being of our team, HRB provides a variety of targeted incentives:

- **Attendance and Reliability:** We offer Full Attendance Incentives to encourage consistency and personal accountability.
- **Performance and Skill Recognition:** To drive productivity, employees are eligible for Performance Incentives and Grade Incentives, ensuring that high achievers and technically skilled staff are recognised for their direct contributions to the Group's goals.
- **Operational Support:** We provide practical allowances, including Meal Allowances and Traveling Allowances, to alleviate the daily costs associated with operational duties.

## SUSTAINABILITY STATEMENT

### Social (Cont'd)

#### Employee Welfare and Engagement (Cont'd)

##### Employee Benefits

HRB is committed to providing a range of employee benefits to support the well-being of its workforce. In addition to statutory requirements, the Group provides employee benefits as outlined in its Employee Handbook. These benefits are designed to address the diverse needs of employees, fostering work-life balance, job satisfaction and overall well-being.

Insurance and Medical Benefits		
<p><b>Group Personal Accident Insurance</b></p> <ul style="list-style-type: none"> <li>Annual financial support of RM30,000 to RM500,000</li> </ul>	<p><b>Group Term Life Insurance</b></p> <ul style="list-style-type: none"> <li>Annual financial support of RM10,000 to RM50,000</li> </ul>	<p><b>Group Hospitalisation</b></p> <ul style="list-style-type: none"> <li>Annual financial support of RM15,000 to RM100,000</li> </ul>

##### Celebrating Loyalty and Long-Term Commitment

Retaining experienced talent is a core priority for the Group. We take immense pride in the longevity of our team members' careers. In 2025, we held our annual Long Service Awards to honour those who have grown with us:

- **5-Year Service Award: 4 employees**
- **10-Year Service Award: 5 employees**
- **15-Year Service Award: 3 employees**
- **20-Year Service Award: 6 employees**
- **25-Year Service Award: 11 employees**

These awards serve as a testament to the stable and supportive environment we strive to maintain at HRB.

##### Transparent Communication and Future Engagement Goals

We uphold an Open Door Policy, encouraging a culture of transparency where employees at all levels can raise feedback or concerns directly to their superiors or senior management. This ensures that every voice is heard and issues are resolved swiftly and fairly.

Looking ahead to FYE 2026, the Group is planning to launch a comprehensive Employee Engagement Survey. As HRB has successfully diversified from our core wooden frame segment into retail and F&B, we are currently restructuring our feedback mechanisms. This transitional period allows us to design a nuanced questionnaire that is relevant and inclusive of the unique operational needs across all our business segments.

## SUSTAINABILITY STATEMENT

### Social (Cont'd)

#### Employee Welfare and Engagement (Cont'd)

##### Employee Engagement and Inclusivity

Engagement at HRB goes beyond the workplace; it is about building a community. Our initiatives are designed to foster teamwork, celebrate diversity, and give back to society.

##### Sports and Team Synergy



##### Hextar Chairman Cup

To promote physical wellness and cross-departmental bonding, employees participated in the Hextar Chairman's Cup, a prestigious year-long sporting event organised by the HQ committee. Employees competed in various disciplines, including pickleball, golf, bowling, badminton, and pool. The event concluded with a finale at Berjaya Hills, serving as a vital platform for staff from different segments to bond and build lasting working relationships outside of the office environment.

# SUSTAINABILITY STATEMENT

## Social (Cont'd)

### Employee Welfare and Engagement (Cont'd)

### Employee Engagement and Inclusivity (Cont'd)

Embracing Diversity through Festive Celebrations



**Chinese New Year**



**Christmas Party**



**Hari Raya Celebration**



**Halloween Party**



**Deepavali Celebration**

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Inclusivity is at the heart of our corporate identity. Throughout the year, we celebrated Malaysia's rich cultural heritage by hosting events for Chinese New Year, Hari Raya, and Deepavali. We also organised a Halloween celebration to add a touch of modern fun to the workplace. These festivities allow our diverse workforce to share their traditions, fostering mutual respect and a harmonious work environment.

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## SUSTAINABILITY STATEMENT

### Social (Cont'd)

#### Employee Welfare and Engagement (Cont'd)

#### Employee Engagement and Inclusivity (Cont'd)

##### Employee Appreciation



Hextar 40<sup>th</sup> Anniversary Celebration



Birthday Celebration

FYE 2025 marked a significant milestone with our 40th Anniversary Dinner. This event was held to celebrate four decades of success and to express our deepest gratitude to every employee for their dedication. Furthermore, HRB maintains a tradition of celebrating Employee Birthdays every month, ensuring that every individual feels personally valued and possesses a true sense of belonging within the HRB.

## SUSTAINABILITY STATEMENT

### Social (Cont'd)

#### Employee Welfare and Engagement (Cont'd)

#### Employee Engagement and Inclusivity (Cont'd)

#### Community Advocacy



**Spastic Run**

Our engagement extends to social advocacy through our participation in the Annual Charity Walk-Jog-Wheel-A-Thon, organised by the Spastic Children's Association of Selangor & Federal Territory. The Group provided financial sponsorship to support participating NGOs and their fundraising efforts for the disabled community. HRB was represented by 10 dedicated employees who joined the run, demonstrating our commitment to social inclusion and our support for those with different abilities.

#### Community Outreach

At HRB, we believe that our responsibility extends beyond business operations to the development of the next generation of leaders. Our community outreach strategy focuses on education and youth empowerment, where we leverage our corporate resources to support academic excellence and career readiness within the Malaysian community.

During FYE 2025, the Group sponsored the Universiti Malaya Business Club Orientation Week as a Diamond Sponsor. As part of this initiative, representatives from the Group's management team were invited to deliver a sharing session with students, focusing on business insights and career development.



## SUSTAINABILITY STATEMENT

### Social (Cont'd)

#### Community Outreach (Cont'd)

This engagement provided students with practical exposure to industry perspectives, while also supporting the Group's efforts to build connections with the academic community. Such initiatives enable the Group to identify and engage with potential talent, contributing to its longer-term workforce development and recruitment efforts.

**Number of beneficiaries:** 1 organisation

**Amount contributed:** RM 5,000



#### Human Rights

HRB is committed to upholding fundamental human rights across its operations and ensuring fair, respectful, and safe working conditions for all employees. This commitment is embedded within the Group's internal policies and practices, including its Code of Business Conduct and Ethics and employee's handbook which is aligned with applicable laws and regulations in Malaysia.

#### Prohibition of Child Labour and Forced Labour

HRB strictly prohibits the use of child labour and forced labour in any form. Employment practices are carried out in compliance with the Children and Young Persons (Employment) Act 1966, which regulates the employment of individuals below the age of 18.

The Group also ensures that all employment is voluntary and free from coercion, intimidation, or exploitation. Employees are engaged under formal employment terms, and no practices involving bonded, involuntary, or trafficked labour are permitted within the Group's operations.

There were zero substantiated complaints concerning human rights violations, forced labour, child labour or discrimination, and no fines or penalties were imposed due to non-compliance with labour laws for FYE 2025.

## SUSTAINABILITY STATEMENT

### Social (Cont'd)

#### Human Rights (Cont'd)

##### Foreign Workers

HRB ensures that all foreign workers are employed in full compliance with applicable laws and regulations in Malaysia, including the Immigration Act 1959/63 and the Employment Act 1955. All foreign employees are engaged with valid work permits, and the Group strictly prohibits the illegal withholding of wages, passports or personal documents.

The Group does not require any form of monetary deposits nor impose recruitment fees on employees. Wages are paid in accordance with statutory requirements including compliance with the Minimum Wages Order, and the Group does not practice unauthorised or disciplinary wage deductions. These practices are implemented to safeguard the rights and welfare of foreign workers and to prevent any form of forced or exploitative labour.

##### Accommodation Conditions

The Group also prioritises the living conditions of our employees by providing housing that meets rigorous national safety and health standards. We strictly adhere to the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 (Act 446), which governs the quality and safety of worker hostels.

- **Certified Accommodations:** Our employee housing has been officially inspected and granted a Certificate of Accommodation by the Department of Labour Peninsular Malaysia under the Ministry of Human Resources.
- **Occupancy Standards:** To ensure a comfortable and hygienic living environment, we comply with strict occupancy limits, such as ensuring that no more than 15 workers are placed in a single designated unit.
- **Continuous Compliance:** Our facilities are subject to periodic audits by the authorities to ensure ongoing adherence to the Minimum Standards of Housing, Accommodations and Amenities (Employees and Centralised Accommodations) Regulations 2020.

By maintaining the standards of housing and fair labour practices, we ensure the well-being of our foreign workers while fulfilling our legal obligations.

##### Workplace Conduct and Anti-Harassment

The Group is committed to maintaining a respectful and safe working environment for all employees. The Group strictly prohibits all forms of misconduct, including sexual harassment, and has established clear expectations on acceptable workplace behaviour under its Code of Business Conduct and Ethics.

To reinforce awareness, notices on the prohibition of sexual harassment are displayed at the Group's premises, serving as a continuous reminder to employees of the importance of maintaining professional conduct and mutual respect in the workplace.



Any incidents of misconduct, including sexual harassment, are managed through the Group's formal reporting mechanisms, including the whistleblowing report form, reporting hotline, and designated email channels. All reported cases are subject to structured review and investigation to ensure appropriate resolution.

The Group recorded zero reported cases of sexual harassment during FYE 2025.

## SUSTAINABILITY STATEMENT

### Social (Cont'd)

#### Food Safety

In our retail segment, food safety is our top priority and the cornerstone of our service quality. The Group complies with applicable food safety laws and regulations in Malaysia, including the Food Act 1983 and the Food Hygiene Regulations 2009, which govern food handling, hygiene practices, and food safety standards. All food premises operate in accordance with licensing requirements imposed by the relevant local authorities.

All food handlers are required to undergo typhoid vaccination prior to commencing work. The Group maintains a centralised record of vaccination status to ensure timely administration of booster doses in accordance with the requirements of the Ministry of Health Malaysia.

#### Strict Operational Controls and Monitoring

The Group maintains structured operational controls supported by daily monitoring records to ensure consistent implementation of food safety and hygiene practices across all outlets:

- **Cold Chain Management:** Temperature controls are implemented to minimise the risk of bacterial growth. Storage units are monitored twice daily, with chillers maintained between 1°C and 4°C, and freezers maintained between -18°C and -22°C, with deviations recorded and corrective actions taken where necessary.
- **Daily Sanitation Practices:** All outlets adhere to standardised kitchen and restaurant cleaning checklists, covering both morning preparation and end-of-day cleaning. These include the cleaning and sanitisation of food preparation areas, equipment, grease traps, and waste disposal areas to maintain a hygienic and pest-controlled environment.
- **Product Freshness and Control:** The Group utilises daily defrost tracking and discarded product logs to monitor the condition and shelf life of food items. Products exposed to unsafe conditions, including those within the temperature danger zone (5°C to 60°C) for prolonged periods, are immediately discarded and documented to prevent consumption.
- **Staff Hygiene and Food Handling Practices:** Food handlers are required to maintain high standards of personal hygiene, including the use of clean uniforms and appropriate protective attire such as hair coverings. These practices support safe food handling and minimise the risk of contamination during food preparation and service.



#### Multi-Layered Inspection

The Group implements a multi-level inspection approach to maintain consistent food safety and hygiene standards across all outlets, supported by both operational and management oversight:

- **Daily Self-Inspections:** Outlet managers carry out routine daily checks to ensure operational compliance. These include verification of opening and closing checklists, monitoring of chiller and freezer temperatures and ensuring hygiene and sanitation records are properly maintained.
- **Management-Level Inspections:** In addition to routine checks, the Group conducts unannounced inspections to independently assess compliance with standard operating procedures. These inspections cover key areas such as food handling practices, storage conditions, hygiene standards and staff adherence to required protocols.

## SUSTAINABILITY STATEMENT

## Social (Cont'd)

## Food Safety (Cont'd)

## Supplier Food Safety Assurance

The Group works with suppliers that comply with recognised food safety standards. Key suppliers are certified under the MeSTI (Makanan Selamat Tanggungjawab Industri) programme by the Ministry of Health Malaysia, ensuring that food products supplied meet regulatory food safety requirements.



## Talent Retention and Development

During the financial year, total training hours remained broadly in line with the previous year, reflecting the HRB's continued efforts to build employee capabilities across various functions.

HRB remains committed to fostering a culture of continuous learning by equipping our workforce with the necessary tools and expertise to adapt to the evolving corporate landscape. In FYE 2025, the Group recorded a total of 993 training hours, a slight decrease compared to FYE 2024. This translated into an average of 2.1 training hours per employee, compared to 3.2 hours in FYE 2024. This reduction was primarily driven by the rapid expansion of our business operations, which led to an increase in operational tasks and project-related responsibilities. During this high-growth phase, employees prioritised operational execution and the timely delivery of ad-hoc projects.

Moving forward, the Group aims to further strengthen training implementation by achieving a better balance between operational responsibilities and personal development, so that employees continue to have access to learning opportunities alongside their daily work commitments.

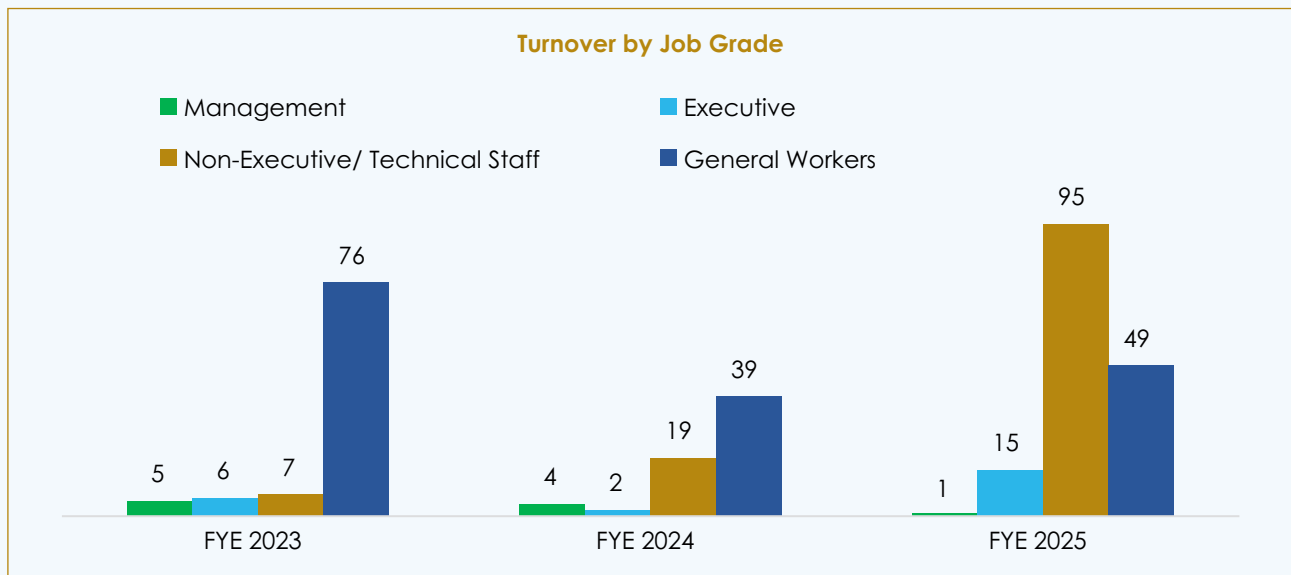
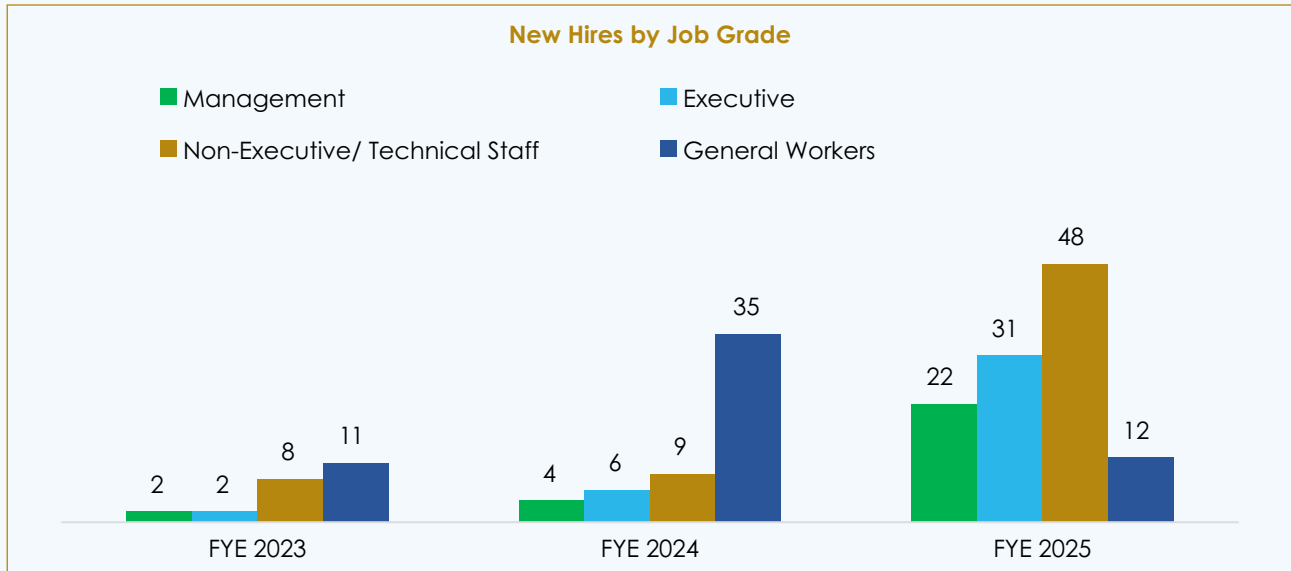
Employee Category	FYE 2023	FYE 2024	FYE 2025
Management	247	190	168
Executive	900	247	411
Non-Executive/ Technical Staff	325	283	262
General Workers	1,044	280	152
<b>Total</b>	<b>2,516</b>	<b>1,000</b>	<b>993</b>

The Group recorded an increase in new hires during the year, primarily driven by the expansion of its retail segment to support growing operational needs. This reflects the Group's ongoing business growth and efforts to strengthen its workforce capacity across retail operations. Concurrently, the Group observed a higher employees turnover, mainly attributable to non-executive roles within the retail segment, as well as general workers from the WPFM segment. This trend is typical for roles with higher labour mobility and operational intensity.

## SUSTAINABILITY STATEMENT

### Social (Cont'd)

#### Talent Retention and Development (Cont'd)



The Group continues to strengthen talent retention through continuous employee engagement, targeted training initiatives, and the provision of career development opportunities. In FYE 2025, training programmes such as product quality training, food handling training and other newly introduced initiatives for retail segment employees were implemented to enhance employee capabilities and support retention. Moving forward, the Group will continue to focus on improving workforce stability while balancing operational demands and expansion requirements.

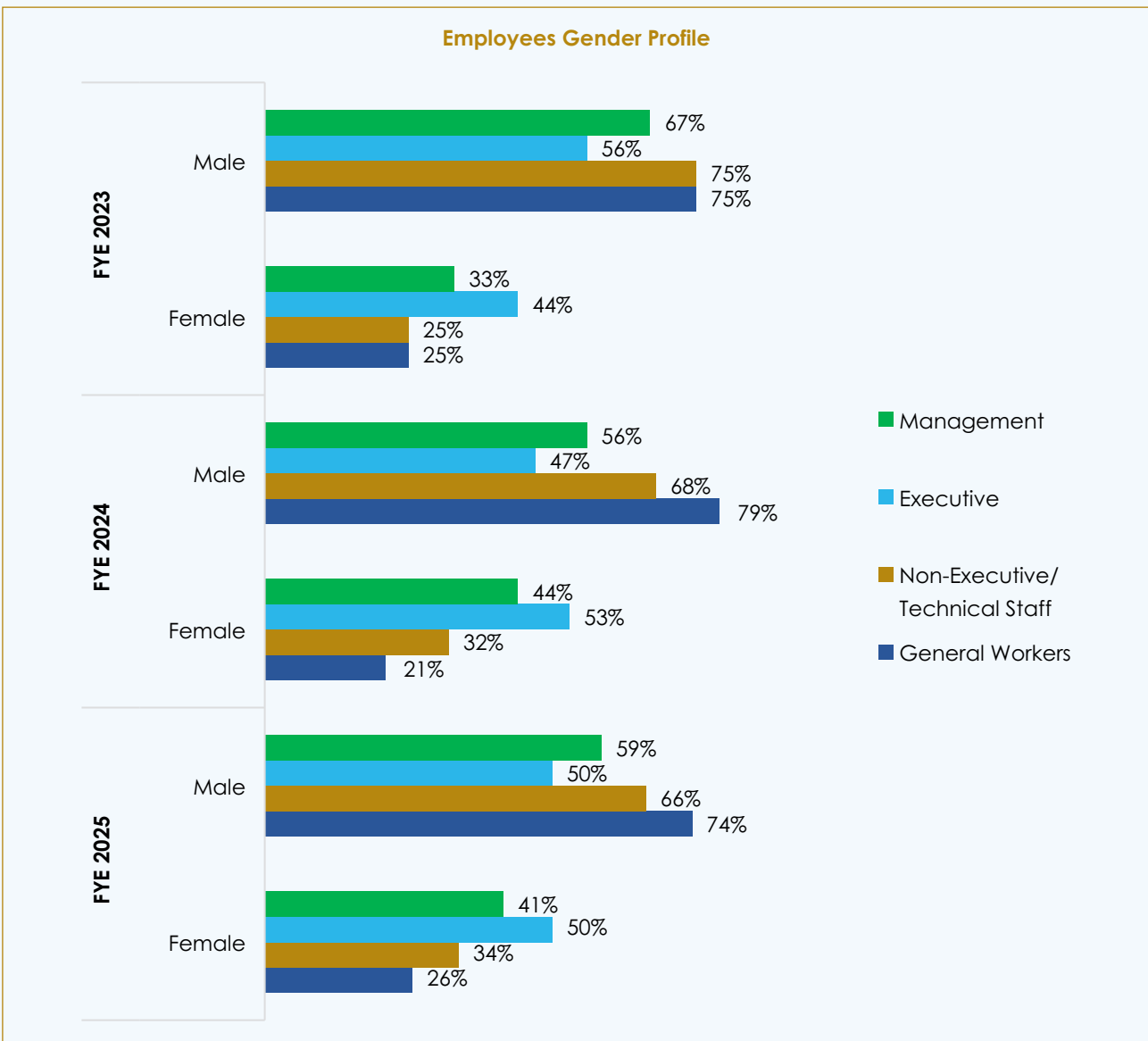
# SUSTAINABILITY STATEMENT

## Social (Cont'd)

### Workforce Diversity

The Group recorded an increase in total workforce during the financial year, primarily driven by the expansion of its retail segment to support growing operational requirements. This growth reflects the Group's ongoing business development and its commitment to strengthening operational capacity within its operation.

The Group is dedicated to foster a diverse and inclusive workplace, recognising that a balanced workforce enhances innovation, decision-making, and overall organisational performance.

