



HEXTAR GLOBAL BERHAD

199001014551 (206220-U)

ANNUAL REPORT **2025**



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Proxy Form



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This Annual Report can be downloaded or viewed in PDF file at www.hextarglobal.com

ANNUAL REPORT 2025

GROUP OVERVIEW

WHO WE ARE

Hextar Global Berhad ("Hextar" or the "Group") was incorporated on 13 October 1990 and listed on the Main Market of Bursa Malaysia Securities Berhad in 2009. The Group is a prominent crop management solutions provider, commanding more than 30% market share in Malaysia's pesticide market.

Hextar has established strong competencies across the agriculture value chain, supported by robust capabilities across the value chain, from research and development to commercialisation and distribution. To date, the Group has successfully registered over 700 products domestically and internationally, including patented innovations.

The Group has expanded its global footprint, supported by an extensive distribution network of more than 150 distributors across over 30 countries.

The Group operates a diversified portfolio of three (3) core business segments, enabling it to enhance earnings resilience while capturing growth opportunities across multiple industries and markets.



OUR VISION

To become the preferred business partner and employer of choice, enriching lives with our products and solutions

OUR MISSION

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

CORE VALUES

Humility

Fostering an environment of mutual respect that encourages appreciation and cooperation amongst each other, with self-awareness and open-mindedness to learn and grow

Excellence

Pushing boundaries to achieve the highest possible standards of performance and quality

X-factor

Ability to think outside the box to develop unique solutions to complex challenges and to push past traditions with innovative and progressive ideas

Trustworthy

Being honest and showing a consistent and uncompromising adherence to strong moral and ethical principles and values

Adaptability

Ability to change and adjust to shifting demands and requirements by being proactive and resourceful

Responsibility

Demonstrating reliability by staying true to the task, accepting accountability for your duties and carrying out the task to the best of our capabilities

GROUP OVERVIEW

cont'd

OUR BUSINESS

The Group operates a diversified portfolio of three (3) core business segments:



Specialty Chemicals

The Specialty Chemicals segment focuses on the manufacturing, distribution and provision of specialty and industrial chemical solutions across various industries, including oil & gas, petrochemical and general industrial sectors.

Key businesses include the supply of industrial chemicals, catalysts, gases and related services to the oil and gas sector, complemented by the provision of technical support and customised solutions. Its activities also include the storage, handling and distribution of chemicals. In addition, the segment distributes a range of industrial products, including detergents, sanitising agents, coatings, liquid odorants, food-grade chemicals, as well as heavy-duty industrial lubricants, including Petromin products in Malaysia.



Agriculture

The Agriculture segment is the Group's core business, focusing on the manufacturing and distribution of agrochemicals to support crop protection and yield enhancement.

The Group offers a comprehensive product portfolio, including pesticides, herbicides, insecticides, fungicides, rodenticides and miticides, catering to a wide range of agricultural and public health needs. The segment also provides pest control solutions for the public health sector.

As part of its sustainability initiatives, the Group is involved in the provision of biogas processing systems, offering green energy solutions encompassing consultation, design, construction, installation and commissioning.

The Group's agrochemicals operations are ISO 9001:2015 and MS ISO 45001:2018 certified, reflecting its commitment to quality management, occupational health and safety, and operational excellence.



Fruits

The Fruits segment focuses on the trading, processing and distribution of durian and durian-based products, including pulp and paste, for both domestic and international markets.

Moving forward, the Group remains focused on strengthening its core businesses while pursuing strategic growth opportunities across its diversified segments, underpinned by innovation, operational excellence and sustainable practices.

CORPORATE STRUCTURE

Our logo derives from our company name, which has been in use since 1985. At Hextar, our philosophy emphasises the empowerment of each subsidiary to become independent and competitive players in their respective industries. We proactively identify and nurture key talents within our organisation, enabling continuous career growth and advancement to fulfill the objectives of each subsidiary.



HEXTAR GLOBAL BERHAD

199001014551 (206220-U)



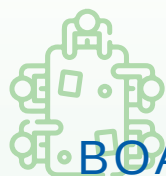
CORPORATE STRUCTURE

cont'd



* In Member's Voluntary Winding Up

CORPORATE INFORMATION



BOARD OF DIRECTORS

Y.D.H PROFESSOR DATO' SRI DR. ERWAN BIN DATO' HAJI MOHD TAHIR
Independent Non-Executive Chairman

Y.BHG DATO' ONG SOON HO
*Non-Independent
Non-Executive Vice Chairman*

LEE CHOOI KENG
Group Managing Director

RAYBURN AZHAR BIN ALI
Executive Director

YEOH CHIN HOE
Senior Independent Non-Executive Director

DATO' ONG CHONG YI
Independent Non-Executive Director

CHEW CHUI WA
Independent Non-Executive Director

NOMINATION AND REMUNERATION COMMITTEE

Chairman
Dato' Ong Chong Yi

Members
Yeoh Chin Hoe
Chew Chui Wa

WHISTLEBLOWING COMMITTEE

Chairman
Yeoh Chin Hoe

Members
Lee Chooi Keng
Y.D.H. Professor Dato' Sri Dr. Erwan Bin Dato' Haji Mohd Tahir

AUDIT COMMITTEE

Chairman
Yeoh Chin Hoe

Members
Dato' Ong Chong Yi
Chew Chui Wa

COMPANY SECRETARIES

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

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

Phan Nee Chin (MIA 28178)
(SSM PC No. 202008004339)

RISK MANAGEMENT COMMITTEE

Chairperson
Lee Chooi Keng

Members
Yeoh Chin Hoe
Dato' Ong Chong Yi

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, Malaysia.
Tel : +6(03) 9770 2200
Fax : +6(03) 2201 7774
Email : boardroom@boardroom.com.my

CORPORATE INFORMATION

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CORPORATE OFFICE

No. 64, Jalan Bayu Laut 4/KS09,
Kota Bayuemas,
41200 Klang,
Selangor Darul Ehsan, Malaysia.
Tel : +6(03) 3003 3333
Fax : +6(03) 3003 3331
Email : hextarglobal@hextar.com
Website : www.hextarglobal.com

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
(Main Market)
Stock Name : HEXTAR
Stock Code : 5151

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, Malaysia.
Tel : +6(03) 9770 2200
Fax : +6(03) 2201 7774
Email : admin@aldpro.com.my

AUDITORS

Crowe Malaysia PLT
201906000005
(LLP0018817-LCA) & AF 1018
Setia Alam Office,
Suite 50-3, Setia Avenue,
No. 2, Jalan Setia Prima S U13/S,
Setia Alam, Seksyen U13,
40170 Shah Alam,
Selangor Darul Ehsan, Malaysia.

Crowe China Group

Foshan Branch Office, 2F,
Bi Cui Ya Xuan Commercial Building,
No. 38, Lvjing 2nd Road,
Chancheng District,
Foshan, Guangdong, China.

PKF Brunei

B7, First Floor, Block B,
Shakirin Complex, Kampung Kiulap,
Gadong B, Brunei Muara, BE1518,
Brunei Darussalam.

Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Rekan

UOB Plaza 42nd & 30th Floor,
Jl. MH. Thamrin Lot 8-10
Central Jakarta 10230, Indonesia.

Robert Yam & Co

190 Middle Road,
#16-01/02/03 Fortune Centre,
Singapore 188979.

Stannards Accountants and Advisors Pty Ltd

A.C.N 006 867 441
60 Toorak Road,
South Yarra, Vic 3141,
Australia.

PRINCIPAL BANKERS

Maybank Islamic Berhad
OCBC Bank (Malaysia) Berhad
Al Rajhi Banking & Investment Corporation
(Malaysia) Berhad
Hong Leong Islamic Bank Berhad
Export-Import Bank of Malaysia Berhad
Citibank Berhad
AmBank (M) Berhad
OCBC Al-Amin Bank Berhad
United Overseas Bank (Malaysia) Berhad
SME Bank (M) Berhad
Hong Leong Bank Berhad
Bank Pertanian Malaysia Berhad
Ambank Islamic Bank Berhad
CIMB Islamic Bank Berhad

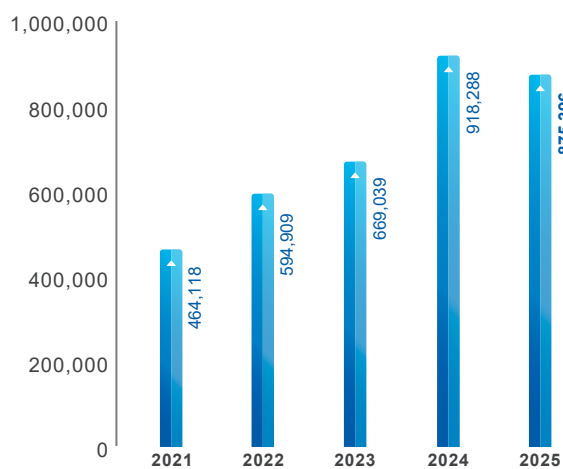
FINANCIAL HIGHLIGHTS

GROUP FINANCIAL HIGHLIGHTS					
Financial Year Ended 31 December	2021	* 2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	464,118	594,909	669,039	918,288	875,396
Gross Profit ("GP")	105,008	171,307	203,626	248,317	258,380
Profit Before Taxation ("PBT")	53,565	78,946	91,278	95,215	103,163
Profit After Taxation ("PAT")	39,210	58,955	67,664	71,675	72,516
Ratios					
GP Margin	22.6%	28.8%	30.4%	27.0%	29.5%
PBT Margin	11.5%	13.3%	13.6%	10.4%	11.8%
PAT Margin	8.4%	9.9%	10.1%	7.8%	8.3%
Basic Earnings Per Share (Sen)	3.01	[^] 1.38	1.41	1.53	1.59

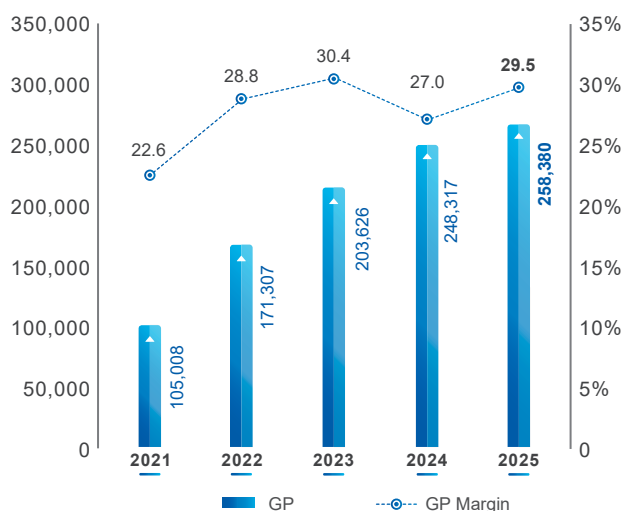
* Restated to exclude discontinued operations

[^] Restated to reflect the effect of bonus issue

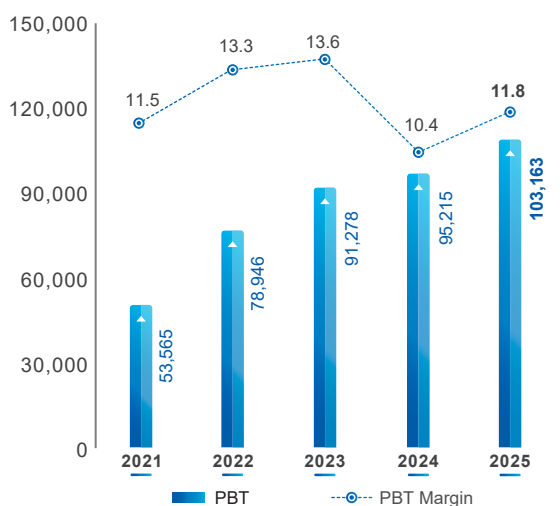
REVENUE (RM'000)



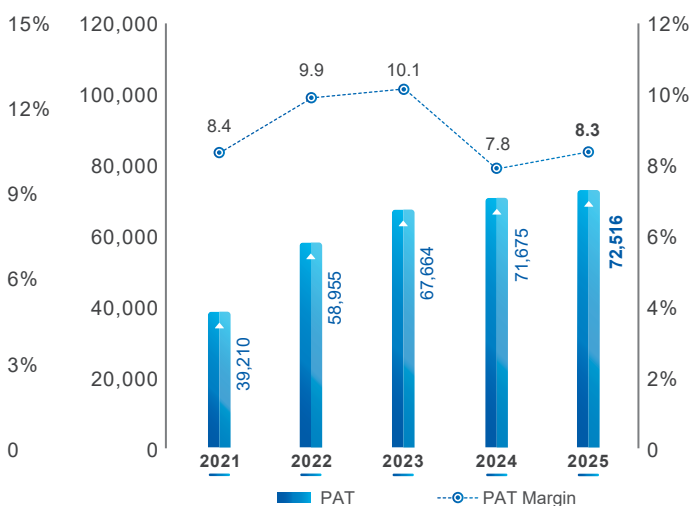
GP (RM'000) & GP MARGIN (%)



PBT (RM'000) & PBT MARGIN (%)



PAT (RM'000) & PAT MARGIN (%)



BOARD OF DIRECTORS' PROFILE



**Y.D.H. PROFESSOR DATO' SRI
DR. ERWAN BIN DATO' HAJI
MOHD TAHIR**

Independent Non-Executive Chairman



Board Committees Membership:

- Member, Whistleblowing Committee



Academic / Professional Qualifications:

- Professorship in Genovasi University College
- Honorary Doctorate in Entrepreneurship, Netherland Maritime University College (NMUC)
- Doctor of Philosophy (PhD) in Management, University of Wales, United Kingdom
- Master of Business Administration (MBA) in Marketing Management, University of Wales, United Kingdom



Present Directorships (Listed Entities):

- Nil

Nationality :	Age :	Gender :
Malaysian	49	Male



Date of Appointment : **22 May 2017**



Board Meeting Attendance in 2025 : **7/7**



Other Appointments:

- Group Executive Chairman, EPE Power Corporation Berhad
- Executive Chairman, ERWAN Berhad
- Chairman of Board of Governors, Genovasi University College
- Chairman of Board of Governors, International College of Management and Sports (ICMS)
- Chairman of Industry Advisory Committee, Department of Polytechnics Education and College Community, Ministry of Higher Education
- Chief Executive Officer, Polytechnics and Community Colleges (PolyCC), Nilai, Negeri Sembilan Darul Khusus
- President, Pertubuhan Pedagang Dan Peniaga Kebangsaan Malaysia (PERDANA)
- President, Persatuan Kontraktor Tenaga Malaysia (PKTM)
- Vice Chairman 1, Kesatria Muda Keselamatan 1 KDN (KMK1KDN), Kementerian Dalam Negeri
- Advisor, RELA Honorary Club, Jabatan Sukarelawan Malaysia (RELA), Kementerian Dalam Negeri
- Advisor, Persatuan Kebajikan Keluarga Bekas Polis Dan Tentera (POLTERA)

- Advisor, Persatuan Kontraktor Melayu Malaysia (PKMM)
- National EXCO Member, Malaysian Crime Prevention Foundation (MCPF)
- Member, Sahabat Gerakan Revolusi Anti Rasuah (GERAH)
- Member, Malaysia Anti Corruption Commission (MACC)
- Active Member, Dewan Perniagaan Melayu Malaysia (DPMM)
- Active Member, Persatuan Kontraktor Melayu Malaysia (PKMM)
- Active Member, Persatuan Usahawan Tenaga Malaysia (PUTM)
- Active Member, Arab Malaysian Chamber of Commerce (AMCC)
- Active Member, British Malaysian Chamber of Commerce (BMCC)
- Active Member, The Japanese Chamber of Trade & Industry, Malaysia (JACTIM)



Past Experiences:

- Board of Director, Perbadanan Putrajaya
- Chairman, KBB Resources Berhad
- Board of Director, SERSOL Berhad
- Board of Director, MKH Berhad

Save as disclosed above, none of the Directors have any family relationship with any directors and/or major shareholders of the Group and have no conflicts of interest. None of the Directors have convictions of any offenses within the past five years, nor any public sanctions or penalties imposed by regulatory bodies during the financial year under review.

BOARD OF DIRECTORS' PROFILE

cont'd



Nationality :	Age :	Gender :
Malaysian	78	Male

 Date of Appointment : 22 May 2017

 Board Meeting Attendance in 2025 : 7/7

Y.BHG DATO' ONG SOON HO

Non-Independent Non-Executive Vice Chairman

Board Committees Membership:

- Nil

Academic / Professional Qualifications:

- Master's Degree in Mycology, University of Aberdeen, Scotland, United Kingdom
- Bachelor's Degree in Plant Pathology and Entomology, National Taiwan University

Present Directorships (Listed Entities):

- Nil

Other Appointments:

- Group Chairman, Hextar Holdings Sdn Bhd
- Deputy President of Tung Shin Hospital
- Honorary President of The Federation of Hokkien Associations Malaysia

Past Experiences:

- Founder of Hextar Chemicals Sdn Bhd
- Over 50 years of professional experience in the agricultural industry, including holding senior management position of a multinational corporation

Family Relationship:

- Dato' Ong Soon Ho is the father of Dato' Eddie Ong Choo Meng. Both of them are directors and shareholders of Hextar Holdings Sdn Bhd, the substantial shareholder of Hextar.

Save as disclosed above, none of the Directors have any family relationship with any directors and/or major shareholders of the Group and have no conflicts of interest. None of the Directors have convictions of any offenses within the past five years, nor any public sanctions or penalties imposed by regulatory bodies during the financial year under review.

BOARD OF DIRECTORS' PROFILE

cont'd



LEE CHOOI KENG

Group Managing Director



Board Committees Membership:

- Chairperson, Risk Management Committee
- Member, Whistleblowing Committee



Academic / Professional Qualifications:

- Bachelor of Science (Hons) in Chemistry, University Science Malaysia



Present Directorships (Listed Entities):

- Nil



Other Appointments:

- Director of Hextar's subsidiaries



Past Experiences:

- Over 46 years of experience in the agrochemical industry, including roles as a chemist and senior management positions in the private sector

Nationality :

Malaysian

Age :

68

Gender :

Female



Date of Appointment : **22 May 2017**



Board Meeting Attendance in 2025 : **7/7**

Save as disclosed above, none of the Directors have any family relationship with any directors and/or major shareholders of the Group and have no conflicts of interest. None of the Directors have convictions of any offenses within the past five years, nor any public sanctions or penalties imposed by regulatory bodies during the financial year under review.

BOARD OF DIRECTORS' PROFILE

cont'd



RAYBURN AZHAR BIN ALI

Executive Director



Board Committees Membership:

- Nil



Academic / Professional Qualifications:

- Bachelor of Business Administration (Accountancy), University of Notre Dame, Indiana, United States of America



Present Directorships (Listed Entities):

- Nil



Other Appointments:

- Chief Executive Officer, Hextar Kimia Sdn Bhd
- Director of Hextar's subsidiaries



Past Experiences:

- Senior Vice President of the Downstream Oil & Gas Division, ENRA Group Berhad
- Deputy Group Chief Executive Officer / Group Chief Operating Officer, Daya Materials Berhad
- Chief Executive Officer / Chief Operating Officer, Daya SecaDyme Sdn Bhd
- Director & Chief Executive Officer, DK Kurita Sdn Bhd
- General Manager of Business Development, Darul Karisma Group
- Auditor and Budget Analyst in Chicago, USA

Nationality :

Malaysian

Age :

56

Gender :

Male



Date of Appointment : 29 November 2022



Board Meeting Attendance in 2025 : 7/7

Save as disclosed above, none of the Directors have any family relationship with any directors and/or major shareholders of the Group and have no conflicts of interest. None of the Directors have convictions of any offenses within the past five years, nor any public sanctions or penalties imposed by regulatory bodies during the financial year under review.

BOARD OF DIRECTORS' PROFILE

cont'd



YEOH CHIN HOE

Senior Independent Non-Executive Director



Board Committees Membership:

- Chairman, Audit Committee
- Chairman, Whistleblowing Committee
- Member, Nomination and Remuneration Committee
- Member, Risk Management Committee



Academic / Professional Qualifications:

- Master of Business Administration (MBA) in General Management, Universiti Putra Malaysia
- Fellow Member, Association of Chartered Certified Accountants (ACCA)
- Fellow Member, Institute of Chartered Secretaries and Administrators (ICSA)
- Member, Malaysian Institute of Certified Public Accountants (MICPA)
- Member, Malaysian Institute of Accountants (MIA)



Present Directorships (Listed Entities):

- Independent Non-Executive Director, Hextar Technologies Solutions Berhad
- Independent Non-Executive Director, Chin Hin Group Berhad



Other Appointments:

- Nil



Past Experiences:

- Founder of BPI Corptall Consulting Sdn Bhd
- Managing Director / Finance Director, Harrisons Trading (Peninsular) Sdn Bhd
- Assistant Manager, Coopers & Lybrand
- Chartered Accountant, Spicer & Pegler, London, United Kingdom

Nationality :	Age :	Gender :
Malaysian	75	Male



Date of Appointment : 22 May 2017



Board Meeting Attendance in 2025 : 7/7

Save as disclosed above, none of the Directors have any family relationship with any directors and/or major shareholders of the Group and have no conflicts of interest. None of the Directors have convictions of any offenses within the past five years, nor any public sanctions or penalties imposed by regulatory bodies during the financial year under review.

BOARD OF DIRECTORS' PROFILE

cont'd



CHEW CHUI WA

Independent Non-Executive Director


Board Committees Membership:

- Member, Audit Committee
- Member, Nomination and Remuneration Committee



Academic / Professional Qualifications:

- Degree in Accounting and Marketing, The University of Sydney, Australia
- International Canadian Pre-University, Taylor's University College, Malaysia
- Chartered Accountants Australia and New Zealand (CA ANZ)



Present Directorships (Listed Entities):

- Nil



Other Appointments:

- Chief Executive Officer, True North Partners Sdn Bhd



Past Experiences:

- Director of Business Development & Operations, Esente Advisory Sdn Bhd
- Managerial position in Equity Capital Markets divisions, RHB Investment Bank Berhad
- Managerial position in Equity Capital Markets divisions, AmInvestment Bank Berhad
- Audit and Assurance, KPMG Malaysia

Nationality :

Malaysian

Age :

39

Gender :

FemaleDate of Appointment : **17 November 2025**Board Meeting Attendance in 2025 : **2/2**

Save as disclosed above, none of the Directors have any family relationship with any directors and/or major shareholders of the Group and have no conflicts of interest. None of the Directors have convictions of any offenses within the past five years, nor any public sanctions or penalties imposed by regulatory bodies during the financial year under review.

BOARD OF DIRECTORS' PROFILE

cont'd



DATO' ONG CHONG YI

Independent Non-Executive Director



Board Committees Membership:

- Chairman, Nomination and Remuneration Committee
- Member, Audit Committee
- Member, Risk Management Committee



Academic / Professional Qualifications:

- Master of Business Administration (MBA), University of Malaya
- Postgraduate Diploma in Public Administration, National Institute of Public Administration (INTAN)
- Bachelor of Arts in International and Strategic Studies, University of Malaya



Present Directorships (Listed Entities):

- Nil



Other Appointments:

- ASEAN Representative & Senior Research Fellow, Hainan Institute for Free Trade Port Studies (HIFTPS)
- Executive Director, Belt and Road Initiative Caucus for Asia Pacific (BRICAP)
- Council Member, United Nations Association of Malaysia
- Advisor, Malaysia-China Chamber of Commerce



Past Experiences:

- Chief Executive Officer, Port Klang Free Zone (PKFZ)
- Minister Counsellor (Economic Affairs), Embassy of Malaysia in China
- President, China-Malaysia Qinzhou Industrial Park Development Co. Ltd.
- Assistant Director, Road Transport Department, Pahang & Selangor
- Principal Assistant Director, China Unit, Ministry of International Trade and Industry (MITI)

Nationality :

Malaysian

Age :

46

Gender :

Male



Date of Appointment : **1 January 2026**



Board Meeting Attendance in 2025 : **N/A**

Save as disclosed above, none of the Directors have any family relationship with any directors and/or major shareholders of the Group and have no conflicts of interest. None of the Directors have convictions of any offenses within the past five years, nor any public sanctions or penalties imposed by regulatory bodies during the financial year under review.

KEY SENIOR MANAGEMENT'S PROFILE



Nationality	Age	Gender
Malaysian	69	Male

LO NGEN LOI

Managing Director of Hextar Chemicals Sdn Bhd

Agriculture Segment



Key Responsibilities:

- Oversee Hextar Group's marketing development and strategies for the agriculture segment



Academic / Professional Qualification:

- Bachelor's Degree in Science, majoring in Chemistry and Botany



Present Directorships (Listed Entities):

- Nil



Other Appointment:

- Nil



Past Experiences:

- Over 40 years of diverse industry experience, spanning across product launching, serving as a product specialist in the regional market as well as excelling in marketing and portfolio management of agrochemicals for multinational corporations



Nationality	Age	Gender
Malaysian	59	Male

CHEN SEN LOON

Managing Director of Halex (M) Sdn Bhd

Agriculture Segment



Key Responsibilities:

- Oversee the agriculture business operations for Halex (M) Sdn Bhd, Hextar Chemicals Sdn Bhd, and all companies under the agriculture segment



Academic / Professional Qualification:

- Master's Degree in Business Administration, Heriot-Watt University, United Kingdom
- Bachelor's Degree in Chemistry (Honours), Universiti Kebangsaan Malaysia



Present Directorships (Listed Entities):

- Nil



Other Appointment:

- Nil



Past Experiences:

- Over 30 years of experience in the agrochemical industry
- Group Managing Director / Executive Director, Halex (M) Sdn Bhd
- General Manager / Production Manager / Chemist, Halex Industries (M) Sdn Bhd

Save as disclosed above, none of the Key Senior Management have any family relationship with any directors and/or major shareholders of the Group and have no conflicts of interest. None of the Key Senior Management have convictions of any offenses within the past five years, nor any public sanctions or penalties imposed by regulatory bodies during the financial year under review.

KEY SENIOR MANAGEMENT'S PROFILE

cont'd



DR. LEE LENG CHOY

Managing Director

Research and Development



Key Responsibilities:

- Oversee Hextar Group's research and development operations, technical matters, and the business aspects of specialty chemicals



Academic / Professional Qualification:

- Doctor of Philosophy (PhD) in Urban Entomology and Biochemistry



Present Directorships (Listed Entities):

- Nil



Other Appointment:

- Nil



Past Experiences:

- Over 20 years of experience in the crop protection industry in Asia, with expertise in research and development and regulatory compliance, having published more than 20 peer-reviewed papers and presented over 35 research papers at scientific meetings



CHIAM LONG CHAI

Managing Director

Hextar Industrial Chemicals Sdn Bhd



Key Responsibilities:

- Oversee the trading of industrial chemicals, business operations, and growth of Hextar Industrial Chemicals Sdn Bhd



Academic / Professional Qualification:

- Bachelor's Degree in Business Studies, majoring in Finance



Present Directorships (Listed Entities):

- Nil



Other Appointment:

- Nil



Past Experiences:

- Over 25 years of experience in the industrial chemical industry, with expertise in administration, marketing, and supply chain management, including managing products across various industries and holding expatriate positions abroad

Save as disclosed above, none of the Key Senior Management have any family relationship with any directors and/or major shareholders of the Group and have no conflicts of interest. None of the Key Senior Management have convictions of any offenses within the past five years, nor any public sanctions or penalties imposed by regulatory bodies during the financial year under review.

KEY SENIOR MANAGEMENT'S PROFILE

cont'd



Nationality	Age	Gender
China	72	Female

LIAN DAZHI

Managing Director

Biogas Engineering Business



Key Responsibilities:

- Oversee the biogas business operations performance of Hextar Biogas BEE Sdn Bhd and Biogas Environment Engineering Sdn Bhd



Academic / Professional Qualification:

- Bachelor's Degree in Automatic Specialised Control, China Chongqing University



Present Directorships (Listed Entities):

- Nil



Other Appointment:

- Nil



Past Experiences:

- Over 40 years of experience in methane project application technology, computer control systems and electrical machinery
- General Manager, Soil Engineering (M) Sdn Bhd
- General Manager, Jiamia (M) Sdn Bhd
- General Manager, Lanke Medical Service Research Center, Taishan Rock
- Engineer, Chinese Academy of Science Computer Application Research Institute
- Engineer, Chinese Sichuan Ecology Resources Environmental Protection Research Institute



Nationality	Age	Gender
Malaysian	48	Female

PHAN NEE CHIN

Chief Financial Officer, Company Secretary of Hextar Group

Group Financial Department



Key Responsibilities:

- Oversee Hextar Group's financial management, reporting, and planning, providing strategic guidance, risk oversight, and compliance monitoring, while leading the finance team to ensure accurate and timely reporting
- Serve as the Company Secretary of Hextar Group



Academic / Professional Qualification:

- Chartered Accountant, Malaysian Institute of Accountants (MIA)
- Bachelor's Degree in Accounting, University of Malaya



Present Directorships (Listed Entities):

- Nil



Other Appointment:

- Nil



Past Experiences:

- Over 20 years of experience in auditing, accounting, finance, and administration, having held various senior finance positions in both private and public companies

Save as disclosed above, none of the Key Senior Management have any family relationship with any directors and/or major shareholders of the Group and have no conflicts of interest. None of the Key Senior Management have convictions of any offenses within the past five years, nor any public sanctions or penalties imposed by regulatory bodies during the financial year under review.

MANAGEMENT DISCUSSION AND ANALYSIS



On behalf of the Board of Directors, I am pleased to present the Management Discussion and Analysis of Hextar Global Berhad for the financial year ended 31 December 2025 ("FYE 2025").

The Group delivered a resilient performance in FYE 2025, recording improved profitability despite operating in a dynamic and evolving environment. Performance during the year was characterised by a strong start, followed by softer demand in certain segments, before recovering in the second half of the year.

The Specialty Chemicals segment remained the Group's largest contributor to overall performance during the year. Meanwhile earnings growth was primarily driven by the Agriculture segment, supported by improved pricing trends and disciplined cost management, while the Fruits segment continued to scale, reflecting the Group's successful expansion into the durian value chain. In contrast, the Specialty Chemicals segment experienced softer demand, particularly in the oil and gas and rubber glove industries, although it continues to be a strategically important business with long-term growth potential.

The Group's overall profitability was further supported by operational efficiency and prudent cost management, while its diversified business model provided resilience in navigating fluctuations across different segments.

Financially, the Group maintained a stable position, supported by positive operating cash flows and a manageable level of gearing, providing the flexibility to support ongoing operations and future growth initiatives.

Looking ahead, the Group remains focused on strengthening its core businesses while pursuing selective expansion opportunities. This will be underpinned by operational excellence, disciplined capital allocation and a continued commitment to sustainable growth.

On behalf of the Board, I would like to express our sincere appreciation to our shareholders, employees, customers, suppliers and business partners for their continued trust and support. The Group remains confident in its strategic direction and is well-positioned to deliver sustainable long-term value.

LEE CHOOI KENG
Group Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

Hextar Global Berhad ("**Hextar**" or the "**Company**") together with its subsidiaries ("**the Group**"), is principally engaged in the manufacturing, distribution, and trading of a wide range of chemicals, including agrochemical products and specialty chemicals, as well as the trading of fruits. The Group's operations are organised into three (3) core business segments:

Segments	Principal activities
Specialty Chemicals	Manufacturing and distribution of specialty chemicals such as sanitising chemicals, industrial chemicals, chemical derivatives, lubricant, coating, liquid odorant, dosing systems, gas and chemical related services, polymers, adhesive products and provision of technical assistance
Agriculture	Manufacturing and distribution of agrochemicals such as herbicides, insecticides, fungicides, rodenticides and miticides, as well as the provision of integrated processing and system solutions utilising biological green energy technologies for the production of methane gas and organic fertilisers
Fruits	Trading and distribution of durian and other fruits

During the financial year, the Group continued to execute its strategy of strengthening its core businesses while expanding into complementary and adjacent businesses.

The Group proposed the acquisition of fertiliser businesses, which represents a strategic extension of its agriculture platform. This expansion is expected to create operational synergies through shared customer base, distribution network and product offerings, while enhancing the Group's position as an integrated agriculture solutions provider.

In addition, the Group entered into strategic collaborations to develop digital and AI-driven solutions in agriculture and green building. These initiatives are aligned with the Group's sustainability agenda and are expected to enhance operational efficiency and long-term value creation.

The Group remains disciplined in evaluating investment opportunities, focusing on strategic fit, earnings visibility and long-term scalability.

As of the date of this report, the Hextar Group:

- (i) Owns and operates 7 manufacturing facilities across Peninsular Malaysia and Indonesia (3 for the Specialty Chemicals segment, 3 for the Agriculture segment, and 1 for the Fruits segment);
- (ii) Commands over 30% local market share in supplying agrochemicals to major plantation companies;
- (iii) Operates a durian processing factory in Raub equipped with advanced liquid nitrogen freezing and cold storage capabilities for export markets;
- (iv) Maintains an OECD Principles of Good Laboratory Practice (GLP) accredited laboratory under Hextar R&D International Sdn Bhd, enabling global pesticide registration and export to over 30 countries;
- (v) Deploys a special team to conduct market development, product training and technical talks on safe handling of pesticides and spray calibration, strengthening brand awareness and loyalty;
- (vi) Provides 24-hour / 365-day technical support for the sale and application of specialty cleaning chemicals;
- (vii) Maintains skilled in-house technicians to develop customised formulations tailored to specific industrial needs, such as in the rubber glove manufacturing industry;
- (viii) Leads the oil & gas specialty chemical market in Malaysia, with an established presence in Australia and New Zealand, and exclusive distribution rights for 20 international principals.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

FINANCIAL PERFORMANCE

	FYE 2025	FYE 2024	FYE 2023	FYE 2022	FYE 2021
Key Operating Results (RM'000)					
Revenue from continuing operations	875,396	918,288	669,039	618,360	464,118
Earnings before interest, tax, depreciation and amortisation	146,858	138,981	128,058	99,419	63,727
Profit before tax	103,163	95,215	91,278	75,013	53,565
Profit after tax attributable to owners of the Company (PATMI)	61,435	59,369	52,695	49,542	39,460
Other Key Data (RM'000)					
Total assets	852,075	825,559	878,653	622,318	652,837
Total liabilities	577,442	570,026	619,419	389,437	423,465
Total equity	274,633	255,533	259,234	232,881	229,372
Equity attributable to owners of the Company	263,566	225,126	256,124	216,822	212,964
Capital expenditure	13,116	18,083	10,077	8,108	3,104
Financial Ratio (%)					
Revenue growth	-4.7%	37.3%	8.2%	33.2%	10.9%
Net profit margin	8.3%	7.8%	9.8%	8.9%	8.4%
PATMI growth	3.5%	12.7%	6.4%	25.6%	-11.4%
Return on equity	25.1%	24.7%	22.3%	23.1%	19.1%
Share information					
Earnings per share (sen)	1.59	1.53	1.36	1.27	3.57
Net dividends per share (sen)	0.50	2.30	0.66	0.73	1.78
Dividend yield	55.6%	259.9%	85.7%	96.4%	337.9%
Payout ratio (%)	31.5%	150.2%	48.8%	57.5%	49.9%
Net assets per share (RM)	0.07	0.07	0.07	0.06	0.21
Share price as at 31 December (RM)	0.9000	0.8850	0.7750	0.7600	0.5267
Price earnings ratio (times)	0.57	0.58	0.57	0.60	0.15
Market capitalisation of the Company (RM'000)	3,481,391	3,430,319	3,003,952	2,931,516	687,290

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

	FYE 2025 RM'000	FYE 2024 RM'000	FYE 2023 RM'000
<u>Revenue from continuing operations</u>			
Specialty Chemicals	366,373	421,422	271,162
Agriculture	330,310	313,232	345,630
Fruits	178,561	183,515	52,096
Others	152	119	151
Total	875,396	918,288	669,039
<u>Segmental profit</u>			
Specialty Chemicals	62,098	81,966	60,476
Agriculture	50,829	35,909	41,186
Fruits	12,014	7,181	12,593
Consumer Products	-	-	(1,806)
Others	3,576	(5,241)	(3,085)
Total	128,517	119,815	109,364
<u>Segmental margin (%)</u>			
Specialty Chemicals	16.9	19.4	22.3
Agriculture	15.4	11.5	11.9
Fruits	6.7	3.9	24.2
Gross profit ("GP")	258,380	248,317	203,626
Profit before taxation ("PBT")	103,163	95,215	91,278
Profit after taxation ("PAT")	72,516	71,675	67,664
GP margin (%)	29.5	27.0	30.4
PBT margin (%)	11.8	10.4	13.5
PAT margin (%)	8.3	7.8	10.0

In FYE 2025, Hextar recorded revenue of RM875.4 million as compared to a revenue of RM918.3 million in the previous financial year, representing a decrease of RM42.9 million or 4.7%. The overall decline was primarily attributed to weaker contributions from the Specialty Chemicals and Fruits segments.