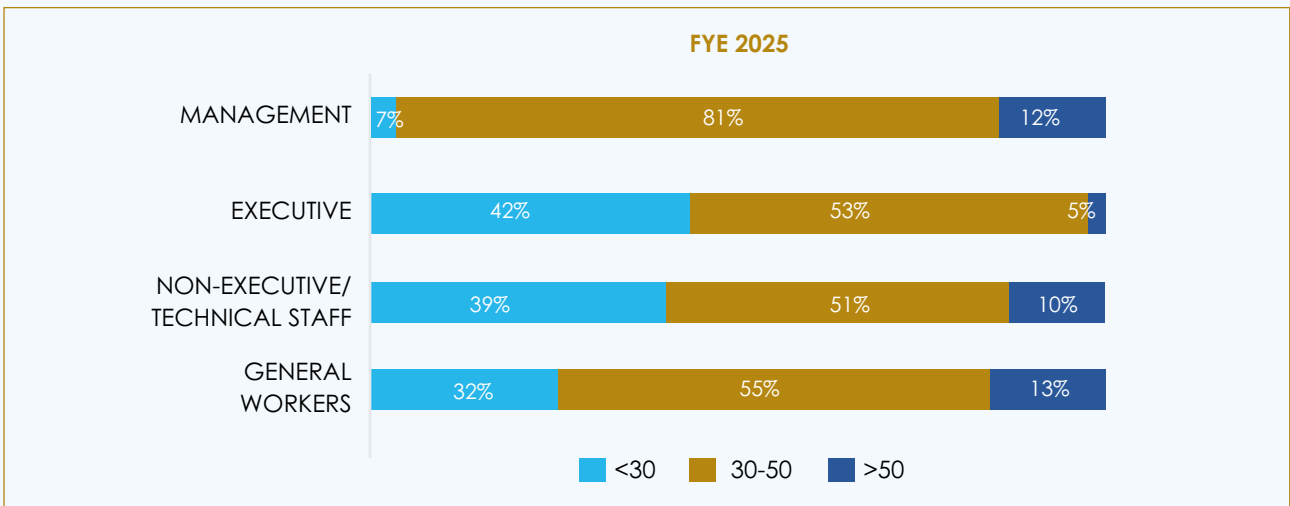
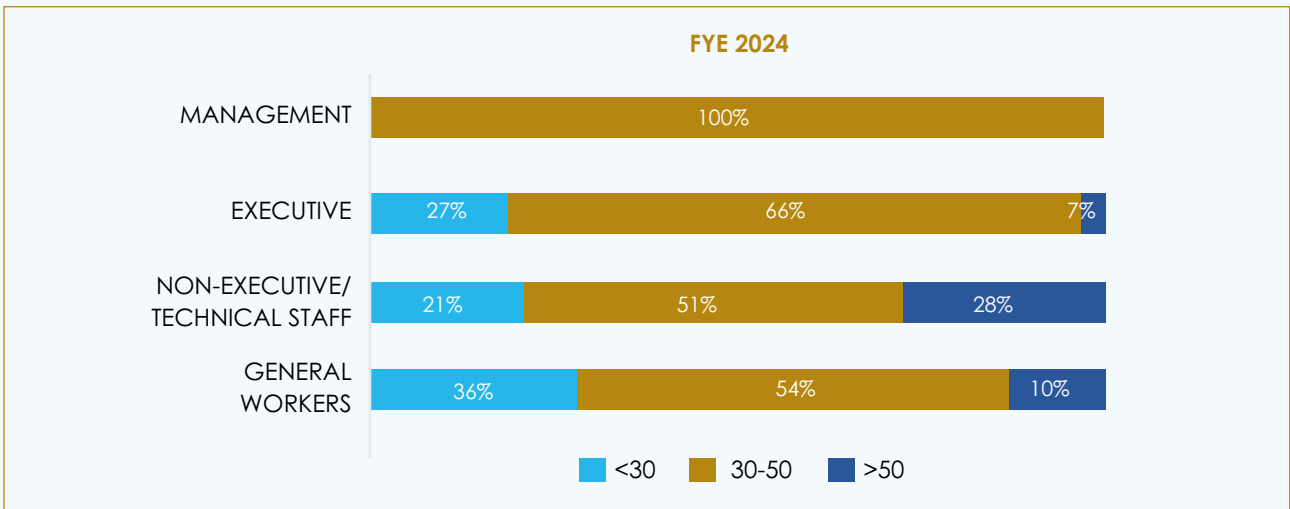
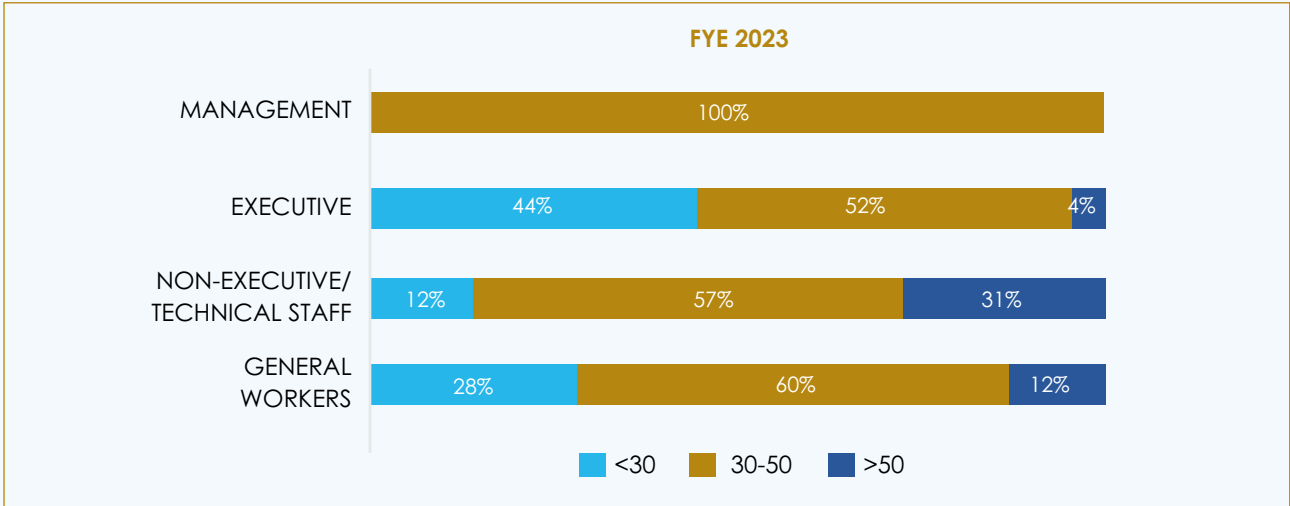


# SUSTAINABILITY STATEMENT

## Social (Cont'd)

### Workforce Diversity (Cont'd)

#### Employees Age Profile:



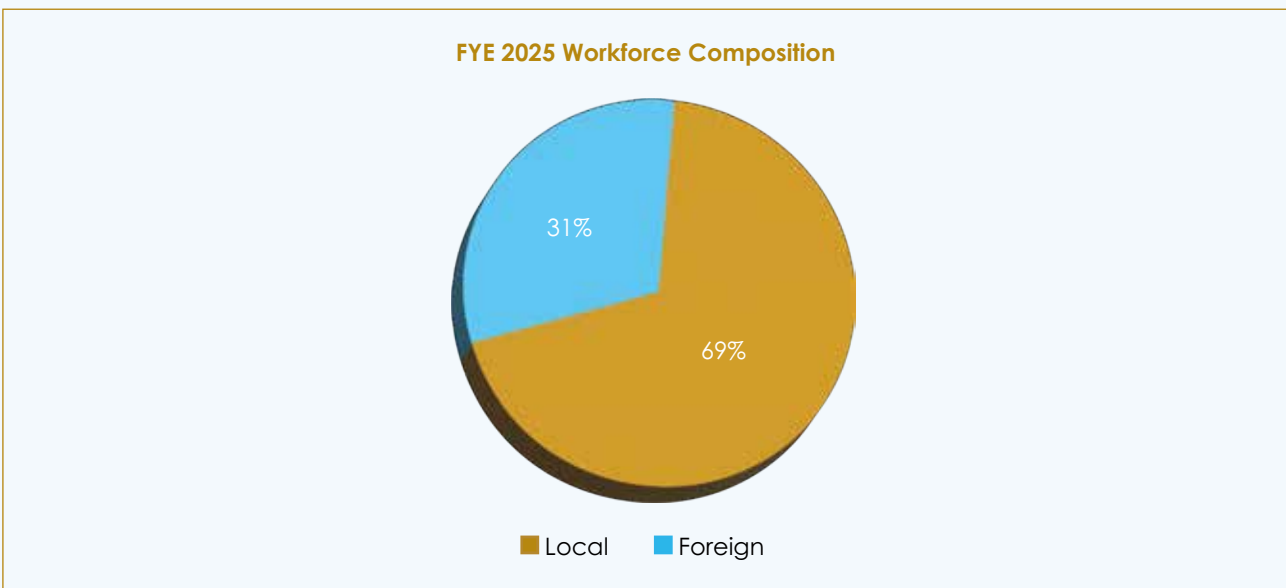
## SUSTAINABILITY STATEMENT

### Social (Cont'd)

#### Workforce Diversity (Cont'd)

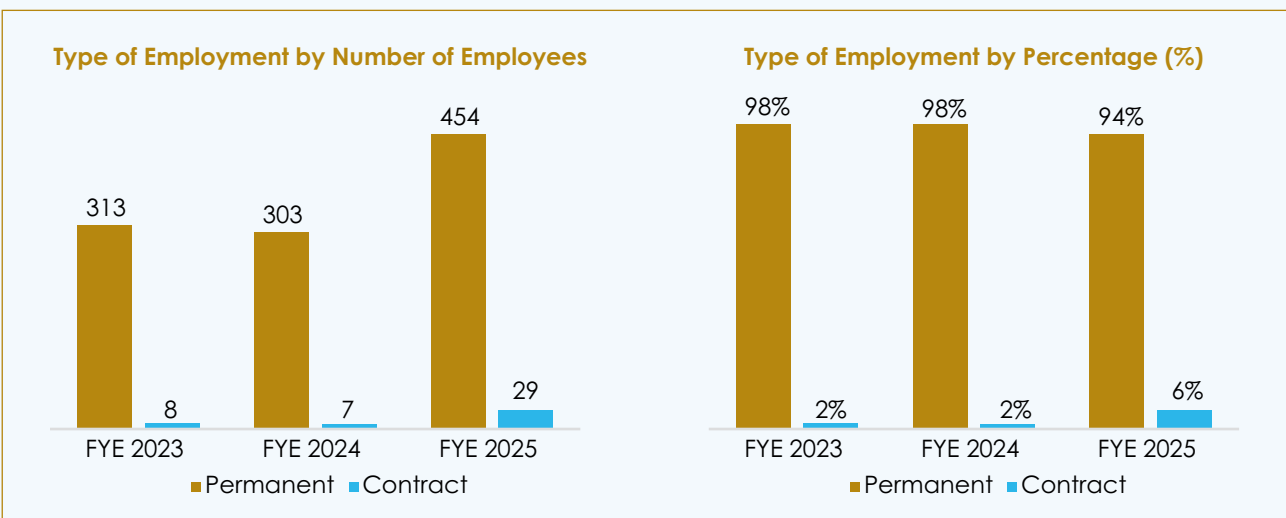
In FYE 2025, the Group's workforce comprised 69% local employees and 31% foreign employees. The presence of foreign employees is primarily attributed to the WPFM segment, where operational requirements necessitate additional labour support.

The Group places strong emphasis on prioritising local employment across its operations, in line with its objective to contribute to the domestic economy and support national employment. By providing job opportunities to local communities, HRB aims to enhance workforce sustainability while supporting the growth of the local labour market.



HRB workforce continues to be predominantly composed of permanent employees, reflecting the Group's commitment to maintaining a stable and long-term workforce. In FYE 2025, permanent employees accounted for 94% of the total workforce (FYE 2024: 98%; FYE 2023: 98%), while contract employees represented 6% (FYE 2024: 2%; FYE 2023: 2%).

The increase in contract employees in FYE 2025 is primarily attributed to the expansion of retail operations, where contract roles are utilised to support operational flexibility and manpower requirements. Despite this increase, the Group continues to prioritise permanent employment to ensure workforce stability, enhance employee engagement, and support long-term talent development.




# SUSTAINABILITY STATEMENT

## Social (Cont'd)

### Workforce Diversity (Cont'd)

HRB supports the development of young talent through our Internship Placement Program. We provide students with valuable on-hand work experience, allowing them to apply their academic knowledge to real-world scenarios. By providing students with practical workplace exposure, the Group aims to enhance their employability and readiness to enter the workforce upon graduation. Selected interns may be offered opportunities to transition into permanent roles, supporting continuity while strengthening local talent retention. This initiative reflects the Group's role in supporting local education and contributing to the development of a capable and sustainable workforce within the community.

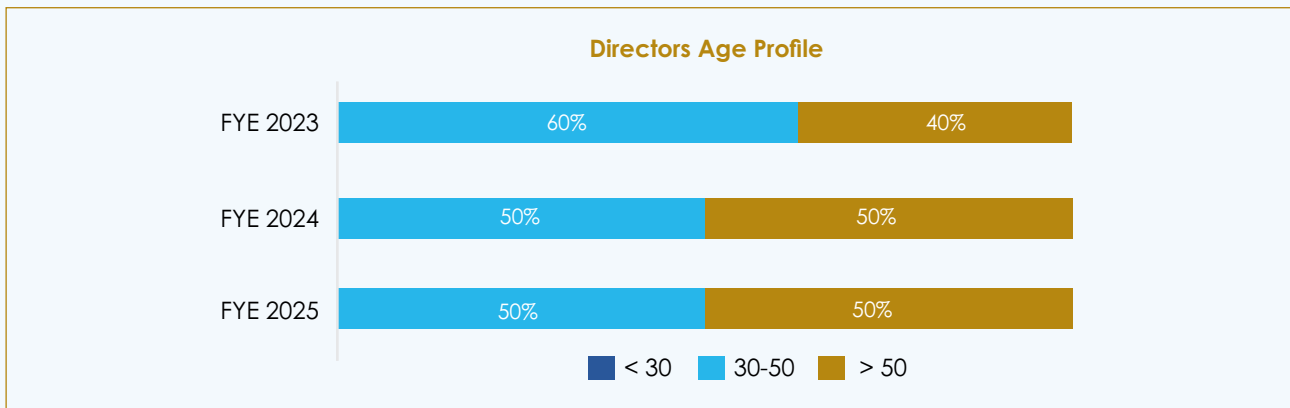
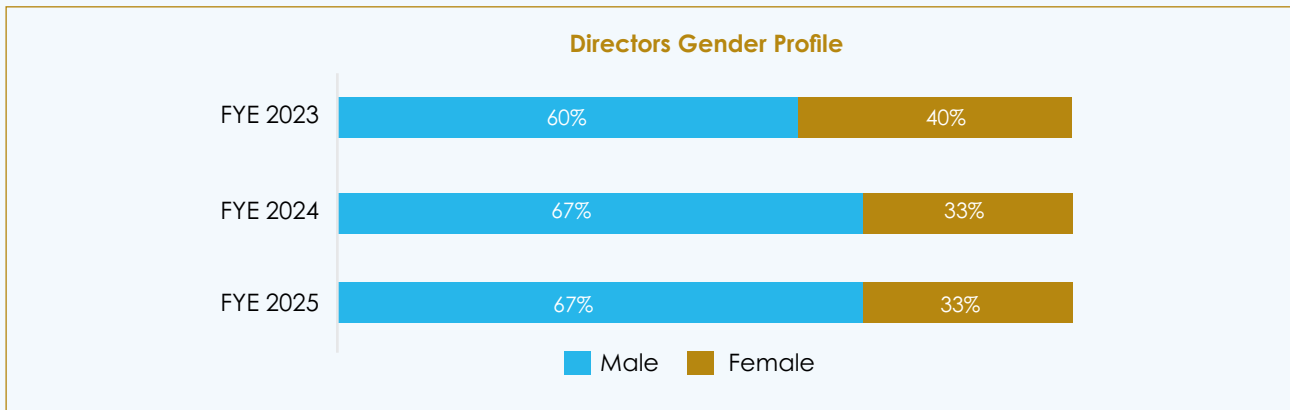


Internship Placement

# 4

Internship Placed

At the leadership level, the Group continues to uphold good governance practices through Board diversity. The Board's composition reflects a balanced mix of experience, skills, and age profiles, which supports effective oversight and strategic decision-making. The Group also remains aligned with the Malaysian Code on Corporate Governance (MCCG) recommendation of maintaining at least 30% women representation on the Board, reinforcing its commitment to gender diversity at the highest level of leadership.



## SUSTAINABILITY STATEMENT

### Governance

#### Corporate Governance and Ethics

Corporate governance and ethical conduct are critical in ensuring sustainable business operations, maintaining stakeholder trust, and safeguarding the integrity of the Group's decision-making processes. In this regard, HRB is committed to upholding high standards of governance, guided by established internal frameworks and aligned with recognised best practices, including the Malaysian Code on Corporate Governance ("MCCG") 2021.

The Group's governance framework is supported by a set of key policies and codes that define expectations on ethical conduct, accountability, and transparency, including:



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

The Group continues to uphold and apply its governance policies consistently across its operations, reinforcing its commitment to ethical business practices as disclosed in prior years.

In particular, the Fit and Proper Policy remains a key mechanism in ensuring that members of the Board and senior management possess the necessary character, integrity, competence, and experience to effectively discharge their responsibilities. The policy continues to guide the assessment of appointments and re-appointments, supporting sound leadership and effective governance oversight.

During the financial year, the Group has also reviewed and updated the policies to ensure that we maintain the highest standards of business ethics and uphold a strong corporate governance framework.

The Group maintains an established Whistleblowing Policy and Procedure, providing a safe and confidential channel for employees and external stakeholders to report concerns relating to misconduct, including fraud, corruption, abuse of power, and non-compliance with policies.

## SUSTAINABILITY STATEMENT

### Governance (Cont'd)

#### Corporate Governance and Ethics (Cont'd)

##### Anti-Bribery and Corruption

The Group continues to reinforce its zero-tolerance stance on bribery and corruption through ongoing training and awareness initiatives in line with its Anti-Bribery and Corruption Policy.

Anti-corruption training is provided to employees to enhance their understanding of key principles, including the prohibition of bribery, management of conflict of interest, and compliance with requirements relating to gifts, entertainment, and hospitality. These training programmes are supported by assessment components to evaluate employees' understanding of the policy and its practical application in daily operations.

The Group adopts a risk-based approach to anti-corruption training, prioritising employees with higher exposure to corruption risks, particularly those involved in decision-making, procurement, and external stakeholder engagement. In FYE 2025, the Group expanded its anti-corruption training coverage to include all non-executive employees.

Moving forward, the Group will progressively extend awareness initiatives to broader employee groups to further strengthen ethical awareness and promote consistent application of anti-bribery practices across the organisation.

	FYE 2023	FYE 2024	FYE 2025
<b>Percentage of operations that underwent corruption risk assessments</b>	100%	100%	100%

<b>Percentage of employees received anti-corruption training</b>	FYE 2023	FYE 2024	FYE 2025
Management	100%	100%	100%
Executive	93%	100%	100%
Non-executive	3%	25%	100%
General workers	0%	0%	0%

The Group recorded zero confirmed incidents of corruption during FYE 2025, reflecting the effectiveness of its governance framework and anti-bribery measures.



# ZERO

confirmed incidents of  
corruption and bribery  
in the past three years

## SUSTAINABILITY STATEMENT

### Governance (Cont'd)

#### Corporate Governance and Ethics (Cont'd)

##### Whistleblowing Policy and Procedure

The Group maintains a formal Whistleblowing Policy and Procedure to support a culture of integrity, transparency, and accountability. The policy provides a structured mechanism for employees and external stakeholders to report concerns relating to improper conduct, including fraud, bribery, corruption, abuse of power, and non-compliance with the Group's policies including its Anti-Bribery and Corruption Policy, without fear of retaliation.

##### Reporting Channels and Confidentiality



##### Investigation and Protection Framework

Upon receipt of a report, the Group follows a structured process to assess, investigate, and address the reported matter in accordance with its Whistleblowing Policy and Procedure:

- **Preliminary Review:** All disclosures are first reviewed by the designated receiving party to assess the nature of the concern and determine whether there are sufficient grounds to proceed with further investigation.
- **Investigation Process:** Where the report is deemed to have merit, an appropriate investigation will be conducted in a fair, objective, and timely manner. Investigations may be carried out internally or, where necessary, with the involvement of independent parties to ensure impartiality.
- **Confidentiality and Protection:** The Group is committed to ensuring that all disclosures are handled with strict confidentiality. Whistleblowers who report in good faith are protected against any form of retaliation, including dismissal, harassment, or discrimination, in line with the provisions of the Whistleblower Protection Act 2010.
- **Outcome and Escalation:** Findings from investigations are escalated to the relevant governance bodies for appropriate action. Where appropriate, the whistleblower may be informed of the outcome of the investigation, subject to legal and confidentiality considerations.

##### Compliance Performance

Our rigorous adherence to these governance standards has resulted in a clean track record for the reporting period. We are pleased to report the following outcomes for FYE 2025:

- **Zero Dismissals:** No employees have been dismissed due to non-compliance with applicable laws and regulations.
- **Zero Public Cases:** No public legal cases have been brought against the Group regarding non-compliance or unethical conduct.
- **Zero Non-Compliance Incidents:** HRB has maintained zero cases of non-compliance with all relevant laws and regulations this year.

We aim to maintain our record of zero cases of non-compliance across all business segments.