The Specialty Chemicals segment experienced softer demand during the financial year, mainly due to lower deliveries to the oil and gas sector and the persistent oversupply in the rubber glove market. This was further impacted by the Putra Heights explosion incident, which resulted in the temporary shutdown of certain glove manufacturing plants that had contributed to revenue in the previous financial year.

Revenue from the Fruits segment declined marginally by RM5.0 million or 2.7%, largely due to a shorter-than-expected mid-year durian season compared to the previous financial year. The shift in harvesting timing adversely impacted the performance.

Partially offsetting the above, the Agriculture segment registered an increase in revenue of RM17.1 million or 5.5%, supported by higher average selling prices for agrochemical products.

Despite the decline in revenue, GP increased by 4.1% from RM248.3 million in FYE 2024 to RM258.4 million in FYE 2025. The GP margin for FYE 2025 improved to 29.5%, representing an increase of 2.5% from the previous financial year, mainly driven by higher margins from the Agriculture and Fruits segments.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

Specialty Chemicals

The Specialty Chemicals segment remained the Group's largest contributor, accounted for 41.9% of the Group's total revenue in FYE 2025 albeit impacted by softer demand conditions. Revenue declined by 13.1%, from RM421.4 million to RM366.3 million in the previous year, mainly due to lower deliveries of oil and gas specialty chemicals.

Oil and gas specialty chemicals continued to anchor the segment, contributed 49.3% of revenue, followed by rubber gloves chemicals (21.1%), institutional cleaning chemicals (14.5%), industrial chemicals (13.0%) and others. The performance reflected weaker demand from oil and gas customers alongside continued normalisation in the rubber glove industry.

The segment remained predominantly domestic, with 87.4% of revenue derived locally, while exports (12.6%) were mainly to Thailand and Australia.

In line with the lower revenue, profit decreased by RM19.9 million, with margins easing to 16.9% due to a less favourable sales mix and pricing pressures. Nevertheless, the segment demonstrated resilience, supported by its diversified products portfolio and broad customer base, which helped cushion the impact of cyclical demand.



Agriculture

The Agriculture segment delivered steady growth during the financial year, contributed 37.7% of the Group's total revenue. Revenue rose by 5.5% to RM330.3 million from RM313.2 million, driven primarily by higher average selling prices of agrochemical products.

Herbicides remained the core revenue driver, accounted for 51.2%, followed by insecticides (24.5%) and other agrochemical products (24.3%), reflecting stable demand across key product categories.

The domestic market continued to underpin performance, contributed 74.4% of revenue, while overseas markets, particularly Indonesia, accounted for the remaining 25.6%.



Despite cost pressures, the segment recorded improved profitability, with margins strengthening to 15.4%, supported by disciplined cost management and operational efficiencies. This underscores the segment's ability to sustain margins amid a dynamic operating environment.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

Fruits

The Fruits segment contributed 20.4% to the Group's total revenue in FYE 2025. Performance was affected by seasonality, with revenue declined marginally to RM178.6 million from RM183.5 million due to a shorter-than-expected mid-year durian season and shifts in harvesting cycles.

Fresh durian remained the main revenue contributor at 65.8%, complemented by frozen durian (8.9%) and other durian-based products (25.3%).

Export markets continued to drive the segment, contributed 63.7% of revenue, led by China (27.0%), Singapore (25.0%), and others (11.7%), highlighting the strong demand of durian products in key regional markets, while the domestic market accounted for the remaining 36.3%.

Notwithstanding the softer revenue, segment profit improved to RM12.0 million, with margins increasing to 6.7%. This was mainly attributable to a more favourable product mix, with greater contributions from higher-margin products, demonstrating the segment's ability to enhance profitability despite volume fluctuations.



Overall

Operating expenditure increased marginally by 1.3%, from RM157.9 million to RM160.0 million. This was primarily driven by higher selling and distribution expenses of RM5.6 million, attributable to increased exports of fresh durian to China from the Fruits segment and higher carriage outwards from the Agriculture segment, in line with revenue growth. In addition, personnel expenses rose by RM5.3 million, mainly due to higher headcount and a one-off 40th Anniversary celebration expense of RM1.2 million. The increase in operating expenditure was further impacted by an impairment loss on property of RM1.2 million recognised during the financial year. These increases were partially offset by a higher foreign exchange gain of RM6.7 million, arising from the strengthening of the MYR against major currencies during 2025, which resulted in favourable translation effects. Additionally, operating expenditure in the previous year included an impairment loss on short-term investments of RM3.5 million.

Taxation increased by 30.2%, from RM23.5 million in FYE 2024 to RM30.6 million in FYE 2025. The Group's effective tax rate stood at 29.7%, above the statutory tax rate of 24%, mainly due to tax losses in certain subsidiaries that could not be set off against profits of other subsidiaries, as well as the presence of non-deductible expenses.

The Group reported a PAT of RM72.5 million in FYE 2025, representing a 1.1% increase from RM71.7 million in the previous year. This improvement was primarily driven by stronger GP margins across the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

FINANCIAL POSITION

	FYE 2025	FYE 2024	FYE 2023
	RM'000	RM'000	RM'000
Non-current assets	356,249	356,455	343,172
Current assets	495,826	469,104	535,481
Total assets	852,075	825,559	878,653
Non-current liabilities	206,516	160,992	174,033
Current liabilities	370,926	409,034	445,386
Total liabilities	577,442	570,026	619,419
Net assets	274,633	255,533	259,234
Current ratio (times)	1.30	1.15	1.20
Gearing ratio (times)	1.50	1.59	1.48
Net assets per share (RM)	0.07	0.07	0.07
Capital expenditure	13,116	18,083	10,077

Assets

As at 31 December 2025, the Group's total assets increased to RM852.1 million, reflecting higher working capital requirements and continued investments in business operations. The growth was primarily driven by the Fruits Segment, where inventory levels rose following a stronger season in December 2025 compared to the corresponding period in the previous year.

Cash and bank balances also improved, supported by better collection of trade and other receivables, alongside prudent cash flow management to meet the Group's working capital needs.

During the year, assets classified as held for sale amounting to RM13.8 million, were reclassified from non-current assets. Overall movements in non-current assets were minimal (RM206,000), largely due to the reassessment of right-of-use assets, which offset additions during the financial year.

Capital Expenditure

During the financial year, the Group incurred additional capital expenditure of RM13.1 million, mainly to support business expansion and operational enhancement initiatives. This included investments in the setup of new business operations (RM3.8 million), upgrading of factory facilities (RM1.1 million), and renovation of new office premises (RM2.4 million) across various subsidiaries.

The remaining capital expenditure was primarily attributable to purchases of plant and machinery, as well as office equipment. These investments are aligned with the Group's strategic focus on expanding its business portfolio, strengthening operational capabilities, improving efficiency across its segments. The capital outlay is expected to support future growth and enhance overall operational performance.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

Liabilities

Total liabilities remained relatively stable at RM577.4 million in 2025, compared with RM570.0 million in 2024, reflecting the Group's prudent financial management.

The Group continues to maintain a balanced mix of short-term and long-term borrowings to support working capital requirements, operational needs and strategic investments. Movements in liabilities during the year were mainly attributable to changes in borrowings and working capital-related payables, in line with the business activities.

Notably, the Specialty Chemicals segment drew down term loans during the year for general corporate purposes.

Equity

Shareholders' equity strengthened during the financial year, supported by the Group's profitability and accumulation of retained earnings, partially offset by dividend distributions.

Overall, the Group continues to maintain a solid capital base, positioning it to support its growth strategies and deliver long-term value creation to shareholders.

CASH FLOWS

	FYE 2025 RM'000	FYE 2024 RM'000	FYE 2023 RM'000
Net cash from operating activities	114,808	119,652	36,402
Net cash used in investing activities	(21,075)	(66,743)	(91,389)
Net cash (used in)/from financing activities	(45,624)	(83,295)	64,178
Net change in cash and cash equivalents	48,109	(30,385)	9,191

Overall, the Group recorded a net increase in cash and cash equivalents of RM48.1 million as at 31 December 2025, driven by the following:

- (i) Operating activities: Strong net cash inflow of RM114.8 million was generated during the financial year. Profit before tax of RM103.2 million translated into RM148.4 million in operating cash flows after adjustments for non-cash items. The cash generated was efficiently deployed towards procurement of raw materials, tax payments, and working capital requirements, reflecting robust operating performance and effective working capital management.
- (ii) Investing activities: The Group maintains a balanced capital structure supported by equity and internally generated funds, enabling it to meet both short-term and long-term working capital requirements. Net cash used in investing activities amounted to RM21.1 million, mainly attributable to deferred consideration of RM17.8 million for prior year acquisitions, namely Chempro Technology (M) Sdn. Bhd. and PHG Group, as well as capital expenditure of RM11.7 million to sustain and expand operations. These were largely funded through internal cash flows and reserves, partially offset by proceeds of RM8.2 million from disposals of assets and investments. The Group continues to maintain healthy liquidity and adequate financial flexibility to support its ongoing operations and future growth opportunities.
- (iii) Financing activities: Net cash outflow of RM45.6 million was mainly attributable to the Group's active capital management, including repayments of revolving credit and term loans, dividends paid, and the purchase of treasury shares totalling RM447.7 million, partially offset by drawdowns of RM402.6 million from revolving credit and term loan facilities. This reflects the Group's disciplined approach in optimising its capital structure while maintaining financial stability.

As at 31 December 2025, the Group maintained a healthy cash and cash equivalents position of RM74.4 million, underscoring its strong liquidity and financial resilience.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

OVERVIEW OF OPERATING ACTIVITIES

Specialty Chemicals

The Specialty Chemicals segment continues to serve as a key growth engine for the Group, demonstrating strong scalability and resilience. The strategic acquisitions completed in 2021 have begun to yield tangible returns, as reflected in an expanded customer base, a broader product portfolio and enhanced operational synergies through shared warehousing and R&D facilities.

In FYE 2025, the segment delivered strong performance and emerged as the Group's largest revenue contributor, surpassing the Agriculture segment. This was driven by robust demand from the oil and gas industry, alongside higher exports of specialty chemicals supporting Thailand's rubber glove industry. In addition, sustained demand for institutional, hospitality, and food service cleaning solutions continued to reinforce earnings momentum amid stabilising global economic conditions.

The oil and gas specialty chemicals division delivered a particularly strong performance, supported by long-standing strategic partnerships and exclusive distribution rights with 20 international principals. Despite fluctuations in industry pricing, this segment continues to generate attractive margins, underpinned by its strong market positioning, technical expertise and disciplined pricing strategy. The Group remains focused on enhancing operational efficiency and sustaining profitability through ongoing cost optimisation and provision of value-added solutions.

Agriculture

Global commodity price volatile during the year resulted in a more dynamic pricing environment, with gradual improvements in both raw material costs and selling prices. This upward pricing trend, particularly for selected key products, supported stronger market sentiment and more stable customer purchasing patterns as market conditions improved.

In FYE 2025, the Group benefited from this more favourable pricing environment, which contributed to improved earnings performance. Higher selling prices for herbicides, coupled with sustained demand recovery in key markets, supported margin expansion. The Group continued to strengthen margin resilience through its cost-plus pricing model, complemented by proactive engagement with key suppliers and customers to optimise pricing and ensure sustainable profitability.

Hextar continues to reinforce its leadership position in Malaysia's agrochemical market, commanding over 30% market share among major plantation players. In addition, following the strategic acquisition of the PHG Group in FYE 2023, the Group has strengthened its presence in the durian value chain through close collaboration with durian farmers to develop tailored agrochemical solutions for durian plantations.

Throughout the year, demand for agrochemicals and fertilisers remained resilient, underpinned by durian planting activities and steady market demand. The Group capitalised on its strong brand presence and established distribution network to sustain solid sales performance.

Fruits

The Fruits segment, established through the acquisition of the PHG Group in FYE 2023, marked the Group's strategic entry into the durian market. This expansion was further strengthened in FYE 2024 through the establishment of Grand Fresh, a joint venture with Shenzhen Yoursender Investment Co. Ltd., to strengthen the Group's presence in China - the world's largest durian import market.

In FYE 2025, the Fruits segment was affected by a shorter-than-expected mid-year durian season compared to the previous financial year, as the shift in harvesting timing adversely impacted the segment's performance. Nevertheless, it contributed RM178.6 million to the Group's revenue, representing a decrease from RM183.5 million in FYE 2024.

Looking ahead, the Group remains optimistic on the long-term prospects of the durian value chain. By leveraging its processing capabilities, export infrastructure, and extensive customer and supplier network, the Group is well-positioned to capture expanding opportunities in both domestic and international markets.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

SHARE PRICE PERFORMANCE



Hextar Global's share price demonstrated relative stability throughout the year, with several periods of recovery observed when the share price approached the RM0.85 level. This rebound saw the stock trade within the range of RM0.95 to RM0.98, indicating the presence of underlying support at lower price levels.

The absence of sharp declines reflects steady investor sentiment, while periods of price appreciation were generally accompanied by higher trading volumes, indicating continued market participation.

Overall, the share price exhibited a stable trading pattern during the year, broadly reflecting market conditions and investors response to the Group's performance.

KEY RISKS AND MITIGATING FACTORS

Risk is inherent in the Group's operations, and the Board of Directors continue to ensure that effective risk management and internal control systems are in place. Hextar adopts a balanced approach to risk management while pursuing strategic growth, with the objective of maximising returns and minimising the potential impact of adverse events, ultimately enhancing long-term shareholder value.

Credit Risk

Credit risk arises from the possibility that counterparties may fail to meet their contractual obligations. The Group is exposed to this risk in the normal course of providing products and services, particularly to corporates, government-linked entities and institutions. To mitigate this risk, the Group has enhanced its customer selection and credit assessment processes, supported by digital credit monitoring tools, stricter onboarding criteria and proactive account reviews. These measures facilitate early identification of potential credit issues and help safeguard receivables.

Liquidity Risk

Liquidity risk refers to the potential difficulty in meeting financial obligations when they fall due. To manage this risk, the Group maintains adequate cash reserves and access to diversified credit facilities. In addition, dynamic cash flow forecasting dashboards are utilised to monitor both shortterm and longterm funding requirements, ensuring sufficient liquidity and financial flexibility under varying market conditions and readiness for unexpected events.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

Interest Rate Risk

The Group is exposed to fluctuations in interest rates, particularly in relation to its floating-rate borrowings. An increase in interest rates may lead to higher finance costs and adversely affect profitability. To mitigate this risk, the Group adopts a balanced financing strategy, with a preference for fixed-rate borrowings where appropriate. In addition, hedging instruments are utilised to manage exposure and stabilise borrowing costs.

Foreign Exchange Risk

The Group is exposed to foreign exchange risk as certain transactions are denominated in United States Dollar (USD), Renminbi (RMB) and Singapore Dollar (SGD). Fluctuations in exchange rates may affect the Group's cost structure and profit margins. To mitigate this risk, the Group maintains foreign currency-denominated accounts and closely monitors its foreign currency exposures. Where appropriate, hedging instruments such as forward contracts and swaps are employed to reduce the impact of currency volatility.

Market Competition

The Group operates in competitive markets, facing both established players and new entrants across its business segments. To remain competitive, Hextar continues to strengthen its in-house R&D capabilities, expand its product offerings and geographic reach, and enhance customer engagement through digital platforms. Strong distribution networks and a focus on customer retention remain key to sustaining its competitive position.

Political, Economic and Regulatory Risk

The agrochemical and specialty chemicals industries are subject to evolving regulations and policies changes across different jurisdictions. These developments may impact the Group's operations and compliance obligations. To mitigate this risk, the Group maintains dedicated compliance and R&D functions to ensure adherence to domestic and international standards. In addition, flexible sourcing and distribution strategies are adopted, while continuous training is provided to employees to ensure awareness of ESG and regulatory requirements to stay ahead of industry change.

Reputational Risk

Hextar's reputation is integral to maintaining stakeholder trust and investor confidence, particularly given its inclusion in the FTSE4Good Bursa Malaysia Index and the FTSE4Good Bursa Malaysia Shariah Index. To safeguard its reputation, the Group remains committed to high standards of corporate governance, transparent ESG disclosures, ethical business conduct and sustainability practices, reinforcing long-term stakeholder value and investor trust.

DIVIDEND

Since 2019, Hextar has consistently rewarded its shareholders through regular dividend payments, reflecting the Group's appreciation for their continued trust and support.

While the Group remains committed to delivering shareholder returns, the declaration and amount of dividends are guided by several key considerations. Including the Group's financial performance, the availability of financial resources to support operational requirements and future growth initiatives, as well as the need to maintain a prudent balance between reinvestment and shareholder distributions.

For the financial year FYE 2023, Hextar declared and paid a total dividend of 1.0 sen per ordinary share, amounting to approximately RM38.8 million. In FYE 2024, the dividend increased to 1.3 sen per share, translating to RM50.4 million. For FYE 2025, Hextar declared and paid a total dividend of 0.5 sen per share amounting to RM19.4 million.

Hextar continued dividend distribution reflects its commitment to rewarding shareholders, while ensuring that distributions remain aligned with financial performance, capital requirements and long-term strategic priorities.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

FUTURE PROSPECTS

Specialty Chemicals

Hextar adopts a cautiously optimistic outlook for the Specialty Chemicals segment in FY2026. Demand for specialty cleaning chemicals is expected to remain resilient, particularly from institutions, hotels, and restaurants, supported by the continued economic growth in Malaysia and across other regional markets. The Group has further strengthened its marketing and technical capabilities, including the recruitment of skilled talent to expand market coverage and enhance technical support for customers.

Performance in the oil and gas specialty chemicals segment remains subject to volatility, with weaker demand and pricing pressures affecting margins. However, recent geopolitical developments, including tensions involving Iran, have contributed to higher oil prices. Sustained elevated price levels may stimulate upstream and downstream activities, which could in turn drive demand for specialty chemicals such as catalysts, odorants, and related services.

While uncertainties persist, the Group will adopt a selective and disciplined approach, focusing on niche, value-added offerings to oil and gas and petrochemical players in Malaysia, Australia, and New Zealand, with the aim of capturing opportunities while managing exposures to market volatility.

Meanwhile, the rubber glove industry is expected to gradually recover as supply-demand conditions improve, following capacity rationalisation by manufacturers. This is anticipated to support moderate growth in demand for specialty derivatives and coating chemicals.

Looking ahead, the Group will continue to enhance its product portfolio through R&D, invest in chemical innovations to deliver higher-value customised solutions, and expand into new Asian markets to diversify revenue streams and reduce reliance on the oil and gas sector.

Agriculture

The outlook for the Agriculture segment in FY2026 remains positive, underpinned by several structural drivers. Sustainable agriculture continues to gain importance in ensuring food security and improving rural livelihoods amid rising population demands. At the same time, the reduction in arable land due to urbanisation and industrial development underscores the need for efficient and high-performance agrochemical solutions.

Government support and incentives for modernising agriculture, including funding for smart farming technologies and sustainable practices, are expected to further strengthen industry fundamentals.

In line with these trends, Hextar will focus on maintaining its leadership position in the domestic market through reliable products, a strong distribution, and active customer engagement. The Group will also explore new regional markets to diversify its revenue base, develop products in line with evolving regulatory standards, and advance environmentally friendly solutions aligned with its sustainability goals and long-term ESG commitments.

Fruits

Hextar remains optimistic about the growth potential of the Fruits segment in FY2026, supported by favourable market conditions and increasing demand. Following the memorandum of understanding signed between Malaysia and China in 2024, the export of fresh durian to China continues to present significant opportunities, with premium varieties such as “Musang King” enjoying strong global recognition.

Both domestic and international demand for durian remain robust, while ongoing government support through international marketing and promotional initiatives is expected to further strengthen Malaysia’s position as a key exporter.

As the segment is still in its growth phase, the Group remains prudent in managing associated risks while actively pursuing opportunities to expand its geographical reach. Leveraging its processing capabilities, export infrastructure and established network, Hextar believes that the Fruits segment is well-positioned to become a sustainable and recurring income stream, complementing its established businesses and supporting long-term growth.

MANAGEMENT DISCUSSION AND ANALYSIS

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CONCLUSION

FYE 2025 marked another year of solid operational performance and continued portfolio strengthening for Hextar, despite mixed performance across its business segments. The Group delivered a commendable set of financial results, supported primarily by the strong performance of the Agriculture segment and continued growth in the Fruits segment, while the Specialty Chemicals segment experienced softer demand amid evolving industry conditions.

The Agriculture segment demonstrated resilience and earnings strength, supported by improved pricing trends in key products as well as effective cost and inventory management. The Fruits segment continued to scale meaningfully, reflecting the successful expansion of the Group's durian value chain and growing market acceptance in both domestic and export markets. While the Specialty Chemicals segment faced temporary headwinds, it remains a strategically important business with strong underlying customer relationships and long-term growth potential.

Looking ahead, the Group remains focused on strengthening operational execution across its core segments, enhancing margin resilience, and accelerating growth in high-potential areas, particularly within agriculture-related value chains and the durian ecosystem. With a disciplined approach to capital allocation and a diversified business portfolio, Hextar is well-positioned to sustain long-term growth and deliver consistent value to shareholders.

The Board and Management would like to express their sincere appreciation to shareholders, employees, customers, and business partners for their continued trust and support. We remain confident in its strategic direction and long-term growth prospects.

SUSTAINABILITY STATEMENT

Hextar Global Berhad ("Hextar") and its subsidiaries ("Hextar Group" or "the Group") believe that sustainable growth in our business does not only rely solely on the profitability of the business but also depends on our ability to strike a balance in fulfilling the sustainability requirements or expectations of our various stakeholders in the context of Environmental, Social and Governance ("ESG").



SUSTAINABILITY STATEMENT

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CHAIRMAN'S MESSAGE

Financial Year 2025 marks an important milestone in Hextar Global Berhad's sustainability journey. During the year, sustainability was embedded within the Hextar Global Berhad ("Hextar") and its subsidiaries' ("Hextar Group" or "the Group") enterprise risk management framework, reflecting the Board's recognition that environmental, social and governance ("ESG") considerations are closely linked to operational resilience and long-term value creation. The Group also commenced alignment with the IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2) to enhance transparency, consistency and comparability for investors and stakeholders.

The Board maintains ultimate oversight of sustainability and climate-related matters through a structured governance framework. This approach reinforces disciplined oversight and accountability across the organisation.

Encouraging progress was achieved during the year, including improvements in emissions management, strengthened governance oversight and enhanced workforce stability. These developments reflect the Group's continued efforts to embed sustainability considerations into operational and strategic decision-making, supporting long-term resilience and responsible growth.

The Board remains committed to strengthening sustainability governance and ensuring that responsible practices continue to support Hextar's long-term resilience and value creation.

A YEAR OF TRANSFORMATION

Financial year 2025 represents a decisive transition in the sustainability journey of Hextar Global Berhad ("Hextar" or "the Group"), marking a structural shift in how Hextar manages sustainability.

In FY2024, sustainability was positioned as a governance commitment.

In FY2025, sustainability has become a risk management discipline.

The Group moved beyond commitment into operational integration. Sustainability considerations began influencing business decisions, capital allocation priorities, operational planning and enterprise risk management.

FY2025 PERFORMANCE HIGHLIGHTS

6.9% Reduction in Absolute Emissions (Scope 1 & 2)	16.91% Renewable Energy Share (Surpassing 2030 Targets)	33.3% Female Board Representation (Up from 16.7%)	2.17% Class I Toxicity (Surpassing 2.5% target)
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This transformation reflects broader changes in the external environment. Agricultural chemicals are subject to increasingly stringent regulatory scrutiny across multiple jurisdictions. Customers demand higher transparency regarding product safety, origin and environmental impact. At the same time, climate variability is influencing crop productivity and yield stability. These external forces create direct financial implications: product approvals determine revenue continuity, climate variability affects asset valuation, and energy volatility influences operating margins. Sustainability has therefore shifted from peripheral reporting to a core determinant of organisational resilience.

Recognising these dynamics, the Board determined that sustainability should be managed as an enterprise risk rather than a corporate responsibility initiative. Beginning in FY2025, sustainability performance was reviewed half-yearly through the Risk Management Committee. Sustainability metrics were discussed alongside production volumes, revenue performance and cost structures. This integration signals that sustainability risks are treated as financially material matters affecting long-term shareholder value.

FY2025 therefore marks the beginning of the Group's integration phase, where sustainability is embedded into governance, operations and investment planning. Measurable improvements in emissions performance, governance oversight and workforce stability reflect the outcomes of this structural shift.

SUSTAINABILITY STATEMENT

cont'd

ABOUT HEXTAR GLOBAL BERHAD

Corporate Profile

Hextar Global Berhad is a Malaysia-based investment holding company listed on the Main Market of Bursa Malaysia. The Group traces its origins to 1980 with the establishment of Halex (M) Sdn. Bhd., which focused on the import and distribution of agrochemicals and fertilisers. The company was listed on Bursa Malaysia in 2009 and subsequently rebranded as Hextar in 2019 as part of its strategic transformation and expansion.

With more than four decades of experience, the Group has evolved from a trading company into an integrated agricultural, chemical solutions provider, and fruits trading and distribution. Today, Hextar Group plays an important role in supporting agricultural productivity, industrial chemical applications and related value chains through its diversified portfolio of products and services.

Business Segments

Hextar operates through three core business segments that support its integrated agricultural and industrial value chain:

Agriculture

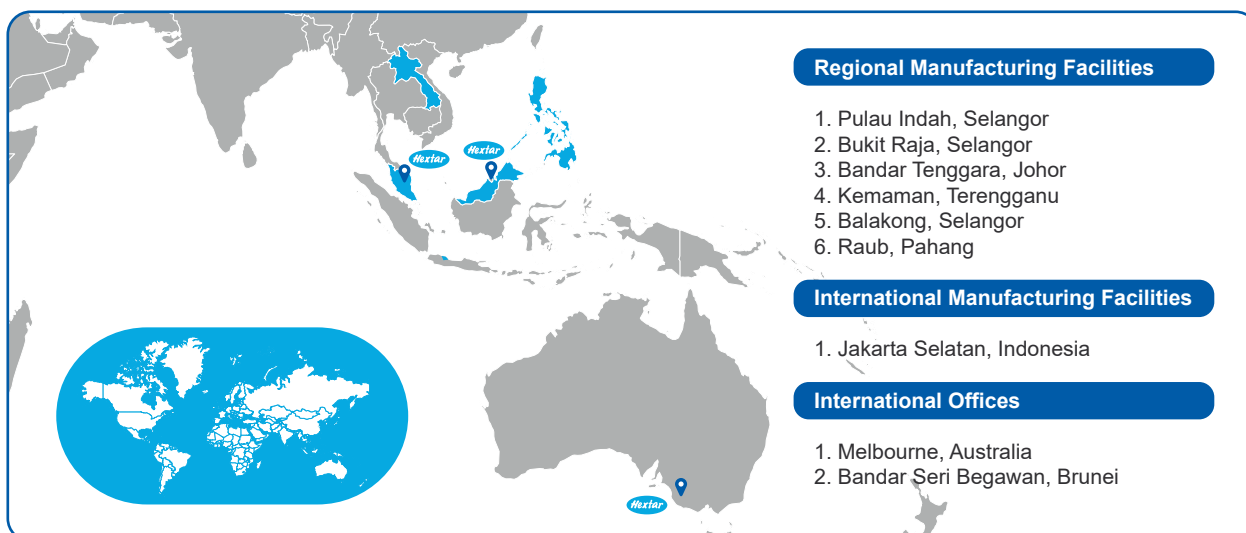
This segment focuses on the manufacturing, trading and distribution of agrochemicals and fertilisers, including herbicides, insecticides and crop protection products. These products support plantation and agricultural productivity, particularly in key crops such as palm oil and other commercial agriculture.

Specialty Chemicals

Building on its agrochemical expertise, the Group produces and distributes specialty chemical formulations used across various industries, including agriculture, oil and gas, rubber processing and personal care. The segment emphasises product innovation and customised solutions supported by research and development capabilities.

Fruits

The fruits segment focuses primarily on the trading and distribution of agricultural produce, including durians. This segment complements the Group's agricultural ecosystem by participating in downstream agricultural value chains and providing an additional source of revenue diversification.



SUSTAINABILITY STATEMENT

cont'd

ABOUT THIS SUSTAINABILITY REPORT

The Board of Directors is pleased to present Hextar's Sustainability Report for the financial year ended 31 December 2025 ("FY2025"). This report outlines the Group's strategic approach to strengthening sustainability governance and integrating environmental, social and governance ("ESG") considerations across its operations. The disclosures are aligned with the IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2), reflecting the Group's commitment to transparency, disciplined risk management and the creation of long-term sustainable value.

Reporting Scope and Boundary	This statement covers the operations of Hextar ("Hextar") and its subsidiaries located in Malaysia, Brunei, Indonesia and Australia. Hextar currently operates in three business segments: Agriculture, Specialty Chemicals, and Fruits. This report covers all three segments.
Reporting Cycle	Annually
Reporting Period	1 January 2025 to 31 December 2025 ("FY2025")
Reporting Guidelines and Principles	Core Disclosure Framework: • ISSB IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information • ISSB IFRS S2 – Climate-related Disclosures Additional Guidelines: • Global Reporting Initiative (GRI) Universal Standards • FTSE4Good Bursa Malaysia Index and Shariah Index • United Nations Sustainable Development Goals (UNSDGs) • Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") • Bursa Malaysia Sustainability Reporting Guide, 3rd Edition • The Ten Principles of the United Nations Global Compact ("UNGC")
Reporting Approach	FY2025 marks the Group's initial alignment with the IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2). This alignment represents a structural evolution in disclosure philosophy. Traditional ESG frameworks often emphasise policies, initiatives and impact narratives. In contrast, IFRS S1 and S2 require disclosure of sustainability-related risks and opportunities that could reasonably be expected to affect the Group's cash flows, financial position, financial performance or cost of capital over the short, medium and long term. In accordance with IFRS S1, this report is structured around four core disclosure pillars: • Governance – how the Board and management oversee sustainability-related risks and opportunities; • Strategy – how such risks and opportunities affect the Group's business model, strategy and financial planning; • Risk Management – how sustainability-related risks are identified, assessed and integrated into enterprise risk management processes; and • Metrics and Targets – the quantitative indicators used to measure performance and monitor progress. Under IFRS S2, additional disclosures are provided specifically in relation to climate-related governance, physical and transition risks, scenario considerations, and greenhouse gas emissions.

SUSTAINABILITY STATEMENT

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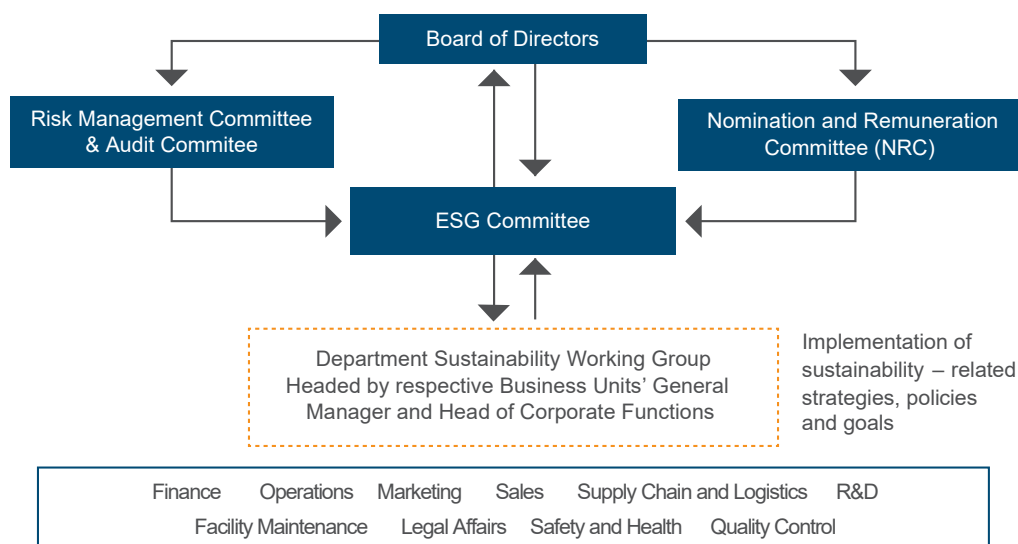
Reporting Approach (cont'd)	For FY2025, the Group reports Scope 1 and Scope 2 greenhouse gas emissions in accordance with the Greenhouse Gas Protocol methodology. Consistent with IFRS S2 transitional provisions for first-time adopters, Scope 3 Categories 6 (Business Travel) and Category 7 (Employee Commuting) are included while other 13 categories emissions are deferred while systems and processes are enhanced to ensure completeness and reliability of value-chain data. The Group intends to expand the other categories of Scope 3 reporting in subsequent reporting cycles. This shift from voluntary ESG disclosure to investor-focused sustainability reporting enhances transparency, strengthens comparability with global peers and aligns communication with the expectations of regulators, institutional investors and financial institutions.
Reliability of Information Disclosed	The accuracy of the Sustainability Statement's content has been: - Reviewed by the Sustainability Committee - Approved by the Board of Directors
Feedback	Hextar is dedicated to engage with its stakeholders and welcomes any feedback on the sustainability reporting and performance. Relevant feedbacks, comments or enquiries on this Statement can be directed to hextarglobal@hextar.com.

Framework	Disclosure Location
IFRS S1 Governance	Page 37
IFRS S1 Strategy	Page 40
IFRS S1 Risk Management	Page 48
IFRS S1 Metrics	Page 85
IFRS S2 Climate Risk	Page 79

SUSTAINABILITY GOVERNANCE : FROM POLICY TO OVERSIGHT

The Board of Directors retains ultimate accountability for sustainability and climate-related matters, recognising that these factors may influence the Group's financial performance, asset valuation and long-term resilience. During FY2025, governance maturity advanced from policy adoption to active oversight and structured accountability.

Sustainability Governance Structure



SUSTAINABILITY STATEMENT

cont'd

Roles	Governing Body	Roles and Responsibilities
Governance	Board of Directors (Board)	- The Board holds ultimate responsibility for the Group's ESG performance and oversees the development and implementation of our sustainability strategy. The Board ensures that the Group complies with any reporting and other requirements imposed by the Bursa Malaysia and other relevant authorities with regard to the sustainability matters. - Regular reviews and updates are conducted to ensure alignment with evolving stakeholders' expectations and best practices. - Dedicated committees, such as the Risk Management Committee and the ESG Committee, further support the Board in fulfilling its governance duties related to sustainability.
Governance	Risk Management Committee and Audit Committee	- These Committees integrate sustainability considerations into the Group's overall risk management approach. - They proactively identify and assess potential ESG risks impacting the Group, including climate change, anti-corruption, labour and human rights, and talent management. - These Committees develop and implement effective mitigation strategies to address these identified risks and capitalize on emerging opportunities. - They regularly report to the Board on ESG-related risks and proposed mitigation strategies, providing crucial assistance in fulfilling the Board's sustainability oversight responsibilities. - The Risk Management Committee meets twice a year to ensure timely and comprehensive monitoring of ESG risks.
Governance	Nomination and Remuneration Committee (NRC)	- To clearly define Sustainability Key Performance Indicators (KPIs) The NRC may also recommend incentive structures that reward achievement of sustainability goals. - Reviews the Board and senior management performance evaluation against agreed sustainability-linked KPIs
Support / Execution Coordinators	ESG Committee	- This Committee provides strategic guidance and direction on all ESG matters pertaining to the Group. - It comprises senior management representatives from relevant departments including Health & Safety, Social Compliance & Governance, Human Resources, Finance, Risk & Compliance, and Madam Lee Chooi Keng, a Board Member acting as an advisor. - The Committee oversees the implementation of the Group's sustainability strategy, monitors progress towards established goals, and recommends improvement initiatives. - It facilitates cross-functional collaboration and knowledge sharing among departments on ESG matters. - Recommends and develops the sustainability-linked KPIs as part of the Board's and senior management's performance evaluation scorecard.
Support / Execution	Department Sustainability Working Group	- Supports the ESG Committee in executing and monitoring sustainability activities and performance against established targets - This working group comprises representatives from various departments across the Group such as Human Resources, Finance, Culture, Information Technology and Corporate Department. - They are responsible for translating the overarching sustainability strategy into department-specific action plans and initiatives. - The working group regularly monitors progress, shares best practices, and collaborates on cross-departmental sustainability initiatives.

Sustainability risks are formally integrated within the Group's enterprise risk management framework. The Risk Management Committee reviews sustainability and climate-related risks on a half-yearly basis, aligning these discussions with financial and operational performance reviews. This alignment ensures that sustainability risks, including regulatory developments, product transition risk and climate variability are evaluated alongside core business risks, enabling timely response and mitigation.

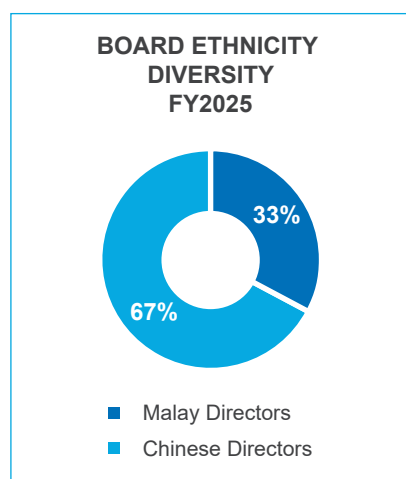
SUSTAINABILITY STATEMENT

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Half-yearly reporting includes updates on greenhouse gas emissions, product portfolio transition, regulatory developments and workforce indicators. Emerging risks are escalated to the Board where strategic decisions or capital allocation adjustments may be required. This structured escalation process ensures that sustainability considerations inform decision-making rather than being reported retrospectively.

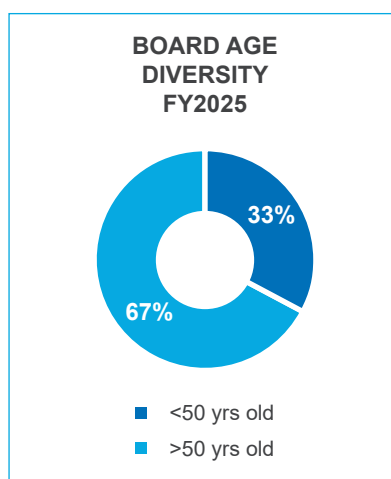
The Group considers diversity across several dimensions, including age, ethnicity and gender, to promote balanced perspectives and effective decision-making at the Board level. Beyond regulatory compliance, broader representation strengthens the Board's ability to evaluate risks from multiple viewpoints, particularly in areas relating to stakeholder engagement and strategic oversight. The composition of the Board is illustrated below:

CHART 1: BOARD ETHNICITY DIVERSITY (FY2025)



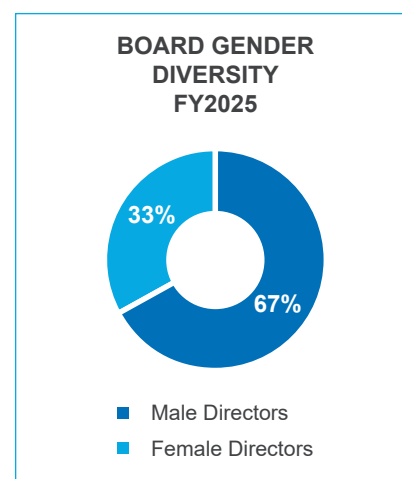
This chart depicts the ethnic composition of our Board of Directors, highlighting our commitment to representing the diverse communities we serve. We recognize the importance of this diversity in fostering culturally informed decision-making and building trust with our stakeholders.

CHART 2: BOARD AGE DIVERSITY (FY2025)



This chart illustrates the age range of our Board members, showcasing a healthy mix of experience and fresh perspectives. We believe this balance is crucial for ensuring both continuity and innovative thinking within our leadership team.

CHART 3: BOARD GENDER DIVERSITY (FY2025)



We are pleased to announce that we have achieved our target to have a minimum 30% female representation on the Board by 2025 as mandated by the Malaysian Code on Corporate Governance. As of 31 December 2025 we have two female directors representing 33% of the total directors. This reflects our understanding that diverse perspectives and experiences enrich boardroom discussions and ultimately lead to better outcomes.

The transition from policy-based governance to active oversight has contributed to measurable improvements during FY2025. More frequent monitoring supported emissions reduction initiatives, accelerated product reformulation efforts and strengthened workforce stability. Governance maturity therefore functions not only as a compliance requirement but as a driver of operational performance and risk mitigation.

Through these enhancements, sustainability oversight is now embedded within corporate governance processes and aligned with IFRS S1 requirements for governance disclosure. The Board will continue refining oversight mechanisms to ensure that sustainability-related risks and opportunities are managed in a disciplined and financially prudent manner.

SUSTAINABILITY STATEMENT

cont'd

SUSTAINABILITY STRATEGY : RESILIENCE AS BUSINESS CONTINUITY

The Group's sustainability strategy is anchored in resilience, defined as the ability to maintain profitability, operational continuity and strategic flexibility amid regulatory tightening, climate variability and evolving stakeholder expectations. For Hextar, resilience is not an abstract concept; it is a core business requirement given the Group's exposure to regulated chemical products, energy-intensive operations and climate-sensitive assets.

The sustainability strategy is structured around four interconnected pillars: regulatory resilience, operational efficiency, climate adaptation and governance integrity. Together, these pillars are designed to reduce risk exposure, stabilise earnings and protect long-term enterprise value.

Sustainability Framework for Hextar Global Berhad

SUSTAINABLE ECONOMIC GROWTH	ENVIRONMENTAL STEWARDSHIP	EMPOWERING PEOPLE AND COMMUNITIES	GOOD GOVERNANCE
Integrate ESG factors into business decisions and value chain management to build a resilient, future-ready portfolio.	Promote a climate-positive culture and decarbonise operations to support Malaysia's transition to a low-carbon economy.	Create a safe, inclusive, and positive impact on our employees, partners, and the communities where we operate.	Lead with a robust compliance culture underpinned by transparency, ethical standards, and accountability.
Goal 1: Maintain and improve standing in the FTSE4Good Index series. Goal 2: Expand the Green Solutions portfolio (e.g., eco-friendly specialty chemicals and organic agricultural inputs) Goal 3: Progressively reduce Class I and Class II highly hazardous product formulations.	Goal 4: Establish a clear roadmap for Scope 1 and Scope 2 emission reductions (Net Zero 2050 alignment). Goal 5: Build awareness, knowledge and skills needed to enable employees and stakeholders, to contribute positively to climate actions. Goal 6: Increase the use of recycled or biodegradable packaging.	Goal 7: Promote Diversity and Inclusion across all levels of management and the workforce. Goal 8: Enhance Employee Wellbeing programs, focusing on mental health and continuous professional development. Goal 9: Execute high-impact Community Investment programs. Goal 10: Provide a safe working condition for all employees.	Goal 11: Ensure compliance with Bursa Malaysia Listing Requirements and the Malaysian Code on Corporate Governance (MCCG). Goal 12: Maintain a Zero-Tolerance Policy toward bribery, corruption, and unethical business practices. Goal 13: Implement Sustainable Procurement policies to ensure ethical practices throughout our supply chain.

Regulatory Resilience

The Group operates in sectors subject to evolving chemical, environmental and export regulations across multiple jurisdictions. Regulatory resilience is achieved through continuous monitoring of legislative developments, proactive engagement with industry associations and timely reformulation of product portfolios where necessary.

Product reformulation initiatives aim to reduce toxicity classifications and align with tightening safety standards. By anticipating regulatory changes rather than reacting to them, the Group mitigates the risk of sudden product bans, inventory obsolescence and revenue disruption. Investment in research and development is therefore treated as a strategic risk mitigation measure, protecting revenue continuity and market access.

This forward-looking regulatory management supports revenue stability and reduces uncertainty in product approval cycles.

SUSTAINABILITY STATEMENT

cont'd

Operational Efficiency and Cost Stability

Operational efficiency forms the second pillar of resilience. Energy represents a material cost input in chemical formulation and agricultural processing activities. Volatility in electricity tariffs or potential carbon pricing mechanisms may introduce cost unpredictability.

To address this exposure, the Group continues to enhance energy efficiency measures and expand renewable energy generation capacity. Solar photovoltaic installations now contribute a meaningful proportion of electricity consumption, partially insulating the Group from tariff increases and regulatory transition costs. Efficiency initiatives also reduce emissions intensity, supporting the Group's longer-term carbon commitments.

Operational resilience also includes workforce stability, supply chain reliability and safety performance. Lower employee turnover reduces recruitment and training costs, while strong safety records mitigate business interruption risks. Together, these measures contribute to margin predictability and operational continuity.

Climate Adaptation and Asset Protection

The Group's operations, particularly within the Agriculture and Fruits segments, are indirectly exposed to climate-related physical risks. Our business performance is linked to the agricultural cycles of our customers and suppliers. Rainfall variability, temperature fluctuations, and extreme weather events can impact crop yields, subsequently affecting the demand for our agrochemical products and the consistent supply of raw materials for our fruit processing and distribution activities.

Climate resilience for the Group involves proactive supply chain management and operational agility. We mitigate concentration risk by diversifying across business segments — including our expansion into Specialty Chemicals — ensuring that the Group can absorb market variability in one area without a disproportionate impact on overall financial performance.

Recognising that climate risks may intensify over the medium to long term, management continues to evaluate adaptive strategies to protect infrastructure assets, maintain earnings stability, and support our customers in navigating environmental challenges through our product offerings.

Governance Integrity and Decision Discipline

Governance integrity underpins all resilience initiatives. Clear oversight mechanisms, structured risk reporting and defined management accountability ensure that sustainability considerations are integrated into strategic and capital allocation decisions.

Sustainability metrics are reviewed alongside financial performance indicators, reinforcing that environmental and social risks are treated with the same discipline as financial risks. This governance framework enhances data reliability, transparency and investor confidence.

Strategic Integration

Sustainability at Hextar is therefore not managed as a standalone programme. It is embedded within strategic planning, risk management and operational execution. Investments in renewable energy, product reformulation and workforce stability are evaluated based on their contribution to long-term earnings resilience and enterprise value protection.

Through this structured approach, sustainability functions as a management discipline supporting business continuity, competitive positioning and long-term growth rather than as a communications exercise.

SUSTAINABILITY STATEMENT

cont'd

Corruption Assessment

In FY2025, we have undertaken a bribery and corruption risk assessment that covers our operations and various stakeholder groups. There were zero cases of corruption across the Group and all management level employees have completed the necessary anti-corruption training. Given that non-executive employees and general workers have limited involvement in our decision-making processes, we prioritised anti-corruption training for our management and executives and have managed to get all non-executives to sign an employee declaration that they will abide with our policies and will not participate in any forms of corruption or bribery.

Description	FY2025	FY2024	FY2023
Percentage of operations that underwent corruption risk assessments	100%	100%	67%

All employees have completed the necessary Anti-Bribery and Corruption ("ABC") training. Additionally, employees are required to complete a staff declaration form to indicate compliance with our existing Anti-bribery and Corruption policy.

Corruption-related training

Employee Category	Attended ABC Awareness Training (%)		
	FY2025	FY2024	FY2023
Executive	100%	100%	94%
Non-Executive	100%	100%	29%

Corruption incidents

We are proud to report that in FY2025, we had zero cases of Anti-Bribery and Corruption reported across Hextar Global Berhad's business operations. This achievement serves as a testament to the effectiveness of our risk management frameworks and the unwavering commitment of our employees and stakeholders to uphold ethical conduct. We aim to maintain zero incidents of corruption across our operations in FY2026.

Description	FY2025	FY2024	FY2023
Number of confirmed corruption incidents	0	0	0

STAKEHOLDER ENGAGEMENT : BUILDING TRUST THROUGH RESPONSIBLE ENGAGEMENT

Hextar is committed to maintaining open and constructive engagement with its stakeholders, including regulators, customers, employees, investors and supply chain partners. Through transparent communication and regular dialogue, the Group seeks to understand stakeholder expectations and strengthen trust across its operations.

The Group remains dedicated to incorporating stakeholder perspectives into its decision-making and sustainability efforts. By fostering collaborative relationships, Hextar aims to support responsible business practices while contributing to long-term resilience and sustainable value creation.

Stakeholder Identification

Hextar identifies its stakeholders as individuals and groups who are directly or indirectly affected by the Group's operations, or who have the ability to influence its long-term success. These stakeholders include regulators, customers, employees, investors, suppliers and local communities. Stakeholder identification is conducted through ongoing business interactions, regulatory engagements and operational assessments to ensure that the Group remains responsive to evolving expectations and emerging sustainability risks.

Through this process, the Group is able to prioritise stakeholders whose interests are closely linked to its operational performance, regulatory compliance and long-term value creation. This structured approach supports effective engagement and ensures that stakeholder perspectives are appropriately considered within the Group's sustainability and risk management processes.

SUSTAINABILITY STATEMENT

cont'd

Engagement Channels

The Group maintains regular engagement with stakeholders through various formal and informal communication channels. These include business meetings, regulatory consultations, customer engagements, investor briefings, employee communication platforms and supplier interactions. Such engagement channels allow the Group to share information transparently while also receiving valuable feedback from stakeholders.

These interactions enable Hextar to better understand stakeholder expectations, emerging risks and industry developments. Insights gathered from these engagements help inform operational improvements, strengthen governance practices and enhance the Group's overall sustainability management.

Key Concerns and Responses

Stakeholder engagement provides valuable insights into the issues that are most important to the Group's stakeholders. Key concerns raised typically relate to product safety, regulatory compliance, environmental management, workplace safety, operational reliability and responsible business practices. These matters are closely monitored and addressed through the Group's governance structures, operational controls and sustainability initiatives.

The Group responds to stakeholder concerns by strengthening internal policies, improving operational practices and maintaining transparent communication. By addressing these issues proactively, Hextar aims to reinforce stakeholder trust while supporting responsible business conduct and long-term organisational resilience.

Below provides an overview and highlights of our engagement with key stakeholders during the reviewed year.

Stakeholders	Stakeholders' Concerns/Material Matters	Engagement Methods
Investors 	- Share price performance - Business performance - Business growth plans - Return on investments - Mitigation and adaptation to climate change	- General meetings - Quarterly financial results and annual report - Company website - Announcement on Bursa Malaysia website
Government/ Authorities 	- Regulatory compliance including environmental and social compliance - Occupational safety and health - Permits and licenses - Corporate governance and regulatory compliances	- Meetings/visits - Verification/compliance audit - Quarterly announcement - Ad-hoc information disclosure
Bankers 	- Financial and operational performance - Repayment capabilities	- Meetings/visits - Announcement on Bursa Securities website - Media release
Board 	- Financial and operational performance - Business strategic planning - Continuous business and operational improvements - Interest of various stakeholders and shareholders	- Board meetings - General meetings - Company events

SUSTAINABILITY STATEMENT

cont'd

Stakeholders	Stakeholders' Concerns/Material Matters	Engagement Methods
Employees 	• Training and career development opportunities • Talent and performance management • Occupational safety and health • Competitive remuneration and benefit packages	• Training programs • Internal communications with Senior Management • Annual performance appraisal • Company events • Memo/newsletter • In-house mobile application • UNGC Academy
Customers 	• Product quality and pricing • Customer satisfaction • Technological innovation • New products development • Competitive pricing and on-time delivery	• Regular meetings • Feedback survey • Product training • Advertisement and marketing events • Company website/social media • Phone calls/email communications
Suppliers 	• Long-term business relationships • Supply chain management • Selection of suppliers and credit terms • Compliance to anti-corruption standards/integrity	• Face-to-face interaction • Email communications • Supplier evaluation
Employees 	• Training and career development opportunities • Talent and performance management • Occupational safety and health • Competitive remuneration and benefit packages	• Training programs • Internal communications with Senior Management • Annual performance appraisal • Company events • Memo/newsletter • In-house mobile application • UNGC Academy
Customers 	• Product quality and pricing • Customer satisfaction • Technological innovation • New products development • Competitive pricing and on-time delivery	• Regular meetings • Feedback survey • Product training • Advertisement and marketing events • Company website/social media • Phone calls/email communications

MATERIALITY – UNDERSTANDING WHAT REALLY MATTERS

Hextar applies a structured materiality assessment process to identify sustainability matters that are most relevant to its business operations, stakeholders and long-term enterprise value. The Group adopts a dual materiality perspective, considering both financial materiality and stakeholder impact when evaluating sustainability matters.

Financial materiality considers whether a sustainability-related risk or opportunity could reasonably be expected to affect the Group's financial performance, financial position, cash flows or cost of capital over the short, medium or long term. Impact materiality considers the potential effects of the Group's operations on the environment, employees, customers, communities and broader stakeholders.

Through this approach, the Group prioritises sustainability matters that have the greatest potential influence on business resilience, regulatory compliance, operational continuity and long-term value creation.

SUSTAINABILITY STATEMENT

cont'd

Methodology

The Group's materiality assessment follows a structured methodology designed to identify, prioritise and validate sustainability matters that are most relevant to the Group and its stakeholders. The process includes the following key steps:

IDENTIFICATION	PRIORITISATION	REVIEW & VALIDATION OF PROCESS & OUTCOME
- Sustainability topics are identified through internal assessments, regulatory monitoring, industry developments and reference to established sustainability frameworks including the Bursa Malaysia Sustainability Reporting Guide, IFRS Sustainability Disclosure Standards (IFRS S1 and S2), and relevant global sustainability standards. - Topics through internal and external stakeholder engagement, including employees, management, investors, NGOs, customers, suppliers, and communities. - Conducted surveys, interviews, and consultations to capture expectations and concerns. - Developed an initial list of potential material sustainability matters.	- Assessed each topic for its potential impact on Hextar's business, financial implications, long-term strategy, and stakeholder interests. - Considered likelihood and severity of impact, including climate-related risks and opportunities in line with IFRS S2. - Prioritised topics with highest relevance to value creation and risk management.	- Presented outcomes to the ESG Committee and Board of Directors for review and confirmation. - Ensured alignment with governance expectations and regulatory developments. - Established regular review cycles to maintain accuracy and relevance of material topics.

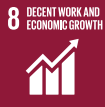
Indicators Covered in Materiality Assessment

INDICATORS COVERED IN MATERIALITY ASSESSMENT

Priority	Material Matters	Description	Related UN's SDG
 ENVIRONMENT			
High Priority	Energy & Climate Change	Managing energy and greenhouse gases effectively to reduce them whenever possible.	   
Medium Priority	Water Management	Using water efficiently.	
Medium Priority	Waste & Environmental Compliance	Hextar prioritizes responsible environmental stewardship by adhering to all relevant regulations and continuously seeking opportunities to minimize our environmental impact.	

SUSTAINABILITY STATEMENT

cont'd

Priority	Material Matters	Description	Related UN's SDG
 SOCIAL			
Medium Priority	Diversity, Equity and Inclusion	Promoting diversity and equal opportunities and eliminating all forms of discrimination in the workplace.	   
High Priority	Employee Management & Human Rights	Protecting all aspects of human rights, staff welfare and security and ensuring there is no child or forced labour.	
High Priority	Occupational Health & Safety	Ensuring a safe and healthy working environment by preventing workplace-related injuries, fatalities, and occupational diseases.	
Medium Priority	Community Contribution	Having a positive influence on local communities through charitable contributions and Corporate Social Responsibility initiatives.	
 ECONOMIC AND GOVERNANCE			
High Priority	Corporate Governance	Introducing the highest standards of ethics, values and governance to increase stakeholder confidence.	  
High Priority	Economic Performance	Supports the creation of long-term value and the Group's sustainability agenda	
High Priority	Quality assurance and product recognition	Prioritizes Quality Assurance and Product Recognition to ensure customer satisfaction and build a strong brand reputation through consistently delivering high-quality products.	
Medium Priority	Supply Chain Management	Integrating environmentally and socially viable practices into the complete supply chain lifecycle.	
High Priority	Customer Satisfaction	Promoting quality throughout all aspects of operations to ensure high levels of customer satisfactions	

The 13 material sustainability matters identified remain aligned with Hextar's strategic priorities and the expectations of its key stakeholders. In assessing their continued relevance, the Group considers evolving sustainability developments, regulatory trends and benchmarking against local and regional industry peers. Based on this review, the material matters remain appropriate and continue to guide the Group's sustainability strategy, risk management approach and disclosure priorities.

Climate change continues to be recognised as a significant and evolving global challenge with potential implications for regulatory developments, operational resilience and long-term enterprise value. In view of its growing urgency, climate-related risks and opportunities remain a high priority within the Group's sustainability agenda, and the Group will continue strengthening its approach to climate risk management and related disclosures.

SUSTAINABILITY STATEMENT

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Material Issues Matrix

The identified sustainability matters are analysed and prioritised through a materiality matrix, which maps the relative importance of each issue from two key perspectives:

- Priority to stakeholders, reflecting the level of interest or concern expressed by key stakeholder groups; and
- Priority on the Group's business, reflecting the potential financial, operational or strategic implications for the organisation.

This matrix enables the Group to visualise and prioritise sustainability matters that require greater management attention and disclosure. Matters assessed as having both high stakeholder importance and significant business impact are classified as material sustainability matters and are addressed through the Group's sustainability strategy, risk management processes and operational practices. This materiality matrix has been reviewed by our ESG Committee and endorsed by the Board of Directors.



The materiality matrix including the materiality assessment process undertaken has been reviewed by our ESG Committee and endorsed by the Board of Directors.

These material matters will guide our strategy development, resource allocation, and performance measurement, ensuring we address the issues that are most critical to our long-term success and stakeholder well-being.

Review Frequency

Material sustainability matters are reviewed on a regular basis to ensure that the Group's disclosures remain relevant and reflective of the evolving business environment. The Group conducts a formal review of its material sustainability every three years as part of its sustainability reporting process.

In addition, interim reviews may be conducted where significant regulatory developments, operational changes, climate-related risks or stakeholder concerns arise. This dynamic review process ensures that the Group remains responsive to emerging sustainability risks and opportunities while maintaining alignment with evolving reporting expectations and industry practices.

SUSTAINABILITY STATEMENT

cont'd

SUSTAINABILITY RISK MANAGEMENT

Sustainability-related risks and opportunities are increasingly recognised as factors that may influence the Group's operational resilience, financial performance and long-term enterprise value. Hextar integrates sustainability considerations into its broader risk management framework to ensure that environmental, social and governance ("ESG") matters are systematically identified, assessed and managed.

The Group's sustainability risk management approach supports proactive identification of emerging regulatory developments, environmental challenges and stakeholder expectations that may affect business operations. By integrating sustainability risks into enterprise risk management processes, the Group strengthens its ability to respond effectively to evolving risks while identifying opportunities to enhance operational efficiency, regulatory compliance and long-term competitiveness.

Sustainability Risk Identification

Hextar identifies sustainability-related risks and opportunities through a structured process involving regulatory monitoring, operational assessments, industry analysis and stakeholder engagement. This process enables the Group to identify sustainability matters that may affect its operations, supply chains, product portfolio and long-term strategic positioning.

Key sustainability risk areas considered include regulatory developments affecting chemical products, climate-related risks that may influence agricultural productivity and other physical asset valuation, environmental management, workplace safety and ethical business conduct. These matters are assessed based on their likelihood, potential operational impact and possible financial implications for the Group.

The identification process also considers sustainability-related opportunities, such as improving energy efficiency, adopting renewable energy solutions, enhancing product stewardship and strengthening workforce capability. These initiatives contribute to operational resilience and long-term value creation.

Integration into Enterprise Risk Management

Sustainability risks are integrated within the Group's Enterprise Risk Management ("ERM") framework to ensure that they are managed with the same discipline as financial, operational and strategic risks. This integration enables sustainability-related risks and opportunities to be evaluated within the broader risk management structure of the organisation.

Material sustainability risks identified through the materiality assessment process are incorporated into the Group's risk registers and reviewed alongside other business risks. This approach ensures that sustainability considerations are embedded within operational decision-making, strategic planning and capital allocation processes.

The Risk Management Committee supports the Board of Directors in overseeing sustainability-related risks as part of the Group's overall risk governance framework. This structured oversight strengthens accountability and ensures that emerging sustainability risks are appropriately escalated and addressed.

Risk Monitoring Process

Sustainability risks are monitored through continuous operational oversight and structured reporting mechanisms within the Group. Relevant operational indicators, regulatory developments and environmental performance metrics are regularly reviewed to identify emerging risks or changes in risk exposure.

Management teams across business units are responsible for monitoring sustainability risks within their respective operations and implementing appropriate mitigation measures. Significant developments or emerging risks are reported through management channels and reviewed by the Risk Management Committee as part of the Group's enterprise risk management process.

This ongoing monitoring process enables the Group to respond proactively to evolving sustainability challenges while strengthening resilience and supporting long-term sustainable growth.

SUSTAINABILITY STATEMENT

cont'd

Risk-Opportunity Mapping Table

The Group recognises that sustainability matters present both risks and opportunities that may influence operational performance and long-term enterprise value. The table below outlines key sustainability-related risks and corresponding opportunities identified by the Group.

Materiality	Risks	Opportunities
Energy & Climate Change	- Non-compliance with existing and environmental/climate-related regulations leads to financial penalties and legal action. - Inadequate climate adaptation and mitigation may cause physical assets damage, financial loss and business disruption. - Consumers are increasingly concerned about environmental responsibility. Non-compliance can damage Hextar's reputation as a sustainable and environmentally conscious company.	- Effective mitigation and adaptation strategy ensures business continuity. - Demonstrating a commitment to environmental compliance can strengthen Hextar's brand image and attract environmentally conscious customers and investors. - In some industries, environmental compliance can be a competitive differentiator, allowing Hextar to gain an edge over competitors who are not as compliant.
Water Management	Poor water management leads to higher costs and potential scarcity of water resource	Efficient water management may reduce operational costs and promote water conservation behaviour.
Waste Management & Environmental Compliance	Non-compliance with environmental regulations result in consequences from authorities and activists	Waste reduction and increased resource efficiency can result in cost savings for operations.
Diversity, Equity and Inclusion ("DEI")	Failure to meet DEI practices may damage Hextar's reputation	Inclusive, diverse and empowering work culture attracts talents and brings a range of viewpoints that enhances the quality of decision making
Employee Management & Human Rights	- Disengaged and underdeveloped employees contribute to lower productivity and performance. - Unattractive benefits and remuneration affect employee's motivation. - Breaches in human rights practices lead to regulatory penalties, impact employee retention and culture, and damage reputation	- Effective talent development and upskilling programmes with attractive benefits packages enable us to retain and attract top-quality industry talent as well as contribute to a high-performance culture - Strong human rights practices reinforce Hextar's reputation as a responsible employer
Occupational Health & Safety	Accidents and injuries in workplace lead to productivity loss, legal repercussions such as penalties and reputational damage	Strong safety culture with conducive working environment improves employee's well being and productivity, and maintains Hextar's reputation
Community Contribution	Failing to do so could lead to a negative public perception of Hextar, potentially impacting brand image and customer loyalty.	Regular engagements through community impact programmes strengthens our relationship with local communities
Corporate Governance	Poor corporate governance practices may tarnish Hextar's reputation and image	Effective corporate governance practices enhance Hextar's reputation as a trustworthy company amongst stakeholders

SUSTAINABILITY STATEMENT

cont'd

Materiality	Risks	Opportunities
Economic Performance	- Fluctuations in the global or regional economy, such as recessions or inflation, can significantly impact Hextar's revenues, costs, and overall profitability. - Increased competition from existing or new businesses can put pressure on Hextar's pricing strategies, market share, growth and profit margins.	Expanding into new markets or identifying emerging markets with favourable economic conditions can open up new revenue streams and opportunities for Hextar.
Quality assurance and product recognition	Compromised product quality can lead to product recalls, safety incidents, and potential lawsuits, harming both Hextar's reputation and customer trust.	Consistent delivery of high-quality products leads to satisfied customers, fostering loyalty and recurrent business dealings.
Supply Chain Management	Suppliers' and contractors' non-compliance to Hextar's ethical principles, and safety culture exposes the business to operational disruptions	Regular supplier assessment, including environmental and social assessment upholds Hextar's commitment and high standards towards environmental and social aspects
Cybersecurity & Data Protection	Exposure of sensitive customer or company data (e.g., financial information, intellectual property, trade secrets) due to cyberattacks or security vulnerabilities. This can lead to financial losses, regulatory fines, reputational damage, and legal action.	Enhanced brand trust by demonstrating a strong commitment to data security can build trust and confidence with customers, partners, and investors.
Customer Satisfaction	- Inability to meet customers' expectations impact customers' confidence and loyalty which leads to lower revenue. - Cyber threats including breach of customers' data may lead to loss of customer trust and reputational harm	Regular customer engagements facilitate continuous improvement to meet customers' expectation

ENVIRONMENTAL PERFORMANCE

Environmental stewardship remains an important component of Hextar's sustainability strategy. The Group continues to integrate environmental considerations into operational planning with the objective of improving energy efficiency, reducing greenhouse gas ("GHG") emissions and strengthening resource management across its operations.

During FY2025, the Group recorded measurable progress in reducing emissions intensity while maintaining operational growth. These improvements reflect ongoing investments in operational efficiency, renewable energy adoption and enhanced monitoring of energy consumption. Environmental performance is closely monitored as part of the Group's broader risk management and sustainability framework, recognising that energy usage, emissions performance and resource efficiency may influence operating costs, regulatory exposure and long-term business resilience.

Energy Management

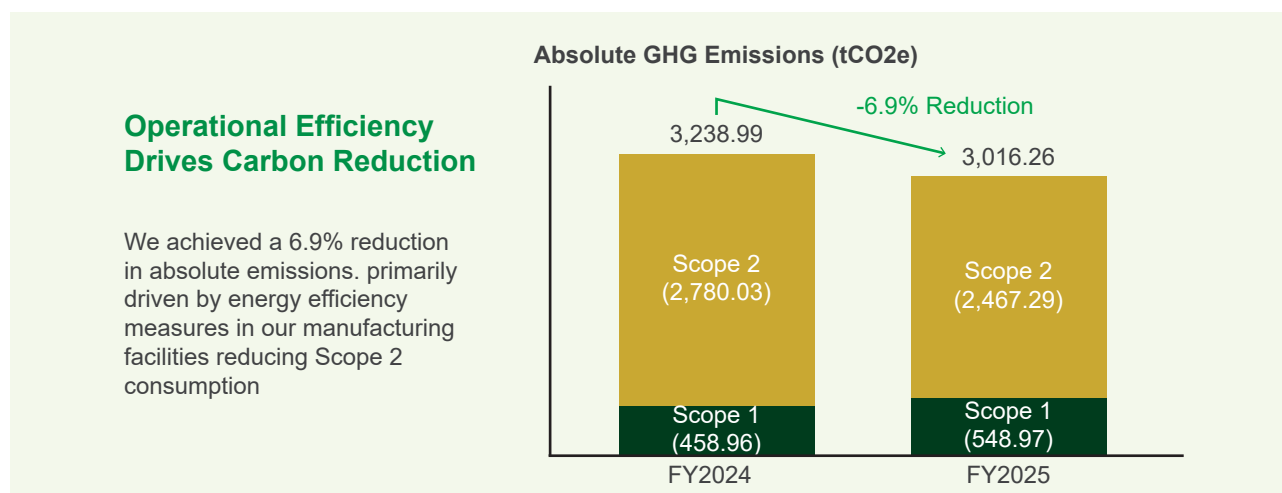
Energy consumption represents a material operational input within the Group's chemical manufacturing and processing activities. As such, Hextar continues to implement initiatives aimed at improving energy efficiency and optimising electricity usage across its facilities.

The Group monitors electricity consumption across its manufacturing facilities to support energy efficiency improvements and the gradual integration of renewable energy sources. Key electricity consumption indicators are summarised below.

SUSTAINABILITY STATEMENT

cont'd

Greenhouse Gas Emissions



The Group recorded total greenhouse gas (“GHG”) emissions for Scope 1 and Scope 2 of **3,017 tCO₂e in FY2025**, compared with **3,239 tCO₂e in FY2024**, representing a **6.9% year-on-year reduction**. This reduction reflects the continued integration of energy efficiency measures and renewable energy generation into operational planning.

Importantly, this improvement occurred alongside increased production activity. **Scope 1 emissions increased marginally** during the year due to higher delivery activities in our fruits segments. Scope 1 emissions primarily arise from fuel combustion and direct operational processes within chemical formulation and processing facilities and the delivery of our durians to various customers.

In contrast, **Scope 2 emissions declined significantly**, reflecting improved electricity consumption management and increased renewable energy usage. The reduction in Scope 2 emissions demonstrates the Group’s ability to manage controllable energy inputs effectively and reduce indirect emissions intensity.