# SUSTAINABILITY STATEMENT

## Prescribed Table

Date & Time: 2026-04-20\_11:15:50  
 FYE 31/12/2025

**Hextar Retail Berhad**  
 BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Economic Performance	Group Revenue	MYR million	79.7	Not Applicable	No assurance
Economic Performance	Loss After Tax	MYR million	5.8	Not Applicable	No assurance
Supply Chain Management	Proportion of Spending on Local Suppliers	Percentage	94.5	Not Applicable	No assurance
Supply Chain Management	Proportion of Spending on Foreign Suppliers	Percentage	5.5	Not Applicable	No assurance
Customer Satisfaction	Customer Satisfaction Rate	Rate	4.4	Not Applicable	No assurance
Data Management and Security	Substantiated Complaints Concerning Breaches Of Customer Privacy	Number of case	0	Not Applicable	No assurance
Energy and Water Management	Total Electricity Consumption	Kilowatt-hour per year	5,940,451	Not Applicable	No assurance
Energy and Water Management	Water Consumption	Cubic meter	98,713	Not Applicable	No assurance
Energy and Water Management	Total Number of Employees	Number of employees	483	Not Applicable	No assurance
Energy and Water Management	Electricity Consumption per Employee	Kilowatt-hour per year per staff	12,299	Not Applicable	No assurance
Energy and Water Management	Water Consumption per Employee	Cubic meter per year per staff	204	Not Applicable	No assurance
Energy and Water Management	Total Fuel Consumption	Litre	47,461	Not Applicable	No assurance
Energy and Water Management	Total Energy Consumption	Gigajoule	22,999.9	Not Applicable	No assurance
Energy and Water Management	Purchased Electricity	Kilowatt-hour	5,940,451	Not Applicable	No assurance
Energy and Water Management	Energy Intensity	Gigajoule per thousand revenue in MYR	0.29	Not Applicable	No assurance
Energy and Water Management	Solar Energy Generated	Kilowatt-hour	1173,427	Not Applicable	No assurance
GHG Emissions	Scope 1 GHG Emissions	Tonnes of carbon dioxide equivalent	119.3	Not Applicable	No assurance

## SUSTAINABILITY STATEMENT

## Prescribed Table (Cont'd)

Date & Time: 2026-04-20\_11:15:50  
FYE 31/12/2025

Hextar Retail Berhad  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
GHG Emissions	Scope 2 GHG Emissions	Tonnes of carbon dioxide equivalent	4,597.9	Not Applicable	No assurance
GHG Emissions	Scope 3 GHG Emissions: Category 6 Business Travel	Tonnes of carbon dioxide equivalent	22.4	Not Applicable	No assurance
GHG Emissions	Scope 3 GHG Emissions: Category 7 Employees Commute	Tonnes of carbon dioxide equivalent	516.5	Not Applicable	No assurance
GHG Emissions	Scope 1 GHG Emissions Intensity	Tonnes of carbon dioxide equivalent per MYR million revenue	1.5	Not Applicable	No assurance
GHG Emissions	Scope 2 GHG Emissions Intensity	Tonnes of carbon dioxide equivalent per MYR million revenue	577	Not Applicable	No assurance
GHG Emissions	Scope 3 GHG Emissions Intensity	Tonnes of carbon dioxide equivalent per MYR million revenue	6.8	Not Applicable	No assurance
GHG Emissions	Emissions Avoidance	Tonnes of carbon dioxide equivalent	908.2	Not Applicable	No assurance
Waste Management	Waste Diverted (Recycling & Reuse)	Tonnes	4,001.4	Not Applicable	No assurance
Waste Management	Scheduled Waste Generated	Metric tonnes	461	Not Applicable	No assurance
Occupational Safety and Health	Number of work-related fatalities	Number	0	Not Applicable	No assurance
Occupational Safety and Health	Number of high consequences work-related injuries	Number	0	Not Applicable	No assurance
Occupational Safety and Health	Number of recorded work-related lost time injuries	Number	6	Not Applicable	No assurance
Occupational Safety and Health	Lost Time Incident Rate	Rate	2.16	Not Applicable	No assurance
Occupational Safety and Health	Number of employees trained on Health & Safety standards	Number of employees	277	Not Applicable	No assurance
Community Outreach	Total Amount Invested in Community	MYR	5,000	Not Applicable	No assurance
Community Outreach	Total Number of Beneficiaries	Number	1	Not Applicable	No assurance

# SUSTAINABILITY STATEMENT

## Prescribed Table (Cont'd)

Date & Time: 2026-04-20\_11:15:50  
 FYE 31/12/2025

**Hexstar Retail Berhad**  
 BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Human Rights	Complaints Concerning Human Rights Violations	Number of case	0	Not Applicable	No assurance
Human Rights	Reported Cases of Sexual Harassment	Number of case	0	Not Applicable	No assurance
Employee Training and Talent Retention	Training Received by Employees Category: Management	Number of Hours	168	Not Applicable	No assurance
Employee Training and Talent Retention	Training Received by Employees Category: Executive	Number of Hours	411	Not Applicable	No assurance
Employee Training and Talent Retention	Training Received by Employees Category: Non-Executive/ Technical Staff	Number of Hours	262	Not Applicable	No assurance
Employee Training and Talent Retention	Training Received by Employees Category: General Workers	Number of Hours	152	Not Applicable	No assurance
Employee Training and Talent Retention	Total Training Hours by All Employees	Number of Hours	993	Not Applicable	No assurance
Employee Training and Talent Retention	Total Training Hours per Employee	Number of hours per employee	2.05	Not Applicable	No assurance
Employee Training and Talent Retention	New Hires by Job Grade: Management	Number of employees	22	Not Applicable	No assurance
Employee Training and Talent Retention	New Hires by Job Grade: Executive	Number of employees	31	Not Applicable	No assurance
Employee Training and Talent Retention	New Hires by Job Grade: Non-Executive/ Technical Staff	Number of employees	48	Not Applicable	No assurance
Employee Training and Talent Retention	New Hires by Job Grade: General Workers	Number of employees	12	Not Applicable	No assurance
Employee Training and Talent Retention	Turnover by Job Grade: Management	Number of employees	0	Not Applicable	No assurance
Employee Training and Talent Retention	Turnover by Job Grade: Executive	Number of employees	15	Not Applicable	No assurance

# SUSTAINABILITY STATEMENT

Prescribed Table (Cont'd)

Sustainability Matter		Metric	Measurement Unit	2025	Target	Assurance
Employee Training and Talent Retention	Turnover by Job Grade: Non-Executive/ Technical Staff	Number of employees	95	Not Applicable	No assurance	
Employee Training and Talent Retention	Turnover by Job Grade: General Workers	Number of employees	49	Not Applicable	No assurance	
Workforce Diversity	Workforce Composition: Local	Percentage	31	Not Applicable	No assurance	
Workforce Diversity	Workforce Composition: Foreign	Percentage	69	Not Applicable	No assurance	
Workforce Diversity	Number of Employees by Gender by Level- Male Management	Percentage	59	Not Applicable	No assurance	
Workforce Diversity	Number of Employees by Gender by Level- Male Executive	Percentage	50	Not Applicable	No assurance	
Workforce Diversity	Number of Employees by Gender by Level- Male Non-Executive/ Technical Staff	Percentage	66	Not Applicable	No assurance	
Workforce Diversity	Number of Employees by Gender by Level- Male General Workers	Percentage	74	Not Applicable	No assurance	
Workforce Diversity	Number of Employees by Gender by Level- Female Management	Percentage	41	Not Applicable	No assurance	
Workforce Diversity	Number of Employees by Gender by Level- Female Executive	Percentage	50	Not Applicable	No assurance	
Workforce Diversity	Number of Employees by Gender by Level- Female Non-Executive/ Technical Staff	Percentage	34	Not Applicable	No assurance	
Workforce Diversity	Number of Employees by Gender by Level- Female General Workers	Percentage	26	Not Applicable	No assurance	
Workforce Diversity	Board Composition by Gender: Male	Percentage	66.7	Not Applicable	No assurance	
Workforce Diversity	Board Composition by Gender: Female	Percentage	33.3	Not Applicable	No assurance	
Workforce Diversity	Board Composition by Age: 30-50	Percentage	50	Not Applicable	No assurance	

# SUSTAINABILITY STATEMENT

## Prescribed Table (Cont'd)

Date & Time: 2026-04-20\_11:15:50  
 FYE 31/12/2025

**Hextar Retail Berhad**  
 BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Workforce Diversity	Board Composition by Age: Above 50	Percentage	50	Not Applicable	No assurance
Workforce Diversity	Percentage of Employees by Job Grade by Age: Management < 30	Percentage	7	Not Applicable	No assurance
Workforce Diversity	Percentage of Employees by Job Grade by Age: Management 30-50	Percentage	80	Not Applicable	No assurance
Workforce Diversity	Percentage of Employees by Job Grade by Age: Management > 50	Percentage	12	Not Applicable	No assurance
Workforce Diversity	Percentage of Employees by Job Grade by Age: Executive < 30	Percentage	42	Not Applicable	No assurance
Workforce Diversity	Percentage of Employees by Job Grade by Age: Executive 30-50	Percentage	53	Not Applicable	No assurance
Workforce Diversity	Percentage of Employees by Job Grade by Age: Executive > 50	Percentage	5	Not Applicable	No assurance
Workforce Diversity	Percentage of Employees by Job Grade by Age: Non-Executive/ Technical Staff < 30	Percentage	39	Not Applicable	No assurance
Workforce Diversity	Percentage of Employees by Job Grade by Age: Non-Executive/ Technical Staff 30-50	Percentage	52	Not Applicable	No assurance
Workforce Diversity	Percentage of Employees by Job Grade by Age: Non-Executive/ Technical Staff > 50	Percentage	10	Not Applicable	No assurance
Workforce Diversity	Percentage of Employees by Job Grade by Age: General Workers < 30	Percentage	32	Not Applicable	No assurance
Workforce Diversity	Percentage of Employees by Job Grade by Age: General Workers- 30-50	Percentage	54	Not Applicable	No assurance

# SUSTAINABILITY STATEMENT

Prescribed Table (Cont'd)

Hextar Retail Berhad BMLR Transition Period		Date & Time: 2026-04-20_11:15:50 FYE 31/12/2025			
Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Workforce Diversity	Percentage of Employees by Job Grade by Age: General Workers > 50	Percentage	13	Not Applicable	No assurance
Workforce Diversity	Number of Interns	Number	4	Not Applicable	No assurance
Workforce Diversity	Type of Employment Permanent	Percentage	94	Not Applicable	No assurance
Workforce Diversity	Type of Employment Contract	Percentage	6	Not Applicable	No assurance
Workforce Diversity	Type of Employment Permanent	Number of employees	454	Not Applicable	No assurance
Workforce Diversity	Type of Employment Contract	Number of employees	29	Not Applicable	No assurance
Workforce Diversity	Number of Cases of Human Rights Violations	Number of case	0	Not Applicable	No assurance
Corporate Governance and Ethics	Percentage Of Operations That Underwent Corruption Risk Assessments	Percentage	100	Not Applicable	No assurance
Corporate Governance and Ethics	Percentage Of Employees Received Anti-Corruption Training: Management	Percentage	100	Not Applicable	No assurance
Corporate Governance and Ethics	Percentage Of Employees Received Anti-Corruption Training: Executive	Percentage	100	Not Applicable	No assurance
Corporate Governance and Ethics	Percentage Of Employees Received Anti-Corruption Training: Non Executive/ Technical Staff	Percentage	100	Not Applicable	No assurance
Corporate Governance and Ethics	Percentage Of Employees Received Anti-Corruption Training: General Workers	Percentage	0	Not Applicable	No assurance
Corporate Governance and Ethics	Confirmed Incidents Of Corruption	Number of case	0	Not Applicable	No assurance

## SUSTAINABILITY STATEMENT

### GRI Content Index

Statement of use	HRB has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
GRI 2: General Disclosures 2021	2-1 Organisational details	23
	2-2 Entities included in the organisation's sustainability reporting	23
	2-3 Reporting period, frequency and contact point	23
	2-5 External assurance	23
	2-6 Activities, value chain and other business relationships	23
	2-7 Employees	63-68
	2-9 Governance structure and composition	25-26
	2-10 Nomination and selection of the highest governance body	80-91
	2-11 Chair of the highest governance body	80-91
	2-12 Role of the highest governance body in overseeing the management of impacts	25-26
	2-13 Delegation of responsibility for managing impacts	25-26
	2-14 Role of the highest governance body in sustainability reporting	25-26
	2-16 Communication of critical concerns	61,71
	2-17 Collective knowledge of the highest governance body	80-91
	2-18 Evaluation of the performance of the highest governance body	80-91
	2-19 Remuneration policies	80-91
	2-20 Process to determine remuneration	80-91
	2-22 Statement on sustainable development strategy	15-21
	2-23 Policy commitments	80-91
	2-24 Embedding policy commitments	80-91
2-25 Processes to remediate negative impacts	71	
2-26 Mechanisms for seeking advice and raising concerns	27-29	
2-27 Compliance with laws and regulations	60-61, 69-71	
2-29 Approach to stakeholder engagement	27-29	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	30-31
	3-2 List of material topics	31
	3-3 Management of material topic	Throughout
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	34
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	35
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	69-70
	205-3 Confirmed incidents of corruption and actions taken	70

## SUSTAINABILITY STATEMENT

## GRI Content Index (Cont'd)

GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	43-45
	302-3 Energy intensity	43-44
	302-4 Reduction of energy consumption	45
GRI 303: Water and Effluents 2018	303-5 Water consumption	43
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	46
	305-2 Energy indirect (Scope 2) GHG emissions	47
	305-3 Other indirect (Scope 3) GHG emissions	48
	305-5 Reduction of GHG emissions	49
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	49-51
	306-2 Management of significant waste-related impacts	49-51
	306-3 Waste generated	49-51
	306-4 Waste diverted from disposal	50
	306-5 Waste directed to disposal	51
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	64
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	54-55
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	52-54
	403-2 Hazard identification, risk assessment, and incident investigation	52-54
	403-4 Worker participation, consultation, and communication on occupational health and safety	52-54
	403-5 Worker training on occupational health and safety	52-54
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	54
	403-9 Work-related injuries	53-54
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	63
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	80-91
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	60
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	60
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	60
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	42

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## INTRODUCTION

The Board is committed to achieving and maintaining high standards of corporate governance within the Group as an integral part of its responsibilities to safeguard and enhance shareholder value and stakeholders' interests. The Company firmly believes that robust corporate governance is essential to the Group's operational efficiency, reinforcing the Board's effectiveness and independence while ensuring prudent risk management across the Group.

The Board is pleased to present this Corporate Governance ("CG") Overview Statement, which outlines the key initiatives and commitments undertaken by the Company during the financial year ended 2025 ("FYE 2025") to promote good corporate governance. This statement has been prepared in accordance with Paragraph 15.25(1) and Practice Note 9 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), with the application of the following three (3) key corporate governance principles as guided by Malaysian Code on Corporate Governance 2021 ("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 is responsible for the Group's overall performance and strategic direction to achieve its corporate goals and objectives. It provides leadership and oversight to the Management in the formulation and execution of strategies for growth and business development in line with the Group's vision and mission. The Board's roles and responsibilities are governed by the Board Charter, which outlines its roles and responsibilities in areas such as business conduct, performance, risk management, internal controls, corporate governance, succession planning, investor relations, shareholder engagement and regulatory compliance.

The Board is led by Datuk Iskandar Bin Sarudin, the Independent Non-Executive Chairman of the Company. He is instrumental in upholding sound corporate governance practices and ensuring the effectiveness of the Board. In his capacity as Chairman of the Board, he actively facilitates Board meetings and promotes open and constructive discussion to ensure that diverse viewpoints were duly considered, thereby supporting the Group's ongoing development.

The Board has delegated specific responsibilities to three (3) Board Committees, namely the Audit Committee ("AC"), Nomination and Remuneration Committee ("NRC") and Executive and Risk Management Committee ("ERMC") to assist in strengthening operational efficiency and overall effectiveness. Each Board Committees operate within their respective Terms of Reference and are entrusted with carrying out the functions and responsibilities delegated by the Board. The Board Committees deliberated on key matters within their respective areas at the respective committees meetings prior to making recommendations to the Board for consideration and decision-making.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

#### PART I: BOARD RESPONSIBILITIES (CONT'D)

##### 1. Board Leadership (Cont'd)

The Board is also supported by the Managing Director, Executive Director and Key Senior Management ("KSM") in the oversight of the day-to-day operations of the Group. The positions of Chairman of the Board and Managing Director are held by two (2) distinct individuals to ensure an appropriate balance of power and a clear delineation of authority and responsibilities at the Board level. Datuk Iskandar Bin Sarudin ("Datuk Iskandar"), as the Chairman of Board, 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, has primary executive responsibility for supervising the Group's daily operations and ensuring that the business performance is aligned with the strategies and policies approved by the Board. 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/>.

In addition to his role as Chairman of the Board, Datuk Iskandar also serves as a member of the AC and NRC. Notwithstanding the departure from Practice 1.4 of the MCCG, the Board is of the view that this does not compromise his objectivity in deliberating matters presented by the Board Committees. This is achieved through collective deliberations among the Independent Non-Executive Directors during committee meetings. In addition, the Chairman of the Board does not engage in the Group's day-to-day managerial or operational functions.

The Board undertakes ongoing assessments of the Group's business and management performance to ensure that adequate resources are available to support its operations. The Board has convened a total of five (5) meetings during FYE 2025, with all Directors demonstrating a high level of commitment, as reflected in their attendance records as set out below.:

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

All Board and Board Committees' meetings are scheduled in advance, allowing all Directors to allocate time for attendance. In accordance with the Board Charter, the meeting notice and Board papers are distributed to all Directors at least seven (7) calendar days before the scheduled meetings, or a shorter period if unavoidable. This ensures Directors have sufficient time to review the materials, and if necessary, to seek additional information and clarification to facilitate decision-making process.

Additionally, the Board may at its discretion, invite KSM, auditors or external parties to provide additional information and insights on relevant agenda items, facilitating informed decision making and the effective discharge of responsibilities.

The Board is supported by experienced and qualified Company Secretaries who fulfil the necessary qualifications and are qualified to act as Company Secretary under Section 235(2)(a) of the Companies Act 2016. All the Company Secretaries are also the registered holders of the Practising Certificate issued by the Companies Commission of Malaysia.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

#### PART I: BOARD RESPONSIBILITIES (CONT'D)

##### 1. Board Leadership (Cont'd)

The Board recognises the pivotal role of the Company Secretaries in ensuring the effective functioning of the Board and Board Committees, particularly in providing guidance on corporate governance, regulatory compliance and best practices. The Company Secretaries also support the Board and Board Committees in discharging their functions effectively in accordance with their respective Terms of Reference and best practices, while ensuring adherence to established Board policies and procedures. Additionally, the Company Secretaries keep the Board informed of any new statutory and regulatory requirements relevant to their duties and responsibilities, as well as ensuring that the Company is complied with its Constitution, policies, procedures and any applicable laws and regulations.

The Company Secretaries attended all Board and Board Committees meetings held during FYE 2025 and ensured that all meetings were properly convened and duly minuted, with all deliberations and decisions made by the Board and Board Committees accurately recorded. Following each meeting, the minutes were promptly prepared and circulated for review and confirmation at the subsequent meeting, thereby ensuring transparency and accountability.

The Company Secretaries have been continuously attending necessary training programmes, conferences, seminars and/or forums to keep themselves abreast of the regulatory changes and developments in corporate governance. They have also attended continuous professional development programmes as required by MAICSA and the Companies Commission of Malaysia, ensuring their expertise remained current.

##### 2. Delegation of Responsibilities

The Company has adopted a comprehensive Board Charter that clearly outlines the fiduciary roles and responsibilities of Board members, guiding the Board in discharge of their duties. This Board Charter setting out the duties of the Board, Board Committees, Chairman of the Board and Managing Director, while also outlining guidelines for meetings procedures and financial reporting practices. In view that certain functions and authorities being delegated by the Board to Board Committees and the Management, the Board Charter expressly sets out matters reserved for the Board, thereby ensuring its continued collective oversight of the Company.

The Board will regularly reviews and updates the Board Charter to ensure it remains aligned with the latest regulatory standards. The Board Charter is available on the Company's website at <https://hextarretail.com/corporate-governance/>.

##### 3. Business Ethics and Integrity

The Board emphasizes the importance of fostering an ethical culture within the Group to safeguard its reputation and uphold stakeholders' trust. In this regard, the Board has adopted the Code of Business Conducts and Ethics ("the Code") to promote and maintain high standards of ethical business conduct throughout the organisation. In conjunction with the Group's Employee Handbook and other internal policies, procedures and guidelines, the Code outlines core principles and expectations for ethical conduct in the management of the Group's information, assets and interactions with third parties.

The Board has adopted an Anti-Bribery and Corruption Policy ("ABC Policy"), reflecting the Group's zero-tolerance approach towards bribery and corruption and ensuring compliance with Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018. The ABC Policy provides guidance to the Group, all its personnel and business associates in identifying and addressing bribery and corruption risks. The Board conducts regular assessments on the Group's anti-bribery and corruption policies, controls and risk management strategies, while upholding robust anti-bribery and corruption measures. These reviews are conducted to ensure that potential risks are identified, existing controls remain effective, and continuous improvements are made in the Group's efforts to prevent bribery and corruption.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

#### PART I: BOARD RESPONSIBILITIES (CONT'D)

#### 3. Business Ethics and Integrity (Cont'd)

The Board has adopted a Whistleblowing Policy and Procedure to support the enforcement of the Code and the ABC Policy. The policy provides a secure channel for the employees and stakeholders to raise genuine concerns relating to misconduct or malpractice within the Group, including fraud-related matters, while ensuring the protection of whistleblowers. Employees who observe or suspect fraudulent activity are encouraged to report such matters to their respective departmental manager or the Human Resources & Administration Manager, as appropriate. Alternatively, they may directly raise the matters to the Chairperson of the AC, Ms. Khor Hun Nee, at [celine.khor@hextar.com](mailto:celine.khor@hextar.com).

In respect of reports relating to unethical behaviour, malpractices or violations of laws, regulations and policies, whistleblowers are encouraged to submit the Whistleblower Report Form to the Chairperson of the AC at [celine.khor@hextar.com](mailto:celine.khor@hextar.com) or the Managing Director at [eric.vo@finessemoulding.com](mailto:eric.vo@finessemoulding.com). As an alternative, the Whistleblower Report Form may be submitted in a sealed envelope addressed to the Chairperson of the AC. Upon receiving any whistleblower report, an investigation will be initiated by the Chairperson of the AC, and appropriate disciplinary action will be taken where wrongdoing is established.

The Code, ABC Policy and Whistleblowing Policy and Procedure are subject to periodic review and updates, where necessary, to ensure its 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 2025, 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.

#### 4. Sustainability Management

The Board acknowledges that achieving long-term success is underpinned by sustainable business practices, including the continuous and balanced growth of the Group's operations, while safeguarding the environment and promoting the socio-economic well-being of employees and local communities. As the ultimate authority on sustainability matters, the Board has adopted the Sustainability Policy to outline the Group's commitments and to reinforce sustainability principles and practices across environmental, workplace and community aspects.

The Board is supported by the AC in overseeing sustainability matters, particularly in reviewing the Group's overall risk management, including sustainability related risks and issues. The AC collaborates closely with the ERMC and Head of Departments to identify, monitor and mitigate sustainability risks while also exploring opportunities to enhance the Group's sustainable growth.

The details of the Group's sustainability performance, initiatives, programmes, and key material matters are stipulated in the Sustainability Statement in the Annual Report. Through the continuous management of the Group's sustainability initiatives and their integration into business operations, the Company achieved recognition in the FTSE4Good Bursa Malaysia (F4GBM) and FTSE4Good Bursa Malaysia Syariah (F4GBMS) Indices 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. The Company also received the Gold Award in the Emerging Star category at The Edge Malaysia ESG Awards 2024 in recognition of its commitment to environmental sustainability.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

#### PART I: BOARD RESPONSIBILITIES (CONT'D)

##### 4. Sustainability Management (Cont'd)

Subsequently, following the latest review in December 2024, the Company is no longer a constituent of the F4GBM and F4GBMS Indices. Notwithstanding this, the Company remains committed to strengthening its sustainability practices and Environmental, Social, and Governance ("ESG") performance, and will continue to enhance its disclosures, governance frameworks and operational initiatives with the aim of improving its ESG standing and regaining inclusion in the relevant indices in the future.

The Board will continuously undertake sustainability-related training programmes to ensure that they remain updated on the latest sustainability trends and emerging issues, thereby enhancing their ability to make informed decisions in support of the Group's long-term sustainability objectives. Through participation in those training programmes, the Board will be equipped with valuable insights into global best practices, regulatory developments, and emerging ESG challenges. Additionally, the Board has conducted a materiality assessment to identify potential risks, evaluate opportunities for improvement, and implement mitigation measures within the ESG framework. This process enables the Group to effectively manage its sustainability-related risks and opportunities.

#### 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	Executive Director and 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 current composition of the Board is in compliance with the requirements of Paragraph 15.02(1) of the MMLR which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, are Independent Directors. The Company has also fulfilled Practice 5.2 of MCCG to have at least half of the Board members comprises of independent directors. This contributes to ensuring the objectivity of the deliberations and independent decision-making, thereby protecting the interests of shareholders and other stakeholders.

The Board noted the recommendation of the MCCG that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years and subject to the Board's approval, the Independent Director may continue to serve the Board by re-designated as a Non-Independent Director. Should the Board intend to retain the Director as an Independent Non-Executive Director, they should provide justification and seek shareholders' approval at a general meeting through a two (2)-tier voting process. As of the date of this statement, none of the Independent Directors have served the Company for more than nine (9) years.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

#### PART II: BOARD COMPOSITION (CONT'D)

##### 5. Board Diversity and Objectivity (Cont'd)

The Board has established a NRC, comprising exclusively Independent Non-Executive Directors to assist in overseeing and enhancing the Board's composition, effectiveness and governance while ensuring diversity and objectivity. This includes evaluating the Board's structure and assessing the independence and performance of Directors. The NRC is also entrusted by the Board with determining the remuneration packages of the Directors and senior management, ensuring that such remuneration is aligned with the industry standard to attract and retain talented personnel. During the FYE 2025, 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 KSM for the FYE 2025; and
- f. reviewed and recommended the appointment of Chief Financial Officer as well as its remuneration packages.

The NRC is committed to maintaining a fair and transparent selection process, ensuring equal opportunities when identifying qualified candidates, in order to maintain a robust and diverse Board. The NRC does not rely solely on the recommendations from the existing Board members, KSM, or major shareholders but also considers seeking advice from external sources when appointing any candidates to the Board. The Company has also adopted a Fit and Proper Policy, which serves as a guiding framework for the NRC in assessing the Board's composition and in considering the appointment and re-appointment of Directors. This is to ensure that all Directors of the Company possess the necessary character, experience, integrity, competence, and time to effectively discharge their duties.

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. In accordance with the Terms of Reference of the NRC, they are responsible for assessing the performance and contributions of retiring Directors before recommending their re-election to the Board and subsequently proposing them to shareholders for approval.

The NRC and the Board (save for the retiring Directors) have evaluated and being satisfied with the overall performance and contributions of the following Directors, who shall retire by rotation in accordance with Clause 97 of the Company's Constitution and being eligible, have offered themselves for re-election, hereby recommend their re-election at the forthcoming 23<sup>rd</sup> AGM:

- (a) Datuk Iskandar bin Sarudin; and
- (b) Khor Hun Nee

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 2025.

Notwithstanding the strength and capability of the current Board's composition, the Board remains committed to enhancing gender diversity in fostering a balanced and effective Board. On 27 February 2025, the Board has updated and implemented the Gender Diversity Policy to enhance employment and career development opportunities for women, particularly at the Board and Senior Executive levels, and to foster a diverse, skilled and inclusive workforce. The policy aims to support the achievement of corporate objectives through increased awareness of the value of diversity, effective diversity management, and the promotion of fairness, equity and mutual respect across the organisation.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

#### PART II: BOARD COMPOSITION (CONT'D)

##### 5. Board Diversity and Objectivity (Cont'd)

The Board aims to maintain a minimum of one (1) woman director and targets at least 30% women representation on the Board, while also striving for at least 30% women representation in Senior Management positions, without compromising merit-based recruitment and development. As at 31 December 2025, the Board remains committed to promoting gender diversity, with women Directors comprising 33.33% of the Board.

The Directors recognise the importance of continuously participating in relevant training programmes, seminars, and conferences to enhance their skills and knowledge, as well as to keep abreast of evolving regulatory and corporate governance developments. This enables them to make sound decisions, broaden their perspectives, and foster a governance culture that values diversity and inclusion, thereby enhancing their ability to effectively discharge their roles and responsibilities in fulfilling their fiduciary duties.

The Directors have attended external training programmes during FYE 2025 in compliance with Paragraph 15.08 of the MMLR and to further enhance their expertise while keeping themselves updated on the development of industry and regulatory. The details of the training programmes and seminars attended by the Directors during FYE 2025 are as follows:

Name	Training Programmes Attended
Datuk Iskandar Bin Sarudin	<ul style="list-style-type: none"> <li>Sustainability Briefing 2025</li> </ul>
Vo Nghia Huu	<ul style="list-style-type: none"> <li>Anti Bribery &amp; Corruption</li> <li>E-Invoicing</li> <li>Effective Communication for leader via webinar</li> <li>Common Pitfalls in Transactions &amp; RPT Rules</li> </ul>
Dr. Lim Chee Lip	<ul style="list-style-type: none"> <li>Common Pitfalls in Transactions &amp; RPT Rules</li> </ul>
Ooi Youk Lan	<ul style="list-style-type: none"> <li>Common Pitfalls in Transactions &amp; RPT Rules</li> <li>Effective use of Generative AI for Office Productivity</li> </ul>
Khor Hun Nee	<ul style="list-style-type: none"> <li>Greenhouse Gas Protocol For Accounting Professionals: The Basics</li> <li>MIA Digital Month 2025: Tools and Technologies for Sustainability Reporting in Malaysia</li> <li>MIA Town Hall Final Session: Gain Insights Into Future for Accounting Professional and MIA Strategic Initiatives</li> <li>E-Invoicing and its Impact on Directors</li> <li>Robotic Process Automation (RPA) In Accounting: Transforming Audits And Financial Processes</li> <li>Plan Writing Express Workshop</li> <li>Overview of the Third Edition of the IFRS for SMEs Accounting Standards</li> <li>Board Risk Management Committee Dialogue &amp; Networking   Governance in an Era of Trade Uncertainty: Navigating Tariff Risks and Opportunities</li> <li>Preview of the Aspiring Directors Immersion Programme (ADIP) - Gateway to Master the Dynamics of Board Leadership and Governance</li> <li>Boardroom Blindspots: How Our Perceptions of Risk Influence our Boardroom Effectiveness</li> <li>FIMM Annual Convention Returns in 2025 with a Forward-looking Theme — Navigating the Future (Market Outlook: Insights from Fund Managers and Analysts)</li> <li>MIA Town Hall 2025/2026</li> </ul>
Teh ZiYang	<ul style="list-style-type: none"> <li>Problem Solving Through Creative Thinking</li> </ul>

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

#### PART II: BOARD COMPOSITION (CONT'D)

##### 6. Overall Board Effectiveness

The NRC has undertaken an annual assessment to evaluate the effectiveness of the Board and Board Committees, as well as the contribution and performance of each Director. The assessment also included a review of the independence of the Independent Directors. The evaluation was conducted through a self-assessment process using evaluation forms facilitated by the Company Secretary.

The evaluation forms were developed based on the prescribed forms recommended by Bursa Securities and the MCCG, covering the Board's structure, operations, and overall roles and responsibilities, as well as an assessment of each Director's quality of input, time commitment, character, integrity, competency, and experience. In developing the evaluation forms, cross-reference was made to the Company's Fit and Proper Policy, which serves as a general guideline for assessing the fitness and propriety of Directors. The details of the performance evaluation criteria adopted are outlined in the CG Report.

The assessment questionnaires were completed by each Board member on a confidential basis. Upon completion of the evaluation forms by all Board members, the NRC reviewed the results and deliberated on the findings before reporting them to the Board.

Based on the assessment and taking into consideration the nature and scope of the Group's operations and business requirements, the Board is satisfied with the performance of each individual Director and the Board Committees. The Board is opined that the Board and Board Committees have adequately and effectively discharged their duties and responsibilities. In addition, the current composition of the Board is considered well-balanced and appropriate, with a diverse mix of skills, knowledge, and experience to support long-term growth of the Group. All Independent Directors have also fulfilled the independence criteria prescribed under the MMLR and are able to exercise objective judgement and act in the best interests of the Company.

#### PART III: REMUNERATION

##### 7. Remuneration Policy

The NRC is responsible for assessing, designing, and recommending appropriate remuneration packages for the Board and KSM to attract, motivate and retain talent in support of the Group's business objectives. In discharging its responsibilities over the Company's and the Group's remuneration matters, the NRC is guided by its Terms of Reference, which set out its roles in overseeing remuneration matters. These terms are available on the Company's website at <https://hextarretail.com/corporate-governance/>.

In determining the Directors' remuneration packages, the NRC is guided by its Terms of Reference, the Board Charter and the Remuneration Policy. The remuneration packages of the Executive Directors are determined based on factors such as the scope of their duties and responsibilities, experience, alignment with the Company's values and strategic goals, as well as individual and Group performance. In contrast, the remuneration structure for Non-Executive Directors is determined based on their level of experience, responsibilities, and time commitment in discharging their duties as members of the Board and Board Committees and are subject to shareholders' approval at the AGM.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

#### PART III: REMUNERATION (CONT'D)

##### 8. Remuneration of Directors

The details of the remuneration of Directors from the Group and the Company for the FYE 2025 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)
<b>Non-Executive Directors</b>								
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	-	-	-
<b>Executive Directors</b>								
Vo Nghia Huu	-	-	-	444	-	37	28	21
Dr. Lim Chee Lip	-	-	-	396	-	33	53	7

##### 9. Remuneration of KSM

The NRC aims to determine the remuneration packages of KSM's at levels that are sufficient to attract and retain talent, while also aligning with their individual roles, capabilities, professionalism, skills, expertise, and contributions to the Group. The Board is of the view that the security and confidentiality of KSM's remuneration details should be safeguarded to protect the Company's best interests, taking into consideration the competitive nature of the industry. In this regard, the Board has decided not to disclose the remuneration information of KSM.

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### PART I: AUDIT COMMITTEE

##### 1. 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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

#### PART I: AUDIT COMMITTEE (CONT'D)

##### 1. Effective and Independent Audit Committee (Cont'd)

The AC is primarily entrusted with overseeing the Group's accounting, auditing, and internal control functions, while ensuring financial integrity. The roles of the AC Chairperson and the Chairman of the Board are held by two distinct individuals to ensure an objective and independent discharge of duties. Ms. Khor Hun Nee, the AC Chairperson, is a fellow member of FCCA and a member of MIA. She is also a CFP and holds a CMSRL issued by Securities Commission Malaysia. With over 19 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.

All AC members possess the necessary financial and commercial expertise, as well as capital market skills and experience, to understand the Group's business and oversee matters within their purview, including financial reporting and auditing processes, although only one member holds professional qualifications from recognised accounting bodies. The AC undertakes continuous professional training and development on an ongoing basis and regularly receives updates from the Management and the External Auditors. This ensures that all members remain abreast of the latest developments in accounting and auditing standards, practices, and regulations.

As guided by the Terms of Reference of the AC and to uphold a high standard of financial integrity, the AC will observe a cooling-off period of at least three (3) years before a former 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.

The AC is tasked by the Board, in accordance with its Terms of Reference, to assess and evaluate the performance, suitability, objectivity and independence of the External Auditors on annual basis. Such assessment shall take into consideration 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 outcome of the assessment carried out by the AC, The AC was satisfied with the performance and independence of the External Auditors, Messrs. UHY Malaysia PLT. The AC concluded that the External Auditors possess the necessary competence, capacity, resources and objectivity in performing the statutory audit for the FYE 2025. 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 2026 to the Board to seek for shareholders' approval at the forthcoming AGM.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

#### PART II: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

##### 2. 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, 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 ERMC 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 ERMC 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.

##### 3. 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 2025, 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 have 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

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

#### PART I: ENGAGEMENT WITH STAKEHOLDERS

##### 1. 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

##### 2. 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 22<sup>nd</sup> AGM held on 19 June 2025, the notice was circulated on 30 April 2025 to shareholders, exceeding the required notice period.

The 22<sup>nd</sup> AGM was conducted physically in line with the requirements imposed by the Securities Commission Malaysia, which mandate that all public listed companies hold their AGMs either physically or in a hybrid format. During the 22<sup>nd</sup> AGM, the CFO presented the Group's financial performance, while Management shared insights on the Group's outlook, strategic direction and response to global economic challenges. Additionally, sufficient time was allocated for shareholders to raise questions, and responses were duly provided.

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. 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/hextrl/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 was approved by the Board on 23 April 2026.

# AUDIT COMMITTEE REPORT

The Board is pleased to present the Audit Committee ("AC") Report to provide insight on the discharge of the AC's function during the FYE 2025 in compliance with Paragraph 15.15(1) of the MMLR Bursa Securities.

The Committee is established to assist the Board in discharging its responsibilities, among others, in overseeing the Group's financial statements as well as in fulfilling its statutory duties in relation to internal controls system and financial reporting practices. The AC is also responsible for safeguarding the independence of the external auditors and assessing the quality of the internal audit function, with a view to promoting sound internal control and good governance within the Group.

## 1. COMPOSITION AND MEETINGS

The AC comprises of three (3) members, all of whom are Independent Non-Executive Directors. The Chairperson of the AC, Ms. Khor Hun Nee is a FCCA, a member of MIA, a member of CFP and a holder of CMSRL. The composition of the AC complies with the requirements of Paragraph 15.09(1) of the MMLR of Bursa Securities as well as Practice 9.4 of the MCCG.

The AC convened five (5) meetings during the FYE 2025. The composition of the AC along with the meeting attendance of the respective members during the FYE 2025 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 has discharged its duties and responsibilities in accordance with its Term of Reference, which outlines its authority, functions, meeting procedures and reporting processes. The Terms of Reference of the AC is available on the Company's website at <https://hexstarretail.com/corporate-governance/>.

Pursuant to the AC's Terms of Reference, the AC is required to meet at least four (4) times in each financial year. The Chief Financial Officer together with the Senior Finance Manager attended all AC meetings to facilitate direct communication as well as provide additional information on operations, financials and audit related matters. At the invitation of the AC, representatives of external auditors, internal auditors, senior management from the respective department and others advisers may also attend the AC meeting, when necessary, to provide clarification, updates or professional views on matters within their areas of expertise which should be brought to the attention of the AC.

The AC members were provided with the meeting agenda and relevant materials in advance of each meeting to ensure sufficient time for their review, thereby facilitating effective deliberation and decision-making during the meetings. All meetings were attended by the Company Secretary, and the deliberations and decisions made during the meetings were duly minuted. The minutes of meetings are subsequently tabled at the next AC meeting for confirmation and thereafter presented to the Board for notation.

## AUDIT COMMITTEE REPORT

### 2. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the FYE 2025, the following activities were undertaken by the AC to meet its responsibilities in discharging its functions and duties:

#### (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 key senior management before recommending the same for the Board's approval. The AC shall seek advice and assistance from the External Auditors as needed;
  - conducted 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 2025 at meeting held on 28 May 2025;
  - b. Second Quarter ended 30 June 2025 at meeting held on 27 August 2025;
  - c. Third Quarter ended 30 September 2025 at meeting held on 25 November 2025; and
  - d. Fourth Quarter ended 31 December 2025 at meeting held on 24 February 2026.
- (iii) Reviewed the final draft of the audited financial statements for the FYE 2025 in the presence of External Auditors to deliberate on key matters before submission to the Board for consideration and approval on 23 April 2026. The audited financial statements are made in compliance with the applicable Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS"), Companies Act 2016 in Malaysia ("CA 2016") and MMLR of Bursa Securities; 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 23 April 2026, without the presence of the Managing Director, Executive Directors and the 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

### 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) Internal Control

- i. 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;
- ii. Reviewed the Group's risk register to ensure that key risks are identified, assessed and appropriately managed;
- 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")

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 2025, the AC has ensured that all RPT were conducted at arm's length and under normal commercial terms with proper disclosure.

#### (F) Annual Report

Reviewed the AC Report, CG Overview 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 recommending the same for the Board's approval.

## AUDIT COMMITTEE REPORT

### 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 three (3) staff members in the internal audit reviews conducted during the FYE 2025. 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 2025, the Internal Auditors conducted internal audit reviews in the following areas:

Internal Audit Review	Coverage Period
Financial Closing and Reporting Management on Wooden Picture Frame Mouldings segment	1 April 2024 to 31 March 2025
Procurement to Payment Management on Wooden Picture Frame Mouldings segment	1 July 2024 to 30 June 2025
Procurement Management on Retail segment	1 October 2024 to 30 September 2025
Human Resources and Payroll Management on Wooden Picture Frame Mouldings segment	1 January 2025 to 31 December 2025

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, the AC conducted an assessment of the Internal Auditors every year. On 23 April 2026, the AC 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 2025 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.

This AC Report has been reviewed by the AC and approved by the Board on 23 April 2026.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

In compliance with Paragraph 15.26(b) of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("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 2025. 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* ("SORMIC Guide 2025"), endorsed by Bursa Securities.

## 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 2025, 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, Chief Operating 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.

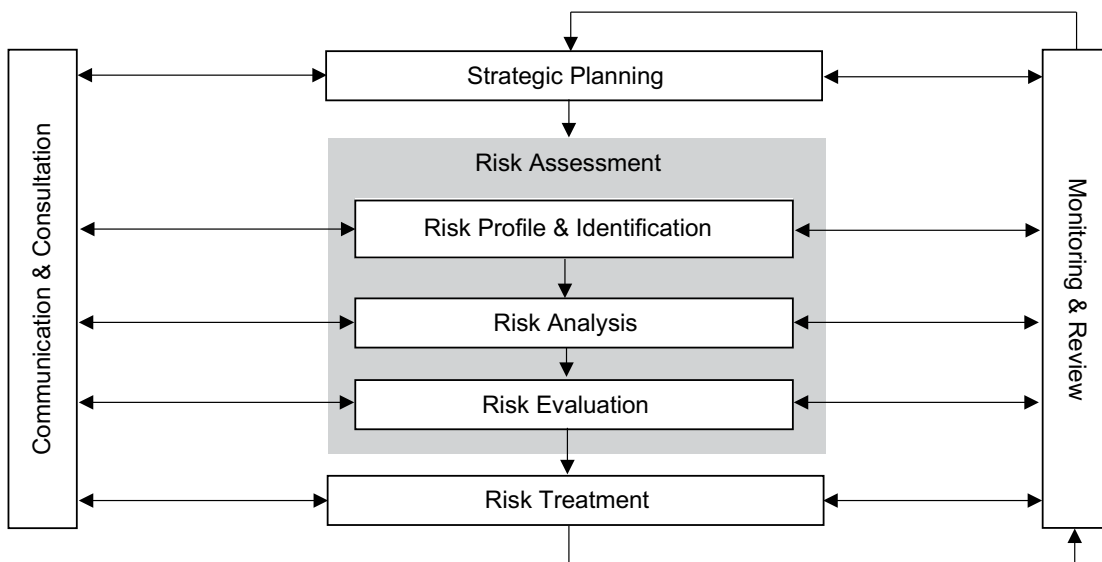
# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## 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:



<p><b>Step 1</b> Communication &amp; Consultation</p>	<p>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.</p>
<p><b>Step 2</b> Strategic Planning</p>	<p>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.</p>
<p><b>Step 3</b> Risk Profile &amp; Identification</p>	<p>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.</p>

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### RISK MANAGEMENT SYSTEM (CONT'D)

#### Step 4 Risk Analysis

In the second step of risk assessment, the identified risks are evaluated for their likelihood and impact with the following three (3) approaches:

<b>Quantitative assessment</b>	The use of quantitative measures to define the actual or perceived potential loss and/or damage;
<b>Qualitative assessment</b>	The use of historical knowledge or experience to determine the level and nature of risk; and
<b>Combination</b>	The combination of both quantitative and qualitative assessment.

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.

#### Step 5 Risk Evaluation

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.

#### Step 6 Risk Treatment

After performing the risk assessment, to identify, determine and implement the most suitable risk treatment options, including:

<b>Terminate risk</b>	To eliminate material risk from business operations, whenever practicable and commercially sensible;
<b>Transfer risk</b>	To outsource the risk to an organisation which is more appropriately skilled or resourced to manage the particular risk, whenever appropriate;
<b>Treat risk</b>	To reduce the likelihood and impact of the risk, whenever the risk is unable to be transferred or eliminated; and
<b>Tolerate risk</b>	To adopt appropriate operational controls for an effective ongoing risk management, whenever the risk is acceptable.

#### Step 7 Monitor & Review

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.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### RISK MANAGEMENT SYSTEM (CONT'D)

Under Section 7.2(b) of the SORMIC Guide 2025, the Board is required to provide a specific confirmation that the ongoing processes for identifying, evaluating, and managing significant risks "were in place for the year under review and up to the approval date of the statement".

The annual risk assessment for the FYE 2025 was conducted and presented during the AC meeting. Based on the risk assessments, the major key risks identified are Financial Closing and Reporting Management, Procurement to Payment Management, Human Resources and Payroll Management on Wooden Picture Frame Mouldings segment and Procurement Management on Retail segment. The recommendation and deliberations by the AC are minuted in the Minutes of the AC meetings and tabled to the Board for notation, if any. Such risk management process has been in place for the financial year under review and up to the date of this Statement.

### 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 2025, 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 ERMC before presenting it to the Board for approval;
- (e) During the FYE 2025, the ERMC convened 11 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 ERMC 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

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### INTERNAL CONTROL SYSTEM (CONT'D)

During the FYE 2025, the key internal controls in place within the Group are as follows: (Cont'd)

- (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.

### 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 2025, the Internal Auditors conducted four (4) internal audit reviews in the following operational areas:

Internal Audit Review	Coverage Period
Financial Closing and Reporting Management	1 April 2024 to 31 March 2025
Procurement to Payment Management	1 July 2024 to 30 June 2025
Procurement Management	1 October 2024 to 30 September 2025
Human Resources and Payroll Management	1 January 2025 to 31 December 2025

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 2025, 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.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### SOUND GOVERNANCE WITH ETHICAL BUSINESS ENVIRONMENT (CONT'D)

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.

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 and Chief Financial Officer have 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 the FYE 2025. 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 explicitly set out in Section 7 of the SORMIC Guide 2025, 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 2025, 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 23 April 2026.

## STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARATION OF FINANCIAL STATEMENTS

The Directors are required by the Act 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, the Act and the MMLR of Bursa Securities.

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 the end of the financial year, and the financial performance and cash flows of the Group and the Company for the financial year.

In ensuring the preparation of the financial statements in accordance with the applicable accounting standards, Act and MMLR of Bursa Securities, the Directors have observed the following criteria:

- overseeing the overall conduct of the Group and the Company's business;
- appropriate accounting policies and practices have been adopted and applied consistently;
- the statements are supported by reasonable and prudent judgements and estimates;
- all applicable accounting standards have been followed;
- reviewing the adequacy and integrity of internal control systems and management information system in the Company and within the Group; and
- a going concern basis has been adopted unless it is inappropriate to presume that the Group will continue its business.

The Directors are responsible for maintaining proper accounting records to ensure the financial statements of the Group and of the Company comply with the applicable requirements, including the Act, MFRS, IFRS and the MMLR of Bursa Securities. They are also responsible for safeguarding the Group's assets and ensuring appropriate systems are in place to detect and prevent fraud and irregularities. The Directors are satisfied that the financial statements for the financial year ended 31 December 2025 have been prepared using appropriate and consistently applied accounting policies, supported by reasonable judgments and estimates, in compliance with applicable standards and on a going concern basis.

This Statement on Directors' Responsibility was approved by the Board on 23 April 2026.

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

### Principal Activities

The 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
(Loss)/Profit after tax for the financial year	<u>(5,785)</u>	<u>29,114</u>
Attributable to:		
Owners of the Company	(4,526)	29,114
Non-controlling interests	<u>(1,259)</u>	<u>-</u>
	<u>(5,785)</u>	<u>29,114</u>

### Reserves and Provisions

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

### Dividends

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' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2025

#### 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\*  
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  
Ng Vic Ca  
Christian Edelmann  
Chong Weng Wah  
Adam Corrie Lee Bin Abdullah  
Lim Yong Shien (appointed on 1.9.2025)  
Chia Bily (appointed on 17.4.2025)  
Wong Siao Yenn (appointed on 15.7.2025)  
Teoh Siew Yen (appointed on 15.7.2025)  
Kelvin Ho Mun Kit (appointed on 15.7.2025)

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

None of the 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' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2025

#### 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 2025 are as follows:

	Group RM'000	Company RM'000
Fees	176	176
Remuneration	991	-
Other short-term employee benefits	20	20
Estimated monetary value of benefit-in-kind	28	-
	1,215	196

#### Issue of Shares and Debentures

During the financial year, the Company issued 3,045,800 new ordinary shares arising from the exercise of warrants at the exercise price of RM0.41 per ordinary share for a total cash consideration of RM1,248,778.

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.

#### Treasury Shares

During the financial year, the Company purchased 36,103,700 of its issued ordinary shares from the open market at an average price of RM0.49 per share. The total consideration paid for the purchase was RM17,527,488 including transaction costs. The shares purchased are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and are presented as a deduction from equity. As at 31 December 2025, the Company held as treasury shares a total of 36,103,700 of its 496,236,368 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM17,527,488.

## DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

### 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. During the financial year, 3,045,800 warrants have been exercised at an exercise price of RM0.41 per ordinary share for a total cash consideration of RM1,248,778.