INDICATOR	UNIT OF MEASUREMENT	FY2025 (MT)	FY2024 (MT)	FY2023 (MT)
GHG Emissions				
Scope 1	Tonnes CO ₂ e	549	459	410
Scope 2	Tonnes CO ₂ e	2,468	2,780	2,051
Scope 3				
Employee commuting	Tonnes CO ₂ e	596	597	472
Business Travel (Land)	Tonnes CO ₂ e	423	572	489
Business Travel (Air)	Tonnes CO ₂ e	105	153	73
TOTAL Scope 1+2	Tonnes CO₂e	3,017	3,239	2,461
TOTAL Scope 3	Tonnes CO₂e	1,124	1,323	1,034
TOTAL Scope 1+2+3	Tonnes CO₂e	4,141	4,562	3,495

Note:

- Scope 1 emissions cover the emissions from natural gas consumption from our production facilities.
- Scope 2 emissions cover purchased electricity from our production facilities and corporate offices and location-based calculation method is used.
- Carbon emissions from purchased electricity (Scope 2) are calculated based on the emission factors from Grid Emission Factor (GEF) in Malaysia, 2022-2024 (Provisional) [<https://myenergystats.st.gov.my/documents/d/guest/grid-emission-factor-gef-in-malaysia-2022-2024-provisional->]
- Carbon emissions for Scope 3 – Business travel and employee commuting are from Greenhouse gas reporting: conversion factors 2025 by Department for Environment, Food and Rural Affairs. (“DEFRA”)

SUSTAINABILITY STATEMENT

cont'd

SCOPE 1

Hextar diligently tracks and reports our Scope 1 emissions, which encompass direct greenhouse gas emissions from sources we own and control. These sources are categorized into two main groups:

Inventory	Details
Mobile Combustion	This includes emissions from our fleet of vehicles powered by petrol and diesel, such as company cars, trucks, and vans. To calculate these emissions, we utilize fuel consumption data and emission factors derived from the Department for Environment, Food & Rural Affairs (DEFRA) in the United Kingdom. This ensures our calculations adhere to recognized international standards and best practices.
Stationary Combustion	This category encompasses emissions from machinery and equipment powered by diesel, utilized within our operations. Similar to mobile combustion, we calculate these emissions based on fuel consumption data and emission factors from credible sources like DEFRA.

Through meticulous measurement and transparent reporting of our Scope 1 emissions, we not only gain valuable insights into our direct environmental impact but also identify areas where reductions are feasible. This commitment to transparency enables us to monitor our progress towards sustainability objectives and underscores our dedication to responsible business operations.

SCOPE 2

Hextar calculates its Carbon Dioxide (“CO₂”) emissions from electricity consumption using the emission factor provided by the Grid Emission Factor (GEF) in Malaysia, 2022-2024 (Provisional). Additionally, we integrate emission factors from other relevant countries and locations to ensure a more accurate and comprehensive assessment of our carbon footprint. Scope 2 GHG emission showed an increment as we have included the emission from the Fruits segment.

SCOPE 3

Additionally, we continue tracking and monitoring of our Scope 3 emissions, focusing specifically on business travel and employee commuting. This year, these emissions amounted to 1,124 tCO₂e. As we continue to refine our emission data across all operations, we will set targets for reducing our Scope 3 emissions.

SCOPE 3: EMPLOYEES’ DAILY COMMUTE TO WORK

We continue to monitor the GHG emission from employee commuting on our workforce. Employee commuting has increased in line with the inclusion of employees from the Fruits segment. Part of the initiative to reduce GHG emission is the encouragement for staff to car pool. On top of that, one staff has purchased an EV to help reduce the GHG emission. This ongoing initiative reflects Hextar’s commitment to consistently monitor, analyze, and report these emissions each year, providing valuable insights to guide future reduction strategies.

Demonstrating our commitment to transparency and comprehensive sustainability reporting, we continue active collection of data on employee commuting emissions since 2021. This ongoing initiative to gather valuable information through annual surveys, including:

- **Primary mode of transportation:** We assess the main modes employees utilize for their daily commute, providing insights into commuting patterns and emissions sources.
- **Round-trip commuting distance:** By capturing the approximate daily distance travelled, we estimate the cumulative impact of employee commutes.
- **Personal vehicle details:** For those utilizing personal vehicles, we collect specific data including type of vehicle, and fuel type. This detailed information enables estimates of emission calculations.

This comprehensive approach considers data from the surveys conducted using an average annual work commitment of 264 days per employee, and relevant emission factors to arrive at a yearly estimate of Hextar’s employee commuting emissions.

SUSTAINABILITY STATEMENT

cont'd

SCOPE 3: BUSINESS TRAVEL (LAND AND AIR)

In FY2025, there was a slight decrease of GHG emission for business travel as compared to FY2024 as we managed to plan our business travel better and have incorporated online meetings.

In addition to monitoring absolute emissions, beginning FY2025 the Group started tracking emissions relative to revenue. We would be able to monitor the progress in the future.

GHG Intensity based on revenue

Description	Scope 1 FY2025	Scope 2 FY2025	Scope 3 * FY2025
AGRICULTURE			
GHG, tCO ₂ e	270.27	806.63	289.59
Revenue, RM mil	328.564		
Intensity	0.823	2.455	0.881
SPECIALTY CHEMICALS			
GHG, tCO ₂ e	75.45	873.22	600.93
Revenue, RM mil	366.150		
Intensity	0.206	2.385	1.641
FRUITS			
tCO ₂ e	122.46	653.57	71.15
Revenue, RM mil	179.072		
Intensity	0.684	3.650	0.397

Note: * Scope 3 include Business Travel (Category 6) and Employee Commuting (Category 7) only

Renewable Energy Adoption

Renewable energy ("RE") adoption forms an important component of the Group's emissions management strategy. Hextar continues to advance its energy transition strategy through the adoption of RE solutions across selected operational facilities. During FY2025, Hextar Kimia installed a solar photovoltaic ("Solar PV") system at its Kemaman manufacturing facility increasing our Solar PV adoption. In FY2025 the Group generated approximately 549,833 kWh of solar energy through installed Solar PV systems. We have set an ambitious target to generate at least 10% of electricity consumption at our manufacturing facilities by 2030. We are pleased to announce currently RE contributes approximately 16.91% of the Group's electricity consumption at manufacturing facilities, reducing reliance on grid electricity and lowering the Group's indirect greenhouse gas emissions.



Solar PV installations at Hextar Kimia's facility in Kemaman, Terengganu in FY2025, supporting renewable energy adoption and lower-carbon operations.

SUSTAINABILITY STATEMENT

cont'd

The integration of solar energy supports the Group's broader decarbonisation efforts by improving energy efficiency and reducing carbon intensity within its operations. In addition to environmental benefits, renewable energy adoption enhances operational cost stability by mitigating exposure to electricity tariff volatility and potential future carbon pricing mechanisms. These initiatives form part of the Group's ongoing efforts to strengthen operational resilience while supporting its long-term commitment towards carbon neutrality and responsible resource management.

The increased utilisation of renewable energy reduces the Group's reliance on grid electricity and contributes to lower indirect emissions. In addition, renewable energy adoption helps mitigate exposure to electricity tariff volatility and potential carbon pricing mechanisms.

In addition to contributing to emissions reduction, renewable energy adoption also generates measurable operational and financial benefits. The impact of Solar PV installations across selected facilities during FY2025 is summarised below:-

DESCRIPTION	FY2025	FY2024	FY2023
Purchased Electricity at manufacturing facilities, kWh	2,702,492	3,158,281	2,309,288
Total Solar PV electricity generated, kWh	549,833	590,090	211,307
Total Electricity Consumption at Manufacturing Facilities, kWh	3,252,325	3,748,372	2,520,595
Solar PV Generation/total electricity	16.91%	15.74%	8.38%
Estimated CO ₂ avoided, tCO ₂ e	407	437	156

Estimated CO₂e avoided is based on an emission factor of 0.74 mt CO₂/MWh

These initiatives support the Group's broader decarbonisation objectives, including its longer-term commitment towards carbon neutrality by 2030 and net zero emissions by 2050. While these targets represent long-term aspirations, the progress achieved in FY2025 demonstrates the Group's ongoing efforts to strengthen operational decarbonisation.

Energy and Intensity

Hextar diligently tracks and reports our purchased energy intensity across our core business segments: Agriculture, Specialty Chemicals and Fruits. This metric, measured in kWh per metric ton (MT) or per kiloliters of production output, offers valuable insights into our operational efficiency and environmental impact. Improving resource efficiency remains an important focus for the Group in

INTENSITY	FY2025	FY2024	FY2023
AGRICULTURE SEGMENT			
Purchased Electricity (kWh)	1,009,078	1,373,675	1,479,123
Production Output (MT)	22,088	25,549	30,808
Intensity kWh/MT	45.69	53.77	48.01
SPECIALTY CHEMICALS SEGMENT			
Purchased Electricity (kWh)	864,474	837,976	830,165
Production Output (kiloliters)	24,089	26,255	23,529
Intensity kWh/kiloliters	35.89	31.92	35.28
FRUITS SEGMENT			
Purchased Electricity (kWh)	828,940	946,630	
Production Output (MT)	1,861	2,190	
Intensity kWh/MT	445.34	432.20	

The decrease in energy consumption in Agriculture segment is in line with the decreased in production in our Agrochemical segment.

SUSTAINABILITY STATEMENT

cont'd

Total Energy Consumption for the Company including offices and hostels

DESCRIPTION	FY2025	FY2024	FY2023
Total Company Electricity Consumption including offices, hostels and renewable energy (kWh).	3,329,320	3,655,738	2,678,376

Resource Efficiency

Improving resource efficiency remains an important focus for the Group in supporting both environmental and operational performance. Initiatives implemented during the year include optimisation of equipment usage, enhanced monitoring of electricity consumption and improved operational practices across facilities.

These initiatives enable the Group to reduce energy waste, improve operational productivity and strengthen overall cost management. By embedding resource efficiency practices within operational processes, the Group enhances its ability to maintain sustainable operations while reducing environmental impact.

Environmental performance data, including Scope 1 and Scope 2 emissions, are calculated using established greenhouse gas accounting methodologies and activity-based operational data. As part of its transition towards IFRS S2-aligned climate disclosures, the Group currently focuses on areas where data reliability can be assured. Measurement of Scope 3 emissions is currently under development and is expected to be progressively incorporated in future reporting cycles.

Through continuous improvement in energy management, emissions monitoring and resource efficiency, Hextar aims to strengthen environmental performance while supporting operational resilience in a transitioning low-carbon economy.

Environmental Compliance

Through continuous improvement in energy management, emissions monitoring and resource efficiency, Hextar aims to strengthen environmental performance while supporting operational resilience in a transitioning low-carbon economy.

The Group remains committed to complying with all applicable environmental laws and regulations across its operating jurisdictions. During FY2025, no environmental compliance breaches were recorded.

Table: Environmental Compliance Indicators

Indicator	FY2025
Environmental compliance breaches	0
Product registrations maintained	369

Water Management

The issue of water scarcity is becoming increasingly alarming due to several factors, such as climate change, poor water management, and contamination. As water cuts and scarcity are becoming more frequent, we at Hextar, strive to adopt responsible water management across our operations, encompassing facilities in Malaysia, Indonesia, Brunei and Australia. According to the WRI (World Resources Institute), our current operating facilities are not located at water stressed areas (<https://www.wri.org/applications/aqueduct.water-risk-atlas>).

The Group intends to maintain these bases and have no immediate plans to relocate to any known water-stressed regions in Malaysia or overseas within the next five (5) years. Nevertheless, we acknowledge that floods, droughts and other water related risk issues brought on by unpredictable weather patterns and climate change will likely impact on the way businesses are organized and operated in future.

SUSTAINABILITY STATEMENT

cont'd

We are committed to managing and using water in the most cost-effective way that also promotes the long-term sustainability of the environment as well. Our water consumption primarily stems from manufacturing activities such as chemical mixing, equipment and machinery cooling, site cleaning, worker facilities, owned office buildings and properties. We are committed to implementing water conservation initiatives and raising employees' awareness on proper water management at all our premises.

Table: Water Consumption by Business Segment (m³)

Segment	FY2025	FY2024	FY2023
Agriculture	27,122	25,966	24,380
Specialty Chemicals	51,788	47,049	50,993
Fruits	6,924	7,119	
TOTAL	85,834	80,134	75,373

Table: Water Withdrawal by Source

Water Source	FY2025		FY2024		FY2023	
	Withdrawal Volume (m3)	Usage (%)	Withdrawal Volume (m3)	Usage (%)	Withdrawal Volume (m3)	Usage (%)
Municipal Water	43,520	50.70%	40,768	50.88%	30,461	40.41%
Ground Water	42,314	49.30%	39,360	49.12%	44,908	59.58%
Rainwater (Harvested)	0	0.00%	4	0.00%	4	0.01%
TOTAL	85,834	100%	80,132	100%	75,373	100%

Waste Management

In FY2025, Hextar generated a total of 1,144.42MT of hazardous and non-hazardous waste. While hazardous waste is categorised as scheduled waste, non-hazardous waste includes domestic waste, and recyclable waste.

We will intensify our efforts by fostering collaboration among stakeholders and enhancing the efficiency of raw materials and resources utilised in our daily operations. By actively engaging and involving all relevant parties, we seek to address the existing gaps in coordination and implement innovative solutions, where possible, to drive sustainable waste management practices across the Group.

WASTE GENERATED		Total Waste Generated (MT)			Disposal Method
		TOTAL FY2025	TOTAL FY2024	TOTAL FY2023	
A) WASTE COMPOSITION - SCHEDULED WASTE	SW 204 - Sludges containing one or several metals	65.94	42.83	5.69	Approved disposal facility/ licenced waste management companies
	SW 311 - Waste Oil or Oily Sludge	0.03	0.04	0.00	
	SW 321 - Mixed polymer waste	9.92	29.00	5.75	
	SW 322 - Waste of non-halogenated organic solvents	0.00	8.80	8.80	
	SW 410 - Rags, plastics, papers or filters contaminated with scheduled wastes	11.75	16.03	53.18	
	SW411 - Spent Activated Carbon	4.38	1.14	1.64	
	SW 409 - Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes	360.46	209.99	336.17	

SUSTAINABILITY STATEMENT

cont'd

WASTE GENERATED		Total Waste Generated (MT)			Disposal Method
		TOTAL FY2025	TOTAL FY2024	TOTAL FY2023	
A) WASTE COMPOSITION - SCHEDULED WASTE (Cont'd)	SW 421 - Contaminated Diesel	0.15	1.00	0.53	Approved disposal facility/ licenced waste management companies
	SW 430 - Obsolete Laboratory Chemicals	0.29	0.19	0.00	
	Liquid Latex	14.06	0.00	22.51	
	Empty/used drum	0.00	0.88	0.00	
	SW 429 - Expired chemical wastes	29.07	1.11	3.20	
	SW 301 - Acid waste	0.00	0.10	0.28	
	SW 309 - Mixture oil water	0.28	0.08	0.00	
	SW 408 - Contaminated Oil	0.00	0.06	0.00	
	Pesticide Liquid Waste	31.35	71.05	49.78	
B) WASTE COMPOSITION - EFFLUENT	Treated supernatant - M99E	17.55	0.00	16.30	
C) WASTE COMPOSITION - GENERAL WASTE	Plastic	25.12	0.00	8.23	Waste management companies
	Paper	24.82	0.00	22.14	
	Rubbish Waste	110.04	102.69	145.85	
	Other (Organic/Food Waste)	450.49			
TOTAL WASTE GENERATION		1,142.42	484.99	680.05	
D) RECYCLED WASTE	a) Plastic	86.85	1.25	0.00	Recycling centers
	b) Paper	38.23	0.85	1.05	
	c) Others (please specify)	109.33	0.00	37.12	
TOTAL WASTE RECYCLED		234.42	2.10	38.17	

Sustainable Waste Management and Green Energy

As part of Hextar's commitment to advancing environmental sustainability and supporting the transition towards a low-carbon economy, our subsidiary – Hextar Biogas BEE Sdn Bhd (HBEE) specialises in the engineering, procurement, construction, and commissioning (EPCC) of biogas plants, primarily serving the palm oil industry and organic waste sector.

Palm oil mill effluent (POME) and other organic waste streams are significant sources of methane emissions if left untreated. Methane is a greenhouse gas with a global warming potential significantly higher than carbon dioxide. Through the implementation of biogas capture systems, methane generated from anaerobic digestion is effectively captured and utilised as a renewable energy source, preventing its direct release into the atmosphere.

SUSTAINABILITY STATEMENT

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Our biogas systems are designed to convert organic waste into valuable renewable energy in the form of biogas, which can be utilised for electricity generation, heat recovery, or upgraded into biomethane for cleaner fuel applications. This process not only reduces greenhouse gas emissions but also improves waste management practices and supports the circular economy within the palm oil and organic waste industries.

To date, the subsidiary has successfully implemented 20 biogas plant projects across Malaysia and the region, supporting palm oil mills and waste management operators in complying with environmental regulations while improving operational sustainability. By capturing and utilising methane from waste streams, these systems contribute directly to climate change mitigation and the reduction of industrial carbon footprints.

In addition to environmental benefits, the implementation of biogas technology also delivers economic value to industry operators by transforming waste liabilities into renewable energy assets. Biogas generated from organic waste can be used to offset fossil fuel consumption, generate renewable electricity, or produce bio-compressed natural gas (Bio-CNG), creating new revenue streams while supporting national renewable energy targets.



Completed project in FY2025 in Negeri Sembilan, Malaysia

In FY2025, HBEE successfully completed the engineering, procurement, construction and commissioning (EPCC) of a biogas capture plant for a palm oil mill located in Negeri Sembilan, Malaysia.

The project involved the installation of an anaerobic digestion and biogas capture system designed to treat palm oil mill effluent (POME), enabling the recovery of methane generated during the wastewater treatment process. Methane that would otherwise be released into the atmosphere is captured and utilised as a renewable energy source.

Through the implementation of this biogas plant, the facility is able to significantly reduce greenhouse gas emissions associated with POME treatment. The system is estimated to enable the reduction of approximately 91,642.1 kgCO₂e of greenhouse gas emissions per day for our client, primarily through methane capture and controlled utilisation of biogas.

This project demonstrates the company's contribution to climate change mitigation by delivering technologies that convert organic waste into renewable energy while supporting environmental compliance within the palm oil sector.

PRODUCT STEWARDSHIP — MANAGING TRANSITION RISK

Product stewardship remains a critical component of the Group's sustainability and risk management strategy, particularly given the regulatory sensitivity surrounding agrochemical and specialty chemical products. Hextar operates across specialty chemicals, agrochemicals and industrial chemical applications, including herbicides, insecticides and fungicides that support agricultural productivity.

As regulatory scrutiny on chemical safety and environmental impact intensifies globally, product stewardship has become increasingly important to ensure that the Group's product portfolio remains compliant, competitive and aligned with evolving safety standards. Through structured portfolio management, toxicity reduction initiatives and continued research investment, the Group seeks to balance agronomic performance, product safety and long-term regulatory resilience.

Product Portfolio

Product Portfolio forms the foundation of the Group's product stewardship framework. The Group applies stringent product safety assessments throughout the product lifecycle, including formulation development, regulatory registration, manufacturing, distribution and post-market monitoring.

SUSTAINABILITY STATEMENT

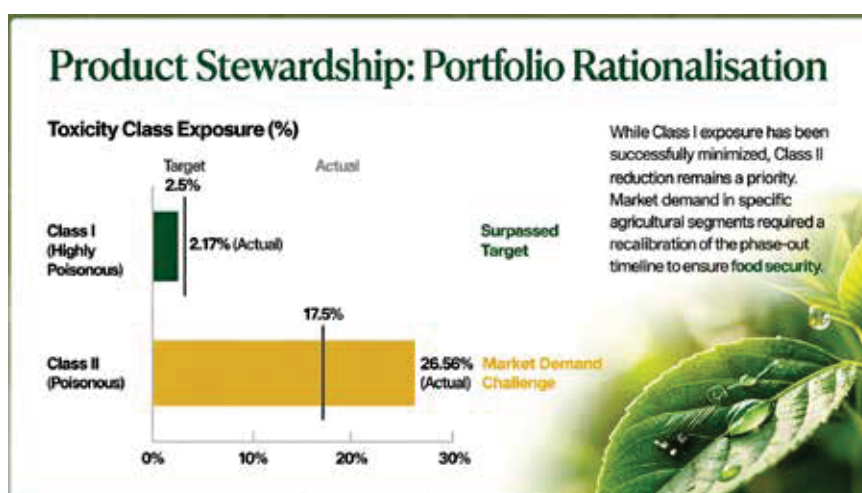
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The Group continuously reviews the composition of its product portfolio to support safer agricultural and chemical solutions. The distribution of products across toxicity classifications provides an indication of progress in reducing reliance on highly hazardous formulations while expanding lower-toxicity alternatives.

Reducing reliance on highly toxic product formulations lowers the potential for regulatory restrictions, product bans and market disruptions. It also enhances product safety for farmers, distributors and end users while supporting responsible agricultural practices.

Toxicity Reduction Strategy

The Group maintains a structured portfolio rationalisation strategy aimed at gradually reducing higher toxicity product categories while maintaining effective crop protection performance.



In FY2025, Class I product registration continue to drop due to the phasing out and non-supply, while there is an increase of Class II registrations after re-classification of toxicity from Class III to Class II based on latest Good Laboratory Practices toxicity data. There is a slight increased of Class IV product registrations with more lower toxic products in the pipeline as compared to FY2024 data. Due to stricter registration requirements, we have to recalibrate FY2026 goals while continue committing towards increasing Class III and Class IV products and reducing Class I and Class II registrations. Class I goal reduce from 2.5% to 2.05% while class II increase from 17.5% to 22.5%.

Class	Base Data	2025 Target	2025 Actual	Performance	2026 Goal
Class I (Highly Poisonous)	4.34%	2.73%	2.17%	20.59%	2.05%
Class II (Poisonous)	24.66%	19.41%	26.56%	-36.83%	22.50%
Class III (Harmful)	50.14%	53.82%	49.86%	-7.35%	52.50%
Class IV (Least Toxic)	20.87%	24.04%	21.41%	-10.94%	22.95%

The Group continues to prioritise toxicity reduction through:

- progressive product reformulation
- substitution with lower-toxicity active ingredients
- optimisation of dosage and formulation efficiency
- accelerated commercialisation of safer product alternatives

These initiatives allow the Group to progressively transition its portfolio while maintaining supply continuity to farmers and agricultural distributors.

SUSTAINABILITY STATEMENT

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Regulatory Compliance

The agrochemical sector operates within a complex and evolving regulatory environment where active ingredients are periodically reassessed by national and international authorities. Regulatory developments may result in stricter safety standards, reclassification of toxicity levels or phased withdrawal of certain chemicals.

The Group maintains a proactive regulatory compliance framework that includes:

- continuous monitoring of regulatory developments across operating jurisdictions
- structured product registration and documentation management
- compliance reviews prior to product commercialisation
- coordination with regulators, distributors and agricultural stakeholders

Strong regulatory management reduces exposure to product registration delays, market restrictions or inventory obsolescence that may arise from sudden regulatory changes.

The Group's regulatory expertise is supported by experienced industry leadership and technical specialists with extensive experience in agrochemical product development and regulatory compliance.

Environmental policies are put in place in our operations to govern our environmental management. The criteria for our environmental management are laid forth in ISO 14001 and ISO 45001 Environmental, Health and Safety Management System Standards. In addition to our internal policies, we are committed to adhere to all applicable environmental laws and regulations, which include: -

Laws and Regulations	Our Commitments
Wastewater Discharge ➤ Environmental Quality (Industrial Effluent) Regulations, 2009	• Monthly water effluent lab test by third party • Compliance to Industrial Effluent Registration (Tenth Schedule) • Conduct of Chemical Oxygen Demand test via weekly waste water analysis
Scrubber System ➤ Environment Quality (Clean Air) Regulations 2014	• Appointment of a competent person for scrubber system • Conduct of Air Emission Monitoring • Conduct of Local Exhaust Ventilation ("LEV") Assessment
Waste Disposal ➤ Environmental Quality Act 1974 ➤ Environmental Quality (Scheduled Wastes) Regulations, 2005	• Disposal of general waste to regulated landfills • Disposal of scheduled waste to approved disposal facility • Erection of scheduled waste storage cage bund • Adoption of e-consignment note for scheduled waste
Noise Exposure ➤ Environmental Quality Act, 1974 ➤ Occupational Safety and Health (Noise Exposure) Regulations 2019	• Conduct of Boundary Note Measurement • Conduct of Noise Risk Assessment • Conduct of Baseline and Annual Audiometric Testing
Chemical Management ➤ Occupational Safety and Health (Use and Standards of Exposure of Chemicals Hazardous to Health) Regulations 2000 ➤ Occupational Safety and Health (Classification, Labelling and Safety Data Sheet of Hazardous Chemicals) Regulations 2003	• Registration of chemical raw material and finished goods • Proper labelling on all products • Preparation of Personal Protective Equipment ("PPE") for workers in production • Conduct Chemical Health Risk Assessment and training on Hazard Logo Identification as well as PPE Usage for all production staff • Usage on enclosed mixing system with vacuum system and scrubber system • Installation of LEV system

SUSTAINABILITY STATEMENT

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Laws and Regulations	Our Commitments
Poison Management ➤ Environmental Quality Act, 1974 ➤ Poison Act Regulation, 1952 ➤ Department of Environment Guided Self-Regulation ("GSR")	• Adoption of poison signed order form and poison wholesale sales book • Registration of poison license • Implementation of ISO 14002:2015 Policy • Maintenance of effluent treatment plant and scrubber system • Formulation of Environmental Performance Monitoring Committee and Environmental Regulatory Compliance Monitoring Committee • Identification of competent person on: - - o Certified Environmental Professional in Scheduled Waste Management (CePSWaM) - o Certified Environmental Professional in the Operation of Industrial Effluent Treatment Systems (Biological Processes) (CePIETSO-BP) - o Certified Environmental Professional in the Operation of Industrial Effluent Treatment Systems - Physical Chemical Processes (CePIETSO-PCP) - o Certified Environmental Professional in Scrubber Operation (CePSO) • Transparency of information on eco-labelling products

We did not have any penalty imposed by Department of Environmental ("DoE") in FY2025.

We are also committed to responsible sourcing by selecting suppliers who uphold high standards on environmental management. In order to achieve such objective, we have embarked on an environmental risk assessment on our suppliers to cover several environmental criteria in FY2025.

Research and Development

Research and development play a central role in the Group's product stewardship strategy by enabling the transition toward safer, more effective and environmentally responsible chemical formulations.

The Group's R&D activities are led by technical specialists with deep expertise in crop protection science, formulation chemistry and regulatory compliance. The R&D leadership team has extensive experience in agrochemical research and has contributed numerous scientific publications and technical studies within the crop protection sector.

Key areas of R&D focus include:

- development of lower-toxicity formulations
- identification of alternative active ingredients
- enhancement of product efficacy with reduced environmental impact
- optimisation of formulation stability and safety profiles

Reformulation initiatives require careful balancing between regulatory compliance, agronomic effectiveness and commercial viability. As such, the Group works closely with distributors and agricultural stakeholders to ensure that newly developed formulations are both technically effective and commercially acceptable.

From a strategic perspective, investment in R&D strengthens the Group's ability to anticipate regulatory shifts, sustain product competitiveness and safeguard long-term revenue streams.

Product stewardship remains a critical pillar of the Group's long-term sustainability and risk management strategy. Through continuous toxicity reduction, proactive regulatory compliance and sustained investment in research and development, the Group is progressively strengthening the safety and resilience of its product portfolio. The successful reduction of highly toxic products and the ongoing reformulation of mid-range toxicity products demonstrate the Group's commitment to responsible chemical management while maintaining agronomic effectiveness and market competitiveness. By embedding product safety, regulatory foresight and innovation into its operations, the Group aims to safeguard customer trust, ensure compliance with evolving regulatory standards and support the long-term stability and value creation of its business.

SUSTAINABILITY STATEMENT

cont'd

SOCIAL PERFORMANCE

The Group recognises that operational resilience and long-term value creation are closely linked to workforce capability, employee wellbeing and ethical governance. As a diversified group operating across specialty chemicals, agriculture and food distribution segments, the Group relies on skilled technical personnel, safe operating environments and responsible workplace practices to ensure operational continuity and regulatory compliance.

Social performance is therefore managed as an integral component of enterprise risk management, supporting productivity, regulatory adherence and stakeholder trust. The Group's approach focuses on maintaining workforce stability, developing employee capabilities, ensuring safe working environments, promoting inclusive workplace practices and reinforcing ethical conduct across all business operations.

Workforce Stability

Workforce stability is a key factor in sustaining operational continuity, particularly within technical industries such as chemical manufacturing and agrochemical production.

During FY2025, the Group recorded an improvement in employee retention, with **employee turnover declining to 7.46% compared with 10.72% in FY2024**. The improvement reflects ongoing efforts to strengthen employee engagement, internal communication and workforce development initiatives.

Retention of experienced employees contributes to operational efficiency, particularly in specialised roles involving chemical production processes, product formulation and regulatory compliance. In highly technical environments, accumulated knowledge and operational experience help ensure consistent production quality, minimise operational disruptions and support regulatory compliance.

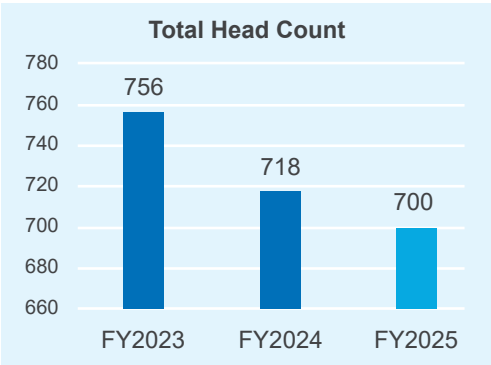
From a financial perspective, improved retention also reduces recruitment and onboarding costs while preserving institutional knowledge that supports long-term productivity.

Hextar Global Berhad is committed to transparent communication and fostering trust with our stakeholders. In line with this commitment, we present our headcount comparison for the past three years:

Notably, the headcount decrease in FY2024 was due the the reduction or workforce in our Indonesia factory. FY2025 we experienced a slight reduction in headcount.

Beyond acquisitions, we actively invest in organic growth, attracting skilled professionals through talent development and recruitment initiatives. This contributes to local economic development by creating new jobs on top of strengthening our capacity to deliver on our ambitious expansion plans.

In addition, the Group monitors workforce productivity and capability development as part of its human capital management approach. In addition to tracking headcount trends, the Group reviews productivity indicators such as revenue per employee alongside employee training investment to assess how effectively its workforce supports operational performance.



SUSTAINABILITY STATEMENT

cont'd

Table: Workforce Productivity Indicators

Indicator	FY2025	FY2024	FY2023
Employees	700	718	756
Revenue (RM mil)	873.785	918.288	669,039
Revenue per employee (RM mil)	RM1.248	RM1.279	RM0.885
EMPLOYEE TRAINING HOURS			
Executives	3,219	2,997	1,958
Non-Executives	2,113	2,051	1,793
Training hours per employee	7.6	7.1	4.9

Talent Development

Talent capability is critical to sustaining innovation, regulatory compliance and operational excellence across the Group's diverse business segments.

The Group continues to invest in structured training and professional development programmes to strengthen technical competency, leadership capability and operational expertise across its workforce.

Training initiatives focus on:

- operational and technical training for manufacturing personnel
- leadership development programmes for supervisory and management roles
- safety training and hazard awareness programmes
- regulatory and product stewardship compliance training

The Group's leadership team also brings significant industry expertise that supports organisational capability building. For example, the Group's research and development division is led by a Managing Director with more than 20 years of experience in the crop protection and chemical industry and over 20 peer-reviewed scientific publications, reinforcing the Group's technical depth and innovation capability.

Occupational Safety and Health

Ensuring a safe working environment is a fundamental operational priority for the Group, particularly given the nature of its chemical manufacturing and agricultural operations.

During FY2025, the Group maintained a strong safety performance with zero fatalities and zero lost-time injuries, reflecting the effectiveness of its safety management systems and operational safety culture.

The Group monitors occupational safety performance across its operations using standard safety indicators, including work-related injuries, lost time incident rates and hours worked. Safety is supported through:

Work-Related Injuries (Employees)

Description/Years	FY2025	FY2024	FY2023
Hours Worked	883,285	1,060,965	1,050,185
Work Related Injuries	0	0	3
List Time Incident Rate	0.00	0.00	0.57
Work Related Fatalities	0	0	0

SUSTAINABILITY STATEMENT

cont'd

Work-Related Injuries (Contractors)

Description/Years	FY2025	FY2024	FY2023
Work Related Injuries	0	0	0
Work Related Fatalities	0	0	0

- structured safety procedures and operational protocols
- regular safety training and hazard awareness programmes
- workplace risk assessments and incident prevention measures

We tackle workplace health concerns and broader global health challenges. Engaging employees and communities through awareness campaigns, sanitation drives, regular testing, vaccinations, fogging and promoting responsible behaviour to curb transmission helps prevent and control COVID-19, HIV/AIDS, tuberculosis, malaria and dengue.

In addition, 50% of the Group's manufacturing facilities are currently certified under ISO 45001 Occupational Health and Safety Management Systems. The Group has set a target of achieving 100% ISO 45001 certification across all manufacturing facilities by 2030. The certification status of key operating companies is summarised below.

Table: Companies Certified with ISO45001

No	Company Name	FY2025
1	ALPHA AIM (M) SDN BHD	Certified
2	CHEMPRO TECHNOLOGY (M) SDN BHD	Certified
3	HEXTAR CHEMICALS SDN BHD	Certified
4	HEXTAR KIMIA SDN BHD	Certified
5	HALEX (M) SDN BHD	No
6	NOBEL SYNTHETIC POLYMER SDN BHD	No
7	PHG EVER FRESH (M) SDN BHD	No
8	TUFBOND TECHNOLOGIES SDN BHD	No
	TOTAL	4
Percentage Manufacturing facilities certified with ISO 45001		50%

Strong occupational safety performance reduces operational disruption, regulatory exposure and insurance risk, while reinforcing employee confidence and trust in the organisation.

SUSTAINABILITY STATEMENT

cont'd

Safety Readiness Enhancement:

In May 2025, the Corporate Office team completed certified **First Aid training** to bolster workplace emergency preparedness. The program updated staff on the latest resuscitation guidelines, strengthening our internal first-responder network and reducing potential risks associated with workplace medical incidents.



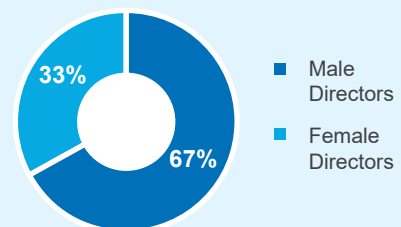
Top Management Gender Diversity

Gender diversity within the Group's leadership team remains an important component of its broader commitment to diversity and inclusion. The chart below highlights the current gender composition of top management.

This chart showcases our achievement of 33% female representation in top management, surpassing our target of 30% by 2030, aligned with SDG 5: Gender Equality. We are proud of this accomplishment and remain committed to further fostering an inclusive environment where talented women can excel and reach their full potential.

Beyond these data points, we emphasize our ongoing efforts to create a culture of inclusion at all levels. We actively seek diverse talent, provide unconscious bias training for all leaders, and promote flexible work arrangements to support work-life balance. We believe that fostering a truly inclusive leadership team will not only benefit our company but also contribute to a more equitable and diverse society at large.

TOP MANAGEMENT - GENDER DIVERSITY (FY2025)



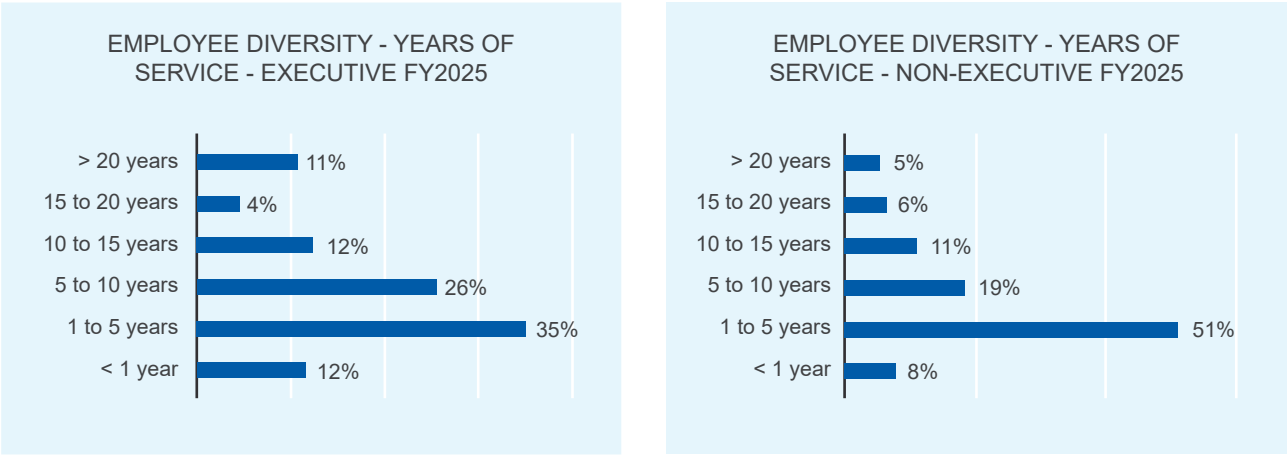
SUSTAINABILITY STATEMENT

cont'd

Employee Diversity and Inclusion

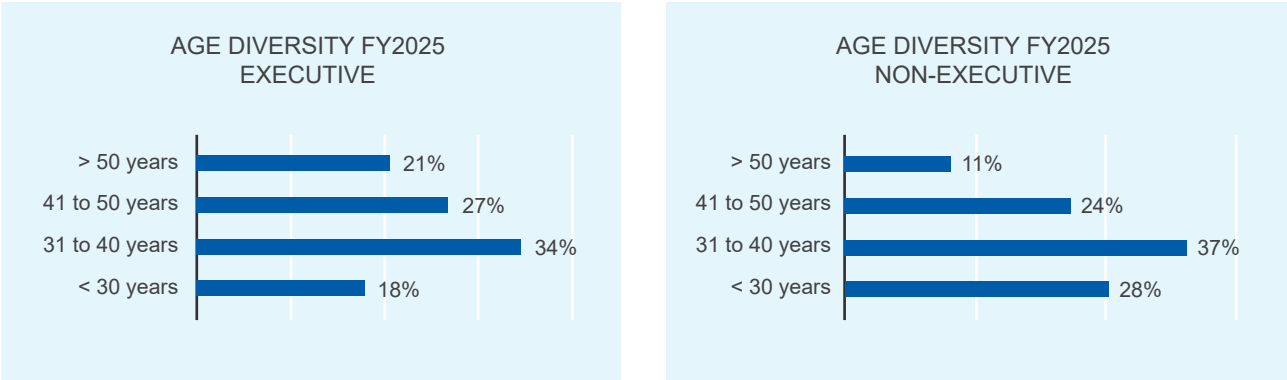
At Hextar, we embrace the richness of a diverse workforce, recognising that each individual's unique experiences and perspectives contribute to our collective success. Aligned with GRI 2021 Standard 405: Diversity and Equal Opportunity, we strive to foster an inclusive environment where everyone feels valued and empowered to contribute their best. Here, we unveil insights into our employee diversity through a series of informative charts:

EMPLOYEE DIVERSITY (YEARS OF SERVICE) - EXECUTIVE AND EMPLOYEE DIVERSITY (YEARS OF SERVICE) - NON-EXECUTIVE (GRI 405-1: DIVERSITY COMPOSITION)



These charts illustrate the distribution of executive and non-executive employees based on their years of service, revealing the balance between experienced professionals and those bringing fresh perspectives to the company. This balanced mix fosters the transfer of knowledge while encouraging innovation. Almost 50% of our executive employees has been with the company for more than 5 years.

AGE DIVERSITY - EXECUTIVE AND CHART 4: AGE DIVERSITY - NON-EXECUTIVE (GRI 405-1: DIVERSITY COMPOSITION)

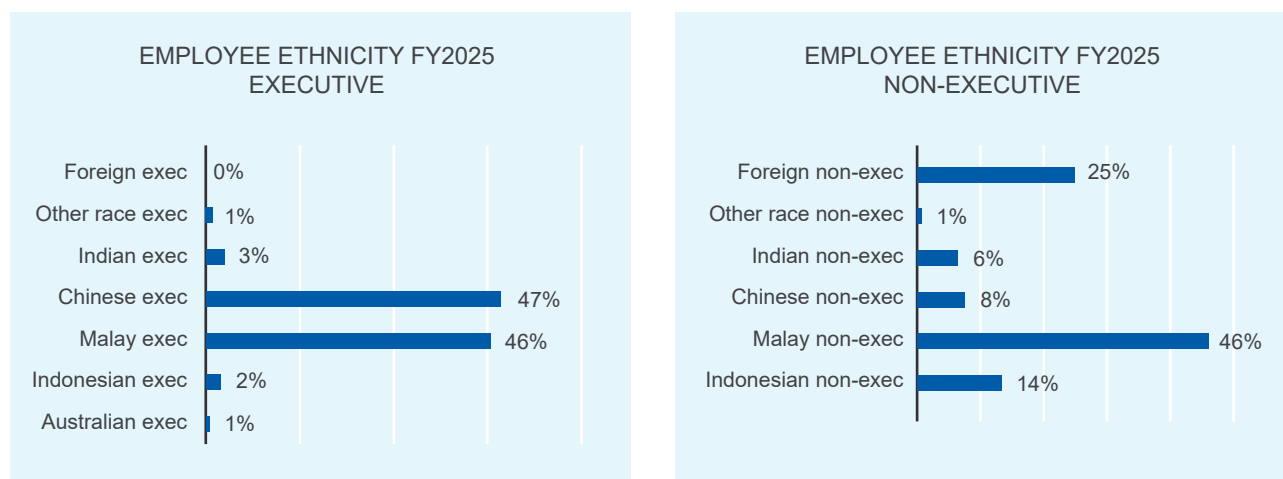


These charts showcase the age range of our executive and non-executive employees, highlighting a healthy mix of diverse voices and perspectives across generations. This age diversity ensures well-rounded decision-making informed by both established knowledge and contemporary viewpoints.

SUSTAINABILITY STATEMENT

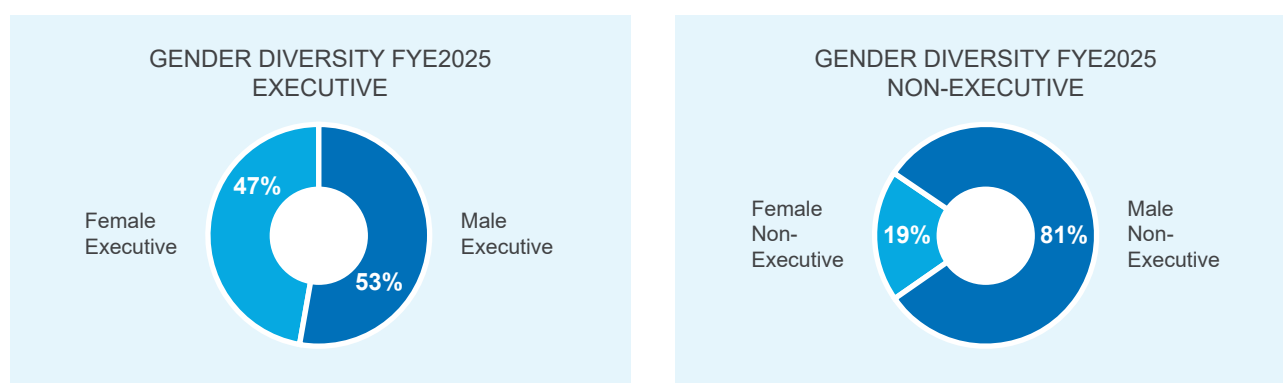
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EMPLOYEE ETHNICITY EXECUTIVES AND CHART 6: EMPLOYEE ETHNICITY NON-EXECUTIVE (GRI 405-1: DIVERSITY COMPOSITION)



These charts depict the ethnic composition of our executive and non-executive workforce, reflecting the diverse communities we operate within. Our executive ethnicity diversity is relatively balance between Malay and Chinese executives. We believe this representation strengthens our understanding of our stakeholders and fosters culturally sensitive business practices. Our non-executive includes 14% Indonesian as we do have a manufacturing facility in Indonesia.

GENDER DIVERSITY FY2025 EXECUTIVE AND GENDER DIVERSITY FY2025 NON-EXECUTIVE (GRI 405-1: DIVERSITY COMPOSITION)

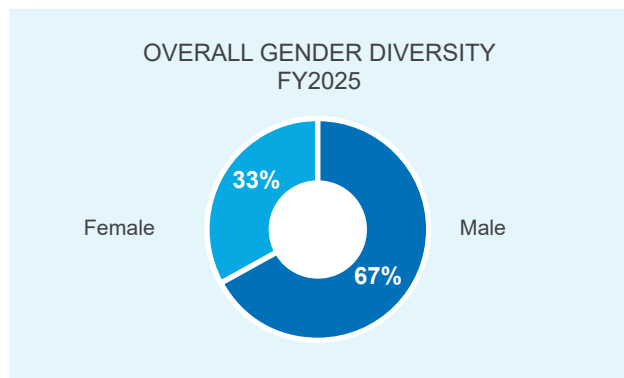


Our gender diversity for executive is quite balance with 47% female vs 53% male showing our commitment to providing equal opportunity to all. However, our non-executive distribution is more for males in line with the kind of work that we do in manufacturing of agrochemicals and specialty chemicals. This is relevant with UN SDG 5: Gender Equality.

SUSTAINABILITY STATEMENT

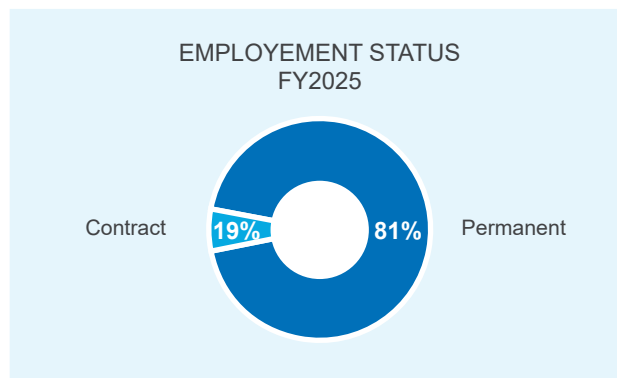
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OVERALL GENDER DIVERSITY FY2025 (GRI 405-1: DIVERSITY COMPOSITION)



This chart presents the combined gender diversity of our entire workforce in FY2025, providing a comprehensive snapshot of our progress towards creating a more equitable and inclusive work environment. Our overall workforce are predominantly male in line with the kind of production activities in our manufacturing facilities.

EMPLOYMENT STATUS FY2025 (GRI 405-1: DIVERSITY COMPOSITION)



This chart depicts the breakdown of our employees based on their employment status, permanent and contract basis, offering insights into the composition of our workforce and enabling us to tailor our policies and benefits accordingly. Our employees are predominantly on a permanent basis.

By presenting these diverse workforce demographics, we demonstrate our commitment to transparency and accountability in fostering an inclusive work environment. We recognize that diversity is not just a statistic, but a powerful force that unlocks innovation, strengthens decision-making, and fuels sustainable growth. We are dedicated to continuous improvement, actively seeking diverse talent, promoting equal opportunities, and fostering a culture of inclusion where everyone can thrive.

As of 31 December 2025, we do not have any employee with disability. We do not discriminate employee with disability. We do practice giving priority to employee who are residing within the vicinity of the places we operate.

Ethical Conduct

Ethical conduct and strong governance are fundamental to maintaining stakeholder trust and protecting the Group's licence to operate.

During FY2025, the Group achieved 100% completion of anti-corruption training among employees and non-executive directors, reinforcing awareness of ethical responsibilities and regulatory expectations.

The Group's governance framework includes:

- anti-corruption and integrity policies
- whistleblowing mechanisms
- governance oversight by Board committees
- compliance monitoring and training programmes

Strong ethical standards reduce exposure to regulatory penalties, reputational risks and operational disruptions while strengthening stakeholder confidence.

The Group's social performance strategy focuses on strengthening workforce capability, ensuring safe working environments and upholding high standards of ethical conduct. Through continued investment in employee development, workplace safety and governance practices, the Group reinforces operational resilience and supports sustainable long-term value creation for stakeholders.

SUSTAINABILITY STATEMENT

cont'd

Community Engagement and Social Contribution

Beyond its workforce, the Group remains committed to contributing positively to the communities in which it operates. Through various community initiatives and corporate social responsibility (CSR) programmes, the Group supports local communities, promotes social well-being and contributes to sustainable development.

Food Basket program:

Throughout 2025, we continued our commitment to supporting the community by providing food baskets to 10 families each month. This initiative successfully ensured consistent access to essential groceries, reinforcing our dedication to social responsibility.



Buka Puasa program:

In a gesture of unity and compassion, we hosted a meaningful **Buka Puasa** program on March 14, 2025, at Masjid Kg Pendamar, Klang. The event brought together 70 participants, including Muslim employees and the local congregation, to embrace the blessings of Ramadan. By nurturing these grassroots relationships and promoting inclusivity, the Group continues to uphold its commitment to social responsibility and the communities it serves."



SUSTAINABILITY STATEMENT

cont'd

Continue Blood Donation Campaign,

In a significant contribution to national healthcare as a Gold Sponsor for the 2024/2025 National Blood Donation Program. Organized by the National Blood Donation UM Club (NBD) of Universiti Malaya, the campaign successfully collected a record 1,399 blood packs across eight locations in Peninsular Malaysia. By supporting this initiative, the Group directly addresses critical blood shortages in Malaysian hospitals, reinforcing our commitment to the Social pillar of our ESG framework.



30th Annual Charity Walk-Jog-Wheel-a-Thon at Dataran Petaling Jaya

For the third consecutive year, Hextar reaffirmed its dedication to social inclusivity by participating in the 30th Annual Charity Walk-Jog-Wheel-a-Thon on October 26, 2025. Held at Dataran Petaling Jaya, this milestone event organized by the Spastic Children's Association of Selangor & Federal Territory (SCAS&FT) brings together the able-bodied and the disabled to raise vital funds for participating NGOs. A strong contingent of **126 Hextarians** took to the streets of Petaling Jaya. Our continued presence at this event underscores Hextar's commitment to breaking barriers and fostering a society where everyone, regardless of physical ability, is empowered to participate and thrive.



SUSTAINABILITY STATEMENT

cont'd

Gotong-Royong: Mega Perangi Aedes Peringkat Daerah dan Negeri Selangor 2025

Hextar is proud to participate and sponsor Lavette 1.0G, which is our insecticide product used to control mosquito larvae, for the "Gotong-Royong: Mega Perangi Aedes Peringkat Daerah dan Negeri Selangor 2025" organised by the Ministry of Health on 19 July 2025, at Apartment Impian Sentosa, Klang.



Gotong-royong Program at Jeti Ranger, Pelabuhan Klang

The Mangrove Gotong-royong Program was held on 15 November 2025 at Jeti Ranger, Pelabuhan Klang with 41 participants from the Hextar Group of Companies. The program supports Hextar's environmental initiatives and aligns with the UN SDGs.



SUSTAINABILITY STATEMENT

cont'd

Tree Planting Program

at the Jeti Ranger mangrove area in Pelabuhan Klang.

On November 15, 2025, the **Hextar Group** demonstrated its commitment to environmental stewardship through a **Tree Planting Program** at the Jeti Ranger mangrove area in Pelabuhan Klang. A dedicated team of **50 Hextarians** participated in the initiative, directly supporting the Group's **ESG goals** and aligning with the **UN SDGs** to promote biodiversity and climate



Supported students from SMK Kijal in the National Robotics Competition (NRC)

On January 2, 2025, **Hextar Kimia** proudly supported students from **SMK Kijal** as they competed in the **National Robotics Competition (NRC)** at Terengganu State level. This sponsorship of **RM4,020** underscores our commitment to fostering **technical excellence** and innovation among young talent in the field of robotics.



SUSTAINABILITY STATEMENT

cont'd

Enhancement of the **multiroom facilities** at SK Ampang, Kuala Lumpur.

On January 2, 2025, we sponsored **RM8,100** for the enhancement of the **multi-purpose facilities** at SK Ampang, Kuala Lumpur. This infrastructure upgrade is designed to provide a more conducive learning environment, directly benefiting the entire **student body** and supporting the school's long-term educational goals. This upgrade will **benefit 500** students in the school



awareness for the **STEM/ Energy4Me** program.

On June 6, 2025, **Hextar Kimia** proudly sponsored **RM4,000** in an initiative to promote and raise awareness for the **STEM/Energy4Me** program. As part of our commitment to community support and education, we provided essential **stationery kits** to 100 students in need, empowering the next generation of innovators



SUSTAINABILITY STATEMENT

cont'd

Donate
Tatami mats
to **Seni Silat
Selendang
Maut** program
in Miri.

8 January 2025, **Hextar Kimia** donated 100 costing **RM13,000** high-quality tatami mats to the **Seni Silat Selendang Maut** program in Miri. This contribution provides a safer training environment for local practitioners, reflecting our commitment to promoting physical wellness and preserving Malaysia's rich cultural heritage. By supporting grassroots sports and traditional arts, we continue to invest in the social well-being of the communities where we are presence. The mats will benefit 50 practitioners.



Infrastructure
improvements
at KAFA
As-Shobirin,
Labuan.

9 January 2025, Hextar Kimia strengthened its commitment to the local Labuan community by contributing **RM150,000** towards essential infrastructure improvements at KAFA As-Shobirin, Labuan.

This initiative, part of Hextar Kimia's ongoing CSR and Zakat Wakalah program, aimed to provide a more conducive and safe learning environment for the students.



SUSTAINABILITY STATEMENT

cont'd

Sponsor Malaysia Paragliding Team

Hextar Kimia is proud to continue its official sponsorship of the Malaysian Paragliding Team, finalized on 10 January 2025. This **RM15,000.00** contribution will support the team across three prestigious competitions, building on their impressive performance in Thailand in 2024. The partnership reflects the company's core values of excellence and community empowerment."



Empowering the Next Generation: Zakat Wakalah Outreach

On 11 January 2025, Hextar Kimia executed a high-impact community outreach program at **SK LKTP Sening, Pengerang**, focusing on the educational and emotional well-being of the school's most vulnerable students.

The program provided targeted Zakat Wakalah assistance worth **RM12,500** to **22** orphaned and underprivileged (asnaf) students. to alleviate the financial burden of schooling, ensuring these students have the resources necessary for academic success.



SUSTAINABILITY STATEMENT

cont'd

Nurturing Hope at Rumah Kanak-Kanak Tengku Budriah, Cheras, Kuala Lumpur.

On January 12, 2025, Hextar Kimia reaffirmed its commitment to social inclusivity through the 'Ikatan Mesra Bersama Penghuni' initiative. Our team visited **Rumah Kanak-Kanak Tengku Budriah in Kuala Lumpur**, a sanctuary dedicated to the protection and care of vulnerable children under the Department of Social Welfare.

The visit was more than a corporate gesture; it was a day of meaningful interaction with 50 young beneficiaries. To support the home's ongoing mission of providing a safe and conducive environment, Hextar Kimia contributed **RM5,000** in sponsorship. These funds are aimed at enhancing the daily wellbeing and developmental activities of the children, ensuring they feel the warmth and support of the wider community.



Upgrading the Al-Biruni Resource Centre, SK(2) Kuala Ampang.

On June 13, 2025, Hextar Kimia directed its community efforts toward educational excellence with a significant contribution to SK (2) Kuala Ampang. Recognizing that a well-equipped library is the heart of a school, we donated **RM12,000** specifically for the upgrading of the Al-Biruni Resource Centre.

This initiative aims to transform the center into a modern, conducive hub for discovery and digital literacy. By enhancing the learning environment for **250** pupils, Hextar Kimia is investing in the future leaders of our community, ensuring they have the tools and space necessary to foster a lifelong love for reading and research.



SUSTAINABILITY STATEMENT

cont'd

PT Agro Sentosa Raya's Local Outreach

Throughout FY2025, our Indonesian subsidiary, PT Agro Sentosa Raya, remained deeply integrated into its local landscape by providing consistent support through incidental and religious initiatives. Recognizing the importance of social harmony and spiritual well-being, the team contributed a total of **RM20,000** to various community-led programs.

These donations were strategically distributed to address immediate, unplanned needs (incidental) and to support significant cultural and religious festivals. By benefiting **240** community members, PT Agro Sentosa Raya continues to build a legacy of trust and mutual respect, ensuring that our corporate presence translates into tangible support for the people living and working alongside us.



In March 2025, we conducted a Rhinoceros Beetle control activity at an estate in Lambor, Perak, using Beta-cyfluthrin 2.9% EC mixed with Wetcit to enhance spraying effectiveness and extend the spraying interval. The programme also included a chemical handling and calibration training session, emphasising proper pesticide management practices and the importance of wearing appropriate Personal Protective Equipment (PPE) to ensure safety during field operations.



In March 2025, a presentation and spraying demonstration on controlling *Stenochlaena* sp. (Paku Midin) was conducted at an estate in Endau, Johor, using Sodium chlorate 38.5% w/w SL mixed with Glyphosate-isopropylammonium 41% w/w SL and Wetcit (adjuvant). The programme also included safety and chemical handling training, as well as chemical calibration training for all participants to promote proper pesticide management practices and safe application in field operations.



SUSTAINABILITY STATEMENT

cont'd

In 2025, we conducted a bagworms census programme at an estate in Segamat, Johor to assess the level of infestation and determine appropriate control measures. The estate management was satisfied with the trunk injection treatment using Acephate 75% w/w SP, which was carried out as part of the pest management approach to control bagworm infestation effectively and support plantation health and productivity.



Dato' Ong Soon Ho appointed as Honorary Patrons of Malaysia Ice Hockey Federation ("MIHF")

On 19 November 2025, MIHF officially announced the appointment of Dato' Ong Soon Ho, founder and Chairman of Hextar Group of Companies, as Honorary Patrons at a ceremony held at Hextar Tower, Petaling Jaya.

Hextar is committed in promoting the growth, particularly in infrastructure development and grassroots initiatives and bring Malaysia to the regional and international stage.



SUSTAINABILITY STATEMENT

cont'd

Community Investment

Description	Year 2025	* Year 2024	Year 2023
Total amount invested in the communities	RM304,949	RM284,202	RM126,376
Total number of beneficiaries of the investment in communities	3,742	5,400	5,460

Note: FY2024 figures are restated as some CSR activities were not included in the FY2024 Annual Report.

CLIMATE RISK AND FINANCIAL IMPACT

Climate change presents both physical and transition risks that may affect the Group's operations, asset valuation and financial performance over time. As a diversified group operating across specialty chemicals, agriculture and fruit distribution, the Group's exposure to climate-related risks varies across business segments, particularly where agricultural outputs are sensitive to weather patterns and environmental conditions.

The Group continues to integrate climate-related considerations into its risk management framework, recognising that changes in regulatory expectations, energy transition dynamics and climate variability may influence operational costs, supply chain stability and asset valuations. In particular, climate factors may affect physical assets in the agriculture and fruits segments, where yield assumptions and climatic conditions influence fair value measurements and earnings stability.

Climate-Related Risks	Sub-Category	Key Focus Areas
Transition Risks	Policy & Legal	Carbon pricing, regulation, and litigation.
	Technology	Low-emission transitions and R&D costs.
	Market	Shifting consumer behavior and raw material costs.
	Reputation	Stakeholder perception and sector stigma.
Physical Risks	Acute	Extreme weather events (cyclones, floods).
	Chronic	Long-term climate shifts (sea-level or temperature rise).

Climate Governance

Oversight of climate-related risks and opportunities resides with the Board of Directors, supported by the Risk Management Committee, which reviews enterprise risks including environmental and climate-related factors as part of the Group's overall governance framework. Climate considerations are incorporated into enterprise risk management processes and evaluated alongside operational, financial and regulatory risks.

Management monitors developments relating to environmental regulation, energy transition trends and climate-related operational exposures. This includes monitoring greenhouse gas emissions performance, regulatory developments affecting the chemicals sector and weather-related factors that may influence agricultural productivity. The governance structure enables the Board and management to progressively strengthen climate-related risk oversight and disclosure in line with evolving reporting standards.

Physical Risk

Physical climate risks arise from changes in environmental conditions such as temperature fluctuations, rainfall variability, and extreme weather events that may affect operational performance and asset values. These risks are particularly relevant to the Group's Agriculture and Fruits segments, where raw material availability and customer demand are highly influenced by climatic variability.

Prolonged drought conditions, excessive rainfall, or temperature spikes may disrupt the harvest cycles of our suppliers, reduce regional crop yields, and introduce variability in the volume of fruit available for our processing facilities. Such developments may influence the procurement costs and throughput efficiency of our fruit processing operations, which are sensitive to the quality and consistency of external supply.

SUSTAINABILITY STATEMENT

cont'd

In our Agriculture and Specialty Chemicals segments, physical climate risks contribute to fluctuations in revenue generation where environmental conditions affect the planting seasons and chemical application needs of our end-users. Management continuously monitors these trends to ensure the Group's manufacturing and distribution capabilities remain resilient against shifting agricultural productivity forecasts.

Transition Risk

Transition risks arise from policy, regulatory, technological and market shifts associated with the global transition toward a lower-carbon economy. These risks may affect the Group through evolving regulatory requirements, changes in customer expectations and adjustments in operating cost structures.

For the Group's specialty chemicals and industrial chemicals businesses, regulatory tightening relating to chemical formulations, environmental compliance and emissions transparency may require enhanced product stewardship, regulatory compliance processes and investment in research and development. In addition, potential carbon pricing mechanisms, changes in energy tariffs or environmental compliance costs may influence operational expenditure over time.

At the same time, the transition to a more sustainable economy may present opportunities for innovation in product development, particularly in areas relating to environmentally responsible chemical solutions and operational efficiency improvements.

Financial Implication

Climate-related factors may influence the Group's financial performance through their impact on operational costs, supply chain reliability, and revenue stability. Our Agriculture and Fruits segments are sensitive to climate-driven changes in crop cycles and harvest yields that affect our suppliers and customers.

Adverse climatic events that reduce regional agricultural productivity could lead to higher procurement costs for raw materials or lower demand for our agrochemical products, potentially impacting profit margins. Conversely, stable climatic conditions support consistent raw material supply for our fruit processing operations and steady market demand for our agricultural solutions.

Transition risks may also affect the Group's cost structures through potential increases in energy prices, regulatory compliance costs, or enhanced environmental reporting requirements. To mitigate these risks, the Group continues to implement operational efficiency improvements and renewable energy initiatives, such as solar PV installations at our manufacturing facilities, to provide a hedge against energy-related cost volatility.

Climate Adaptation

The Group continues to enhance its resilience to climate-related risks through operational monitoring, diversification strategies and integration of climate considerations into enterprise risk management processes. Management monitors weather patterns that may influence plantation operations and evaluates potential mitigation strategies where appropriate.

Key adaptation approaches include improving operational efficiency, strengthening supply chain resilience and expanding renewable energy adoption to reduce exposure to energy volatility. Diversification across multiple business segments — including specialty chemicals, agriculture and fruits — also supports resilience by reducing dependence on any single climate-sensitive activity.

Recognising the evolving nature of climate-related risks, the Group will continue strengthening its climate-related disclosures and analytical capabilities, including progressively enhancing scenario analysis, risk prioritisation, emissions monitoring and financial sensitivity assessments in future reporting cycles.

SUSTAINABILITY STATEMENT

cont'd

Climate Scenario Analysis

In line with the requirements of the IFRS Sustainability Disclosure Standards, particularly **IFRS S2: Climate-related Disclosures**, Hextar conducted a climate scenario analysis to evaluate the resilience of its business model under different climate transition pathways. Scenario analysis enables the Group to assess how climate-related risks and opportunities may influence operational performance, cost structures, asset valuation and long-term financial stability under different global warming trajectories.

The analysis considers both **transition risks**, associated with regulatory tightening, technological change and the global shift towards a lower-carbon economy, and **physical risks**, arising from environmental changes such as temperature increases, rainfall variability and extreme weather events.

Given the Group's diversified operations across agrochemicals, specialty chemicals and agricultural produce distribution, climate exposures vary across business segments. The chemicals business is more exposed to **transition risks**, particularly evolving regulatory standards governing chemical safety, emissions disclosure and environmental compliance. In contrast, the fruits and agricultural segments are more directly exposed to **physical climate risks**, as agricultural productivity are sensitive to climatic conditions such as rainfall patterns and temperature fluctuations.

The scenario analysis therefore focuses on how these transition and physical risks may influence operational costs, asset values and revenue stability over time.

Climate Scenarios Considered

The Group evaluated three representative climate pathways commonly used in international climate modelling and sustainability disclosures.

Scenario	Temperature Pathway	Key Characteristics
Orderly Transition Scenario	1.5°C	Rapid global decarbonisation aligned with the Paris Agreement, stronger environmental regulation and accelerated adoption of renewable energy
Moderate Transition Scenario	2°C	Gradual climate policy implementation with moderate regulatory tightening and progressive energy transition
Delayed Transition/High Emissions Scenario	4°C	Limited global mitigation efforts resulting in greater physical climate risks including extreme weather events and agricultural variability

These scenarios allow the Group to evaluate potential operational and financial implications across different climate futures while assessing the resilience of its strategy.

Climate Risk Heatmap

To complement the scenario analysis, the Group also assessed climate-related risks based on two dimensions: **likelihood of occurrence** and **potential financial impact**. This structured risk mapping enables management to prioritise mitigation efforts and strengthen oversight of climate-related risks that could influence long-term enterprise value.

The analysis indicates that the Group's most significant exposures arise from two broad areas:

- **Transition risks** affecting the chemicals portfolio, particularly regulatory tightening, product reformulation requirements and energy-related cost pressures.
- **Physical risks** affecting climate-sensitive agricultural activities, including rainfall variability, extreme weather events and crop yield fluctuations.

SUSTAINABILITY STATEMENT

cont'd

Climate Risk Heatmap – Key Risks Identified

Climate-Related Risk	Risk Type	Likelihood	Potential Financial Impact	Overall Priority
Tightening regulations on chemical formulations	Transition	High	High	High
Rising electricity tariffs / potential carbon pricing	Transition	High	Medium–High	High
Product reformulation and R&D investment requirements	Transition	Medium–High	High	High
Increased ESG reporting and compliance requirements	Transition	High	Medium	Medium-High
Extreme weather affecting agricultural productivity	Physical	Medium–High	High	High
Supply chain disruption from climate events	Physical	Medium	Medium–High	Medium-High
Water stress or drought affecting crop yield	Physical	Medium	Medium–High	Medium-High

The heatmap indicates that regulatory transition risks and climate-sensitive agricultural exposures represent the Group's highest priority climate-related risks.

Climate Scenario Summary by Time Horizon

To further strengthen the Group's climate-related disclosures, management assessed potential impacts across two indicative time horizons: **medium-term (2030)** and **long-term (2050)**. These time horizons reflect typical planning periods used in sustainability and climate-related financial risk analysis.

The analysis indicates that **transition risks are more material in the near- to medium-term**, particularly for the chemicals portfolio where regulatory tightening, product safety standards and energy cost developments may influence operating costs and investment requirements.

Over the longer term, **physical climate risks may become more significant**, particularly for activities linked to agricultural productivity.

Climate Scenario Financial Exposure Overview

Scenario	Time Horizon	Potential Operational Effect	Illustrative Financial Implication	Key Exposure Areas
Orderly Transition (1.5°C)	2030	Increased compliance and reformulation costs; moderate energy cost pressure	Low to moderate increase in operating costs in climate-exposed activities.	Agrochemicals, specialty chemicals
Orderly Transition (1.5°C)	2050	Mature low-carbon economy requiring continued product and operational adaptation	Moderate adaptation costs if transition actions are delayed; potential competitiveness benefit if transition is proactive	Product portfolio, energy management
Moderate Transition (2°C)	2030	Gradual regulatory tightening and disclosure expectations	Low–Moderate cost increase associated with compliance and reporting improvements	Chemicals, operational governance
Moderate Transition (2°C)	2050	Continued but gradual transition to lower-carbon economy	Moderate adaptation requirements over time	Operational cost structures
High Emissions Scenario (4°C)	2030	Greater climate variability affecting agricultural productivity	Moderate volatility in crop yields	Fruits segment
High Emissions Scenario (4°C)	2050	Increased frequency of extreme weather events affecting climate-sensitive activities	Moderate–High exposure for agricultural operations and climate-sensitive supply chains	Agricultural operations

SUSTAINABILITY STATEMENT

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Interpretation of Scenario Analysis

The scenario analysis suggests that Hextar's climate risk profile evolves over time.

In the **short- to medium-term**, transition risks represent the most immediate considerations for the Group. These include tightening environmental regulations affecting chemical formulations, potential increases in energy costs associated with decarbonisation policies and evolving investor expectations regarding sustainability disclosures.

In the **longer term**, physical climate risks may become increasingly significant, particularly in relation to agricultural productivity. Variability in rainfall patterns, temperature fluctuations and extreme weather events may influence crop yield assumptions and harvest cycles, which could affect revenue generation and asset valuations within climate-sensitive business segments.

Strategic Resilience and Risk Mitigation

The analysis indicates that several factors strengthen the Group's resilience to climate-related risks:

- Diversification across chemicals, agriculture and fruit distribution businesses
- Continued investment in renewable energy and energy efficiency initiatives
- Progressive reduction in higher-toxicity product classifications
- Integration of sustainability risks into enterprise risk management processes
- Ongoing monitoring of regulatory developments affecting chemical products

Renewable energy adoption has already contributed to improved operational resilience. During FY2025, the Group generated approximately **549,833 kWh of solar electricity**, offsetting around **16.91% of total electricity consumption**, thereby reducing exposure to electricity tariff volatility and supporting the Group's decarbonisation efforts.

Similarly, ongoing product stewardship initiatives, including reducing the proportion of highly toxic Class I products to **2.17%**, demonstrate progress in managing regulatory transition risk within the agrochemical portfolio.

Future Development of Climate Analysis

As the Group continues to strengthen its sustainability reporting capabilities, future reporting cycles may incorporate more advanced quantitative climate modelling and financial sensitivity analysis. Potential areas for enhancement include:

- expanded modelling of energy price and carbon pricing exposure
- further analysis of climate-related supply chain risk
- expanded Scope 3 emissions measurement across the value chain

These enhancements will support more detailed assessment of climate-related financial risks and opportunities while further aligning the Group's disclosures with evolving international sustainability reporting standards.

Climate Value-at-Risk (Climate VaR) Assessment

To further strengthen the Group's climate-related financial disclosures, Hextar has conducted a preliminary **Climate Value-at-Risk (Climate VaR)** assessment. Climate VaR provides an indicative view of the proportion of the Group's operations, assets or cost structure that may be exposed to climate-related risks under different climate scenarios.