As at 31 December 2025, 159,825,450 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 RM12,000 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 2025

#### 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.

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2025

#### Subsidiaries

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

Name of company	Principal place of business/ Country of incorporation	Effective interest 23.4.2026 %	Principal activities
<b>Direct holding:</b>			
Finesse Moulding (M) Sdn. Bhd.	Malaysia	100	Manufacture and sale of wooden picture frame mouldings
Hextar Timber Sdn. Bhd. (formerly known as 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
HRB Property Sdn. Bhd. (formerly known as Scenic Moulding (M) Sdn. Bhd.)	Malaysia	100	Property holding and rental of properties
Hextar Realty Sdn. Bhd. (formerly known as Lim Ket Leng Realty Sdn. Bhd.)	Malaysia	100	Property holding and rental of properties
Hextar F&B Sdn. Bhd. ("HFB")	Malaysia	100	Investment holding
Soma Wellness Sdn. Bhd. (formerly known as Hex Aura Sdn. Bhd.) ("SWSB")	Malaysia	100	Investment holding
Multi Nation Sdn. Bhd.	Malaysia	100	Convenient stores operator
Soulful Bliss Sdn. Bhd.	Malaysia	51	Health and beauty services
Wonderia Lifestyle Sdn. Bhd.	Malaysia	100	Dormant
Pump Fitness (Balakong) Sdn. Bhd.	Malaysia	51	Dormant
<b>Indirect holding: Held through SWSB</b>			
Elysian Aura Sdn. Bhd.	Malaysia	51	Health and beauty services
Serenity Springs Sdn. Bhd.	Malaysia	100	Health and beauty services
Serenity Autumn Sdn. Bhd.	Malaysia	100	Health and beauty services
Serenity Summer Sdn. Bhd.	Malaysia	100	Dormant
Soma Borneo Sdn. Bhd.	Malaysia	100	Health and beauty services

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2025

#### 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 23.4.2026 %	Principal activities
<b>Indirect holding: (Cont'd)</b>			
<b>Held through HFB</b>			
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	Restaurant and cafe operator
Blissful Fusion Sdn. Bhd.	Malaysia	51	Restaurant and cafe operator
Zok Noodle SQ Sdn. Bhd.	Malaysia	100	Dormant
Essence Gastronomy Sdn. Bhd.	Malaysia	100	Trading of food and beverage product
Flavour Crafters Hub Sdn. Bhd.	Malaysia	100	Restaurant and cafe operator
Gastronomic Gems Sdn. Bhd.	Malaysia	51	Restaurant and cafe operator
Palate Symphony Sdn. Bhd.	Malaysia	51	Restaurant and cafe operator
Spice Haven Delights Sdn. Bhd.	Malaysia	100	Restaurant and cafe operator
Taste Perspectives Sdn. Bhd.	Malaysia	51	Restaurant and cafe operator
Tasty Trails Culinary Sdn. Bhd.	Malaysia	51	Restaurant and cafe operator
VCR Cafe Sdn. Bhd.	Malaysia	100	Dormant
Coffee Spoon Sdn. Bhd.	Malaysia	100	Dormant
Fork Theory Sdn. Bhd.	Malaysia	100	Dormant
Fry Spot Sdn. Bhd.	Malaysia	100	Dormant
Hungry Hour Sdn. Bhd.	Malaysia	100	Dormant
Rasa Gepuk Sdn. Bhd.	Malaysia	100	Dormant
Spice & Spoon Sdn. Bhd.	Malaysia	100	Dormant
<b>Held through DHSB</b>			
Tastewave Sdn. Bhd.	Malaysia	51	Dormant
Tailang Delight Sdn. Bhd.	Malaysia	51	Dormant

## DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

### Significant Events During the Financial Year

The significant events during the financial year are disclosed in Note 35 to the financial statements.

### Subsequent Events

The subsequent events are disclosed in Note 36 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 2025 are as follows:

	<b>Group RM'000</b>	<b>Company RM'000</b>
Auditors' remuneration:		
- Statutory audit - UHY Malaysia PLT	301	63
- Statutory audit - Other auditors	2	-
- Non-statutory audit - UHY Malaysia PLT	30	30
	<u>333</u>	<u>93</u>

## DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

### Auditors

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

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 23 April 2026.

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VO NGHIA HUU

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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 accompanying financial statements of the Group and of the Company are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and the 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 23 April 2026.

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VO NGHIA HUU

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DR. LIM CHEE LIP

PETALING JAYA

## STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Ong Han Lin (MIA Membership No: CA 45735), 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 accompanying financial statements 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 23 April 2026 )

\_\_\_\_\_  
ONG HAN LIN

Before me,

\_\_\_\_\_  
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 2025 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 119 to 195.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with 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"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF HEXTAR RETAIL BERHAD**  
[Registration No.: 200301031466 (633887-M)](Incorporated in Malaysia)

### **Key Audit Matters**

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

We have determined that there are no key audit matters in the audit of the financial statements of the Group and of the Company to be communicated in our Auditors' 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.

### **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.

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF HEXTAR RETAIL BERHAD

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

#### **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.

**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF HEXTAR RETAIL BERHAD**  
[Registration No.: 200301031466 (633887-M)](Incorporated in Malaysia)

**Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)**

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: (Cont'd)

- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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



## **INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF HEXTAR RETAIL BERHAD**

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

### **Other Matters**

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

UHY Malaysia PLT  
202406000040 (LLP0041391-LCA) & AF 1411  
Chartered Accountants

DATO' KOH CHUN KIAT  
Approved Number: 03071/06/2027 J  
Chartered Accountant

KUALA LUMPUR

23 April 2026

## STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	4	136,667	118,361	191	95
Right-of-use assets	5	47,357	12,891	-	-
Intangible assets	6	2,085	1,715	-	-
Investment in subsidiaries	7	-	-	84,882	73,049
Investment in an associate	8	-	-	-	-
Deferred tax assets	9	-	426	-	-
		<u>186,109</u>	<u>133,393</u>	<u>85,073</u>	<u>73,144</u>
<b>Current Assets</b>					
Inventories	10	16,108	15,101	-	-
Trade and other receivables	11	41,399	12,199	47,081	11,116
Current tax assets		1,244	1,243	-	-
Derivative financial assets	12	-	7	-	-
Short-term investments	13	725	6,200	-	-
Cash and cash equivalents	14	27,130	55,694	5,569	31,100
		<u>86,606</u>	<u>90,444</u>	<u>52,650</u>	<u>42,216</u>
Asset held for sale	15	12,349	12,349	14,000	14,000
		<u>98,955</u>	<u>102,793</u>	<u>66,650</u>	<u>56,216</u>
<b>Total Assets</b>		<u>285,064</u>	<u>236,186</u>	<u>151,723</u>	<u>129,360</u>

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

## STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	16	124,699	123,450	124,699	123,450
Treasury shares	17	(17,528)	-	(17,528)	-
Reserves	18	38,707	38,707	-	-
Retained earnings		42,203	46,620	32,006	2,892
<b>Equity attributable to the Owners of the Company</b>		<b>188,081</b>	<b>208,777</b>	<b>139,177</b>	<b>126,342</b>
Non-controlling interests		(1,701)	(402)	-	-
<b>Total Equity</b>		<b>186,380</b>	<b>208,375</b>	<b>139,177</b>	<b>126,342</b>
<b>Non-Current Liabilities</b>					
Lease liabilities	19	40,672	11,160	-	-
Deferred tax liabilities	9	8,332	8,435	1	-
		<u>49,004</u>	<u>19,595</u>	<u>1</u>	<u>-</u>
<b>Current Liabilities</b>					
Trade and other payables	20	10,802	5,141	2,990	3,018
Contract liabilities	21	480	458	-	-
Derivative financial liabilities	12	- *	-	-	-
Lease liabilities	19	8,249	2,339	-	-
Bank borrowings	22	29,544	-	9,363	-
Current tax liabilities		605	278	192	-
		<u>49,680</u>	<u>8,216</u>	<u>12,545</u>	<u>3,018</u>
<b>Total Liabilities</b>		<b>98,684</b>	<b>27,811</b>	<b>12,546</b>	<b>3,018</b>
<b>Total Equity and Liabilities</b>		<b>285,064</b>	<b>236,186</b>	<b>151,723</b>	<b>129,360</b>

\* less than one thousand.

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 2025**

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	23	79,706	57,694	29,400	-
Cost of sales		(45,085)	(38,130)	-	-
<b>Gross profit</b>		<u>34,621</u>	<u>19,564</u>	<u>29,400</u>	<u>-</u>
Other income		868	309	-	-
Distribution expenses		(3,030)	(1,553)	-	-
Administrative expenses		(27,503)	(10,501)	(1,290)	(1,000)
Other expenses		(8,267)	(4,806)	(34)	(127)
<b>Results from operating activities</b>		<u>(3,311)</u>	<u>3,013</u>	<u>28,076</u>	<u>(1,127)</u>
Finance income	24	1,245	1,265	1,522	856
Finance costs	25	(1,629)	(380)	(125)	-
Share of results of an associate		-	(1,693)	-	-
<b>(Loss)/Profit before tax</b>	26	<u>(3,695)</u>	<u>2,205</u>	<u>29,473</u>	<u>(271)</u>
Income tax expense	27	(2,090)	(1,154)	(359)	-
<b>(Loss)/Profit after tax</b>		<u>(5,785)</u>	<u>1,051</u>	<u>29,114</u>	<u>(271)</u>

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 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Other comprehensive loss</b>					
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Foreign currency translation differences for foreign operation		-	(1)	-	-
<b>Total other comprehensive expense</b>		-	(1)	-	-
<b>Total comprehensive (expense)/income for the financial year</b>		<u>(5,785)</u>	<u>1,050</u>	<u>29,114</u>	<u>(271)</u>
<b>(Loss)/Profit after tax attributable to:</b>					
Owners of the Company		(4,526)	1,561	29,114	(271)
Non-controlling interests		<u>(1,259)</u>	<u>(510)</u>	-	-
<b>(Loss)/Profit after tax</b>		<u>(5,785)</u>	<u>1,051</u>	<u>29,114</u>	<u>(271)</u>
<b>Total comprehensive (expense)/income attributable to:</b>					
Owners of the Company		(4,526)	1,560	29,114	(271)
Non-controlling interests		<u>(1,259)</u>	<u>(510)</u>	-	-
<b>Total comprehensive (expense)/income for the financial year</b>		<u>(5,785)</u>	<u>1,050</u>	<u>29,114</u>	<u>(271)</u>
<b>(Loss)/Earnings per share attributable to owners of the Company (sen)</b>					
Basic	28(a)	<u>(0.92)</u>	<u>0.36</u>		
Diluted	28(b)	<u>(0.88)</u>	<u>0.33</u>		

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

## STATEMENT OF CHANGES IN EQUITY

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Attributable to Owners of the Company						
	Non-Distributable			Distributable			
	Share Capital RM'000	Revaluation Reserve RM'000	Foreign Currency Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
<b>Group</b>							
At 1 January 2024	67,962	38,707	1	44,785	151,455	(48)	151,407
Profit for the financial year	-	-	-	1,561	1,561	(510)	1,051
Other comprehensive loss for the financial year	-	-	(1)	-	(1)	-	(1)
Total comprehensive (loss)/income for the financial year	-	-	(1)	1,561	1,560	(510)	1,050
<b>Transactions with Owners of the Company</b>							
Issuance of ordinary shares	55,488	-	-	-	55,488	-	55,488
Disposal of subsidiaries	-	-	-	-	-	208	208
Dilution of interests in subsidiaries	-	-	-	274	274	(52)	222
	55,488	-	-	274	55,762	156	55,918
At 31 December 2024	123,450	38,707	-	46,620	208,777	(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 2025

	Attributable to Owners of the Company				Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000		
<b>Group</b>						
At 1 January 2025	123,450	-	38,707	46,620	(402)	208,375
Loss for the financial year, representing total comprehensive expense for the financial year	-	-	-	(4,526)	(1,259)	(5,785)
<b>Transactions with Owners of the Company</b>						
Issuance of ordinary shares	1,249	-	-	-	-	1,249
Purchase of treasury shares	-	(17,528)	-	-	-	(17,528)
Dilution of interests in subsidiaries	-	-	-	109	(40)	69
	1,249	(17,528)	-	109	(40)	(16,210)
At 31 December 2025	124,699	(17,528)	38,707	42,203	(1,701)	186,380

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

**STATEMENT OF CHANGES IN EQUITY**  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Attributable to Owners of the Company			Total Equity RM'000
		Non-Distributable		Distributable	
		Share Capital RM'000	Treasury Shares RM'000	Retained Earnings RM'000	
<b>Company</b>					
At 1 January 2024		67,962	-	3,163	71,125
Loss for the financial year, representing total comprehensive expense for the financial year		-	-	(271)	(271)
<b>Transaction with Owners of the Company</b>					
Issuance of ordinary shares	16	55,488	-	-	55,488
At 31 December 2024/1 January 2025		123,450	-	2,892	126,342
Profit for the financial year, representing total comprehensive income for the financial year		-	-	29,114	29,114
<b>Transactions with Owners of the Company</b>					
Issuance of ordinary shares	16	1,249	-	-	1,249
Purchase of treasury shares	17	-	(17,528)	-	(17,528)
		1,249	(17,528)	-	(16,279)
At 31 December 2025		124,699	(17,528)	32,006	139,177

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

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000 Restated
<b>Operating Activities</b>					
(Loss)/Profit before tax		(3,695)	2,205	29,473	(271)
Adjustments for:					
Depreciation of:					
- property, plant and equipment		6,116	3,802	1	1
- right-of-use assets		5,016	1,280	-	-
Amortisation of intangible assets		266	112	-	-
Impairment loss on investment in an associate		-	-	-	42
Impairment loss on property, plant and equipment		227	-	-	-
Deposits and prepayments written off		43	-	-	-
Dividend income from subsidiaries		-	-	(29,400)	-
Fair value loss/(gain) on derivative financial assets/liabilities		7	(7)	-	-
Gain on bargain purchase	7(d)	(325)	-	-	-
Gain on early termination of lease contracts		(33)	-	-	-
(Gain)/Loss on disposal of property, plant and equipment		(46)	11	-	-
Property, plant and equipment written off		79	5	-	-
Unrealised loss/(gain) on foreign exchange		474	(166)	-	-
Gain on disposal of subsidiaries	7(g)	-	(237)	-	-
Rental concession income		(25)	-	-	-
Reversal of inventories written down		-	(229)	-	-
Waiver income		(37)	-	-	-
Finance costs		1,629	380	125	-
Finance income		(1,245)	(1,265)	(1,522)	(856)
Share of results of an associate		-	1,693	-	-
<b>Operating profit/(loss) before working capital changes carried down</b>		<b>8,451</b>	<b>7,584</b>	<b>(1,323)</b>	<b>(1,084)</b>

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

**STATEMENTS OF CASH FLOWS**  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000 Restated
<b>Operating Activities (Cont'd)</b>					
<b>Operating profit/(loss) before working capital changes brought down</b>		8,451	7,584	(1,323)	(1,084)
Changes in working capital:					
Inventories		(1,007)	6,522	-	-
Trade and other receivables		(29,376)	(5,475)	(14,291)	(510)
Trade and other payables		5,673	2,083	1,177	(82)
Contract liabilities		22	316	-	-
<b>Cash (used in)/generated from operations</b>		(16,237)	11,030	(14,437)	(1,676)
Dividend received		-	-	29,400	-
Interest paid		-	(73)	(125)	-
Interest received		1,238	1,250	1,522	856
Net income tax paid		(1,441)	(1,352)	(166)	-
<b>Net cash (used in)/from operating activities</b>		(16,440)	10,855	16,194	(820)
<b>Investing Activities</b>					
Acquisition of:					
- property, plant and equipment	(a)	(23,669)	(10,416)	(97)	(96)
- intangible assets		(636)	(640)	-	-
- investment in an associate		-	(14,042)	-	(14,042)
Withdrawal/(Purchase) of short-term investments		5,475	(6,200)	-	-
Net advances to subsidiaries		-	-	(21,674)	(9,224)
Net cash outflows from disposal of subsidiaries	7(g)	-	(371)	-	-
Acquisition of a subsidiary, net of cash and cash equivalents acquired	7(a)	(560)	-	-	-
Net additions of capital contribution to subsidiaries		-	-	(11,833)	(4,513)
Proceeds from disposal of property, plant and equipment		62	317	-	-
<b>Net cash used in investing activities</b>		(19,328)	(31,352)	(33,604)	(27,875)

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

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000 Restated
<b>Financing Activities</b>					
Proceeds from issuance of ordinary shares	16	1,249	55,488	1,249	55,488
Proceeds from issuance of shares by subsidiaries to non-controlling interests		69	222	-	-
Proceeds from bank borrowings (Repayments to)/Advances from subsidiaries		29,317	-	9,363	-
Interest paid in relation to lease liabilities		-	-	(1,205)	2,693
Payment of lease liabilities	(b)	(1,402)	(307)	-	-
Purchase of treasury shares		(4,179)	(1,055)	-	-
		(17,528)	-	(17,528)	-
<b>Net cash from/(used in) financing activities</b>		<u>7,526</u>	<u>54,348</u>	<u>(8,121)</u>	<u>58,181</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(28,242)	33,851	(25,531)	29,486
Effect of foreign exchange translation differences		(322)	42	-	-
Cash and cash equivalents at 1 January		<u>55,694</u>	<u>21,801</u>	<u>31,100</u>	<u>1,614</u>
<b>Cash and cash equivalents at 31 December</b>	14	<u>27,130</u>	<u>55,694</u>	<u>5,569</u>	<u>31,100</u>

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

**STATEMENTS OF CASH FLOWS**  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(a) **Acquisition of property, plant and equipment**

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Purchase of property, plant and equipment	4	23,816	10,680	97	96
Add: Settlement of amount due to creditor for purchase of property, plant and equipment acquired in prior year		-	166	-	-
Less: Acquired through hire purchase arrangements		(147)	(430)	-	-
<b>Acquisition of property, plant and equipment by way of cash</b>		<b>23,669</b>	<b>10,416</b>	<b>97</b>	<b>96</b>

(b) **Cash outflows for leases as a lessee**

	Note	Group	
		2025 RM'000	2024 RM'000
<b>Included in operating activities:</b>			
Payment relating to low value assets	26	90	86
Payment relating to short-term leases	26	376	96
Payment relating to variable leases	26	182	62
<b>Included in financing activities:</b>			
Payment of lease liabilities		4,179	1,055
Interest paid in relation to lease liabilities	25	1,402	307
<b>Total cash outflows for leases</b>		<b>6,229</b>	<b>1,606</b>

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

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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

	Note	Lease liabilities RM'000	Bank borrowings RM'000	Amount due to subsidiaries RM'000	Total RM'000
<b>Group</b>					
At 1 January 2024		192	-	-	192
Net changes from financing activities		(1,362)	-	-	(1,362)
Lease modification		114	-	-	114
Acquisition of new lease		16,058	-	-	16,058
Finance costs	25	307	-	-	307
Disposal of subsidiaries		(1,810)	-	-	(1,810)
At 31 December 2024/ 1 January 2025		13,499	-	-	13,499
Net changes from financing activities		(5,581)	29,317	-	23,736
Lease modification		400	-	-	400
Acquisition of new lease		38,704	-	-	38,704
Early termination of lease contracts		(230)	-	-	(230)
Rental concession income		(25)	-	-	(25)
Finance costs	25	1,402	227	-	1,629
Acquisition of a subsidiary		752	-	-	752
At 31 December 2025		48,921	29,544	-	78,465
<b>Company</b>					
At 1 January 2024		-	-	12	12
Net changes from financing activities		-	-	2,693	2,693
At 31 December 2024/ 1 January 2025		-	-	2,705	2,705
Net changes from financing activities		-	9,363	(1,205)	8,158
At 31 December 2025		-	9,363	1,500	10,863

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

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025

### 1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and 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 was located at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur. With effect from 31 July 2025, the registered office had been changed to B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur.

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2025 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 2025 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 23 April 2026.

### 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 2. Basis of Preparation (Cont'd)

#### (a) Statement of compliance (Cont'd)

##### 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 121	Lack of Exchangeability
------------------------	-------------------------

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

##### 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 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
<ul style="list-style-type: none"> <li>• Amendments to MFRS 1</li> <li>• Amendments to MFRS 7</li> <li>• Amendments to MFRS 9</li> <li>• Amendments to MFRS 10</li> <li>• Amendments to MFRS 107</li> </ul>		
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 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121	Translation to a Hyperinflationary Presentation Currency	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

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 2. Basis of Preparation (Cont'd)

#### (a) Statement of compliance (Cont'd)

##### **Standards issued but not yet effective (Cont'd)**

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.

#### (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**

The following are the judgements made by management in the process of applying the Group’s and the Company’s accounting policies that have the most significant effect on the amounts recognised in the financial statements:

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 2. Basis of Preparation (Cont'd)

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

#### **Judgements (Cont'd)**

##### Satisfaction of performance obligations in relation to contracts with customers

The Group and the Company are required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Group and the Company recognise revenue over time in the following circumstances:

- (i) the customer simultaneously receives and consumes the benefits provided by the Group's and the Company's performance as the Group and the Company perform;
- (ii) the Group and the Company do not create an asset with an alternative use to the Group and the Company and have an enforceable right to payment for performance completed to date; and
- (iii) the Group's and the Company's performance create or enhance an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the Group and the Company assess each contract with customers to determine when the performance obligation of the Group and of the Company under the contract is satisfied.

##### Determining the lease term of contracts with renewal options - the Group as lessee

The Group determines the lease term with any years covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether to exercise the option to renew the lease. It considers all relevant factors that create an economic incentive for it to exercise the renewal option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Group includes the renewal year as part of the lease term for such leases. The Group typically exercises its option to renew for those leases with renewal option.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 2. Basis of Preparation (Cont'd)

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

#### **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 and the Company review 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.

#### 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

31 DECEMBER 2025

### 2. Basis of Preparation (Cont'd)

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

#### **Key sources of estimation uncertainty (Cont'd)**

##### 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

31 DECEMBER 2025

### 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 3. Material Accounting Policy Information (Cont'd)

#### (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.

#### (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.

**NOTES TO THE FINANCIAL STATEMENTS**

31 DECEMBER 2025

**3. Material Accounting Policy Information (Cont'd)****(d) Property, plant and equipment (Cont'd)****(iii) Depreciation (Cont'd)**

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.

**(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.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 3. Material Accounting Policy Information (Cont'd)

#### (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

31 DECEMBER 2025

### 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) Derivatives

Derivatives are initially measured at fair value. Subsequent to the initial recognition, the derivatives are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss.

#### (j) Contract liabilities

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. The Group's contract liability is the excess of the billings to-date over the revenue recognised. Contract liability is recognised when the Group performs its obligations under the contracts.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 3. Material Accounting Policy Information (Cont'd)

#### (k) 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.

#### (l) 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.

#### (m) 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 3. Material Accounting Policy Information (Cont'd)

(n) Treasury shares

Treasury shares are recorded at the consideration paid less directly attributable transaction costs incurred. The treasury shares are not remeasured subsequently.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. If such shares are issued by resale, any difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity. Where treasury shares are cancelled, their carrying amounts are shown as a movement in retained earnings.

(o) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

(p) 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

31 DECEMBER 2025

## 4. Property, Plant and Equipment (Cont'd)

2024 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
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
Transfers	-	-	-	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
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
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

31 DECEMBER 2025

### 4. Property, Plant and Equipment (Cont'd)

	Equipment, furniture and fittings RM'000	Assets under construction RM'000	Total RM'000
<b>Company</b>			
<b>Cost</b>			
At 1 January 2024	15	-	15
Additions	9	87	96
Write-offs	(15)	-	(15)
At 31 December 2024/1 January 2025	9	87	96
Additions	-	97	97
At 31 December 2025	9	184	193
<b>Accumulated depreciation</b>			
At 1 January 2024	15	-	15
Charge for the financial year	1	-	1
Write-offs	(15)	-	(15)
At 31 December 2024/1 January 2025	1	-	1
Charge for the financial year	1	-	1
At 31 December 2025	2	-	2
<b>Carrying amount</b>			
At 31 December 2025	7	184	191
At 31 December 2024	8	87	95

(a) Fair value for property, plant and equipment

In 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 (2024: 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 (2024: RM24,833,000).

(b) Included in the Group's property, plant and equipment are certain freehold lands and buildings amounting to RM73,186,000 (2024: RMNil) have been pledged to the licensed bank as security for banking facilities granted to the Group and to the Company as disclosed in Note 22 to the financial statements.

(c) The carrying amount of motor vehicles of the Group have been pledged as security for the hire purchase payables of the Group as disclosed in Note 19 is RM629,388 (2024: RM554,186).

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 5. Right-of-use Assets

	Group	
	2025 RM'000	2024 RM'000
<b>Lease of buildings</b>		
<b>Cost</b>		
At 1 January	13,825	262
Acquisition of a subsidiary	932	-
Additions	38,557	15,628
Lease modification	400	114
Early termination of lease contracts	(325)	-
Expiration of lease contracts	(11)	-
Disposal of subsidiaries	-	(2,179)
At 31 December	53,378	13,825
<b>Accumulated depreciation</b>		
At 1 January	934	74
Acquisition of a subsidiary	210	-
Charge for the financial year	5,016	1,280
Early termination of lease contracts	(128)	-
Expiration of lease contracts	(11)	-
Disposal of subsidiaries	-	(420)
At 31 December	6,021	934
<b>Carrying amount</b>		
At 31 December	47,357	12,891

The Group leases a number of properties that run between 1 year and 9 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 fees RM'000	Total RM'000
<b>Group</b>			
<b>Cost</b>			
At 1 January 2024	1,177	-	1,177
Additions	-	929	929
Disposals of subsidiaries	-	(360)	(360)
At 31 December 2024/1 January 2025	1,177	569	1,746
Additions	-	636	636
At 31 December 2025	1,177	1,205	2,382

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 6. Intangible Assets (Cont'd)

	Goodwill RM'000	Licence fees RM'000	Total RM'000
<b>Group</b>			
<b>Accumulated amortisation</b>			
At 1 January 2024	-	-	-
Charge for the financial year	-	112	112
Disposals of subsidiaries	-	(81)	(81)
At 31 December 2024/1 January 2025	-	31	31
Additions	-	266	266
At 31 December 2025	-	297	297
<b>Carrying amount</b>			
At 31 December 2025	1,177	908	2,085
At 31 December 2024	1,177	538	1,715

### 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 (2024: 5-year) projection.

(b) Revenue

The anticipated average annual revenue growth included thereon in the cash flow projections was 5.0% (2024: 5.5%).