This analysis complements the scenario analysis and climate risk heatmap by translating climate risks into potential **financial exposure ranges**. While the Group's current Climate VaR assessment is qualitative and directional, it provides a structured view of the areas where climate-related developments may have the greatest financial implications over time.

The analysis focuses on two principal sources of exposure:

- **Transition risk exposure**, primarily affecting the agrochemical and specialty chemicals businesses through regulatory developments, product reformulation requirements and potential energy cost changes; and
- **Physical risk exposure**, primarily affecting agricultural and fruit-related operations where crop yields may be sensitive to climatic variability.

SUSTAINABILITY STATEMENT

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Estimated Climate Value-at-Risk by Risk Category

Climate Risk Category	Primary Exposure Area	Estimated Exposure Level	Key Drivers
Regulatory transition risk	Agrochemical and specialty chemical product portfolio	Medium–High	Regulatory tightening, product safety standards, environmental compliance requirements
Energy transition risk	Chemical formulation and processing facilities	Medium	Electricity tariff volatility, potential carbon pricing mechanisms
Product portfolio transition risk	Crop protection product formulations	Medium–High	Need for reformulation and substitution of higher-toxicity products
Agricultural productivity risk	Fruits segment	Medium–High	Rainfall variability, temperature fluctuations, extreme weather events
Supply chain climate disruption	Agricultural sourcing and logistics	Medium	Weather-related transport disruptions, crop supply variability

Climate VaR Exposure Illustration

The following conceptual illustration summarises the relative exposure of key business areas to climate-related risks.

Business Area	Transition Risk Exposure	Physical Risk Exposure	Overall Climate VaR
Agrochemicals	High	Low–Medium	Medium–High
Specialty Chemicals	Medium–High	Low	Medium
Fruits / Agricultural Products	Low	High	Medium–High
Group Supply Chain	Medium	Medium	Medium

This analysis indicates that the Group's **most significant transition risk exposure lies within the chemicals portfolio**, where regulatory developments and product reformulation requirements may influence operating costs and research investment.

Conversely, **physical climate risk exposure is more concentrated within agricultural activities**, particularly where crop productivity may be affected by climatic variability.

Mitigation and Resilience Measures

Several existing initiatives help reduce the Group's overall Climate VaR exposure:

- **Renewable energy adoption**, including solar generation of approximately **549,833 kWh**, which offsets around **16.91% of electricity consumption** and partially mitigates energy transition risk.
- **Product stewardship and portfolio transition**, including the reduction of highly toxic Class I products to **2.17%**, which reduces exposure to regulatory restrictions and product bans.
- **Diversified business model**, which balances exposure between chemicals manufacturing and downstream agricultural activities.
- **Integration of sustainability risks into enterprise risk management**, enabling climate-related developments to be reviewed alongside financial and operational risks.

Together, these measures strengthen the Group's ability to manage both transition and physical climate risks while supporting long-term operational resilience.

SUSTAINABILITY STATEMENT

cont'd

Future Enhancement of Climate VaR Analysis

As the Group continues to strengthen its sustainability reporting capabilities, the Climate VaR assessment will be progressively refined. Future reporting cycles may incorporate:

- expanded quantitative financial modelling of climate risk exposure
- enhanced analysis of energy price and carbon pricing scenarios
- expanded Scope 3 emissions assessment across the value chain

These developments will support more detailed evaluation of climate-related financial risks and opportunities while further aligning the Group's disclosures with evolving international sustainability reporting expectations.

The Group **recognises that climate-related risks and sustainability considerations are increasingly relevant to long-term business resilience and value creation**. Accordingly, Hextar continues to strengthen its governance, risk management and operational practices to ensure that environmental and climate-related risks are appropriately identified, monitored and mitigated. Sustainability considerations are **integrated within the Group's enterprise risk management processes**, allowing the Board and management to oversee emerging developments in regulatory requirements, energy transition dynamics and climate variability. Through initiatives such as renewable energy adoption, continuous product stewardship improvements and enhanced regulatory compliance monitoring, the Group is actively managing potential exposures while supporting responsible and sustainable business practices. These efforts are **undertaken in alignment** with applicable regulatory frameworks, Bursa Malaysia's sustainability reporting expectations and Malaysia's national sustainability priorities, reinforcing the **Group's commitment to responsible growth and long-term stakeholder value**.

SUSTAINABILITY TARGETS AND PERFORMANCE SCORECARD

To strengthen transparency and accountability in sustainability management, the Group has established a Sustainability Targets and Performance Scorecard to monitor key environmental, social and governance ("ESG") indicators across its operations. The scorecard provides a structured mechanism to track progress against sustainability commitments and enables the Board and Management to evaluate performance against defined targets.

The scorecard is designed in alignment with internationally recognised sustainability disclosure frameworks, including IFRS S1: General Requirements for Sustainability-related Financial Disclosures and IFRS S2: Climate-related Disclosures. These standards emphasise the integration of sustainability considerations into governance structures, strategy development, risk management processes and performance measurement.

By establishing measurable indicators and targets, the Group aims to strengthen sustainability oversight, support responsible decision-making and enhance long-term value creation. Sustainability performance is periodically reviewed by management and reported to the Board to ensure continued progress in managing environmental impacts, supporting employee wellbeing and maintaining high standards of corporate governance.

Sustainability Performance Scorecard

Sustainability Pillar	Indicator	FY2025 Performance	Target / Direction	IFRS Alignment
Climate & Environment	Scope 1 & Scope 2 GHG emissions	Reported	Progressive reduction over time	IFRS S2
	Renewable energy generation	~15% electricity offset at manufacturing facilities.	Increase renewable energy adoption	IFRS S2
	Energy consumption	Monitored	Improve energy efficiency	IFRS S2
	Waste management	Tracked	Reduce operational waste	IFRS S1
	Environmental regulatory compliance	No breaches	Maintain full compliance	IFRS S1

SUSTAINABILITY STATEMENT

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Sustainability Pillar	Indicator	FY2025 Performance	Target / Direction	IFRS Alignment
Workforce & Social	Employee turnover rate	Reported	Maintain stable workforce	IFRS S1
	Workforce diversity (male/female)	Reported	Improve gender balance	IFRS S1
	Training hours per employee	Reported	Continuous capability development	IFRS S1
	Workplace safety performance	Monitored	Strengthen safety culture	IFRS S1
Product Responsibility	Product safety compliance	Monitored	Maintain regulatory compliance	IFRS S1
	Research & development initiatives	Ongoing	Enhance sustainable product innovation	IFRS S1
Governance & Ethics	Anti-corruption training	Implemented	Maintain 100% compliance	IFRS S1
	Board governance oversight	Active	Continuous governance improvement	IFRS S1
	ESG risk integration	Integrated in ERM	Strengthen climate risk monitoring	IFRS S2

Area	KPI	Target	FY2025
Climate	GHG emissions	Net zero 2050 Scope 1 & Scope 2 reduce by 10% by 2030	↓6.9%
Energy	renewable electricity at Manufacturing Facilities.	10% by 2030	16.9%
Safety	lost time injuries	zero	achieved
Workforce	turnover	<8%	7.46%

DATA INTEGRITY AND ASSURANCE

The Group recognises that the credibility of sustainability reporting depends on the accuracy, reliability and consistency of the underlying data. Sustainability information disclosed in this report is compiled through internal reporting processes involving relevant operating subsidiaries and functional departments. Environmental, social and governance data are collected from operational units and consolidated at the Group level for review and validation prior to disclosure.

Data governance is supported by the Group's broader risk management and internal control framework. The Board of Directors maintains overall responsibility for the effectiveness of the Group's governance processes, while management oversees the collection, verification and consolidation of sustainability-related information. These processes help ensure that the data reported reflects operational performance and aligns with internal management records.

This report has been subjected to Limited Assurance by Eco Asia Governance Advisory Sdn Bhd in the capacity of our Internal Auditor. At the same time the Group continues to enhance its sustainability data management practices as reporting frameworks evolve. As data systems and reporting capabilities mature, the Group will evaluate opportunities to progressively strengthen verification processes and consider reasonable independent assurance to further enhance transparency and stakeholder confidence.

SUSTAINABILITY STATEMENT

cont'd



LIMITED STATEMENT OF ASSURANCE ON HEXTAR GLOBAL BERHAD'S ("HEXTAR GLOBAL" OR "THE COMPANY") SUSTAINABILITY STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

To: Board of Directors, Stakeholders and Interested Parties of Hextar Global Berhad.

Introduction and Objective

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

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

Methodology

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

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

- (i) interview and discussion with the key personnel who are responsible for collating relevant sustainability reporting information and writing various parts of the Statement;
- (ii) review internal and external supporting documentation;
- (iii) cross-reference and check on the qualitative and quantitative information collected from various sources;
- (iv) verify the specific sustainability performance data of the subject matters as narrated in the "Subject Matters" section below, on sampling basis; and
- (v) review the overall presentation of the Statement.

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

SUSTAINABILITY STATEMENT

cont'd



Scope and Subject Matters

The following common sustainability indicators relates to Hextar Global and all its subsidiaries, for the period from 01 January 2025 to 31 December 2025 ("**Reporting Period**").

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

No.	Common Sustainability Indicator	Areas Covered
1.	Anti-Corruption and Bribery	(i) Percentage of employees who have received training on anti-corruption by employee category; (ii) Percentage of operation assessed for corruption-related risks; and (iii) Confirmed incidents of corruption and action taken.
2.	Diversity	(i) Percentage of employees by gender and age group, for each employee category; and (ii) Percentage of directors by gender and age group.
3.	Energy Management	(i) Total energy consumption.
4.	Water Management	(i) Total volume of water used.
5.	Waste Management	(i) Total waste diverted from disposal; and (ii) Total waste directed to disposal.

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

Responsibility

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

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

SUSTAINABILITY STATEMENT

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Limitation

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

- (i) other information contained in Hextar Global's Annual Report for the FYE 2025;
- (ii) information/data of the Subject Matters outside of the Reporting Period; and
- (iii) data from any contractor or third-party.

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

Conclusion

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

Yours faithfully,

Eco Asia

Eco Asia Governance Advisory Sdn Bhd

Date: 06 April 2026

SUSTAINABILITY STATEMENT

cont'd

REPORTING FRAMEWORK INDEX - IFRS S1/IFRS S2 ALIGNMENT

IFRS S1 Pillar	IFRS Requirement	Sustainability Report Section
Governance	Board oversight of sustainability-related risks and opportunities	Sustainability Governance
	Management's role in assessing and managing sustainability-related risks	Sustainability Governance
	Climate-related governance oversight	Climate Governance
Strategy	Sustainability-related risks and opportunities affecting the business model	Sustainability Strategy
	Climate-related risks and opportunities	Climate Risk and Financial Impact
	Physical climate risks	Physical Risk
	Transition climate risks	Transition Risk
	Climate-related financial implications	Financial Implication
	Climate adaptation and resilience strategies	Climate Adaption
Risk Management	Processes to identify sustainability-related risks and opportunities	Sustainability Risk Identification
	Integration into enterprise risk management	Integration into Enterprise Risk Management
	Risk monitoring and mitigation processes	Risk Monitoring Process
	Sustainability-related risk oversight	Sustainability Governance
Metrics & Targets	Greenhouse gas emissions disclosure	Greenhouse Gas Emissions
	Renewable energy adoption	Renewable Energy Adoption
	Environmental performance metrics	Environmental Performance
	Social performance indicators	Social Performance
	Product stewardship and regulatory compliance metrics	SProduct Stewardship
	Sustainability targets and performance monitoring	Sustainability Targets and Performance Scorecard
	Data integrity and sustainability reporting processes	Data Integrity and Assurance
Climate Governance	Board oversight of climate-related risks and opportunities	Climate Governance
	Management's role in assessing climate-related risks	Climate Governance
Climate Strategy	Identification of climate-related risks and opportunities	Climate Risk and Financial Impact
	Physical climate risks affecting operations	Physical Risk
	Transition risks related to regulatory and market changes	Transition Risk
	Financial implications of climate risks and opportunities	Financial Implication
	Climate resilience and adaptation approach	Climate Adaptation

SUSTAINABILITY STATEMENT

cont'd

IFRS S1 Pillar	IFRS Requirement	Sustainability Report Section
Climate Risk Management	Integration of climate risks into enterprise risk management	Sustainability Risk Management
	Identification and monitoring of climate-related risks	Sustainability Risk Identification & Risk Monitoring Process
Climate Metrics & Targets	Scope 1 and Scope 2 greenhouse gas emissions	Greenhouse Gas Emissions
	Renewable energy adoption and energy transition initiatives	Renewable Energy Adoption
	Energy management initiatives	Energy Management
	Environmental performance monitoring	Environmental Performance
	Sustainability targets and climate-related performance indicators	Sustainability Targets and Performance Scorecard

The Group's Sustainability Report for FY2025 represents its initial alignment with the IFRS Sustainability Disclosure Standards, specifically IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2: Climate-related Disclosures. Through the integration of sustainability governance, strategy, risk management and performance metrics within this report, the Group seeks to provide transparent and decision-useful information on sustainability-related risks and opportunities that may influence long-term enterprise value. As sustainability reporting practices continue to evolve, the Group will progressively enhance its disclosures, including expanding climate-related analysis, strengthening data systems and incorporating additional metrics where appropriate to further align with emerging global sustainability reporting expectations.

Prescribed Table

Hextar Global Berhad
IFRS S2Date & Time: 2026-04-06_16:32:56
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Anti-Corruption	Employees trained on anti-corruption - Executives	Percentage	100	100	Internal
Anti-Corruption	Employees trained on anti-corruption - Non-Executives	Percentage	100	100	Internal
Anti-Corruption	Operations assessed corruption-related risk	Percentage	100	100	Internal
Community / Society	Total amount invested in the community where the target beneficiaries are external to the listed issuers	RM (MYR)	304,949	—	No assurance
Community / Society	Total number of beneficiaries of the investment in communities	Number	3,742	—	No assurance
Diversity	Employee by age group - Executive <30	Percentage	18	—	Internal
Diversity	Employee by age group - Executive 31-40	Percentage	34	—	Internal
Diversity	Employee by age group - Executive 41-50	Percentage	27	—	Internal
Diversity	Employee by age group - Executive >50	Percentage	21	—	Internal
Diversity	Employee by age group - Non-Executive <30	Percentage	28	—	Internal
Diversity	Employee by age group - Non-Executive 31-40	Percentage	37	—	Internal
Diversity	Employee by age group - Non-Executive 41-50	Percentage	24	—	Internal
Diversity	Employee by age group - Non-Executive >50	Percentage	11	—	Internal
Diversity	Directors by Ethnicity - Malay	Percentage	33	—	No assurance

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SUSTAINABILITY STATEMENT

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Prescribed Table

Hextar Global Berhad

IFRS S2

Date & Time: 2026-04-06_16:32:56
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Directors by Ethnicity - Chinese	Percentage	67	—	No assurance
Diversity	Directors by gender - Male	Percentage	67	—	Internal
Diversity	Directors by gender - Female	Percentage	33	Min 30% by FY2025	Internal
Diversity	Directors by age - Under 50	Percentage	33	—	Internal
Diversity	Directors by age - Above 50	Percentage	67	—	Internal
Energy Management	Total Energy Consumption	kilowatt hour	3,329,320	—	Internal
Energy Management	Total electricity generated from renewable energy at manufacturing facilities	Percentage	16.91	At least 10% electricity at manufacturing facilities from renewable energy by 2030	No assurance
Health and Safety	Number of work-related fatalities	Number	0	Zero	No assurance
Health and Safety	Lost Time Incident Rate (LTIR)	Number	0	Zero	No assurance
Health and Safety	Number of employees trained on Health and Safety Standards	Number	254	—	No assurance
Labour Practices and standards	Total hours of training by category - Executives	Hours	3,219	—	No assurance
Labour Practices and standards	Total hours of training by category - Non-Executives	Hours	2,113	—	No assurance
Labour Practices and standards	Employees who are contractors / temporary staff	Percentage	6	—	No assurance
Labour Practices and standards	Total number of employee turnover	Percentage	746	—	No assurance
Supply Chain Management	Proportion of spending on local suppliers	Percentage	59	—	No assurance
Data Privacy and Security	Numbers of substantiated complains concerning breaches of customer privacy and losses of customers' data	Number	0	—	No assurance

SUSTAINABILITY STATEMENT

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Prescribed Table

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CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of Hextar Global Berhad (“Hextar” or “the Company”) is committed to upholding high standards of corporate governance across the Company and its subsidiaries (“the Group”) to safeguard stakeholders’ interests and enhance long-term value.

The Corporate Governance Overview Statement (“Statement”) summarised the Company’s application of the principles and practices outlined in the Malaysian Code on Corporate Governance (“MCCG”) during the financial year ended 31 December 2025 (“FY2025”).

This statement is prepared in compliance with the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and should be read together with the Company’s CG Report 2025 (“CG Report”), which is available on the corporate website at <https://www.hextarglobal.com/ir.php>.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART I – BOARD RESPONSIBILITIES

Board’s Duties and Responsibilities

The Board oversees the Group’s business operations and performance, and is collectively accountable for the Group’s long-term sustainability and success. The Board meets regularly to review the corporate strategies, operational performance, and key developments across the Group’s business segments, and exercises independent judgement in overseeing matters relating to performance, resource allocation, standards of conduct and environmental, social and governance (“ESG”) considerations that support the Group’s sustainability agenda.

The day-to-day management of the Group’s operations are delegated to the Group Managing Director, Executive Director, and Senior Management, with regular updates provided to the Board. All management responsibilities are channelled through the Group Managing Director, Madam Lee Chooi Keng who holds principal obligations in driving the Group’s strategic execution, overseeing operations and ensuring effective communication of the Company’s goals and objectives.

To effectively discharge its duties and responsibilities, the Board has delegated specific responsibilities to the following Board Committees as outlined in their respective Terms of Reference (“TOR”):

- a) Audit Committee (“AC”);
- b) Risk Management Committee (“RMC”);
- c) Nomination and Remuneration Committee (“NRC”);
- d) Whistleblowing Committee (“WBC”); and
- e) Sustainability Committee.

On 17 December 2025, the Chairman together with all Non-Executive Directors (“NED”) met to deliberate key matters concerning the Group’s strategy, governance, and operations. The NED discussion was facilitated by the Company Secretary to ensure the robust deliberation, and a summary report was subsequently tabled to the Board for deliberation. Management was then advised on necessary improvements and actions to strengthen the Group’s strategy and operations.

With the support of the Board Committees and Senior Management, the Board is able to discharge its roles effectively and in the best interests of the Company and its stakeholders.

Chairman of the Board & Separation of Positions between the Chairman and Group Managing Director

The Chairman of the Board, Y.D.H. Professor Dato’ Sri Dr. Erwan Bin Dato’ Haji Mohd Tahir (“Y.D.H. Professor Dato’ Sri Dr. Erwan”), provides leadership to the Board and oversees its overall effectiveness in discharging its duties and responsibilities. He promotes sound corporate governance practices, facilitates orderly and productive Board deliberations, and ensures that the Board receive adequate and timely information to support decision-making.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

PART I – BOARD RESPONSIBILITIES (CONT'D)

Chairman of the Board & Separation of Positions between the Chairman and Group Managing Director (Cont'd)

The Chairman was a member of the AC, NRC and RMC as at 31 December 2025. During the financial year, his independence and objectivity in Board deliberations were not impaired, as he maintained an independent role and was not involved in the day-to-day management or in the formulation and implementation of the Group's strategies and operations. In line with good governance practices, he subsequently resigned from the AC, NRC and RMC following the appointment of a new Independent Non-Executive Directors ("INED") on 1 January 2026.

The roles of the Chairman of the Board and the Group Managing Director are held by different individuals, each with clearly defined and distinct roles. Their roles are formally documented in the Company's Board Charter to ensure a balance of power and authority between the Chairman and the Group Managing Director:

CHAIRMAN Y.D.H. Professor Dato' Sri Dr. Erwan	GROUP MANAGING DIRECTOR Madam Lee Chooi Keng
➤ Providing leadership to the Board. ➤ Setting the Board agenda. ➤ Ensuring that the Board discharges its duties efficiently and effectively. ➤ Ensuring that the Board receives all relevant, complete and timely information. ➤ Leading the Board in establishing and monitoring good governance practices. ➤ Encouraging active participation and dissenting views from the Board. ➤ Ensuring that appropriate steps are taken in order to provide effective communication with stakeholders. ➤ Discussing the Group's strategic, governance and operational issues with Non-Executive Directors annually.	➤ Responsible for day-to-day operations of the Group's business and the implementation of the agreed business policies and directions set by the Board and of all operational decisions in managing the Group. ➤ Ensuring all applicable rules and regulations for the conduct of affairs are in compliance and performed at the highest level of integrity and transparency. ➤ Developing and implementing the Group's short & long terms corporate strategies, the Board's suggestions, decisions and complying with the policies adopted by the Company. ➤ Maintaining awareness of the competitive market landscape, expansion, opportunities, and industry developments. ➤ Assessing all business opportunities which are potentially beneficial to the Group.

Company Secretary

The Board is supported by three (3) qualified and competent Company Secretaries who provide sound governance advice. They are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016. The Group's secretarial function is outsourced to Boardroom.com Sdn Bhd.

The Company Secretaries support the Board in ensuring that proper procedures are followed and that the Group complies with applicable laws, rules and regulations, as well as the Company's Constitution, procedures and policies. They also facilitate effective communication between the Board, Board Committees and Management, advise on governance and compliance matters, and keep the Board informed of relevant statutory and regulatory developments.

During FY2025, the Company Secretaries facilitated the Board Effectiveness Assessment ("BEA") and coordinated the NED Discussion to discuss on key matters relating to the Group's strategy, governance and operations, with summary report subsequently tabled to the Board for deliberation.

The roles and responsibilities of the Company Secretaries are outlined in the Company's Board Charter on the corporate website at <https://www.hextarglobal.com/ir.php>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

PART I – BOARD RESPONSIBILITIES (CONT'D)

Board Meetings, Access to Meeting Materials, Information and Advice

The Board's commitment in discharging its duties and responsibilities is reflected through their active participation and attendance at the meetings. During FY2025, the Board held a total of seven (7) meetings, comprising five (5) scheduled meetings to review the Group's operational and financial performance and two (2) additional meetings convened to deliberate on urgent and material matters.

To facilitate robust Board discussion, Directors are provided with structured agendas and relevant meeting materials at least five (5) business days prior to each meeting, where practicable, with hard copies made available upon request. Where papers are finalised closer to the meeting date, available materials are circulated first, followed by the remaining papers as soon as practicable. Management supports the Board by providing complete, adequate and timely information to enable informed decision-making.

The minutes of the meetings accurately reflect the deliberations and decisions of the Board, and throughout the meetings held, and any Directors who had interested in any matter and corporate proposal had abstained from deliberations and voting on such matters.

The Board and Board Committees discharged their roles, duties, and responsibilities in accordance with the Board Charter and TOR of the respective Board Committees. The attendance of the Directors and Committee Members at the meetings for FY2025 are as follows:

Name of Directors	Number of Meetings Attended/Held					
	Board	AC	RMC	NRC	AGM	NED*
Y.D.H. Professor Dato' Sri Dr. Erwan	7/7	7/7	2/2	2/2	1/1	1/1
Dato' Ong Soon Ho	7/7	-	-	-	1/1	1/1
Lee Chooi Keng	7/7	-	2/2	-	1/1	-
Rayburn Azhar Bin Ali	7/7	-	-	-	1/1	-
Yeoh Chin Hoe	7/7	7/7	2/2	2/2	1/1	1/1
Liew Jee Min @ Chong Jee Min ^[1]	4/4	4/4	-	1/1	1/1	-
Chew Chui Wa ^[2]	2/2	2/2	-	-	-	1/1
Dato' Ong Chong Yi ^[3]	-	-	-	-	-	-

Notes:

* Non-Executive Directors' ("NED") discussion was held on 17 December 2025.

^[1] Resigned as Independent Non-Executive Director ("INED") with effect from 15 October 2025.

^[2] Appointed as INED with effect from 17 November 2025.

^[3] Appointed as INED with effect from 1 January 2026.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

PART I – BOARD RESPONSIBILITIES (CONT'D)

Directors' Training

In accordance with Paragraph 15.08(3) of the Listing Requirements, the Board is committed to ensuring that its members possess the necessary knowledge and skills to effectively discharge their responsibilities. The Board emphasises continuous professional development to enable Directors to remain abreast of evolving business and regulatory developments, as well as industry best practices.

During FY2025, the Board members have undertaken the following trainings:

No	Programme Title
1	Environmental, Social and Governance (ESG) Awareness Training Course
2	Common Pitfalls in Transactions & RPT Rules
3	Building a Cohesive Leadership Team
4	Occupational First Aid & CPR Training
5	Thinking for Humans
6	The Journey into the AI Age: Game Changer for your Digital Transformation Era
7	Key Collaborative Leadership Program by Vistage – Ernest Wong
8	Key Collaborative Leadership Program by Vistage – Nick Ong

Board Charter, Corporate Code of Conduct & Ethics and Policies

(i) Board Charter and Policies

The Board Charter sets out the roles, responsibilities and authority of the Board, Board Committees and individual Directors, Board composition, Board procedures, and the Code of Conduct. The Board Charter also clearly defines the matters which reserves a formal schedule of matters for the Board's deliberation and approval, as follows:



CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

PART I – BOARD RESPONSIBILITIES (CONT'D)

Board Charter, Corporate Code of Conduct & Ethics and Policies (Cont'd)

(i) Board Charter and Policies (Cont'd)

Apart from establishing the Board Charter and the TOR of the respective Board Committees, the following policies had been adopted by the Board to ensure proper governance is practiced by the Company and across the Group:

- | | |
|--|--|
| • Anti-Bribery and Corruption Policy & Procedures | • Supply Chain Policy |
| • Corporate Code of Ethics and Conduct | • Dispute Resolution Policy |
| • Conflict of Interest Policy | • Remuneration Policy |
| • Directors' Fit and Proper Policy | • Environmental Social and Governance ("ESG") Policy |
| • Diversity Policy for Board and Senior Management | • Labour Rights Policy |
| • Insider Trading Policy | • Prevention and Eradication of Drug, Alcohol and Substance Abuse ("PEDAS") Policy |
| • Related Party Transaction Policy and Procedures | • Non-discrimination Policy |
| • Harassment Policy | |
| • Whistleblowing Policy | |
| • External Auditors Policy | |

The Company has also adopted a Corporate Code of Conduct and Ethics, together with supporting policies and procedures, which set out the standards of ethical conduct expected of Directors and employees. These frameworks provide guidance on managing conflicts of interest and other ethical matters, promote integrity and accountability, and establish channels for reporting misconduct. The Board oversees the implementation of these frameworks to ensure compliance and uphold good corporate governance practices across the Group.

(ii) Whistleblowing Policy

The Company has established a Whistleblowing Policy which provides a formal and confidential channel for employees and the public to report suspected misconduct, supporting the Group's commitment to upholding high standards of integrity, accountability and ethical conduct in line with good corporate governance practices.

The Chairperson of the Whistleblowing Committee, Mr Yeoh Chin Hoe, the Senior Independent Non-Executive Director, is responsible for receiving and overseeing the review and investigation of reported concerns. Reports may be submitted directly to the Chairperson via email at whistleblower@hextar.com and may be made in confidence and without fear of retaliation, with the identity of the whistleblower and the information provided kept strictly confidential.

The Whistleblowing Policy is available on the corporate website at <https://www.hextarglobal.com/ir.php>.

(iii) Anti-Bribery and Corruption Policy & Procedures

With the enforcement of the Malaysian Government on Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Board had adopted an Anti-Bribery and Corruption Policy ("ABC Policy"), which sets out the Group's principles and procedures to prevent bribery and corruption in the course of business. The ABC Policy is available on the corporate website at <https://www.hextarglobal.com/ir.php>.

The Anti-Bribery and Corruption updates would be reported to the RMC by the Company's Compliance Officer during the RMC meetings held twice a year, covering areas such as awareness and training programmes, due diligence on service providers, compliance undertakings and whistleblowing reports, if any.

In accordance with the Guidelines on Adequate Procedure issued by Prime Minister's Department, the Group has assigned a competent person to oversee all anti-corruption compliance matters.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

PART I – BOARD RESPONSIBILITIES (CONT'D)

Board Charter, Corporate Code of Conduct & Ethics and Policies (Cont'd)

(iv) Sustainability

The Board, together with Senior Management, is responsible for overseeing the Group's sustainability agenda, including setting the sustainability strategies, priorities and targets, and ensuring that sustainability considerations are integrated into the Group's overall business strategy.

The Board is supported by the following sustainability governing bodies in discharging their responsibilities:

ESG COMMITTEE

- Comprising senior management representatives across key functions, including Health & Safety, Social Compliance & Governance, Human Resources, Finance, Risk & Compliance, and Madam Lee Chooi Keng, a Board Member acting as advisor.
- Oversees implementation of sustainability strategies, monitors progress against targets, recommends improvement initiatives and facilitates cross-functional collaboration.

DEPARTMENT SUSTAINABILITY WORKING GROUP ("DSWR")

- Comprising representatives from various departments within the Group, such as Human Resource, Finance, Culture, Information Technology and Corporate Department.
- Implements sustainability initiatives at operational level, translates strategies into action plans and monitors progress of initiatives.

The Board, through its RMC, receives updates on sustainability matters twice a year, including sustainability performance, key initiatives and related risks, to support effective oversight and decision-making.

The Company has adopted an ESG Policy and remains committed to embedding sustainable practices across its operations, supported by employee awareness programmes, stakeholder engagement and continuous monitoring of sustainability performance. The Board is satisfied that the current governance structure and Board composition possess the necessary capabilities to oversee sustainability matters and address sustainability-related risks and opportunities. The ESG Policy is available on the corporate website at <https://www.hextarglobal.com/ir.php>.

The Company maintains ongoing communication with stakeholders on its sustainability matters and performance. Further details on the Group's sustainability initiatives, targets and achievements are set out in the Sustainability Statement in this Annual Report and on the Company's corporate website at <https://www.hextarglobal.com/our-sustainability/>.

The Board Charter, TOR of the respective Board Committees and the Company's policies and procedures will be periodically reviewed. On 17 November 2025, the Board reviewed and approved amendments to the Board Charter and the respective TOR, and are available on the corporate website at <https://www.hextarglobal.com/ir.php>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

PART I – BOARD RESPONSIBILITIES (CONT'D)

Board Size, Composition and Diversity

As at 31 December 2025, the Board comprised six (6) Directors, consisting of three (3) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director and two (2) Executive Directors, one of whom serves as the Group Managing Director.

Following the appointment of one (1) Independent Non-Executive Director on 1 January 2026, the Board comprises seven (7) Directors, including four (4) Independent Non-Executive Directors, as at the date of this Statement.

The Board composition complies with Paragraph 15.02 of the Listing Requirements, which requires a minimum of two (2) or one-third (1/3) of the Board (whichever is higher) to be Independent Directors. As a result of the above, the Company has adopted Practice 5.2 of the MCCG as part of the Company's initiative, with a majority of Independent Directors on the Board, demonstrating its commitment to strengthening board independence and maintaining compliance with relevant regulatory requirements moving forward.

Board of Directors

As at the date of this Statement, the Board of Directors comprises the following members:

Independent Non-Executive Directors

- Y.D.H. Professor Dato' Sri Dr. Erwan (*Chairman*)
- Yeoh Chin Hoe (*Senior Independent Non-Executive Director*)
- Chew Chui Wa (*Independent Non-Executive Director*) - appointed on 17 November 2025
- Dato' Ong Chong Yi (*Independent Non-Executive Director*) - appointed on 1 January 2026

Non-Independent Non-Executive Director

- Dato' Ong Soon Ho (*Vice Chairman*)

Executive Directors

- Lee Chooi Keng (*Group Managing Director*)
- Rayburn Azhar Bin Ali (*Executive Director*)

Tenure of Independent Directors

As at 31 December 2025, none of the Independent Directors have served on the Board for more than nine (9) consecutive years. The Company's Board Charter has indicated that an Independent Director who has served beyond nine (9) years may either continue to serve on the Board as a Non-Independent Director or be retained as an Independent Director subject to NRC's assessment and shareholders' approval through two-tier voting.

Y.D.H. Professor Dato' Sri Dr. Erwan, who has served as the Independent Non-Executive Chairman since 22 May 2017, and Mr Yeoh Chin Hoe will both reach the nine (9)-year tenure limit on 22 May 2026. Y.D.H. Professor Dato' Sri Dr. Erwan will retire at the conclusion of the forthcoming 35th AGM, and the Board records its appreciation for his leadership and significant contributions to the Group during his tenure. The Board will also seek shareholders' approval for Mr Yeoh Chin Hoe's retention as a Senior Independent Director at the forthcoming 35th AGM via two-tier voting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

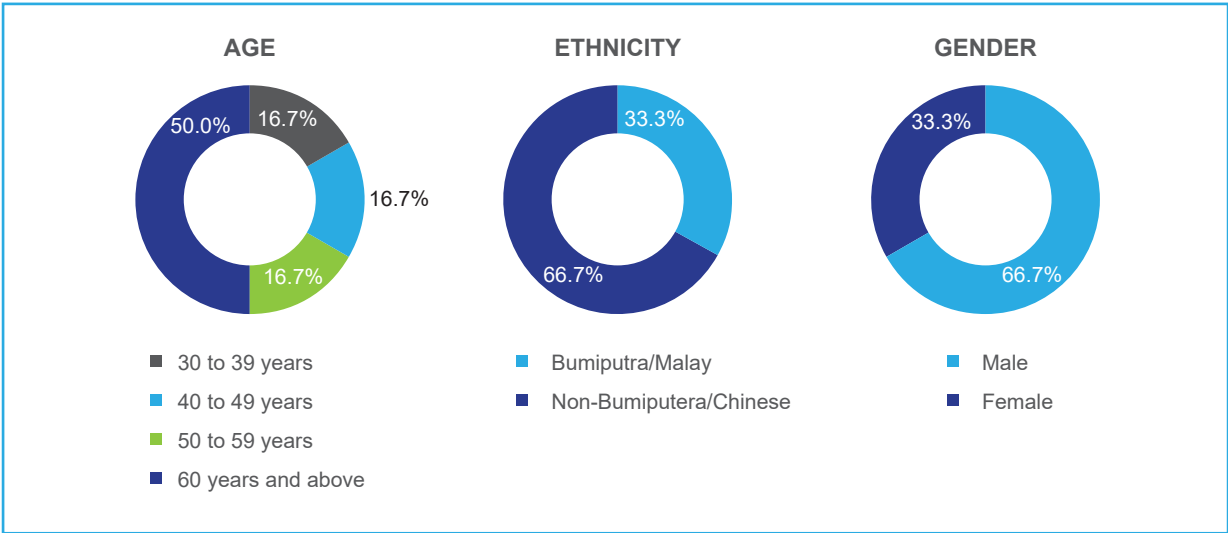
PART I – BOARD RESPONSIBILITIES (CONT'D)

Diversity of the Board and Senior Management

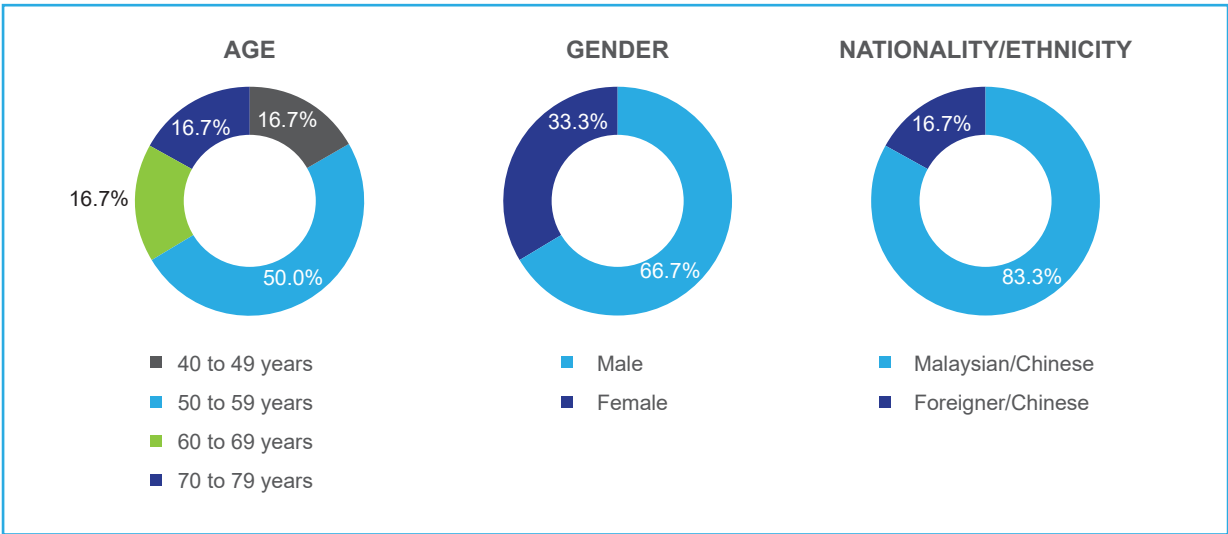
The Board recognises the significance of providing fair and equal opportunities and nurturing diversity within the Group. The Board is committed to ensuring diversity (including diversity in skills, experience, age, cultural background, and gender) in its composition and the Senior Management to ensure there is variety of professional opinion and value that can be contributed to the growth of the Company and in the best interests of the Company.