(c) Pre-tax discount rate

A pre-tax discount rate of 4.5% (2024: 10.8%) 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 6. Intangible Assets (Cont'd)

#### Licence fees

The licence fees are in respect of the rights to operate brand stores in Malaysia and are amortised over the term of the licence agreements.

### 7. Investment in Subsidiaries

#### (a) Investment in subsidiaries

	<b>Cost of investment RM'000</b>	<b>Capital contributions RM'000</b>	<b>Total RM'000</b>
<b>Company</b>			
<b>2024</b>			
<b>Cost</b>			
At 1 January 2024	41,858	32,149	74,007
Net additions	-	4,513	4,513
At 31 December 2024/ 1 January 2025	41,858	36,662	78,520
Net additions	-	11,833	11,833
At 31 December 2025	41,858	48,495	90,353
<b>Accumulated impairment losses</b>			
At 1 January 2024/ 31 December 2024/ 1 January 2025/ 31 December 2025	4,691	780	5,471
<b>Carrying amount</b>			
At 31 December 2025	37,167	47,715	84,882
At 31 December 2024	37,167	35,882	73,049

Capital contributions represent 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 7. Investment in Subsidiaries (Cont'd)

#### (b) Details of subsidiaries

Name of company	Principal place of business/ Country of incorporation	Effective interest		Principal activities
		2025 %	2024 %	
<b>Direct holding:</b>				
Finesse Moulding (M) Sdn. Bhd.	Malaysia	100	100	Manufacture and sale of wooden picture frame mouldings
Hextar Timber Sdn. Bhd. (formerly known as 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
HRB Property Sdn. Bhd. (formerly known as Scenic Moulding (M) Sdn. Bhd.)	Malaysia	100	100	Property holding and rental of properties
Hextar Realty Sdn. Bhd. (formerly known as Lim Ket Leng Realty Sdn. Bhd.)	Malaysia	100	100	Property holding and rental of properties
Hextar F&B Sdn. Bhd. ("HFB")	Malaysia	100	100	Investment holding
Soma Wellness Sdn. Bhd. [formerly known as Hex Aura Sdn. Bhd. ("HASB")] ("SWSB")	Malaysia	100	100	Investment holding
Multi Nation Sdn. Bhd.	Malaysia	100	100	Convenient stores operator
Soulful Bliss Sdn. Bhd.	Malaysia	51	-	Health and beauty services
<b>Indirect holding: Held through SWSB</b>				
Elysian Aura Sdn. Bhd.	Malaysia	51	51	Health and beauty services
Serenity Springs Sdn. Bhd. ("SSSB")	Malaysia	100	-	Health and beauty services
Serenity Autumn Sdn. Bhd. ("SASB")	Malaysia	100	-	Health and beauty services
Serenity Summer Sdn. Bhd.	Malaysia	100	-	Dormant
Soulful Bliss Sdn. Bhd.	Malaysia	-	51	Dormant
Soma Borneo Sdn. Bhd.	Malaysia	100	-	Health and beauty services

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 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
		2025 %	2024 %	
<b>Indirect holding: (Cont'd)</b>				
<b><i>Held through HFB</i></b>				
Craving Hub Sdn. Bhd. ("CHSB")	Malaysia	51	51	Restaurant and cafe operator
Delish Hub Sdn. Bhd. ("DHSB")	Malaysia	51	51	Investment holding
Fabulous Bites Sdn. Bhd. ("FBSB")	Malaysia	51	51	Restaurant and cafe operator
Flavora Sdn. Bhd.	Malaysia	100	100	Dormant
Fresh Palate Sdn. Bhd. ("FPSB")	Malaysia	51	51	Restaurant and cafe operator
Mingle Hub Sdn. Bhd. ("MHSB")	Malaysia	100	100	Restaurant and cafe operator
Blissful Fusion Sdn. Bhd. ("BFSB")	Malaysia	51	51	Restaurant and cafe operator
Zok Noodle SQ Sdn. Bhd.	Malaysia	100	100	Dormant
Essence Gastronomy Sdn. Bhd.	Malaysia	100	100	Trading of food and beverage product
Flavour Crafters Hub Sdn. Bhd. ("FCHSB")	Malaysia	100	100	Restaurant and cafe operator
Gastronomic Gems Sdn. Bhd. ("GGSB")	Malaysia	51	100	Restaurant and cafe operator
Palate Symphony Sdn. Bhd. ("PSSB")	Malaysia	51	100	Restaurant and cafe operator
Spice Haven Delights Sdn. Bhd. ("SHDSB")	Malaysia	100	100	Restaurant and cafe operator
Taste Perspectives Sdn. Bhd. ("TPSB")	Malaysia	51	100	Restaurant and cafe operator

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 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
		2025 %	2024 %	
<b>Indirect holding: (Cont'd)</b>				
<b>Held through HFB (Cont'd)</b>				
Tasty Trails Culinary Sdn. Bhd ("TTCSB")	Malaysia	51	100	Restaurant and cafe operator
VCR Cafe Sdn. Bhd.	Malaysia	100	100	Dormant
Coffee Spoon Sdn. Bhd.	Malaysia	100	-	Dormant
Fork Theory Sdn. Bhd.	Malaysia	100	-	Dormant
Fry Spot Sdn. Bhd.	Malaysia	100	-	Dormant
Hungry Hour Sdn. Bhd.	Malaysia	100	-	Dormant
Rasa Gepuk Sdn. Bhd.	Malaysia	100	-	Dormant
Spice & Spoon Sdn. Bhd.	Malaysia	100	-	Dormant
<b>Held through DHSB</b>				
Tastewave Sdn. Bhd. ("TSB")	Malaysia	51	51	Dormant
Tailang Delight Sdn. Bhd. ("TDSB")	Malaysia	51	51	Dormant

^ Subsidiary not audited by UHY Malaysia PLT

#### (c) Incorporation of subsidiaries

##### Financial year ended 31 December 2025

- (a) On 14 August 2025, the Company's wholly-owned subsidiary, HFB incorporated a wholly-owned subsidiary, namely Rasa Gepuk Sdn. Bhd. in Malaysia with an issued and paid-up share capital of RM100 for the purpose of expanding into the Food and Beverage business.
- (b) On 15 August 2025, the Company's wholly-owned subsidiary, HFB incorporated four (4) wholly-owned subsidiaries in Malaysia with an issued and paid-up share capital of RM100 respectively for the purpose of expanding into the Food and Beverage business as follows:
- (i) Fork Theory Sdn. Bhd.
  - (ii) Fry Spot Sdn. Bhd.
  - (iii) Hungry Hour Sdn. Bhd.
  - (iv) Spice & Spoon Sdn. Bhd.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 7. Investment in Subsidiaries (Cont'd)

#### (c) Incorporation of subsidiaries (Cont'd)

##### Financial year ended 31 December 2025 (Cont'd)

- (c) On 20 August 2025, the Company's wholly-owned subsidiary, HFB incorporated a wholly-owned subsidiary, namely Coffee Spoon Sdn. Bhd. in Malaysia with an issued and paid-up share capital of RM100 for the purpose of expanding into the Food and Beverage business.
- (d) On 27 August 2025, the Company's wholly-owned subsidiary, SWSB incorporated a wholly-owned subsidiary, namely Soma Borneo Sdn. Bhd. in Malaysia with an issued and paid-up share capital of RM100 for the purpose of expanding into the health and beauty services business.
- (e) On 10 October 2025, the Company's wholly-owned subsidiary, SWSB incorporated a wholly-owned subsidiary, namely Serenity Autumn Sdn. Bhd. in Malaysia with an issued and paid-up share capital of RM100 for the purpose of expanding into the health and beauty services business.
- (f) On 4 December 2025, the Company's wholly-owned subsidiary, SWSB incorporated a wholly-owned subsidiary, namely Serenity Summer Sdn. Bhd. in Malaysia with an issued and paid-up share capital of RM100 for the purpose of expanding into the health and beauty services business.

##### 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.
  - (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.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 7. Investment in Subsidiaries (Cont'd)

(d) Acquisition of a subsidiary

Financial year ended 31 December 2025

- (a) On 26 August 2025, SWSB acquired 100,000 ordinary shares of SSSB, representing 100% equity interest, for a cash consideration of RM560,074.

The effect of acquisition of the subsidiary on the financial position of the Group at the date of acquisition is as follows:

	<b>2025</b> <b>RM'000</b>
Property, plant and equipment	928
Right-of-use assets	722
Trade and other receivables	39
Cash and cash equivalents	- *
Trade and other payables	(52)
Lease liabilities	(752)
Net identifiable assets acquired	<u>885</u>
Less: Gain on bargain purchase	<u>(325)</u>
Total purchase consideration, to be settled by cash	560
Less: Cash and cash equivalents of subsidiary acquired	- *
Net cash outflows from the acquisition of a subsidiary	<u><u>560</u></u>

\* less than one thousand.

(e) Additional investments

Financial year ended 31 December 2025

- (a) On 6 February 2025, BFSB issued 139,900 fully paid-up ordinary shares at an issue price of RM1 per share and HFB subscribed for 71,349 newly issued shares. Subsequent to the issuance of shares, BFSB remained as 51%-owned subsidiary of HFB.
- (b) On 22 May 2025, TPSB issued 99 fully paid-up ordinary shares at an issue price of RM1 per share and HFB subscribed for 50 newly issued shares. Subsequent to the issuance of shares, TPSB became a 51%-owned subsidiary of HFB.
- (c) On 26 May 2025, PSSB issued 99 fully paid-up ordinary shares at an issue price of RM1 per share and HFB subscribed for 50 newly issued shares. Subsequent to the issuance of shares, PSSB became a 51%-owned subsidiary of HFB.
- (d) On 31 December 2025, TTCSB issued 99 fully paid-up ordinary shares at an issue price of RM1 per share and HFB subscribed for 50 newly issued shares. Subsequent to the issuance of shares, TTCSB became a 51%-owned subsidiary of HFB.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 7. Investment in Subsidiaries (Cont'd)

#### (e) Additional investments (Cont'd)

##### Financial year ended 31 December 2025 (Cont'd)

- (e) On 31 December 2025, GGSB issued 99 fully paid-up ordinary shares at an issue price of RM1 per share and HFB subscribed for 50 newly issued shares. Subsequent to the issuance of shares, GGSB became a 51%-owned subsidiary of HFB.
- (f) On 31 December 2025, MHSB issued 999,999 fully paid-up ordinary shares at an issue price of RM1 per share and HFB subscribed for 999,999 newly issued shares. Subsequent to the issuance of shares, MHSB remained as wholly-owned subsidiary of HFB.
- (g) On 31 December 2025, SHDSB issued 499,999 fully paid-up ordinary shares at an issue price of RM1 per share and HFB subscribed for 499,999 newly issued shares. Subsequent to the issuance of shares, SHDSB remained as wholly-owned subsidiary of HFB.
- (h) On 31 December 2025, FCHSB issued 4,999,999 fully paid-up ordinary shares at an issue price of RM1 per share and HFB subscribed for 4,999,999 newly issued shares. Subsequent to the issuance of shares, FCHSB remained as wholly-owned subsidiary of HFB.
- (i) On 31 December 2025, SASB issued 249,900 fully paid-up ordinary shares at an issue price of RM1.00 per share and SWSB subscribed for 249,900 newly issued shares. Subsequent to the issuance of the new shares, SASB remained as wholly-owned subsidiary of SWSB.

##### 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 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, Puresip Sdn. Bhd. ("PSB") issued 149,999 fully paid-up ordinary shares at an issue price of RM1 per share and HFB subscribed 76,499 newly issued shares. Subsequent to the issuance of shares, PSB became a 51%-owned subsidiary of HFB.
- (c) On 7 February 2024, a wholly-owned subsidiary of HFB, Yummy Sip Sdn. Bhd. ("YSSB") issued 149,999 fully paid-up ordinary shares at an issue price of RM1 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 per share and HFB subscribed for 26,520 newly issued shares. Subsequent to the issuance of shares, YSSB remained as 51%-owned subsidiary of HFB.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 7. Investment in Subsidiaries (Cont'd)

#### (e) Additional investments (Cont'd)

##### Financial year ended 31 December 2024 (Cont'd)

- (e) On 8 April 2024, PSB issued 100,000 fully paid-up ordinary shares at an issue price of RM1 per share and HFB subscribed for 51,000 newly issued shares. Subsequent to the issuance of shares, PSB 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 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 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 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:

	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Carrying amount acquired by non-controlling interests	40	52
Consideration received from non-controlling interests	69	222
Increase in parent's equity	<u>109</u>	<u>274</u>

#### (f) Internal re-organisation

##### Financial year ended 31 December 2025

- (a) On 28 July 2025, SWSB disposed its entire equity interest in Soulful Bliss Sdn. Bhd. to the Company for a purchase consideration of RM51. Consequently, Soulful Bliss Sdn. Bhd. became a 51%-direct owned subsidiary of the Company.

##### Financial year ended 31 December 2024

- (a) On 24 January 2024, HFB disposed its entire equity interest in TSB and TDSB to DHSB for a purchase consideration of RM1 each respectively. Consequently, TSB and TDSB became a 51%-direct owned subsidiaries of DHSB.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 7. Investment in Subsidiaries (Cont'd)

(g) Disposal of subsidiaries

Financial year ended 31 December 2024

- (a) On 30 June 2024, HFB disposed of its entire equity interest in Tai Lang Pte. Ltd. ("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 PSB and YSSB for a total consideration of RM1 each. Consequently, PSB and YSSB ceased to be 51%-owned subsidiaries of HFB.

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

	<b>2024</b> <b>RM'000</b>
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:

	<b>2024</b> <b>RM'000</b>
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.

(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.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 8. Investment in an Associate

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 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		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deferred tax assets	-	426	-	-
Deferred tax liabilities	(8,332)	(8,435)	(1)	-
	(8,332)	(8,009)	(1)	-

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 9. Deferred Tax Assets/(Liabilities) (Cont'd)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January		(8,009)	(8,269)	-	-
Recognised in profit or loss	27	(323)	260	(1)	-
At 31 December		<u>(8,332)</u>	<u>(8,009)</u>	<u>(1)</u>	<u>-</u>

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

#### Group

	Lease liabilities RM'000	Unused tax losses RM'000	Unabsorbed capital allowances RM'000	Other temporary differences RM'000	Total RM'000
<b>Deferred tax assets</b>					
At 1 January 2025	3,108	386	259	80	3,833
Recognised in profit or loss	5,703	(336)	109	(22)	5,454
At 31 December 2025 (before offsetting)	<u>8,811</u>	<u>50</u>	<u>368</u>	<u>58</u>	<u>9,287</u>
Less: Offsetting					<u>(9,287)</u>
At 31 December 2025 (after offsetting)					<u>-</u>
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)	<u>3,108</u>	<u>386</u>	<u>259</u>	<u>80</u>	<u>3,833</u>
Less: Offsetting					<u>(3,407)</u>
At 31 December 2024 (after offsetting)					<u>426</u>
	Property, plant and equipment RM'000	Right-of-use assets RM'000	Re-valuation surplus RM'000	Total RM'000	
<b>Deferred tax liabilities</b>					
At 1 January 2025	(4,485)	(3,056)	(4,301)	(11,842)	
Recognised in profit or loss	(213)	(5,609)	45	(5,777)	
At 31 December 2025 (before offsetting)	<u>(4,698)</u>	<u>(8,665)</u>	<u>(4,256)</u>	<u>(17,619)</u>	
Less: Offsetting				<u>9,287</u>	
At 31 December 2025 (after offsetting)				<u>(8,332)</u>	
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)	<u>(4,485)</u>	<u>(3,056)</u>	<u>(4,301)</u>	<u>(11,842)</u>	
Less: Offsetting				<u>3,407</u>	
At 31 December 2024 (after offsetting)				<u>(8,435)</u>	

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 9. Deferred Tax Assets/(Liabilities) (Cont'd)

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

#### Company

	2025 RM'000	2024 RM'000
<b>Deferred tax liability</b>		
<b>Property, plant and equipment</b>		
At 1 January	-	-
Recognised in profit or loss	(1)	-
At 31 December before offsetting	(1)	-
Less: Offsetting	-	-
At 31 December after offsetting	(1)	-

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

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Right-of-use assets and lease liabilities, net	274	25	-	-
Unabsorbed capital allowances	1,307	139	-	-
Unused tax losses	7,448	1,077	-	-
Other deductible temporary differences	48	-	-	-
	<u>9,077</u>	<u>1,241</u>	<u>-</u>	<u>-</u>
Deferred tax at tax rate of 24%	<u>2,178</u>	<u>298</u>	<u>-</u>	<u>-</u>

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

31 DECEMBER 2025

### 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:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Expiring within 5 years	463	497	-	-
Expiring within 6 to 10 years	6,985	580	-	-
	<u>7,448</u>	<u>1,077</u>	<u>-</u>	<u>-</u>

### 10. Inventories

	Group	
	2025 RM'000	2024 RM'000
Raw materials and consumables	12,092	11,763
Work-in-progress	2,381	2,415
Finished goods	1,635	923
	<u>16,108</u>	<u>15,101</u>
<b>Recognised in profit or loss</b>		
Inventories recognised as cost of sales	22,917	20,708
Reversal of inventories written down (included in cost of sales)	-	(229)
	<u>-</u>	<u>(229)</u>

In the previous financial year, the reversal of inventories written down was in respect of the risk of physical deterioration of raw materials had been eliminated.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 11. Trade and Other Receivables

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Trade</b>				
Trade receivables from contracts with customers	3,186	3,910	-	-
<b>Non-trade</b>				
Other receivables and deposits				
- related parties	1,267	723	502	510
- third parties	31,343	6,429	14,302	7
	32,610	7,152	14,804	517
Prepayments	5,603	1,137	8	4
Amount due from subsidiaries	-	-	32,269	10,595
	<u>41,399</u>	<u>12,199</u>	<u>47,081</u>	<u>11,116</u>

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

	Credit impaired RM'000	Loss allowance RM'000
<b>Group</b>		
At 1 January 2024	(491)	(491)
Write-offs	491	491
At 31 December 2024/1 January 2025/31 December 2025	<u>-</u>	<u>-</u>

#### Other receivables and deposits

Included in other receivables (related parties) is advances to a former associate of RM495,000 (2024: RM495,000). The amount owing is unsecured, bears interest rate of 18% (2024: 18%) per annum and is repayable in 2026.

#### 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% (2024: 7%) per annum and is repayable on demand.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 12. Derivative Financial Assets/(Liabilities)

	2025		2024	
	Nominal value RM'000	Liabilities RM'000	Nominal value RM'000	Assets RM'000
<b>Group</b>				
Derivatives held for trading at fair value through profit or loss				
- Forward exchange contracts	811	- *	901	7

\* less than one thousand.

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% (2024: 12.0%) per annum. The short-term investments are placed with creditworthy entity which have original maturity period of 10 months (2024: 10 months).

### 14. Cash and Cash Equivalents

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and bank balances	25,529	46,667	5,124	25,788
Highly liquid investments with non-bank financial institutions	1,601	9,027	445	5,312
	<u>27,130</u>	<u>55,694</u>	<u>5,569</u>	<u>31,100</u>

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.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 15. Asset Held for Sale

Further to the details of asset held for sales as disclosed in Note 8 to the financial statements, the Company has, on 22 December 2025, identified new purchasers for the Tranche 1 Sale Shares. In this regards, the Company has entered into a new Share Sale Agreement dated 22 December 2025 with Xeno Realty Sdn. Bhd. and Hijauwan Sdn. Bhd., together with Perdanis, for the disposal of the Tranche 1 Sale Shares for a total consideration of RM14,000,000. The disposal is pending completion as at the date of this report.

### 16. Share Capital

	Group/Company			
	Number of shares		Amount	
	2025	2024	2025	2024
	Unit'000	Unit'000	RM'000	RM'000
<b>Issued and fully paid ordinary shares with no par value</b>				
At 1 January	493,191	379,378	123,450	67,962
Issuance of ordinary shares:				
- Exercise of warrants	3,045	-	1,249	-
- Private placement	-	113,813	-	55,488
At 31 December	<u>496,236</u>	<u>493,191</u>	<u>124,699</u>	<u>123,450</u>

#### Ordinary shares

During the financial year, the Company issued 3,045,800 new ordinary shares arising from the exercise of warrants at the exercise price of RM0.41 per ordinary share for a total cash consideration of RM1,248,778.

In the previous 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 (except treasury 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 16. Share Capital (Cont'd)

#### Bonus shares and Warrants 2021/2026 (Cont'd)

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.

During the financial year, 3,045,800 warrants have been exercised at an exercise price of RM0.41 per ordinary share for a total cash consideration of RM1,248,778.

As at 31 December 2025, there are 159,825,450 (2024: 162,871,250) warrants which remain unexercised.

### 17. Treasury Shares

	Group/Company			
	Number of shares		Amount	
	2025 Unit'000	2024 Unit'000	2025 RM'000	2024 RM'000
At 1 January	-	-	-	-
Shares purchased	36,104	-	17,528	-
At 31 December	<u>36,104</u>	<u>-</u>	<u>17,528</u>	<u>-</u>

During the financial year, the Company purchased 36,103,700 of its issued ordinary shares from the open market. The average price paid for the shares purchased was RM0.49 per share. The total consideration paid for the repurchase was RM17,527,488. The purchased transactions were financed by internal generated funds.

### 18. Reserves

	Group	
	2025 RM'000	2024 RM'000
<b>Non-distributable</b>		
Revaluation reserve	<u>38,707</u>	<u>38,707</u>

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

## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2025

#### 19. Lease Liabilities

	Group	
	2025 RM'000	2024 RM'000
At 1 January	13,499	192
Acquisition of a subsidiary	752	-
Additions	38,704	16,058
Lease modification	400	114
Accretion of interest	1,402	307
Payments	(5,581)	(1,362)
Rental concession income	(25)	-
Disposal of subsidiaries	-	(1,810)
Early termination of lease contracts	(230)	-
At 31 December	48,921	13,499
Presented as:		
Non-current	40,672	11,160
Current	8,249	2,339
	48,921	13,499

The maturity analysis of lease liabilities of the Group at the end of the reporting period are as follows:

	Group	
	2025 RM	2024 RM
<b>Minimum lease payments</b>		
Within one year	10,553	2,998
Later than one year but not later than two years	10,766	3,113
Later than two years but not later than five years	27,512	8,992
Later than five years	7,587	341
	56,418	15,444
Less: Future finance charges	(7,497)	(1,945)
Present value of lease liabilities	48,921	13,499

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 20. Trade and Other Payables

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Trade</b>				
Trade payables	2,217	1,419	-	-
<b>Non-trade</b>				
Other payables and accruals				
- related parties	106	3	103	-
- third parties	8,138	3,690	1,387	313
	8,244	3,693	1,490	313
<b>Sales and Services</b>				
Tax payables	341	29	-	-
Amount due to subsidiaries	-	-	1,500	2,705
	<u>10,802</u>	<u>5,141</u>	<u>2,990</u>	<u>3,018</u>

#### Amount due to subsidiaries

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

### 21. Contract Liabilities

	Group	
	2025 RM'000	2024 RM'000
Contract liabilities at the beginning of the financial year		
recognised as revenue	458	142
Advances received from customers	480	458

The contract liabilities primarily relate to advance consideration received from contract customers for wooden picture frame mouldings to be exported and retail customers in respects of services which are yet to be provided. The contract liabilities are expected to be recognised as revenue over the next financial year when performance obligations are satisfied.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 22. Bank Borrowings

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Current</b>					
<i>Secured</i>					
Revolving credit	(a)	9,363	-	9,363	-
Trade financing	(b)	20,181	-	-	-
		<u>29,544</u>	<u>-</u>	<u>9,363</u>	<u>-</u>

The bank borrowings of the Group and of the Company obtained from licensed banks are secured by the following:

- (a) the revolving credit is secured by a fresh third party first legal charge over certain lands and buildings of the Group as disclosed in Note 4(b) to the financial statements; and
- (b) the trade financing is secured by corporate guarantees by the subsidiaries.

Maturity of bank borrowings are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Within one year	<u>29,544</u>	<u>-</u>	<u>9,363</u>	<u>-</u>

The weighted average interest rates per annum are as follows:

	Group		Company	
	2025 %	2024 %	2025 %	2024 %
Revolving credit	5.87	-	5.87	-
Trade financing	<u>4.95</u>	<u>-</u>	<u>-</u>	<u>-</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 23. Revenue

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Revenue from contracts with customers</b>	79,706	57,694	-	-
<b>Revenue from other source</b>				
Dividend income from subsidiaries	-	-	29,400	-
	79,706	57,694	29,400	-
<b>Timing of revenue recognition</b>				
At a point in time	79,145	57,694	-	-
Over time	561	-	-	-
Total revenue from contracts with customers	79,706	57,694	-	-

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 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	
	2025	2024	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Primary geographical markets</b>						
North America	32,536	36,829	-	-	32,536	36,829
Australia	4,966	5,140	-	-	4,966	5,140
Malaysia	482	553	36,652	9,091	37,134	9,644
Others	5,070	6,081	-	-	5,070	6,081
	<u>43,054</u>	<u>48,603</u>	<u>36,652</u>	<u>9,091</u>	<u>79,706</u>	<u>57,694</u>

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 or services are rendered, and accepted by the customers.	Cash term.
Health and beauty services	Revenue is recognised at over time when the services are performed or rendered.	Cash term.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 24. Finance Income

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest income of financial assets calculated using the effective interest method that are at amortised cost	996	542	1,390	396
Interest and investment income of financial assets at fair value through profit or loss	249	723	132	460
	<u>1,245</u>	<u>1,265</u>	<u>1,522</u>	<u>856</u>

### 25. Finance Costs

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest expenses of financial liabilities that are not at fair value through profit or loss	227	73	125	-
Interest expenses on lease liabilities	1,402	307	-	-
	<u>1,629</u>	<u>380</u>	<u>125</u>	<u>-</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 26. (Loss)/Profit Before Tax

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

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Auditors' remuneration:				
- Statutory audit:				
- UHY Malaysia PLT	301	278	63	75
- Other auditors	2	2	-	-
- Non-statutory audit:				
- UHY Malaysia PLT	30	8	30	8
Depreciation of:				
- Property, plant and equipment	6,116	3,802	1	1
- Right-of-use assets	5,016	1,280	-	-
Amortisation of intangible assets	266	112	-	-
Deposits and prepayments written off	43	-	-	-
Impairment loss on investment in an associate	-	-	-	42
Impairment loss on property, plant and equipment	227	-	-	-
Leases expenses relating to:				
- low value assets	90	86	-	-
- short-term leases	376	96	-	-
- variable lease	182	62	-	-
(Gain)/Loss on disposal of property, plant and equipment	(46)	11	-	-
Property, plant and equipment written off	79	5	-	-
Loss/(Gain) on foreign exchange:				
- Realised	649	983	-	-
- Unrealised	474	(166)	-	-
Fair value loss/(gain) on derivative financial assets/liabilities	7	(7)	-	-
Gain on bargain purchase	(325)	-	-	-
Gain on early termination of lease contracts	(33)	-	-	-
Gain on disposal of subsidiaries	-	(237)	-	-
Rental concession income	(25)	-	-	-
Reversal of inventories written down	-	(229)	-	-
Waiver income	(37)	-	-	-
Personnel expenses (including key management personnel):				
- Wages, salaries and others	24,842	16,346	-	-
- Defined contribution plan	1,802	1,053	-	-

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 27. Income Tax Expense

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Current tax</b>				
Current tax provision	1,768	1,396	326	-
(Over)/Under provision in prior years	(1)	18	32	-
	1,767	1,414	358	-
<b>Deferred tax (Note 9)</b>				
Origination and reversal of temporary differences	351	(175)	-	-
(Over)/Under provision in prior years	(28)	(85)	1	-
	323	(260)	1	-
	2,090	1,154	359	-

A reconciliation of income tax expense applicable to (loss)/profit 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	
	2025 RM	2024 RM	2025 RM	2024 RM
(Loss)/Profit before tax	(3,695)	2,205	29,473	(271)
At Malaysian statutory tax rate of 24% (2024: 24%)	(887)	529	7,074	(65)
Income not subject to tax	(180)	(285)	(7,088)	(110)
Expenses not deductible for tax purposes	1,306	1,103	340	175
Deferred tax assets not recognised	1,888	-	-	-
Utilisation of deferred tax assets not recognised	(8)	(126)	-	-
(Over)/Under provision of income tax in prior years	(1)	18	32	-
(Over)/Under provision of deferred tax in prior years	(28)	(85)	1	-
Income tax expense for the financial year	2,090	1,154	359	-

## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2025

#### 28. (Loss)/Earnings per Share

##### (a) Basic (loss)/earnings per share

The basic (loss)/earnings per share is calculated based on the consolidated (loss)/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:

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
(Loss)/Profit attributable to owners of the Company (RM'000)	<u>(4,526)</u>	<u>1,561</u>
Weighted average number of ordinary shares at 31 December (basic) ('000)	<u>493,665</u>	<u>437,809</u>
Basic (loss)/earnings per share (sen)	<u>(0.92)</u>	<u>0.36</u>

##### (b) Diluted (loss)/earnings per share

Diluted (loss)/earnings per share is calculated based on the adjusted consolidated (loss)/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:

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
(Loss)/Profit attributable to owners of the Company (basic) (RM'000)	<u>(4,526)</u>	<u>1,561</u>
Weighted average number of ordinary shares at 31 December (basic) ('000)	493,665	437,809
Effect of warrants on issue	<u>17,805</u>	<u>32,108</u>
Weighted average number of ordinary shares at 31 December (diluted) ('000)	<u>511,470</u>	<u>469,917</u>
Diluted (loss)/earnings per share (sen)	<u>(0.88)</u>	<u>0.33</u>

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.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 29. Key Management Personnel Compensations

The key management personnel compensations are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Directors of the Company</b>				
Fees	176	176	176	176
Remuneration	991	953	-	-
Other short-term employee benefits	20	42	20	20
	1,187	1,171	196	196
<b>Directors of the subsidiaries</b>				
Fees	284	69	-	-
<b>Other key management personnel</b>				
Remuneration	1,226	1,172	-	-
	2,697	2,412	196	196

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 of value benefit-in-kind provided by the Group to the Directors of the Company is RM28,000 (2024: RM19,000).

### 30. Capital Commitments

	Group	
	2025 RM'000	2024 RM'000
<b>Capital expenditure commitments</b>		
Property, plant and equipment contracted but not provided for in the financial statements	997	1,407

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 31. 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:

	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>		
<b>Transactions with related parties</b>		
Sales	(2)	-
Sales of property, plant and equipment	(13)	-
Rental and utilities paid/payable	969	18
Purchase of raw materials and services	11,959	3,594
Purchase of property, plant and equipment	<u>26</u>	<u>2,648</u>
<b>Company</b>		
<b>Transactions with subsidiaries</b>		
Management fees paid or payable	79	66
Interest income received or receivable	(1,073)	(229)
Dividend income	(29,400)	-
Net additions of capital contributions	<u>(11,833)</u>	<u>(4,513)</u>

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

31 DECEMBER 2025

### 32. 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:

<b>Reportable segment</b>	<b>Principal business activities</b>
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 health and beauty store

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. This segment does not meet the quantitative thresholds for reporting segment.

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**

31 DECEMBER 2025

## 32. Operating Segment (Cont'd)

	Wooden picture frame mouldings RM'000	Retail RM'000	Other non-reportable segment RM'000	Consolidation adjustments RM'000	Total RM'000
<b>Group 2025</b>					
Segment profit/(loss)	3,215	(8,428)	29,114	(29,686)	(5,785)
<i>Included in the measure of segment profit/(loss) are:</i>					
Revenue from external customers	43,054	36,652	-	-	79,706
Inter-segment revenue	-	-	29,400	(29,400)	-
Impairment loss on property, plant and equipment	-	(227)	-	-	(227)
Depreciation and amortisation	(7,833)	(8,024)	(1)	4,460	(11,398)
Gain on bargain purchase	-	325	-	-	325
Finance income	792	4	1,522	(1,073)	1,245
Finance costs	(295)	(2,446)	(125)	1,237	(1,629)
Tax expense	(993)	(739)	(358)	-	(2,090)
<b>Segment assets</b>	<b>97,678</b>	<b>108,773</b>	<b>151,723</b>	<b>(73,110)</b>	<b>285,064</b>
<i>Included in the measure of segment assets are:</i>					
Additions to non-current assets other than financial instruments and deferred tax assets *	980	62,762	97	(830)	63,009
<b>Segment liabilities</b>	<b>43,663</b>	<b>119,603</b>	<b>12,545</b>	<b>(77,127)</b>	<b>98,684</b>

\* Additions to non-current assets consist of additions of property, plant and equipment, right-of-use assets and intangible assets.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 32. Operating Segment (Cont'd)

Group 2024	Wooden picture frame mouldings RM'000	Retail RM'000	Other non-reportable segment RM'000	Consolidation adjustments RM'000	Total RM'000
Segment profit/(loss)	4,888	(3,580)	(257)	-	1,051
<i>Included in the measure of segment profit/(loss) 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)
<b>Segment assets</b>	<b>121,912</b>	<b>45,006</b>	<b>115,401</b>	<b>(46,133)</b>	<b>236,186</b>
<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	25,666	95	-	27,237
<b>Segment liabilities</b>	<b>5,607</b>	<b>33,990</b>	<b>3,333</b>	<b>(15,119)</b>	<b>27,811</b>

\* Additions to non-current assets consist of additions of property, plant and equipment, right-of-use assets and intangible assets.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 32. Operating Segment (Cont'd)

#### Major customers

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

	2025 RM'000	2024 RM'000	Segment
Customer A	5,988	7,843	Wooden picture frame mouldings
Customer B	<u>8,683</u>	<u>10,478</u>	Wooden picture frame mouldings

### 33. 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
<b>Group</b>			
<b>2025</b>			
<b>Financial assets</b>			
Trade and other receivables ^	35,796	35,796	-
Short-term investments	725	725	-
Cash and cash equivalents	<u>27,130</u>	<u>25,529</u>	<u>1,601</u>
	<u>63,651</u>	<u>62,050</u>	<u>1,601</u>
<b>Financial liabilities</b>			
Trade and other payables #	10,461	10,461	-
Derivative financial liabilities	-	*	-
Lease liabilities	48,921	48,921	-
Bank borrowings	<u>29,544</u>	<u>29,544</u>	-
	<u>88,926</u>	<u>88,926</u>	-
<b>2024</b>			
<b>Financial assets</b>			
Trade and other receivables ^	11,062	11,062	-
Derivative financial assets	7	-	7
Short-term investments	6,200	6,200	-
Cash and cash equivalents	<u>55,694</u>	<u>46,667</u>	<u>9,027</u>
	<u>72,963</u>	<u>63,929</u>	<u>9,034</u>
<b>Financial liabilities</b>			
Trade and other payables #	5,112	5,112	-
Lease liabilities	<u>13,499</u>	<u>13,499</u>	-
	<u>18,611</u>	<u>18,611</u>	-

\* less than one thousand.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 33. 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
<b>Company</b>			
<b>2025</b>			
<b>Financial assets</b>			
Trade and other receivables <sup>^</sup>	47,073	47,073	-
Cash and cash equivalents	5,569	5,124	445
	<u>52,642</u>	<u>52,197</u>	<u>445</u>
<b>Financial liabilities</b>			
Trade and other payables	2,990	2,990	-
Bank borrowings	9,363	9,363	-
	<u>12,353</u>	<u>12,353</u>	<u>-</u>
<b>2024</b>			
<b>Financial assets</b>			
Trade and other receivables <sup>^</sup>	11,112	11,112	-
Cash and cash equivalents	31,100	25,788	5,312
	<u>42,212</u>	<u>36,900</u>	<u>5,312</u>
<b>Financial liabilities</b>			
Trade and other payables	3,018	3,018	-

<sup>^</sup> Exclude prepayments.

<sup>#</sup> Exclude Sales and Services Tax payables.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 33. Financial Instruments (Cont'd)

#### (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.

#### (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 statements of financial position. There is no indication that the amount due from inter-company is not recoverable. Hence, loss allowance is not provided for.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 33. Financial Instruments (Cont'd)

#### (b) Financial risk management objectives and policies (Cont'd)

##### (i) Credit risk (Cont'd)

#### **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 (2024: 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

31 DECEMBER 2025

### 33. 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 at the end of the reporting period by geographic region is as follows:

	Group	
	2025 RM'000	2024 RM'000
North America	1,798	2,837
Australia	670	525
Malaysia	68	73
Others	650	475
	3,186	3,910

At the reporting date, approximately 70% (2024: 71%) of the Group's trade receivables were due from 5 (2024: 5) 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:

- (i) Above 90 days from invoice date, the Group will start to initiate debt recovery process which is monitored by the sales management team; and
- (ii) 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 33. 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)*

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.

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.

	<b>Gross amount RM'000</b>	<b>Loss allowance RM'000</b>	<b>Net amount RM'000</b>
<b>Group</b>			
<b>2025</b>			
Not past due	2,765	-	2,765
Past due			
Less than 30 days	420	-	420
31 to 60 days	1	-	1
	421	-	421
	<u>3,186</u>	<u>-</u>	<u>3,186</u>
<b>2024</b>			
Not past due	3,238	-	3,238
Past due			
Less than 30 days	475	-	475
31 to 60 days	195	-	195
More than 90 days	2	-	2
	672	-	672
	<u>3,910</u>	<u>-</u>	<u>3,910</u>

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

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

31 DECEMBER 2025

### 33. 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 risk. 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

31 DECEMBER 2025

## 33. 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.

Group	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
Trade and other payables	-	10,461	10,461	10,461	-	-	-
Lease liabilities	5.06 - 6.45	48,921	56,418	10,553	10,766	27,512	7,587
Bank borrowings	4.95 - 5.87	29,544	29,544	29,544	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-
Forward exchange contracts (gross settled):							
- Inflow	-	-	(1,637)	(1,637)	-	-	-
- Outflow	-	-	1,637	1,637	-	-	-
		88,926	96,423	50,558	10,766	27,512	7,587
<b>2024</b>							
Trade and other payables	-	5,112	5,112	5,112	-	-	-
Lease liabilities	5.40 - 6.45	13,499	15,444	2,998	3,113	8,992	341
Derivative financial assets	-	-	-	-	-	-	-
Forward exchange contracts (gross settled):							
- Inflow	-	(7)	(901)	(901)	-	-	-
- Outflow	-	-	894	894	-	-	-
		18,604	20,549	8,103	3,113	8,992	341

\* less than one thousand.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 33. 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. (Cont'd)

	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
<b>Company</b>							
<b>2025</b>							
Trade and other payables	-	2,990	2,990	2,990	-	-	-
Bank borrowings	4.95 - 5.87	9,363	9,363	9,363	-	-	-
		<u>12,353</u>	<u>12,353</u>	<u>12,353</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>2024</b>							
Trade and other payables	-	3,018	3,018	3,018	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 33. Financial Instruments (Cont'd)

#### (b) Financial risk management objectives and policies (Cont'd)

##### (iii) Market risks

##### (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"), Japanese Yen ("YEN"), Singapore Dollar ("SGD") and Hong Kong Dollar ("HKD").

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.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 33. Financial Instruments (Cont'd)

#### (b) Financial risk management objectives and policies (Cont'd)

##### (iii) Market risks

##### (a) Foreign currency risk

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	SGD RM'000	HKD RM'000
<b>Group</b>					
<b>2025</b>					
<u>Financial Assets</u>					
Trade and other receivables	2,908	10	209	-	-
Cash and cash equivalents	4,800	33	1,394	800	-
	<u>7,708</u>	<u>43</u>	<u>1,603</u>	<u>800</u>	<u>-</u>
<u>Financial Liabilities</u>					
Trade and other payables	(141)	(6)	(11)	(74)	(130)
<b>Net exposure</b>	<u>7,567</u>	<u>37</u>	<u>1,592</u>	<u>726</u>	<u>(130)</u>
<b>2024</b>					
Trade and other receivables	3,546	-	291	-	-
Forward exchange contracts	7	-	-	-	-
Cash and cash equivalents	5,308	1,286	2,749	189	-
<b>Net exposure</b>	<u>8,861</u>	<u>1,286</u>	<u>3,040</u>	<u>189</u>	<u>-</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 33. Financial Instruments (Cont'd)

#### (b) Financial risk management objectives and policies (Cont'd)

##### (iii) Market risks (Cont'd)

##### (a) Foreign currency risk (Cont'd)

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

#### Foreign currency risk sensitivity

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

	<b>Effects on (loss)/profit after tax/equity</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>		
<b>Change in currency rate</b>		
<b>USD</b>		
- Strengthened by 5% (2024: 5%)	288	337
- Weakened by 5% (2024: 5%)	(288)	(337)
<b>EUR</b>		
- Strengthened by 5% (2024: 5%)	1	49
- Weakened by 5% (2024: 5%)	(1)	(49)
<b>YEN</b>		
- Strengthened by 5% (2024: 5%)	60	116
- Weakened by 5% (2024: 5%)	(60)	(116)
<b>SGD</b>		
- Strengthened by 5% (2024: 5%)	28	7
- Weakened by 5% (2024: 5%)	(28)	(7)
<b>HKD</b>		
- Strengthened by 5% (2024: 5%)	(5)	-
- Weakened by 5% (2024: 5%)	5	-
	5	-

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 33. Financial Instruments (Cont'd)

#### (b) Financial risk management objectives and policies (Cont'd)

##### (iii) Market risks (Cont'd)

##### (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 exposure to interest rate risk based on the carrying amount of the financial instrument at the end of the reporting period is disclosed in Note 22 to the financial statements.

#### Interest rate risk sensitivity

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:

	Group		Company	
	Effects on (loss)/profit after tax/equity			
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
<b>Change in interest rate</b>				
Increase of 50 basis points	112	-	36	-
Decrease of 50 basis points	(112)	-	(36)	-

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 33. 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				Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
<b>Group</b>					
<b>2025</b>					
Highly liquid investments with non-bank financial institutions	-	1,601	-	1,601	1,601
Forward exchange contracts	-	-	-	-	-
	-	1,601	-	1,601	1,601
<b>2024</b>					
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
<b>Company</b>					
<b>2025</b>					
Highly liquid investments with non-bank financial institutions	-	445	-	445	445
<b>2024</b>					
Highly liquid investments with non-bank financial institutions	-	5,312	-	5,312	5,312

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

### 33. Financial Instruments (Cont'd)

(c) Fair value information

#### 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.

### 34. 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 and of the Company at the end of the reporting period are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Bank borrowings	29,544	-	9,363	-
Hire purchase payables	444	391	-	-
	<u>29,988</u>	<u>391</u>	<u>9,363</u>	<u>-</u>
Less: Cash and cash equivalents	(27,130)	(55,694)	(5,569)	(31,100)
Net debt/(Net cash)	<u>2,858</u>	<u>(55,303)</u>	<u>3,794</u>	<u>(31,100)</u>
Total equity	<u>186,380</u>	<u>208,375</u>	<u>139,177</u>	<u>126,342</u>
Debt-to-equity ratio	<u>0.02</u>	<u>*</u>	<u>0.03</u>	<u>*</u>

\* Not applicable as the cash and cash equivalents exceed its bank borrowings and hire purchase payables.

**NOTES TO THE FINANCIAL STATEMENTS**

31 DECEMBER 2025

**35. Significant Events During the Financial Year**

The details of change in corporate structure as disclosed in Note 7 to the financial statements respectively.

**36. Subsequent Events**

- (a) On 4 March 2026, the Company incorporated a wholly-owned subsidiary, namely Wonderia Lifestyle Sdn. Bhd. in Malaysia with an issued and paid-up share capital of RM100 for the purpose of expanding into the retail business.
- (b) On 16 March 2026, the Company acquired 1,530 ordinary shares of Pump Fitness (Balakong) Sdn. Bhd., representing 51% equity interest, for a cash consideration of RM1,530.

**37. Comparative Information**

The following figures have been reclassified to conform with the presentation of the current financial year:

	<b>As previously reported RM'000</b>	<b>Reclassification RM'000</b>	<b>As restated RM'000</b>
<b>Company</b>			
<b>2024</b>			
<b>STATEMENTS OF CASH FLOWS</b>			
<b>(Extract):</b>			
<b>Investing Activities</b>			
Net advances to subsidiaries	(6,531)	(2,693)	(9,224)
<b>Financing Activities</b>			
Advances from subsidiaries	-	2,693	2,693

## 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 2025 (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)	31 years	10,640
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)	28 years	10,765
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)	21 years	13,546

## 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 2025 (RM'000)
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)	24 years	15,231
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)	25 years	11,026
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)	18 years	11,978

## 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 2025 (RM'000)
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
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)	3 years	5,349

## 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 2025 (RM'000)
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)	3 years	2,580
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)	3 years	3,510
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	151

# SHARIAH SCREENING RELATED INFORMATION

## DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

### (A) Group Total Income and Total Assets

	Group	
	2025	2024
	RM'000	RM'000
<b>Total Income</b>		
Revenue	79,706	57,694
Other income	868	309
Finance income	1,245	1,265
<b>Total</b>	<b>81,819</b>	<b>59,268</b>
<b>Total Assets</b>	<b>285,063</b>	<b>236,186</b>

### (B) Business Activities

	Group	
	2025	2024
	RM'000	RM'000
<b>Shariah Non-Compliant Activities</b>		
Interest income	941	1,100
Non-halal food and beverages (F&B) including F&B without halal certification from JAKIM or any certification bodies recognised by JAKIM	35,744	9,81
<b>Total</b>	<b>36,685</b>	<b>10,281</b>

### (C) Component of Financial Position

#### (i) Cash Component

	Group	
	2025	2024
	RM'000	RM'000
<b>Islamic Account/Instruments</b>		
Cash at bank (exclude cash in hand)	4,761	30,754
Cash in hand	220	258
<b>Total</b>	<b>4,981</b>	<b>30,754</b>

## SHARIAH SCREENING RELATED INFORMATION

### (C) Component of Financial Position (Cont'd)

#### (i) Cash Component (Cont'd)

Conventional Account/Instruments	Group	
	2025 RM'000	2024 RM'000
Cash at bank (exclude cash in hand)	20,548	15,912
Short-term deposits	1,601	9,027
<b>Total</b>	<b>22,149</b>	<b>24,939</b>

#### (ii) Debt Component

Islamic Financing	Group	
	2025 RM'000	2024 RM'000
<b>Current</b>		
Revolving credit and financing	9,363	-
Trade financing	20,181	-
<b>Total</b>	<b>29,544</b>	<b>-</b>

## ADDITIONAL COMPLIANCE INFORMATION

### 1. PRIVATE PLACEMENT

On 18 January 2024, the Company had obtained approval from Bursa Securities in relation to the listing of and quotation for up to 113,813,000 new ordinary shares ("Placement Shares") representing up to 30.0% of the total number of issued shares of the Company.

The Placement Shares were issued in three (3) tranches as follows: -

- a) First tranche was completed on 24 May 2024, following the listing and quotation of 10,000,000 Placement Shares at an issue price of RM0.4150 per share.
- b) Second tranche was completed on 25 June 2024, following the listing and quotation of 24,000,000 Placement Shares at an issue price of RM0.4850 per share.
- c) Third tranche was completed on 2 July 2024, following the listing and quotation of 79,813,000 Placement Shares at an issue price of RM0.5000 per share.