The Diversity of the Board and the Senior Management in FY2025 is as follows.

(i) Diversity of the Board



(ii) Diversity of the Senior Management



CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

PART I – BOARD RESPONSIBILITIES (CONT'D)

Diversity of the Board and Senior Management (Cont'd)

The Board recognises the importance of diversity in enhancing its effectiveness and building a sustainable leadership pipeline. The Company has adopted a Diversity Policy for the Board and Senior Management, in line with Practice 5.10 of the MCGG, which promotes appointments based on merit and diversity in skills, experience, age, cultural background and gender. Following the appointment of Ms Chew Chui Wa as an Independent Non-Executive Director in FY2025, female representation on the Board increased to 33.33%, in line with Practice 5.9 of the MCGG, which recommend at least 30% women representation on the Board.

The Senior Management team comprised six (6) members, of whom two (2) were women, representing 33.33% female representation and exceeding the Company's target of at least 20% under its Diversity Policy. The Board remains committed to maintaining gender diversity and will continue to identify suitable female candidates to enhance the Board's composition in line with MCGG best practices.

Nomination and Remuneration Committee

The members of the NRC consist exclusively of INED, in line with Practice 5.8 of the MCGG, which recommends that the NRC be chaired by an Independent Director or Senior Independent Director. The composition of the NRC is as follows:

Name	Position	Designation
Liew Jee Min @ Chong Jee Min (resigned on 15 October 2025)	Chairperson	Independent Non-Executive Director
Yeoh Chin Hoe	Member / Chairperson*	Senior Independent Non-Executive Director
Y.D.H. Professor Dato' Sri Dr. Erwan (resigned on 1 January 2026)	Member	Independent Non-Executive Director
Chew Chui Wa (appointed on 17 November 2025)	Member	Independent Non-Executive Director
Dato' Ong Chong Yi (appointed on 1 January 2026)	Chairman	Independent Non-Executive Director

*Mr Yeoh Chin Hoe held position as a member prior to 15 October 2025, was redesignated as Chairperson from 15 October 2025 to 1 January 2026, and subsequently redesignated as a member with effect from 1 January 2026.

Notwithstanding the changes to the composition, the NRC continued to comprise solely Independent Non-Executive Directors, thereby ensuring objectivity and independence in the nomination and succession planning processes.

The TOR of the NRC is available on the corporate website at <https://www.hextarglobal.com/ir.php>.

Nomination Functions

(i) Board Effectiveness Assessment

The Board, through its NRC, conducts Board Effectiveness Assessment ("BEA") to evaluate the effectiveness of the Board, Board Committees and individual Directors, as well as to ensure that the Board has an appropriate mix of skills, experience, knowledge and independence aligned with the objectivities and strategies of the Company.

In FY2025, the BEA was conducted through a structured questionnaire and self and peer evaluation process facilitated by the Company Secretarial function. The assessment covered, among others, the performance of the Board as a whole, Board Committees, individual Directors and the independence of Independent Directors. The results were reviewed and deliberated by the NRC before being presented to the Board. Based on the assessment, the Board was satisfied that it had discharged its duties effectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

PART I – BOARD RESPONSIBILITIES (CONT'D)

Nomination Functions (Cont'd)

(i) Board Effectiveness Assessment (Cont'd)

The assessment also identified areas for further enhancement, including strengthening Directors' training and development, enhancing the depth of strategic deliberations at Board level, reinforcing awareness on access to independent professional advice, and broadening the Board's expertise in areas such as digitalisation, technology, cybersecurity and environmental, social and governance ("ESG") matters. These initiatives will be implemented on an ongoing basis to further strengthen the Board's effectiveness and governance practices.

(ii) Re-election of Directors in FY2025

The Company has adopted a Directors' Fit and Proper Policy in compliance with Paragraph 15.01A of the Listing Requirements, which facilitates the NRC and the Board in conducting fit and proper assessments prior to the appointment of any candidate as a Director or the recommendation for re-election of existing Directors.

The NRC, at its meeting held on 19 January 2026, reviewed and deliberated on the results of the Fit and Proper assessment and the BEA for FY2025, including areas such as performance, quality of contributions, level of engagement, understanding of roles and responsibilities, and the independence of Independent Directors. Based on the NRC's recommendation, the Board recommended to shareholders the re-election of Dato' Ong Soon Ho and Rayburn Azhar Bin Ali, who are due to retire at the 35th AGM in accordance with Clause 127 of the Company's Constitution, based on the following justifications:

- Their relevant mix of experience, skills, industry knowledge on business, expertise and core competency that is beneficial to the Company.
- Their fulfilment of the criteria set out in the Directors' Fit and Proper Policy.
- Their active participation and constructive contributions during board deliberations.
- Their commitment in devoting adequate time in discharging their duties and responsibilities as Directors, work constructively with other Board members, attend meetings with well preparation and add values to Board meetings.

(iii) Appointment of new Directors

During FY2025, two (2) candidates were presented by the Management to the NRC for consideration for appointment as Independent Non-Executive Directors. In identifying suitable candidates to enhance the Board's overall effectiveness, the NRC considered the current Board composition and skills matrix, taking into account a casual vacancy arising from the resignation of a Director and the impending tenure of certain Independent Directors. The NRC determined that the appointment of two (2) Independent Directors was appropriate to maintain an effective Board composition and ensure continuity in Board leadership.

The NRC subsequently assessed the candidates by evaluating their experience, expertise, independence and overall suitability, including a review of their curriculum vitae, professional experience and Fit and Proper declarations. The NRC was satisfied that both candidates possessed the requisite experience, competencies and attributes to contribute effectively to the Board. Ms Chew Chui Wa brings extensive experience in auditing, investment banking and corporate advisory, while Dato' Ong Chong Yi offers broad experience in public administration, international trade and diplomacy, providing valuable strategic insights and strengthening governance oversight.

Based on the recommendation of the NRC, the Board approved the appointments of Ms Chew Chui Wa and Dato' Ong Chong Yi as Independent Non-Executive Directors with effect from 17 November 2025 and 1 January 2026, respectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

PART I – BOARD RESPONSIBILITIES (CONT'D)

Nomination Functions (Cont'd)

(vi) Retention of Mr Yeoh Chin Hoe as a Senior INED of the Company

The NRC deliberated on the proposal to retain Mr Yeoh Chin Hoe as a Senior INED of the Company. In assessing his independence, the NRC considered his ability to exercise independent judgement, provide objective challenge during Board deliberations, as well as his active participation and constructive contributions to the Board and Board Committees. The NRC was satisfied that he has remained objective and independent in the discharge of his duties.

The NRC further noted that Mr Yeoh's extensive experience and leadership as Chairman of the Audit Committee continue to provide valuable oversight, particularly in strengthening the Group's governance framework, internal control environment and financial oversight. His continued service is also beneficial in providing guidance to the Board in relation to the Group's ongoing corporate exercises, including the Proposed Acquisition, Related Party Transaction which are currently in progress.

The Board, upon the recommendation of the NRC, approved the proposed retention of Mr Yeoh and recommended to shareholders for approval at the 35th AGM via two-tier voting.

PART II – REMUNERATION

Remuneration Functions

The NRC is responsible for reviewing and recommending the remuneration of Directors and Senior Management in accordance with the Company's Remuneration Policy, which has been adopted in line with Practice 7.1 of the MCCG. The Remuneration Policy ensures that remuneration is fair, competitive and aligned with responsibilities and performance, while supporting the Group's long-term objectives.

The TOR of the NRC, outlining its duties and responsibilities, as well as the Remuneration Policy, are available on the Company's corporate website at <https://www.hextarglobal.com/ir.php>.

The details of the remuneration of individual Directors of the Company and the Group on a named basis for the FY2025 are tabulated as follows:

Name of Directors	Company		Group			
	Directors' Fee (RM'000)	Meeting Allowance (RM'000)	Salary (RM'000)	Bonus (RM'000)	Benefits-in-Kind (RM'000)	Other Emoluments (RM'000)
Y.D.H. Professor Dato' Sri Dr. Erwan	78	9	-	-	-	-
Dato' Ong Soon Ho	60	8	-	-	-	-
Lee Chooi Keng	-	-	750	250	280	38
Rayburn Azhar Bin Ali	-	-	720	-	128	2,122*
Yeoh Chin Hoe	66	9	-	-	-	-
Chew Chui Wa ^[1]	7	2	-	-	-	-
Liew Jee Min @ Chong Jee Min ^[2]	50	6	-	-	-	-
Total	264	35	1,260	245	408	2,160

*Included Directors' Profit Sharing and Benefits

^[1] appointed on 17 November 2025

^[2] resigned on 15 October 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

PART II – REMUNERATION (CONT'D)

Remuneration Functions (Cont'd)

The remuneration paid to the Senior Management during FY2025, is as follows:

Range of Remuneration	Number of Senior Management
Below RM400,000	1
RM400,001 – RM500,000	2
RM500,001 – RM600,000	0
RM600,001 – RM700,000	3

With regards to the disclosure of remuneration of the Group's top 6 Senior Management, the Company was of the view that it would not be in its best interest to make such disclosure on a named basis in view of the competitive nature of human resource market in the industries the Group operate, and the Company should also protect the confidentiality of personal information such as employees' remuneration packages. The Board viewed that such disclosure may cause tension and unhealthy competition among Senior Management.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – AUDIT COMMITTEE

The AC comprises solely three (3) INED and is chaired by Mr Yeoh Chin Hoe, a Senior Independent Non-Executive Director. The positions of Chairman of the AC and Chairman of the Board are held by two (2) different individuals. Therefore, the objectivity of the Board's review of the AC's findings and recommendations will be preserved.

As of the date of this statement, none of the AC members was a former key audit partner of the Company. The criteria for a former key audit partner of the external audit firm to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC was clearly stated in the TOR of the AC and the Company's External Auditors Policy, which is in line with Practice 9.2 of the MCCG.

Name	Position	Designation
Yeoh Chin Hoe	Chairperson	Senior Independent Non-Executive Director
Liew Jee Min @ Chong Jee Min (resigned on 15 October 2025)	Member	Independent Non-Executive Director
Y.D.H. Professor Dato' Sri Dr. Erwan (resigned on 1 January 2026)	Member	Independent Non-Executive Director
Chew Chui Wa (appointed on 17 November 2025)	Member	Independent Non-Executive Director
Dato' Ong Chong Yi (appointed on 1 January 2026)	Member	Independent Non-Executive Director

On 17 November 2025, the NRC reviewed and approved revisions to its TOR on 17 November 2025. The revisions included the separation of provisions relating to conflicts of interest and related party transactions to provide clearer delineation of the AC's responsibilities in overseeing such matters.

The TOR of the AC, outlining its duties and responsibilities, as well as the External Auditors Policy, are available on the Company's corporate website at <https://www.hextaglobal.com/ir.php>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

PART I – AUDIT COMMITTEE (CONT'D)

The AC members have a wide range of skills and knowledge from accounting, finance, law, audit and business administration. All members of the AC are financially literate, competent and are able to understand matters tabled and deliberated in the meeting including the financial reporting process.

In order for the AC to discharge their responsibilities and duties effectively, the members participate in and attend relevant training or courses to keep themselves abreast of regulatory developments, financial reporting standards and other relevant rules and regulations.

External Auditors

The AC assists the Board in overseeing the suitability, objectivity and independence of the Company's External Auditors in accordance with the External Auditors Policy. In FY2025, the AC assessed the performance and independence of the External Auditors, Crowe Malaysia PLT, taking into consideration their competence, resources and quality of audit services. The AC obtained written confirmation from the External Auditors that they had maintained their independence and complied with the relevant professional and ethical requirements throughout the audit engagement, and was satisfied that the audit services rendered met the expectations of the AC and Management.

The AC was satisfied with their performance and recommended their re-appointment to the Board for shareholders' approval at the forthcoming AGM. The AC also reviews non-audit services to ensure that the auditors' independence is not impaired.

Internal Auditors

The AC oversees the internal audit function and reviews internal audit reports on a quarterly basis to ensure that appropriate corrective actions are taken by Management. In FY2025, the AC assessed the performance, independence, experience and adequacy of resources of the outsourced internal auditors, Eco Asia Advisory Sdn Bhd, and was satisfied with the quality of the internal audit services provided.

The AC also noted Management's proposal to establish an in-house internal audit function to further strengthen oversight, with the outsourced internal auditors continuing to support the Group until the completion of the transition.

The AC Chairman, together with Management, interviewed a suitable candidate for the internal audit function. On 17 November 2025, the AC was informed that the AC Chairman had interviewed and was satisfied with the proposed candidate, namely Mr Tee Er Wee, who was subsequently recruited as a General Manager. He is expected to commence internal audit activities from the first quarter 2026 and will report directly to the AC.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board is supported by the RMC and the AC continues to maintain and review its risk management processes and internal control procedures to ensure a sound system of risk management and internal control to achieve its strategic objectives, safeguard shareholders' investments and the assets of the Company and the Group.

The Chairperson of the RMC is the Group Managing Director of the Company, who is familiar with the Group's operations and is well positioned to identify, assess and monitor key business risks, as well as implement appropriate measures to safeguard the Group's assets. The RMC comprises a majority of INED, in line with Practice 10.3 of the MCCG. The composition of the RMC is as follows:

Name	Position	Designation
Lee Chooi Keng	Chairperson	Group Managing Director
Yeoh Chin Hoe	Member	Senior Independent Non-Executive Director
Y.D.H. Professor Dato' Sri Dr. Erwan (resigned on 1 January 2026)	Member	Independent Non-Executive Director
Dato' Ong Chong Yi (appointed on 1 January 2026)	Member	Independent Non-Executive Director

On 17 November 2025, the Board reviewed and approved revisions to the RMC's TOR to enhance its duties and responsibilities in line with current governance and sustainability requirements, including oversight of ESG-related risks, anti-bribery and corruption programmes, and closer coordination with the internal audit function.

The duties and responsibilities of the RMC are outlined in the RMC's TOR and are available on the corporate website at <https://www.hextarglobal.com/ir.php>.

The Group has established a structured risk management framework, which includes maintaining a risk register to identify, assess and monitor key risks, with corresponding mitigation plans implemented by Management. The RMC reviews the Group's key risk areas, mitigation measures and the overall effectiveness of the risk management framework at its meetings held during FY2025. The RMC's deliberations and recommendations are reported to the Board for consideration.

The effectiveness of the framework is further supported by an outsourced independent internal audit function, Eco Asia Governance Advisory Sdn Bhd, enabling it to perform its work objectively and without conflict of interest. The internal audit team works closely with Management in carrying out audit activities and presents its findings to the AC on a quarterly basis, providing independent assurance on the adequacy and effectiveness of the Group's risk management and internal control systems.

Details on the key features of the risk management and internal control system together with its adequacy and effectiveness can be found on pages 111 to 115 of the Statement on Risk Management and Internal Control, which is included in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

PART I – ENGAGEMENT WITH STAKEHOLDERS

The Company is fully committed in maintaining continuous and transparent communication with its stakeholders in compliance with the disclosure and continuing listing requirements of Bursa Malaysia. The Board ensures that accurate, timely and relevant information is disseminated to stakeholders to facilitate informed decision-making.

The Board has established effective communication channels to keep stakeholders informed of the Group's financial performance, corporate developments, governance practices and ESG initiatives, while ensuring equitable dissemination of information. These include the following channels of communication:

Bursa Malaysia Securities Berhad

- The Company releases all material announcements, including updates on material announcements such as material information, corporate exercise and the progress of the corporate development, to the shareholders and stakeholders in a timely manner, and the public in general may obtain such announcements from the website of Bursa Malaysia Securities Berhad.
- The Company also provides regular quarterly updates on its business operations and financial performance via press releases for the benefit of stakeholders.

Corporate Website

- The Company's corporate website, www.hextarglobal.com, incorporates an "Investor Relations" section which provides information such as stock information, interactive chart, annual reports, quarterly reports, corporate governance inclusive of Board Charter, terms of reference and policies, analyst briefing, general meetings and Bursa's announcement of the Company and are regularly updated and accessible by stakeholders.
- The corporate website also incorporates the "Our Sustainability" section to provide updates on the Group's sustainability initiatives, including ESG practices, climate-related considerations and performance against sustainability targets.

General telephone, fax, email address and direct message via corporate website

- The general telephone number, fax number and general enquiry email address of the Company are provided for the stakeholders to send in any enquiries to the Company directly.
- Stakeholders also have the option to instantly message the Company through the "Send Us a Message" feature under the "Contact Us" section that is available on the corporate website.

PART II – CONDUCT OF GENERAL MEETINGS

In addition to the channels of communication applied by the Company as described under Stakeholders Engagement above, the Company's general meetings serve as a principal forum for dialogue with shareholders. Shareholders are encouraged to engage with the Board at general meetings and to participate in voting on all resolutions.

The Company's 34th AGM was held at a physically accessible venue and conducted in a manner that promotes transparency, accountability and effective shareholder engagement. The Notice of AGM, together with the agenda and proxy form, was issued at least twenty-eight (28) days prior to the meeting, allowing shareholders sufficient time to consider the resolutions and make arrangements to attend or appoint proxies. In addition, the notice of AGM was accompanied by explanatory notes which provide further explanation on each proposed resolution to facilitate informed decision-making.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

PART II – CONDUCT OF GENERAL MEETINGS (CONT'D)

All Directors, Senior Management and External Auditors were present at the AGM to provide meaningful responses to the questions addressed to them. The Chairman ensured that shareholders were given adequate opportunity to raise questions and provide feedback, with responses provided during the meeting. All resolutions were voted by way of poll and validated by an independent scrutineer, with the results announced to Bursa Securities on the same day.

The minutes together with the questions and answers transpired at the AGM was published at the Company's Corporate website within the reasonable period for shareholders information.

STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF THE CODE

This Statement is prepared in compliance with Paragraph 15.25 of the Listing Requirement and it is advised to be read together with the Company's Corporate Governance Report 2025, which is available on the corporate website, <https://www.hextarglobal.com/ir.php>.

The Board is of the opinion that the Group has maintained the highest standards in Corporate Governance practices and compliances and remain fully committed to achieve the highest level of integrity and ethical standard in delivering the strategic objectives and sustainable performance of the Group over the long term.

This Statement was tabled and approved at the Board of Directors' Meeting held on 16 April 2026.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (“the Board”) is pleased to present the Statement on Risk Management and Internal Control for the financial year ended 31 December 2025 (“FY2025”), which outlines the key features of the Group’s risk management and internal control systems.

This Statement is made in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and is guided by Practices 10.1 and 10.2 of the Malaysian Code on Corporate Governance (“MCCG”) as well as the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITY

The Board recognises that effective risk management and internal control are essential in achieving the Group’s strategic objectives, safeguarding stakeholders’ interests and ensuring long-term sustainability. The Board is committed to maintaining a robust framework to identify, assess and manage risks while enhancing operational efficiency and compliance.

The Board oversees the adequacy and integrity of the Group’s risk management and internal control systems. In discharging its responsibilities, the Board has delegated the review of the effectiveness of these systems to the Audit Committee (“AC”) and Risk Management Committee (“RMC”).

The key responsibilities of the Board include:

- Determining the Group’s risk appetite and risk tolerance levels;
- Identifying, evaluating and monitoring significant risks affecting the Group;
- Reviewing the adequacy and effectiveness of the risk management and internal control systems;
- Reviewing and deliberating quarterly financial results;
- Monitoring the Group’s financial and operational performance against its business objectives;
- Reviewing the annual budget of respective segments for approval; and
- Reviewing internal audit findings and ensuring appropriate actions are taken by Management.

Notwithstanding the above, the Board acknowledges that the risk management and internal control systems are designed to manage rather than eliminate risks, and therefore can only provide reasonable but not absolute assurance against the material misstatements, operational failures, financial losses or fraud.

INTERNAL CONTROL SYSTEMS

The Board recognises the vital role of internal control systems in ensuring operational efficiencies and promoting sound corporate governance. The Group has established a comprehensive internal control system to ensure financial integrity, regulatory compliance, and operational efficiency. The internal control system includes clearly defined organisational structures, documented policies and procedures, segregation of duties, and authority limits to ensure accountability and proper governance.

The Board has delegated the responsibility for reviewing the effectiveness of the Group’s internal control systems to the AC and RMC, which report their observations and recommendations to the Board. Any significant internal control deficiencies that may affect the Group’s strategic objectives are escalated to the Board for deliberation and appropriate remedial action.

INTERNAL AUDIT FUNCTION

The Group’s internal audit function for FY2025 was outsourced to Eco Asia Governance Advisory Sdn Bhd (“Internal Auditors”) to provide independent and objective assurance on the adequacy and effectiveness of the Group’s risk management, internal control and governance processes.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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INTERNAL AUDIT FUNCTION (CONT'D)

The internal audit function adopts a risk-based approach in the planning and conducting of audit engagements, focusing on key operational and high-risk areas of the Group. The results of the internal audit reviews, together with recommendations for improvement, including root-cause analysis and insights on systemic and emerging issues, are reported to the AC. The internal audit function operates independently of Management and maintains primary accountability to the AC, thereby supporting effective oversight of the Group's internal control environment.

During FY2025, the Internal Auditors conducted four (4) internal audit reviews covering key operational areas of the Group, as summarised below:

Entity	Scope of Review	Quarter Period
PHG.Ever Fresh Food (M) Sdn Bhd	Petty Cash Management Review	Quarter 1, FY2025
Hextar Secadyme Sdn Bhd	Inventory Management Review	Quarter 2, FY2025
PHG.Ever Fresh Food (M) Sdn Bhd	Sales and Marketing Management Review	Quarter 3, FY2025
Alpha Aim (M) Sdn Bhd	Inventory Management Review	Quarter 4, FY2025

Based on the internal audit reviews performed, the Internal Auditors reported that no material weaknesses were identified that would result in significant deficiencies in the Group's internal control system requiring separate disclosure in this Annual Report. Any control weaknesses identified were not material in nature and have been, or are being, addressed by Management to enhance operational efficiency.

The professional fees incurred for the internal audit function for FY2025 amounted to RM58,000 (FY2024: RM52,000).

The AC also carried out an annual assessment of the performance of the Internal Auditors, taking into consideration, among others, their independence, objectivity, adequacy of resources, quality of audit services and audit scope. The AC was satisfied with the performance of the Internal Auditors.

In line with the Group's continuous efforts to strengthen its internal audit function, the Group has established an in-house internal audit function, namely the Group Corporate Assurance & Advisory Department ("GCA"), which will assume internal audit responsibilities from FY2026 onwards. The GCA will adopt a risk-based approach in the planning and conduct of audit engagements and will operate independently of Management while maintaining primary accountability to the AC and the Board. In performing its role, the GCA will provide assurance through internal audit reviews, including root-cause analysis and insights on systemic and emerging issues, to support continuous improvement of the Group's internal control and governance processes.

RISK MANAGEMENT FUNCTION

Risk management is an integral part of the Group's governance framework and supports the identification, assessment and management of risks arising from the evolving business environment. It involves the process of understanding, analysing and addressing risks across the Group to assist the Board in the following:

- establishing an adequate and effective risk management and internal control framework for the Group;
- reviewing and assessing the Group's risk appetite and risk tolerance levels;
- reviewing the risk management framework, policies and processes, including the identification, management, monitoring and mitigation of significant risks of the Group, and recommending the same to the Board for approval;
- reviewing significant risks identified, including operational, financial, regulatory compliance, sustainability and reputational risks, and assessing the mitigating actions put in place to manage such risks; and
- reviewing the adequacy of resources for maintaining the Group's risk management and internal control framework.

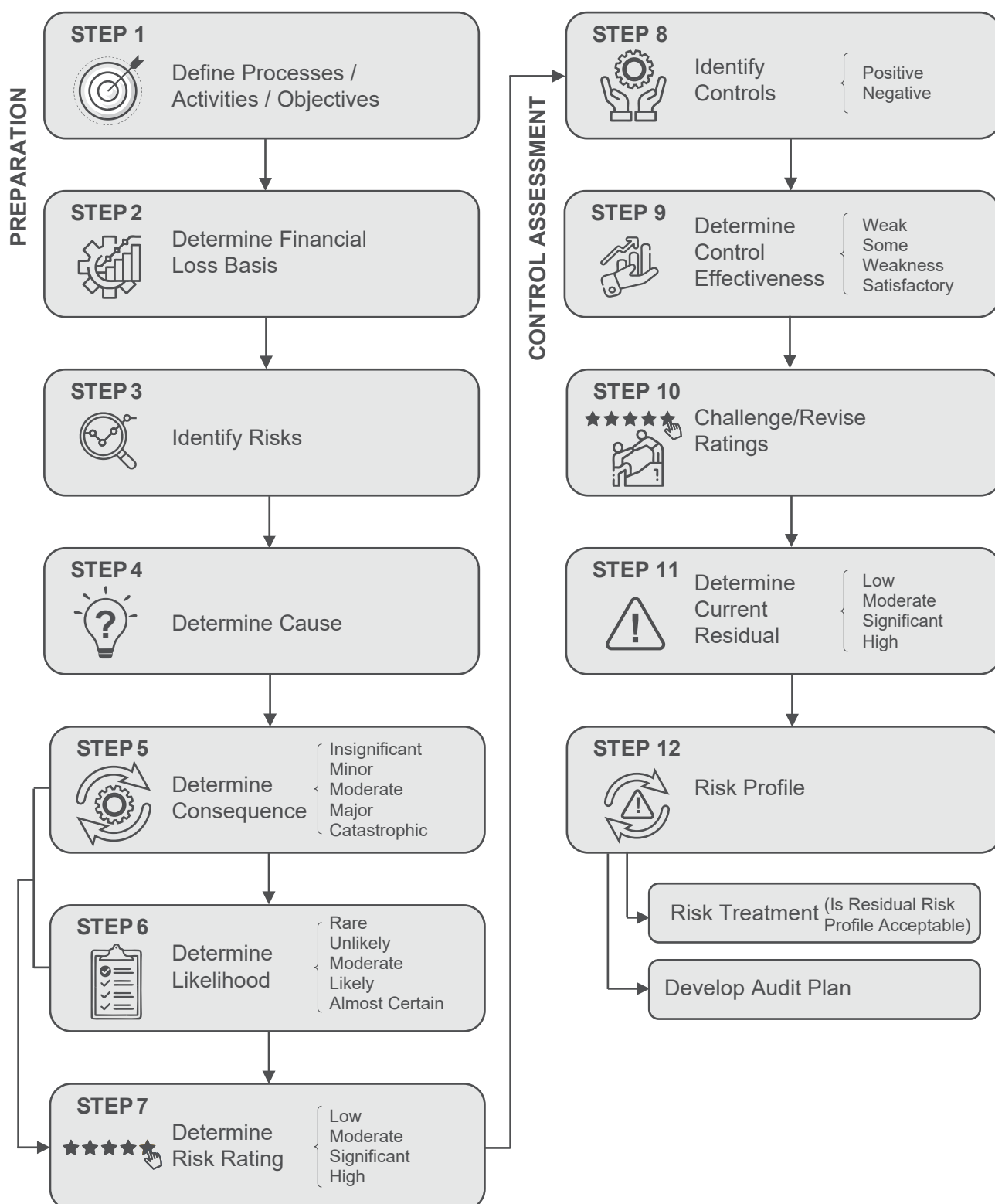
The Board has established and implemented a risk management framework across the Group's operations. The Board, supported by the RMC, is responsible for reviewing and assessing the framework and risk management processes to ensure their adequacy and effectiveness. The Board receives formal updates on the adequacy and effectiveness of the risk management function on a half-yearly basis.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

RISK MANAGEMENT FUNCTION (CONT'D)

Framework of Risk Management Assessment



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

RISK MANAGEMENT FUNCTION (CONT'D)

a. Risk Identification and Evaluation Process

As part of the initial stage of risk management, risks are identified through discussions and deliberations with Management and key personnel. The identified risks are documented in the Business Risk Profile, including relevant details such as the nature of the risk, severity and probability of occurrence.

To ensure a comprehensive analysis, both internal and external factors are considered during the risk identification process. External factors include political, economic, social, technological, legal and environmental changes, while internal factors include changes in key personnel and the introduction or revision of policies and procedures within the Group.

b. Risk Adopting and Monitoring Process

The Business Risk Profile, which incorporates all identified risks, is updated on an ongoing basis and approved by the Board. Heads of departments and business units are responsible for identifying and managing the key risks applicable to their respective operational areas on a continual basis.

All key risks and issues are regularly reviewed by Management to ensure that the identified risks remain current and relevant to the prevailing business environment. As a result, the key risks documented in the Business Risk Profile are assessed on an ongoing basis, and the related control procedures or mitigating measures are re-evaluated accordingly to ensure that such risks are managed to an acceptable level.

SUSTAINABILITY MANAGEMENT

Sustainability-related risks and opportunities including environmental, social and governance ("ESG") matters are increasingly recognised as factors that may influence the Group's operational resilience, financial performance and long-term enterprise value. Hextar integrates sustainability considerations into its broader risk management framework to ensure that ESG matters are systematically identified, assessed and managed.

The Group's sustainability risk management approach supports proactive identification of emerging regulatory developments, environmental challenges and stakeholder expectations that may affect business operations. By integrating sustainability risks into enterprise risk management processes, the Group strengthens its ability to respond effectively to evolving risks while identifying opportunities to enhance operational efficiency, regulatory compliance and long-term competitiveness.

The Board acknowledges that sustainability management is an evolving area and remains committed to strengthening the Group's sustainability practices over time. Based on the processes in place, the Board is satisfied that sustainability-related risks were managed in a reasonable and appropriate manner during the financial year under review.

ASSURANCE FROM MANAGEMENT

The Board has received assurance from the Group Managing Director, Chief Financial Officer and Risk Officer that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects, based on the risk management and internal control frameworks adopted by the Group. Similar assurance has also been provided by the respective heads of departments.

The Board will continue to refine the Group's strategies to respond to evolving business challenges and enhance internal control measures to safeguard the interests of stakeholders.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the MMLR, the External Auditors, Crowe Malaysia PLT, have reviewed this Statement for inclusion in the Annual Report.

Their review was performed in accordance with 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.

Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the *Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers* and Practices 10.1 and 10.2 of the MCCG, nor is this Statement factually inaccurate.

CONCLUSION

The Board is of the view that the Group's risk management and internal control systems are sound and adequate to safeguard shareholders' investments, stakeholders' interests and the Group's assets.

During the financial year under review, the Group's internal control systems were subject to ongoing monitoring through management reviews and independent assessments. While certain areas for improvement were identified, these were not material in nature and appropriate corrective actions have been taken by Management in a timely manner.

There were no significant internal control deficiencies, material weaknesses or adverse compliance events that resulted in any material loss to the Group or required separate disclosure in this Annual Report. The performance of the Group's risk management and internal control systems is further supported by assurances received from Management that such systems are functioning adequately and effectively, and are subject to continuous monitoring and periodic review.

The Board, supported by the AC and RMC, will continue to monitor the Group's key risks and take appropriate measures to mitigate them, while continuing to strengthen the Group's risk management and internal control systems on an ongoing basis to support sustainable growth.

This Statement was approved by the Board of Directors on 16 April 2026.

AUDIT COMMITTEE REPORT

The Board of Directors (“the Board”) of Hextar Global Berhad (“Hextar” or “the Company”) is pleased to present the Audit Committee (“AC”) Report for the financial year ended 31 December 2025 (“FY2025”). This AC Report is prepared in accordance with Paragraph 15.15 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The AC Report provides an overview of the key activities undertaken by the AC and how it discharged its oversight responsibilities for Hextar and its subsidiaries (“the Group”), guided by its Terms of Reference (“TOR”), which is available on the Company’s website at <https://www.hextarglobal.com/ir.php>.

1. COMPOSITION

As at the date of this AC report, the composition of the AC is as follows:

Designation	Name	Directorship
Chairman	Yeoh Chin Hoe	Senior Independent Non-Executive Director
Member	Chew Chui Wa (appointed w.e.f. 17 November 2025)	Independent Non-Executive Director
Member	Dato’ Ong Chong Yi (appointed w.e.f. 1 January 2026)	Independent Non-Executive Director

The following members served on the AC during FY2025 and subsequently resigned:

Designation	Name	Directorship
Member	Liew Jee Min @ Chong Jee Min (resigned w.e.f. 15 October 2025)	Independent Non-Executive Director
Member	Y.D.H. Professor Dato’ Sri Dr. Erwan Bin Dato’ Haji Mohd Tahir (resigned w.e.f. 1 January 2026)	Independent Non-Executive Chairman

The AC comprises three (3) Independent Non-Executive Directors, all of whom have met the independence criteria under the MMLR. The AC is chaired by Mr Yeoh Chin Hoe, who is a member of the Malaysian Institute of Accountants. Accordingly, the Company complies with Paragraph 15.09(1)(a), (b) and (c)(i), 15.09(2) and 15.10 of the MMLR and adopts Practice 9.4 of the Malaysian Code on Corporate Governance (“MCCG”).

The Company has consistently adopted Practices 9.1 and 9.2 of the MCCG, whereby the positions of Chairman of the Board and Chairman of the AC are held by different individuals, and none of the AC members is a former partner of the Company’s external audit firm.