The gross proceeds raised from the 30% Private Placement, amounting to RM55.70 million, were fully utilised during the FYE 2025, and the proceeds were applied as intended, as outlined 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	40,897	-	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
<b>Total</b>	<b>45,525</b>	<b>55,697</b>	<b>55,736</b>	<b>(39)</b>	

\* The excess in utilisation arises from the payment of stamp duty for share transfer.

### 2. AUDIT AND NON-AUDIT FEES PAID TO EXTERNAL AUDITORS

During the FYE 2025, the amount of audit and non-audit fees paid or payable to the External Auditors, Messrs. UHY Malaysia PLT, by the Company and the Group respectively were as follows:

	Company RM'000	Group RM'000
Audit fees	63	301
<u>Non-audit fees</u>		
(a) Review of Statement on Risk Management and Internal Control	8	8
(b) Other services	22	22
<b>Total</b>	<b>93</b>	<b>331</b>

## ADDITIONAL COMPLIANCE INFORMATION

### 3. MATERIAL CONTRACTS

During the FYE 2025, there were no material contracts (including contracts not reduced into writing), entered into in the ordinary course of business which have been entered into by the Company and/or its subsidiaries involving the interests of Directors, chief executive who is not a director and/or its major shareholders.

### 4. RELATED PARTIES TRANSACTIONS/RECURRENT RELATED PARTIES TRANSACTIONS

The Company is seeking approval from the shareholders for the proposed new shareholders' mandate for the Group to enter into Recurrent Related Party Transactions of a revenue or trading nature pursuant to 10.09(1)(a) and Practice Note 12 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad at the forthcoming Annual General Meeting to be convened.

# ANALYSIS OF SHAREHOLDINGS AS AT 2 APRIL 2026

## ISSUED SHARES OF THE COMPANY

Total Number of Issued Shares	:	498,910,768 (including 36,103,700 Treasury Shares as per Records of Depositors as at 2 April 2026)
Class of Shares	:	Ordinary Shares
Number of Shareholders	:	2,286
Voting Rights	:	One vote per Ordinary Share

## ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 2 APRIL 2026

Size of Shareholdings	No. of Shareholders	Percentage of Shareholders (%)	No. of Shares Held	Percentage of Shares Held %
1 – 99	80	3.50	2,919	0.00
100 - 1,000	337	14.74	136,797	0.03
1,001 - 10,000	802	35.08	4,149,413	0.90
10,001 - 100,000	835	36.53	27,608,840	5.97
100,001 to less than 5% of issued shares	231	10.11	365,717,599	79.02
5% and above of issued shares	1	0.04	65,191,500	14.08
<b>Total</b>	<b>2,286</b>	<b>100.00</b>	<b>462,807,068</b>	<b>100.00</b>

## LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 2 APRIL 2026

No.	Name of Substantial Shareholders	Direct	No. of Ordinary Shares Held	
			Percentage %	Percentage %
1	HEXTAR PORTFOLIO SDN BHD	86,191,500	18.62	-
2	DATO' ONG CHOO MENG	50,000,000	10.80	86,191,500 <sup>(1)</sup>

## DIRECTORS' SHAREHOLDINGS AS AT 2 APRIL 2026

No.	Name of Directors	Direct	No. of Ordinary Shares Held	
			Percentage %	Percentage %
1	DATUK ISKANDAR BIN SARUDIN	-	-	-
2	VO NGHIA HUU	-	-	-
3	DR. LIM CHEE LIP	-	-	-
4	TEH ZIYANG	-	-	-
5	KHOR HUN NEE	-	-	-
6	OOI YOUK LAN	-	-	-

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.

## ANALYSIS OF SHAREHOLDINGS

### AS AT 2 APRIL 2026

#### LIST OF THIRTY LARGEST SHAREHOLDERS (ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 2 APRIL 2026)

No.	Name of Shareholders	No. of Shares Held	Percentage %
1	HEXTAR PORTFOLIO SDN. BHD.	65,191,500	14.09
2	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR KENANGA INVESTORS BHD	22,500,000	4.86
3	AL RAJHI BANKING & INVESTMENT CORPORATION (MALAYSIA) BHD PLEDGED SECURITIES ACCOUNT FOR HEXTAR PORTFOLIO SDN. BHD.	21,000,000	4.53
4	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG CHOO MENG (DATO')	17,000,000	3.67
5	PHILLIP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR DATO' ONG CHOO MENG	17,000,000	3.67
6	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG CHOO MENG (DATO')	16,000,000	3.46
7	MBSB INVESTMENT NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEE TIAM HOCK (MGN-TTH0005M)	13,648,200	2.95
8	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN CHEE SING	10,425,000	2.25
9	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOW PENG SIAN @ CHUA PENG SIAN	10,000,000	2.16
10	MBSB INVESTMENT NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG PUI SHAN (MGN-ONP0001M)	9,997,400	2.16
11	APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR POR TEONG ENG (MARGIN)	8,796,000	1.90
12	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHOOI YOHEY SUN	8,762,300	1.89
13	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEE TIAM HOCK	8,267,850	1.79
14	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN CHEE MENG (7014967)	8,000,000	1.73
15	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR DESIRAN REALITI SDN. BHD. (MY3933)	8,000,000	1.73
16	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR DESIRAN REALITI SDN. BHD. (7000431)	7,400,000	1.60
17	ANG TOON CHEW & SONS (MALAYSIA) SENDIRIAN BERHAD	7,200,000	1.56
18	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR TAN CHEE MENG (SMART)	5,700,000	1.23

## ANALYSIS OF SHAREHOLDINGS

AS AT 2 APRIL 2026

**LIST OF THIRTY LARGEST SHAREHOLDERS (CONT'D)**  
**(ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 2 APRIL 2026)**

No.	Name of Shareholders	No. of Shares Held	Percentage %
19	TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR PHUM ANG KIA	5,235,300	1.13
20	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN PEI SHIUN (MY4503)	4,760,700	1.03
21	RHB NOMINEES (TEMPATAN) SDN. BHD. OSK CAPITAL SDN BHD FOR ONG KAH HOE	4,500,000	0.97
22	MING YAU CHUAN	4,046,000	0.88
23	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG KAH HOE	3,875,700	0.84
24	MBSB INVESTMENT NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KHOR KEN YEON (MGN-KKY0005M)	3,400,000	0.74
25	ONG KEN SIM	3,390,000	0.73
26	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR OOI PENG CUAN (PB)	3,352,900	0.72
27	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHARLIE CHING WEE CHUN (MY3732)	3,216,450	0.70
28	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG KOOK LIONG	3,000,000	0.65
29	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR PHUM ANG KIA	2,972,500	0.64
30	APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ANDREW TAN JUN SUAN (MARGIN)	2,870,000	0.62
<b>Total</b>		<b>309,507,800</b>	<b>66.88</b>

# ANALYSIS OF WARRANTHOLDINGS (WARRANT A)

## AS AT 2 APRIL 2026

Class of Shares : Warrant A  
 Total Number of Warrant A : 157,151,050

### ANALYSIS BY SIZE OF WARRANT HOLDINGS AS AT 2 APRIL 2026

Size of Warrant Holdings	No. of Warrantholders	%	No. of Warrants Held	%
1 – 99	87	6.74	3,428	0.00
100 - 1,000	298	23.10	73,537	0.05
1,001 - 10,000	488	37.83	2,072,215	1.32
10,001 - 100,000	317	24.58	9,412,270	5.99
100,001 to less than 5% of Warrant A	97	7.52	74,873,900	47.65
5% and above	3	0.23	70,715,700	45.00
<b>Total</b>	<b>1,290</b>	<b>100.00</b>	<b>157,151,050</b>	<b>100.00</b>

### DIRECTORS' WARRANT HOLDINGS AS AT 2 APRIL 2026

Name	Direct	No. of Warrants		%
		%	Indirect	
1 DATUK ISKANDAR BIN SARUDIN	-	-	-	-
2 VO NGHIA HUU	-	-	-	-
3 DR. LIM CHEE LIP	-	-	-	-
4 TEH ZIYANG	-	-	-	-
5 KHOR HUN NEE	-	-	-	-
6 OOI YOUK LAN	-	-	-	-

### LIST OF THIRTY LARGEST WARRANT HOLDERS (ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 2 APRIL 2026)

Name	No. of Warrants Held	Percentage (%)
1 HEXSTAR PORTFOLIO SDN BHD	34,520,700	21.97
2 AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG CHOO MENG (DATO')	27,195,000	17.31
3 CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG CHOO MENG (DATO') (MY3918)	9,000,000	5.73
4 ONG CHOO MENG (DATO')	7,800,000	4.96
5 CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR OOI PENG CUAN (PB)	6,100,000	3.88
6 ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SCURITIES ACCOUNT FOR NG AH CHAI (8103749)	4,890,000	3.11
7 APEX SECURITIES BERHAD IVT PDR 201 LEONARD CHIN YEN HAW	3,685,100	2.34
8 ANG TOON CHEW & SONS (MALAYSIA) SENDIRIAN BERHAD	3,600,000	2.29

## ANALYSIS OF WARRANTHOLDINGS (WARRANT A)

### AS AT 2 APRIL 2026

#### LIST OF THIRTY LARGEST WARRANT HOLDERS (CONT'D) (ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 2 APRIL 2026)

Name	No. of Warrants Held	Percentage (%)
9 AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP BOON CHIN	3,400,000	2.16
10 AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NG AH CHAI	3,300,000	2.10
11 AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR DATO' ONG CHOO MENG (SMART)	3,300,000	2.10
12 SIM MUI KHEE	2,550,000	1.62
13 KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHING YI HENG	2,450,000	1.56
14 AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHARLIE CHING WEE CHUN	2,405,100	1.53
15 MING YAU CHUAN	1,874,600	1.19
16 CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR DATO' ONG CHOO MENG (MY3273)	1,310,000	0.83
17 AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHUA KAI WOEN	1,083,500	0.69
18 AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH TSE HEONG	1,020,200	0.65
19 MOHD HISHAM BIN HAJA NAJMUDDIEN	963,100	0.61
20 KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH TSE HEONG	830,000	0.53
21 TAN ZI YING	782,000	0.50
22 LIM LIAN HOOI	773,400	0.49
23 KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP JIN XIANG	752,400	0.48
24 LEE MING YIAN	703,000	0.45
25 KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HO ENG SENG	671,000	0.43
26 AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN VIN VIN	667,700	0.43
27 ONG AYE HO	605,500	0.39
28 CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEH SWEE HENG (MM1118)	600,000	0.38
29 MOOMOO NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOW FU EE	556,100	0.35
30 MAYBANK NOMINEES (TEMPATAN) SDN BHD FOON KWAI WENG	532,400	0.34
<b>TOTAL</b>	<b>127,920,800</b>	<b>81.40</b>

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Twenty-Third ("23<sup>rd</sup>") Annual General Meeting ("AGM") of Hextar Retail Berhad (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, 18 June 2026 at 11:00 a.m. or at any adjournment thereof for the purpose of transacting the following businesses:

## AGENDA

### As Ordinary Business:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon. *(Please refer to Explanatory Notes 1)*
2. To approve the payment of Directors' fees to the Non-Executive Directors of the Company up to an amount of RM300,000 for the period commencing from the conclusion of the 23<sup>rd</sup> AGM up to the conclusion of the Twenty-Fourth (24<sup>th</sup>) AGM of the Company. **Ordinary Resolution 1**
3. To approve the payment of Directors' benefits to the Non-Executive Directors of the Company up to an amount of RM50,000 for the period commencing from the conclusion of the 23<sup>rd</sup> AGM up to the conclusion of the 24<sup>th</sup> AGM of the Company. **Ordinary Resolution 2**
4. To re-elect the following Directors who are retiring in accordance with Clause 97 of the Company's Constitution and being eligible, have offered themselves for re-election: -
  - (i) Datuk Iskandar Bin Sarudin **Ordinary Resolution 3**
  - (ii) Khor Hun Nee **Ordinary Resolution 4**
5. To re-appoint Messrs. UHY Malaysia PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

### As Special Business:

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

6. **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** **Ordinary Resolution 6**

"THAT subject to Sections 75 and 76 of the Companies Act 2016 and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total issued share capital of the Company or such higher percentage as Bursa Malaysia Securities Berhad ("Bursa Securities") allowed 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 AGM of the Company.

AND THAT in connection with the above, pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 54 of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights over all new shares, options over or grants of new shares or any other convertible securities in the Company and/or any new shares to be issued pursuant to such options, grants or other convertible securities, such new shares when issued, to rank pari passu with existing issued shares in the Company."

## NOTICE OF ANNUAL GENERAL MEETING

### 7. **PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** *Ordinary Resolution 7*

"THAT, subject always to the provisions of the Main Market Listing Requirements ("MMLR") of Bursa Securities, approval be and is hereby given to the Company and its subsidiaries (collectively the "Group") to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2 of the Circular to Shareholders dated 30 April 2026, provided that such transactions and/or arrangements which are necessary for the Group's day-to-day operations are undertaken in the ordinary course of business, at arm's length basis, on normal commercial terms and transaction prices which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders of the Company (hereinafter referred to as the "Proposed Shareholders' Mandate");-

THAT the Proposed Shareholders' Mandate shall only continue to be in full force until: -

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

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary or in the best interest of the Company to give effect to the Proposed Shareholders' Mandate."

### 8. **PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY FOR THE COMPANY TO PURCHASE UP TO TEN PERCENT (10%) OF ITS TOTAL NUMBER OF ISSUED SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")** *Ordinary Resolution 8*

"THAT subject to the Companies Act 2016, rules, regulations and orders made pursuant to the Act, provisions of the Company's Constitution and the MMLR of 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

## NOTICE OF ANNUAL GENERAL MEETING

- (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 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 MMLR 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."

### 9. PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

#### *Special Resolution 1*

"THAT the proposed amendments to the Constitution of the Company be and are hereby approved and adopted; AND THAT the Board of Directors and Secretary of the Company be and are hereby authorized to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the proposed amendments to the Constitution of the Company."

- 10. To transact any other business for which due notice shall have been given in accordance with the Companies Act 2016.

By order of the Board,

**TAN TONG LANG** (MAICSA 7045482) (SSM PC No. 202208000250)

**LAU HOOI PIN** (MAICSA 7081620) (SSM PC No. 202408000447)

Company Secretaries

Kuala Lumpur  
30 April 2026

## NOTICE OF ANNUAL GENERAL MEETING

### 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 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 Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.
5. Subject to the Constitution, the Form of Proxy must be deposited at the Company's Share Registrar, Aldpro Corporate Services Sdn Bhd's office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, W.P. Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
6. For the purpose of determining a member who shall be entitled to attend the meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at **9 June 2026**. Only members whose name appears on the Record of Depositors as at **9 June 2026** shall be entitled to attend, speak and vote at the said meeting or appoint proxies to attend, speak and vote on his/her stead.
7. Pursuant to Paragraph 8.29A(1) of the MMLR of Bursa Securities, all resolutions set out in this Notice of the 23<sup>rd</sup> AGM will be put to vote by way of poll.

### EXPLANATORY NOTES:-

#### 1. Audited Financial Statements for the Financial Year Ended 31 December 2025

This item of the Agenda is meant for discussion only as Section 340(1)(a) of the Companies Act 2016 provides that the audited financial statements are to be laid in the general meeting and does not require a formal approval of the shareholders. Therefore, this Agenda item is not put forward for voting.

#### 2. Ordinary Resolutions 1 and 2: To Approve the Payment of Directors' Fees and Other Benefits Payable

Section 230(1) of the Companies Act 2016 provides amongst others, that "the fees" of the Directors and "any benefits" payable to the Directors of public company or a listed company and its subsidiaries, shall be approved at a general meeting.

The Board wishes to seek shareholders' approval for the payment of a maximum aggregate amount of up to RM300,000 for Directors' fees and up to RM50,000 for Directors' benefits to the Non-Executive Directors of the Company for the period commencing from the conclusion of the 23<sup>rd</sup> AGM up to the conclusion of the 24<sup>th</sup> AGM of the Company.

Directors' benefits include allowances and other claimable benefits which calculated based on the current Board size and the number of schedule meetings for the period commencing from the conclusion of the 23<sup>rd</sup> AGM up to the conclusion of the 24<sup>th</sup> AGM of the Company.

In the event the proposed amount is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for additional fees or benefits to meet the shortfall.

## NOTICE OF ANNUAL GENERAL MEETING

### **3. Ordinary Resolutions 3 – 4: Re-election of Directors who retire in accordance with Clause 97 of the Company's Constitution**

Clause 97 of the Company's Constitution provides that an election of Directors shall take place each year at the AGM of the Company, where one-third of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third shall retire from office and be eligible for re-election, PROVIDED ALWAYS that Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.

Pursuant to Clause 97 of the Company's Constitution, Datuk Iskandar Bin Sarudin and Khor Hun Nee shall retire at the forthcoming AGM of the Company.

The performance of the Directors who are recommended for re-election has been assessed through the Board annual evaluation. The Nomination and Remuneration Committee and the Board are satisfied with the performance and effectiveness of Datuk Iskandar Bin Sarudin and Khor Hun Nee who are due for retirement as Directors, and being eligible, have offered themselves for re-election at the 23<sup>rd</sup> AGM of the Company.

### **4. Ordinary Resolution 6: Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016**

The Ordinary Resolution 6, if passed, is a renewal of General Mandate to empower the Directors to issue and allot shares up to an amount not exceeding 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s) workings capital and/or acquisitions at any time without convening a general meeting as it would be both costs and time consuming to organize a general meeting.

There is no ordinary share was issued pursuant to the general mandate granted to the Directors at the 22<sup>nd</sup> AGM held on 19 June 2025 and which will lapse at the conclusion of the 23<sup>rd</sup> AGM.

Pursuant to Section 85 of the Companies Act 2016 read together with Clause 54 of the Constitution of the Company, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities.

The proposed Ordinary Resolution, if passed, will exclude your pre-emptive right to be offered new shares and/or convertible securities to be issued by the Company pursuant to the said Ordinary Resolution.

### **5. Ordinary Resolution 7: Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

The Ordinary Resolution 7, if passed, will allow the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group, subject to the transactions being carried out in the ordinary course of business of the Group and on normal commercial terms which are generally available to the public and not detrimental to the minority shareholders of the Company.

This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

### **6. Ordinary Resolution 8: Proposed Renewal of Share Buy-Back Authority for the Company to Purchase Up to Ten Percent (10%) of its Total Number of Issued Shares**

This Ordinary Resolution 8, if passed, will provide the mandate to the Company to buy back its own shares up to a maximum of 10% of the total number of issued shares of the Company pursuant to the MMLR of Bursa Securities.

## NOTICE OF ANNUAL GENERAL MEETING

For further information, please refer to the Circular to Shareholders dated 30 April 2026 which is despatched together with the Company's Annual Report 2025.

### 7. Special Resolution 1 – Proposed Amendments to the Constitution of the Company

The Proposed Special Resolution 1, if passed, will enhance administrative efficiency.

Further information of the Proposed Amendments to the Constitution of the Company is set out in the "Appendix A" accompanying the Notice of AGM dated 30 April 2026.

### Appendix A

#### PROPOSED AMENDMENTS TO THE EXISTING CONSTITUTION OF THE COMPANY

The Company's Constitution is proposed to be amended in the following manner:-

Clause No.	Existing Clause	Proposed Amendments
92	The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority by a notary public, shall be deposited at the Office or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid. PROVIDED ALWAYS that the Company may by written notice waive the prior lodgement of the above instrument appointing a proxy and the power of attorney or other authority.	The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority by a notary public, shall be deposited at the Office or at such other place within Malaysia <b><u>physically or by way of electronic means or in such other manner provided in the notice</u></b> , as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid. PROVIDED ALWAYS that the Company may by written notice waive the prior lodgement of the above instrument appointing a proxy and the power of attorney or other authority.

#### STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the MMLR of Bursa Securities:-

1. Details of individual who are standing for election as Directors (excluding Directors for re-election)

No individual is seeking election as a Director at the 23<sup>rd</sup> AGM of the Company.

2. General mandate for issue of securities in accordance with Paragraph 6.03 of the MMLR of Bursa Securities.

The details of the proposed authority for Directors of the Company to issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out under Explanatory Note.

**FORM OF PROXY****HEXTAR RETAIL BERHAD**[Registration No. 200301031466 (633887-M)]  
(Incorporated in Malaysia)

No. of shares held	
CDS Account no.	

I/We \_\_\_\_\_ \*NRIC No./Company No. \_\_\_\_\_  
(FULL NAME IN BLOCK LETTERS)of \_\_\_\_\_  
(FULL ADDRESS)being a member(s) of **HEXTAR RETAIL BERHAD (the "Company")** hereby appoint:

Full Name in Block Letters		Proportion of shareholdings to be presented %
Email Address		
NRIC No.		
Full Address		
Contact No.		

Full Name in Block Letters		Proportion of shareholdings to be presented %
Email Address		
NRIC No.		
Full Address		
Contact No.		
<b>Total</b>		<b>100%</b>

or failing him/her\*, the Chairman of the Meeting as \*my/our proxy to vote for \*me/us and on \*my/our behalf at the Twenty-Third ("23<sup>rd</sup>") Annual General Meeting ("AGM") of the Company which 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, 18 June 2026 at 11:00 a.m. or at any adjournment thereof to vote as indicated below:-

NO.	RESOLUTIONS		FOR	AGAINST
1.	To approve the payment of Directors' fees to the Non-Executive Directors of the Company up to an amount of RM300,000 for the period commencing from the conclusion of the 23 <sup>rd</sup> AGM up to the conclusion of the Twenty-Fourth ("24 <sup>th</sup> ") AGM of the Company.	Ordinary Resolution 1		
2.	To approve the payment of Directors' benefits to the Non-Executive Directors of the Company up to an amount of RM50,000 for the period commencing from the conclusion of the 23 <sup>rd</sup> AGM up to the conclusion of the 24 <sup>th</sup> AGM of the Company.	Ordinary Resolution 2		
3.	To re-elect Datuk Iskandar Bin Sarudin as Director	Ordinary Resolution 3		
4.	To re-elect Khor Hun Nee as Director	Ordinary Resolution 4		
5.	To re-appoint Messrs. UHY Malaysia PLT as Auditors of the Company	Ordinary Resolution 5		
6.	Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016	Ordinary Resolution 6		
7.	Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	Ordinary Resolution 7		
8.	Proposed Renewal of Share Buy-Back Authority for the Company to Purchase Up to Ten Percent (10%) of its Total Number of Issued Shares	Ordinary Resolution 8		
9.	Proposed Amendments to the Constitution of the Company	Special Resolution 1		

(Please indicate with an "X" or "✓" in the spaces provided on how you wish your vote to be cast. In the absence of specific direction, the proxy may vote or abstain from voting on the resolutions as he/she may think fit)

Signed on this \_\_\_\_\_ day of \_\_\_\_\_ 2026.

\_\_\_\_\_  
Signature of Shareholder(s) or Common Seal

\*strike out whichever is inapplicable

**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 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 Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.
- Subject to the Constitution, the Form of Proxy must be deposited at the Company's Share Registrar, Aldpro Corporate Services Sdn Bhd's office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, W.P. Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- For the purpose of determining a member who shall be entitled to attend the meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at **9 June 2026**. Only members whose name appears on the Record of Depositors as at **9 June 2026** shall be entitled to attend, speak and vote at the said meeting or appoint proxies to attend, speak and vote on his/her stead.
- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice of the 23<sup>rd</sup> AGM will be put to vote by way of poll.

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AFFIX  
STAMP

**The Share Registrar of**  
**HEXTAR RETAIL BERHAD**  
**[Registration No. 200301031466 (633887-M)]**

c/o Aldpro Corporate Services Sdn Bhd  
B-21-1, Level 21, Tower B, Northpoint Mid Valley City  
No 1, Medan Syed Putra Utara  
59200 Kuala Lumpur  
W.P. Kuala Lumpur

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**HEXTAR RETAIL BERHAD**

200301031466 (633887-M)

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48000 Rawang, Selangor Darul Ehsan, Malaysia

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