The Board, assisted by the Nomination and Remuneration Committee (“NRC”), reviews the terms of office of the AC members and evaluates the performance of the AC through the Board Effectiveness Assessment. Based on the assessment undertaken during FY2025, the Board is satisfied that the AC possesses the necessary expertise and experience to effectively discharge its functions, duties and responsibilities in accordance with the AC’s TOR.

The Board recognises the importance of maintaining the independence of the Chairman of the Board from Board Committees, as recommended under Practice 1.4 of the MCCG. In this regard, the Company has taken the initiative to appoint an additional Independent Non-Executive Director, namely Dato’ Ong Chong Yi, with effective from 1 January 2026. Following his appointment, Dato’ Ong Chong Yi was also appointed as a member of the AC and the Chairman of the NRC, replacing Y.D.H. Professor Dato’ Sri Dr. Erwan Bin Dato’ Haji Mohd Tahir, who subsequently resigned from both Board Committees.

AUDIT COMMITTEE REPORT

cont'd

2. MEETINGS AND ATTENDANCE

The AC held a total of seven (7) meetings during FY2025, in line with its TOR, which requires the AC to meet at least four (4) times annually, with additional meetings held as required. The attendance of each AC members is as follows:-

Directors	Meeting Attendance
Yeoh Chin Hoe (Chairman)	7/7
Y.D.H. Professor Dato' Sri Dr. Erwan Bin Dato' Haji Mohd Tahir (resigned w.e.f. 1 January 2026)	7/7
Liew Jee Min @ Chong Jee Min (resigned w.e.f. 15 October 2025)	4/4
Chew Chui Wa (appointed w.e.f. 17 November 2025)	2/2
Dato' Ong Chong Yi (appointed w.e.f. 1 January 2026)	-

The Group Managing Director ("GMD"), Chief Financial Officer ("CFO") and key management personnel were invited to attend the meetings, as and when requested, to provide explanation, additional information and clarification on financial reporting, audit matters, and other relevant issues raised by the AC to facilitate the discussions.

The Group's internal audit function for FY2025 was outsourced to an independent Internal Auditor, Eco Asia Governance Advisory Sdn Bhd ("Eco Asia"). The Internal Auditors ("IA") were invited to attend four (4) quarterly AC meetings to present the Internal Audit Review Reports and updates on the status of follow-up actions on previous audit findings. Relevant management personnel responsible for the relevant areas were invited to brief the AC on matters arising from the audit reports and to respond to queries raised.

The External Auditors ("EA"), Crowe Malaysia PLT ("Crowe"), attended three (3) AC meetings to present the audit plan for the financial year, key audit findings and matters relating to the statutory audit of the Group's financial statements.

Following each AC meeting, the AC Chairman reported to the Board on the significant matters deliberated, together with AC's recommendations. The audited financial statements and quarterly financial reports reviewed by the AC were recommended to the Board for approval. Thereafter, the AC Chairman highlighted to the Board any significant concerns raised by the EA and IA.

The minutes of each AC meeting were recorded by the Company Secretary and tabled at the next AC meeting for confirmation, and subsequently presented to the Board for notation.

3. SUMMARY OF ACTIVITIES

The primary objective of the AC is to assist the Board in fulfilling its statutory and fiduciary responsibilities by overseeing the financial reporting process, risk management and internal control systems, the performance of internal and external auditors, and compliance with applicable laws and regulations.

During FY2025, the AC carried out the following activities in discharging its duties and responsibilities:

a. Financial Reporting

The AC reviewed the quarterly financial reports and audited financial statements presented by the CFO prior to recommending them to the Board for approval. The review was undertaken to ensure that the financial results were prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS"), MMLR, the Companies Act 2016, and other applicable regulatory requirements.

AUDIT COMMITTEE REPORT

cont'd

3. SUMMARY OF ACTIVITIES (CONT'D)

a. Financial Reporting (Cont'd)

All quarterly financial reports and related announcements submitted to Bursa Securities complied with MFRS 134 *Interim Financial Reporting* and Paragraph 9.22, including Appendix 9B of the MMLR.

The AC reviewed the financial results for the fourth quarter of FY2024 at its meeting held on 26 February 2025. The financial reports for the first, second and third quarters of FY2025 were reviewed at the AC meetings held on 23 May 2025, 25 August 2025 and 17 November 2025, respectively.

On 26 February 2026 and 16 April 2026, the AC reviewed the fourth quarter financial results and audited financial statements for FY2025, respectively, and recommended the same to the Board for approval.

b. Oversight of External Audit

On 26 February 2025, the AC reviewed the Audit Review Memorandum for FY2024 presented by the EA, including key audit matters and findings in accordance with the audit timeline. A private session was subsequently held between the AC and the EA, without the presence of the Executive Directors and Management, to discuss audit-related matters, including issues requiring the AC's attention and the level of cooperation received from Management. Following this, the AC Chairman provided feedback to the CFO on areas identified for improvement.

On 24 April 2025, the AC reviewed the closing of Audit Review Memorandum and the audited financial statements for FY2024 together with the EA, CFO and key management personnel at its AC meeting.

At the 34th Annual General Meeting ("AGM") held on 30 May 2025, shareholders approved the re-appointment of Crowe as the EA of the Company.

On 17 November 2025, the AC reviewed and approved the EA's proposed audit scope and audit plan for FY2025, which outlined the audit approach, areas of audit emphasis, reporting and deliverables, the engagement team as well as the proposed audit fees for the statutory audit and the review of the Statement on Risk Management and Internal Control.

Also on 17 November 2025, with the assistance of Management, the AC assessed the suitability, independence, and objectivity of the EA, guided by the Company's EA Policy, which is recommended under Practice 9.3 of the MCCG. The AC was satisfied with the EA's performance for FY2025 and recommended their re-appointment to the Board for subsequent recommendation to the shareholders for approval at the forthcoming 35th AGM.

On 26 February 2026, the EA presented the Audit Review Memorandum for FY2025, including key audit findings arising from the audit of the financial statements. The AC deliberated on the audit findings and was satisfied that the audited financial statements provide a true and fair view of the Group's financial position and performance. The AC also confirmed that it had not been made aware of any serious offences involving fraud or dishonesty, significant unusual transactions, non-compliance with laws and regulations, or major litigations affecting the Group.

The AC also obtained assurance from the EA in respect of their independence throughout the audit engagement, in accordance with the relevant professional and regulatory requirements, as well as the ethical requirements.

AUDIT COMMITTEE REPORT

cont'd

3. SUMMARY OF ACTIVITIES (CONT'D)

c. Internal Audit

The internal audit engagements for FY2025 were carried out based on the annual audit plan approved by the AC, focusing on key operational and high-risk areas of the Group. The internal audit reviews performed during FY2025 are summarised as follows:

Quarter	Audit Areas / Entities
Q1/2025	Cash Management Review – PHG.Ever Fresh Food (M) Sdn Bhd
Q2/2025	Inventory Management Review – Hextar Secadyme Sdn Bhd
Q3/2025	Sales & Marketing Management Review – PHG.Ever Fresh Food (M) Sdn Bhd
Q4/2025	Inventory Management Review – Alpha Aim (M) Sdn Bhd

Eco Asia presented its Internal Audit Reports at the quarterly AC meetings. The AC reviewed the findings and recommendations, with a focus on key control weaknesses and high-risk areas identified and monitored the implementation of corrective actions by Management within the agreed timelines. The AC also received quarterly updates on the status of audit findings, including resolved and outstanding matters, and where necessary, sought clarification and provided further recommendations to ensure the issues were appropriately addressed.

On 17 November 2025, with the assistance of Management, the AC assessed the competency, suitability, independence, experience, and adequacy of resources for Eco Asia to effectively perform its audit engagement in FY2025 including the audit scope and quality of audit services of Eco Asia. Following the assessment, the AC was satisfied with the performance of Eco Asia, which continued to support the Group until the completion of the FY2025 audit cycle.

The AC noted Management's proposal to establish an in-house internal audit function to enhance oversight of the Group's internal audit activities. The AC Chairman, together with Management, interviewed a suitable candidate for the internal audit function.

On 17 November 2025, the AC was informed that the AC Chairman had interviewed and was satisfied with the proposed candidate, namely Mr Tee Er Wee, who was subsequently recruited as a General Manager. He is expected to commence internal audit activities from the first quarter 2026 and will report directly to the AC.

On 26 February 2026, the AC deliberated on the proposed establishment of the in-house internal audit function, together with the appointment of Mr Tee Er Wee. The internal audit function, structure, roles and responsibilities, including the qualifications and experience of the team member as presented, were reviewed by the AC, which was satisfied that the team possesses the necessary professional qualifications, relevant experience and competency to undertake the internal audit function.

The AC subsequently approved the establishment of the in-house internal audit function, known as the Group Corporate Assurance & Advisory Department ("GCA"), together with its governing policies, including the Internal Audit Charter, Standard Operating Procedures ("SOP") and Code of Ethics, to ensure independence and effectiveness.

Also on 26 February 2026, the AC noted Management's request for the GCA to undertake an ad-hoc review of Petty Cash Management for Hextar Chemicals Sdn Bhd and Halex Management Sdn Bhd. The audit findings were presented to the AC on the same date and were duly reviewed by the AC.

Subsequently, the AC reviewed and approved the Internal Audit Plan for FY2026 as presented by the GCA. The AC will continue to review and approve the internal audit plan on an annual basis with the assistance of the GCA.

AUDIT COMMITTEE REPORT

cont'd

3. SUMMARY OF ACTIVITIES (CONT'D)

d. Internal Control

The AC reviewed internal control observations reported by the EA and IA to assess the adequacy and effectiveness of the Group's internal control system, ensuring continuous improvement is in place, effectively administered, and outstanding audit issues are regularly monitored within the stipulated timeline.

e. Related Party Transactions

The AC, guided by the Company's Related Party Transaction Policy and Procedures, reviewed and monitored all related party transactions ("RPTs") and recurrent RPTs within the Group. This is to ensure that such transactions are conducted in compliance with the MMLR and in line with the Group's commitment to uphold high standards of integrity, transparency and ethical business conduct.

The AC reviewed reports on RPTs presented by Management at its meetings to ensure that all transactions were in the best interest of the Group, fair, reasonable and on normal commercial terms, and were not detrimental to the interest of the minority shareholders.

During FY2025, the following RPTs entered by the Company had been reviewed by the AC and recommended to the Board for approval:

- Hextar entered into two (2) conditional share sale agreements with Hextar Industries Berhad ("HIB") and its wholly-owned subsidiary, Hextar Fertilizers Group Sdn Bhd, respectively, for the acquisition of 100% equity interest in PK Fert Sdn Bhd, PK Fertilizers Sdn Bhd and Hextar Fert Sdn Bhd for a total cash consideration of RM120.00 million, to be satisfied wholly in cash.

The AC also reviewed the Recurrent RPTs that were given mandate on the 34th AGM held on 30 May 2025, on a quarterly basis during its meetings, to ensure that the aggregate value of the transactions was within the mandate approved by the shareholders.

f. Conflict of Interest

The Company has adopted a Conflict of Interest ("COI") Policy, which sets out the framework for identifying, evaluating, managing and monitoring actual, potential or perceived conflicts of interest within the Group, in compliance with the MMLR and aligned with the Group's governance framework and ethical standards.

In line with the amendments to the MMLR, the AC reviewed the proposed revisions to its TOR on 17 November 2025. The revisions include the separation of provisions relating to COI and RPTs to provide clearer delineation of the AC's responsibilities in overseeing COI matters.

The COI declarations made by the Directors and Key Senior Management were tabled to the AC for review on a quarterly basis to ensure that any COI situations were appropriately identified, assessed and addressed in a timely manner, and where necessary, reported to the Board.

During FY2025, no COI situations were reported based on the declarations provided.

AUDIT COMMITTEE REPORT

cont'd

3. SUMMARY OF ACTIVITIES (CONT'D)

g. Other Matters

During FY2025, the AC had also discussed and reviewed the following matters:

- Corporate Governance ("CG") Report, CG Overview Statement, AC Report, Sustainability Statement, Management Discussion and Analysis, and the Statement on Risk Management and Internal Control and recommended the same to the Board for its approval for inclusion in the Annual Report for the FY2024;
- Circular to Shareholders in relation to Proposed Renewal of Existing Shareholders' Mandate for Recurrent RPTs and Proposed Renewal of Share Buy-Back Authority for the Company to Purchase of its Own Ordinary Shares;
- Declaration of the first interim dividend of RM0.005 per share for the FY2025; and
- Revised Terms of Reference of the AC.

4. INTERNAL AUDIT FUNCTION AND COMPLIANCE

The Group's internal audit function for FY2025 was outsourced to Eco Asia to provide independent and objective assurance on the adequacy, integrity and effectiveness of the Group's internal control systems, risk management framework and governance processes. The internal audit function also evaluates operational processes and compliance with applicable laws and internal policies, and recommends improvements to enhance the overall control environment.

The internal audit adopted a risk-based approach in the planning and conduct of audit engagements, in line with the Group's Enterprise Risk Management ("ERM") Framework. The internal audit findings, together with recommendations, were reported to the AC on a quarterly basis, including updates on the status of corrective actions implemented by Management.

The professional fees incurred for the Group's internal audit function for FY2025 amounted to RM58,000 (FY2024: RM52,000).

Following the establishment of the GCA, the internal audit function will be supported by the GCA in assisting the AC to discharge its duties through regular reviews of the Group's internal control systems, risk management framework and governance processes. The GCA will assume the internal audit responsibilities from FY2026 onwards, encompassing audit activities, internal control evaluation, operational reviews and compliance advisory functions. The GCA performs its duties independently and reports functionally to the AC and administratively to the GMD, thereby ensuring its independence from Management and the activities it audits.

The GCA is led by Mr Tee Er Wee, who is a Chartered Member of the Institute of Internal Auditors Malaysia ("IIAM"), a Chartered Accountant of the Malaysian Institute of Accountants ("MIA"), and a Fellow Member of the Association of Chartered Certified Accountants ("ACCA"). The GCA comprises two (2) internal auditors, including the Head of Internal Audit.

The GCA adopts a risk-based approach in the planning and conduct of audit engagements, guided by the Group's ERM framework and with reference to the Global Internal Audit Standards issued by the Institute of Internal Auditors. The internal audit plan is developed based on a structured risk-based assessment of the Group's key indicators to ensure adequate audit coverage.

This report was reviewed by the AC and approved by the Board on 16 April 2026.

STATEMENT OF DIRECTORS' RESPONSIBILITY

Pursuant to Paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Directors are required to issue a statement on their responsibility for preparing the annual audited financial statements.

The Directors, as required under the Companies Act 2016 ("the Act"), are responsible for ensuring that the financial statements for each financial year are prepared in accordance with applicable Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs"), and the requirements of the Act in Malaysia.

The Directors are also responsible for ensuring that the financial statements give a true and fair view of the financial position of the Group and of the Company at the end of the financial year, and of the financial performance and cash flows of the Group and of the Company for the financial year.

During the preparation of the financial statements, the Directors ensured that the Management has taken the following measures:

- (i) adoption of appropriate, adequate and applicable accounting standards and policies and applied them consistently;
- (ii) made judgements and estimates that are reasonable and prudent; and
- (iii) prepared the financial statements on a going concern basis.

The Directors are responsible for ensuring that the Group's quarterly reports and annual audited financial statements are released to Bursa Malaysia Securities Berhad in a timely manner to keep our investing public informed on the most recent performance and developments of the Group.

The Directors have collective responsibility to ensure that the Group and the Company maintain proper accounting records that disclose the financial position of the Group and of the Company with reasonable accuracy, which enable the financial statements comply with the requirements of the Act.

The Directors also have general responsibility for taking such steps as are reasonably available to them, to safeguard the assets of the Group and the Company, as well as to prevent and detect fraud and other irregularities.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

There were no proceeds raised from corporate proposal during the financial year ended 31 December 2025.

2. OPTIONS OR CONVERTIBLE SECURITIES

There were no options, warrants or convertible exercised during the financial year ended 31 December 2025.

3. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable by the Company and the Group to the External Auditors, Crowe Malaysia PLT for the financial year ended 31 December 2025 are as follows:

	The Company (RM)	The Group (RM)
Audit Fees	70,000	829,500
Non-audit Fees	6,000	6,000
Total	76,000	835,000

In addition, the fees paid and payable by the Company and the Group to a firm or a corporation affiliated to the auditors' firm, Crowe KL Tax Sdn Bhd during the financial year under review were as follows:-

	The Company (RM)	The Group (RM)
Tax Agent Fees	6,400	236,258

4. MATERIAL CONTRACTS OR LOANS INVOLVING THE INTERESTS OF THE DIRECTORS AND MAJOR SHAREHOLDERS

Save as disclosed below, there were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company or the Group involving the interests of Director or Major Shareholders, either still subsisting at the end of the financial year ended 31 December 2025 or entered into since the end of the previous financial year:

- On 23 December 2025, Hextar entered into:
 - conditional share sale agreement with Hextar Industries Berhad ("HIB") for the acquisition of 12,300,000 ordinary shares, representing the entire equity interest in PK Fert Sdn Bhd for a cash consideration of RM3,300,000.00 to be satisfied wholly in cash; and
 - conditional share sale agreement with Hextar Fertilizers Group Sdn Bhd, a wholly-owned subsidiary of HIB, for the acquisition of 60,000,000 ordinary shares, representing the entire equity interest in PK Fertilizers Sdn Bhd and 10,000,000 ordinary shares, representing the entire equity interest in Hextar Fert Sdn Bhd for a total cash consideration of RM116,700,000.00 to be satisfied wholly in cash.

(Collectively, the "Proposed Acquisitions")

As of 23 December 2025, Hextar Holdings Sdn Bhd ("HHSB") is a major shareholder of both Hextar and HIB. Dato' Ong Soon Ho is a common director of Hextar and HHSB. Dato' Ong Soon Ho and Dato' Ong Choo Meng are also the major shareholders of Hextar, HHSB and HIB. Accordingly, they are deemed as Related Parties by virtue of their shareholdings in Hextar and HHSB.

The Proposed Acquisitions are subject to the approval of the shareholders of Hextar at an EGM to be convened. Dato' Ong Soon Ho had declared his interest to the Board of Hextar and abstained from all deliberations and voting pertaining to the Proposed Acquisitions, and will continue to abstain from voting at the EGM. Dato' Ong Choo Meng and HHSB will also abstain from voting in respect of the resolution on the Proposed Acquisitions to be tabled at the EGM.

ADDITIONAL COMPLIANCE INFORMATION

cont'd

5. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

At the 34th AGM of the Company held on 30 May 2025, the Shareholders' Mandate for the Company and the Group to enter into Recurrent Related Party Transactions ("RRPTs") of a revenue or trading nature was obtained. Details of the RRPTs pursuant to Shareholders' Mandate entered into by the Company and the Group with its related parties from the 34th AGM to the 35th AGM, are as follows:

- Sales of raw materials, work in progress and finished goods including chemicals, fertilisers, packaging material and other related products;
- Sales of formulated chemicals for the purpose of glove manufacturing process, work in progress and finished goods such as fertilisers, packaging material and other related products;
- Purchase of raw materials, work in progress and finished goods including chemicals, fertilisers, packaging material and other related products;
- Receipt of facility assets and management services including business consultation and support & cash management system;
- Receipt of service for supply and installation of civil foundation, piping system and tanks installation;
- Receipt of e-Commerce services and support and other IT related services support; and
- Rental of storage space and receiving warehousing facilities services.

Adequate procedures and processes are in place to monitor and identify the RRPTs in a timely basis and orderly basis. The RRPTs are conducted at arm's length and on normal commercial terms which are not to the detriment of the minority shareholders. The said Mandate is subject to renewal at the forthcoming 35th AGM. Details of the Shareholders' Mandate to be sought will be furnished in the Circular to Shareholders dated 17 April 2026.



FINANCIAL REPORT

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DIRECTORS' REPORT

The directors hereby submit their report and 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 an investment holding company.

The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the holding company in each subsidiary company are set out in the "Subsidiaries" section of this report.

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

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	72,515,894	120,586,667
Attributable to:-		
Owners of the Company	61,434,935	120,586,667
Non-controlling interests	11,080,959	-
	72,515,894	120,586,667

DIVIDEND

Dividend paid or declared by the Company since 31 December 2024 is as follows:-

	RM
Ordinary Share	
<u>In respect of the financial year 31 December 2025</u>	
A first interim dividend of 0.5 sen per ordinary share, paid on 3 October 2025	19,380,332

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than the following:-

	Revaluation Reserve RM	Retained Profits RM
The Group		
Realisation of revaluation reserve	(6,135,588)	6,135,591

DIRECTORS' REPORT

cont'd

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

TREASURY SHARES

During the financial year, the Company purchased 7,854,200 of its issued ordinary shares from the open market at an average price of RM0.89 per share. The total consideration paid for the purchase was RM6,985,387 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 71,049,500 of its 3,939,261,852 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM37,755,252.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

DIRECTORS' REPORT

cont'd

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Y.D.H. Professor Dato' Sri Dr. Erwan Bin Dato' Haji Mohd Tahir
Dato' Ong Soon Ho
Lee Chooi Keng
Rayburn Azhar Bin Ali
Yeoh Chin Hoe
Chew Chui Wa (Appointed on 17.11.2025)
Dato' Ong Chong Yi (Appointed on 1.1.2026)
Liew Jee Min @ Chong Jee Min (Resigned on 15.10.2025)

DIRECTORS' REPORT

cont'd

DIRECTORS (CONT'D)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Adli Bin Md Noor
 Ahmad Faiz Bin Haron
 Ardian Gunawan
 Chen Sen Loon
 Chin Joek Poen
 Cheok Viping
 Chong Hon Loon
 Clement Ang Woon Teng
 Dato' Ong Choo Meng
 Dato' Mazlin Bin Md Junid
 Dato' Wee Yiau Hin @ Ong Yiau Hin
 Haniza Binti Mohamad Nasir
 Hoi Yew Wai
 Lee Leng Choy
 Leong Jin Yuan
 Leong Yet Wan
 Lian Dazhi
 Lim Eng Bee
 Lim Jun Yeong
 Lin Swee Sang
 Lo Ngen Loi
 Lye Foong Ming
 Lye Man Seng
 Nurul Maslina Binti Haji Abdul Halim @ Norah Anak Unya
 Pg Hj Md Sofrey Bin Pg Hj Jadid
 Tan Seio Beng
 Teh Li King
 Yam Jia Fuh
 Mohd Hanafi Bin Idris (ceased as director following striking off of subsidiary on 21 April 2025)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	Number of Ordinary Shares			
	At 1.1.2025	Bought	Sold	At 31.12.2025
The Company				
<i>Direct interest:</i>				
Lee Chooi Keng	4,309,920	-	-	4,309,920
<i>Indirect interest:</i>				
Dato' Ong Soon Ho*	2,257,978,867	48,975,800	(209,872,000)	2,097,082,667

* Deemed interested by virtue of his direct shareholdings in Hextar Holdings Sdn. Bhd. and indirect interest by virtue of the interest held through his child, Dato' Ong Choo Meng.

By virtue of their shareholdings in the Company, Dato' Ong Soon Ho and Lee Chooi Keng are deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

DIRECTORS' REPORT

cont'd

DIRECTORS' INTERESTS (CONT'D)

The other directors holding office at the end of the financial year had no interest in shares, options over unissued shares or debentures of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" section of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from the following transactions:-

	The Group RM	The Company RM
Dividend from subsidiaries	-	126,715,869
Interest charged to intercompany	-	5,404,764
Sales to:		
- fellow subsidiaries	6,083,452	-
- a fellow jointly controlled entity	106,768	-
- related parties	522,084	-
Purchases from:		
- fellow subsidiaries	(1,788,726)	-
- a fellow jointly controlled entity	(5,474,237)	-
- related parties	(4,121,526)	-
Rental received and receivable from a fellow jointly controlled entity	160,673	-
Rental paid and payable to related parties	(3,726,758)	-
Management fee received and receivable from a fellow jointly controlled entity	151,434	-
Management fee paid and payable to:		
- a fellow subsidiary	(2,640,000)	(371,596)
- a related party	(40,000)	-
Maintenance fee paid to a related party	(215,678)	-
Consultancy fee paid to a subsidiary's shareholder	(117,000)	-
Culture fund paid to a fellow subsidiary	(470,880)	-
Forwarding charges paid to a related party	(539,254)	-
Sundry purchase paid to:		
- fellow subsidiaries	(194,543)	-
- a related party	(974)	-
Purchase of assets from:		
- fellow subsidiaries	(15,240)	-
- related parties	(170,323)	-
Storage fee paid to:		
- a fellow subsidiary	(9,600)	-
- a related party	(215,003)	-
Software cost paid to a fellow subsidiary	(127,650)	-

DIRECTORS' REPORT

cont'd

DIRECTORS' BENEFITS (CONT'D)

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	From the Company RM	From the Subsidiaries RM	Total RM
Fees	261,333	-	261,333
Salaries, bonuses and other benefits	26,000	3,664,024	3,690,024
Contributions to defined contribution benefits	-	148,140	148,140
Estimated money value of benefits-in-kind	-	155,822	155,822
	287,333	3,967,986	4,255,319

INDEMNITY AND INSURANCE COSTS

During the financial year, the amount of insurance effected for the directors and certain officers of the Company and its subsidiaries was RM10,000,000.

SUBSIDIARIES

(a) The details of the Company's subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025 %	2024 %	
<i>Subsidiaries of the Company</i>				
Halex (M) Sdn. Bhd.	Malaysia	100	100	Manufacturing, distributions and agency of agrochemicals
Halex Management Sdn. Bhd.	Malaysia	100	100	Provider of management services
Hextar Chemicals Group Sdn. Bhd.	Malaysia	100	100	Investment holding
Hextar Biogas BEE Sdn. Bhd.	Malaysia	55	55	Providing services related to integrated process and system using biological green technology including consultancy, research and development, design, manufacturing and commissioning and testing, maintenance and services to produce methane gas or organic fertilizer and investment holding company

DIRECTORS' REPORT

cont'd

SUBSIDIARIES (CONT'D)

(a) The details of the Company's subsidiaries are as follows (Cont'd):-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025 %	2024 %	
Subsidiaries of the Company (Cont'd)				
Chempro Technology (M) Sdn. Bhd.	Malaysia	100	100	General agent and trading in institutional and industrial chemicals and renting and leasing of other machinery, equipment and tangible goods
Alpha Aim (M) Sdn. Bhd.	Malaysia	100	100	Manufacturing and trading industrial chemicals detergent and related products
Nobel Synthetic Polymer Sdn. Bhd.	Malaysia	100	100	Manufacturing of chemical derivatives, coating and related products
Nobel Scientific Sdn. Bhd.	Malaysia	100	100	Manufacturing of chemicals derivatives, coating and related products; and leasing, licensing, and charging of intellectual property rights and other intangible assets
Hextar Kimia Sdn. Bhd.®	Malaysia	49	49	Supply and trading of specialty chemicals, catalysts and absorbents
Hextar Kimia (Australia) Pty. Ltd. #	Australia	100	100	Investment holding
Tufbond Technologies Sdn. Bhd.	Malaysia	100	100	Trading and manufacturing of polymers, adhesive products, machineries, provision of technical assistance and technology transfer
Hextar Agriculture Sdn. Bhd.	Malaysia	100	100	Manufacturing and marketing of wide range of fertilizers, trading of agrochemicals products, commodities, agricultural products and poultry
PT. Agro Sentosa Raya*	Indonesia	99.91	99.91	Formulation and repacking of branded pesticides
Hextar Industrial Chemicals Sdn. Bhd.	Malaysia	100	100	Trading and distributing of industrial chemical products
Hextar Fruits Sdn. Bhd.	Malaysia	51	51	Investment holding
Hextar Oiltech Sdn. Bhd.	Malaysia	60	60	Manufacturing and trading of lubrication oil, oil related products and liquid solutions for construction and household uses

DIRECTORS' REPORT

cont'd

SUBSIDIARIES (CONT'D)

(a) The details of the Company's subsidiaries are as follows (Cont'd):-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025 %	2024 %	
Subsidiaries of Halex (M) Sdn. Bhd.				
Halex Industries (M) Sdn. Bhd.	Malaysia	100	100	Trading and distribution of agricultural chemicals, fertilisers and compounds
Halex Realty Sdn. Bhd.	Malaysia	100	100	Investment in landed property
Halex Chemicals (S) Pte. Ltd. *%	Singapore	100	100	Trading of fertilisers and agrochemicals. Did not trade since incorporation
Halex Biotechnologies Sdn. Bhd.	Malaysia	100	100	Horticulture and agro-biotechnology and manufacturing Bio-decomposition of palm oil waste. Temporary ceased operations since prior years
Pengedaran Beras Lestari Sdn. Bhd. &	Malaysia	-	100	Dormant
Subsidiaries of Hextar Chemicals Group Sdn. Bhd.				
Hextar Chemicals Sdn. Bhd.	Malaysia	100	100	Manufacturing and trading of chemicals, fertilizers, machinery and related services
Hextar R&D International Sdn. Bhd.	Malaysia	100	100	Providing specialist services for product testing, research, development and product formulation registration
Subsidiary of Hextar Biogas BEE Sdn. Bhd.				
Biogas Environmental Engineering Sdn. Bhd.	Malaysia	100	100	Engaged in the business of biological technology to process the waste material from palm oil processing mill or other industries to produce methane (biogas) or organic fertiliser. Temporary ceased operations during the financial year

DIRECTORS' REPORT

cont'd

SUBSIDIARIES (CONT'D)

(a) The details of the Company's subsidiaries are as follows (Cont'd):-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025 %	2024 %	
Subsidiary of Chempro Technology (M) Sdn. Bhd.				
Protek Chemicals & Engineering (B) Sdn. Bhd.*	Brunei	99.99	99.99	Retailer of specialized cleaning and sanitizing chemicals and other related services
Subsidiaries of Hextar Kimia Sdn. Bhd.				
Hextar Oilfield Chemicals Sdn. Bhd. +\$	Malaysia	100	100	Dormant
Hextar Downstream Services Sdn. Bhd. +\$	Malaysia	100	100	Dormant
Hextar Secadyme Sdn. Bhd.	Malaysia	100	100	Supplying industrial chemicals and catalysts for the oil and gas industry, blending, mixing and supplying of oilfield chemicals, environmental chemicals and other related products
Subsidiaries of Hextar Fruits Sdn. Bhd.				
PHG.Ever Fresh Food (M) Sdn. Bhd.	Malaysia	100	100	Engaged in the business of durian, durian processing and other fruits
PHG.Ever Fresh Food (TK) Sdn. Bhd.	Malaysia	100	100	Engaged in the business of frozen durian, durian paste, durian pulp and other durian related products. Temporary ceased operations during the financial year
PHG Wholesale & Retail Sdn. Bhd.	Malaysia	100	100	Wholesale of durian and other fruits
PHG Ever Fresh Plantation Sdn. Bhd.	Malaysia	55	55	Engaged in growing and wholesale of durian. Temporary ceased operations during the financial year
Durian Boat Global Sdn. Bhd.	Malaysia	100	100	Trading of durian. Temporary ceased operations during the financial year
Fruits Venture Sdn. Bhd. &	Malaysia	-	100	Dormant

DIRECTORS' REPORT

cont'd

SUBSIDIARIES (CONT'D)

(a) The details of the Company's subsidiaries are as follows (Cont'd):-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025	2024	
		%	%	
Subsidiary of Hextar Kimia (Australia) Pty. Ltd.				
International Chemicals Engineering Pty. Ltd.*	Australia	100	100	Supplier of liquid odorant, dosing systems and servicing to gas delivery and storage systems
Subsidiary of Durian Boat Global Sdn. Bhd.				
Durian Boat Pte. Ltd. **%	Singapore	100	100	Retail sale of durian and durian related products. Did not trade since incorporation

Not required to be audited under the laws of the country of incorporation

* These subsidiaries were audited by other firms of chartered accountants

@ Hextar Kimia Sdn. Bhd. is treated as a subsidiary by virtue of power to effect the variable returns

+ These subsidiaries are under members' voluntary liquidation

\$ Consolidated based on management accounts. This approach was adopted as the size of these subsidiaries are considered insignificant to the Group.

% The auditors' report on the financial statements of the subsidiary includes a "Material Uncertainty Related to Going Concern" regarding the ability of the subsidiary to continue as a going concern in view of its capital deficiency position as at the end of the current reporting period. The financial statements were prepared on a going concern basis as the Company has undertaken to provide continued financial support to the subsidiary. These subsidiaries are dormant and immaterial to the Group.

& These subsidiaries have been struck off during the current financial year.

(b) The available auditors' report on the financial statements did not contain any qualification.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) Fruits Venture Sdn. Bhd. and Pengedaran Beras Lestari Sdn. Bhd., both indirect subsidiaries of the Company, submitted applications for striking off on 14 January 2025 and 19 January 2025 and were subsequently dissolved on 22 May 2025 and 21 April 2025 respectively.
- (b) On 23 December 2025, the Company had entered into conditional share sale agreements with Hextar Industries Berhad and Hextar Fertilizers Group Sdn. Bhd. for the proposed acquisitions of the entire equity interests in PK Fert Sdn. Bhd., PK Fertilizers Sdn. Bhd. and Hextar Fert Sdn. Bhd. for a total cash consideration of RM120 million. In conjunction with the proposed acquisitions, the Company intends to undertake a proposed diversification into the manufacturing and trading of fertilisers.

As at the date of this report, the proposed acquisitions are still in progress, with no significant updates since the initial announcement.

- (c) On 31 December 2025, the Company's indirect subsidiaries, namely Hextar Oilfield Chemicals Sdn. Bhd. and Hextar Downstream Services Sdn. Bhd., will be wound up by way of members' voluntary winding-up pursuant to Section 439 of the Companies Act 2016.

DIRECTORS' REPORT

cont'd

HOLDING COMPANY

The holding company is Hextar Holdings Sdn. Bhd., a company incorporated and domiciled in Malaysia.

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The auditors' fees of the Group and of the Company for the financial year were RM1,013,873 and RM76,000 respectively.

Signed In Accordance With A Resolution Of The Directors Dated 16 April 2026

Rayburn Azhar Bin Ali

Lee Chooi Keng

STATEMENT BY DIRECTORS

Pursuant To Section 251(2) Of The Companies Act 2016

We, Rayburn Azhar Bin Ali and Lee Chooi Keng, being two of the directors of Hextar Global Berhad, state that, in the opinion of the directors, the financial statements set out on pages 143 to 260 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 of 31 December 2025 and of their financial performance and cash flows for the financial year ended on that date.

Signed In Accordance With A Resolution Of The Directors Dated 16 April 2026

Rayburn Azhar Bin Ali

Lee Chooi Keng

STATUTORY DECLARATION

Pursuant To Section 251(1)(b) Of The Companies Act 2016

I, Phan Nee Chin, MIA Membership Number: 28178, being the officer primarily responsible for the financial management of Hextar Global Berhad, do solemnly and sincerely declare that the financial statements set out on pages 143 to 260 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the
abovementioned Phan Nee Chin, at Klang
in the State of Selangor Darul Ehsan
on this 16 April 2026

Phan Nee Chin

Before me

INDEPENDENT AUDITORS' REPORT

To the Members of Hextar Global Berhad
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Hextar Global Berhad, which comprise the statements of financial position of the Group and of the Company as at 31 December 2025, 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 143 to 260.

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, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

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

INDEPENDENT AUDITORS' REPORT

To the Members of Hextar Global Berhad
(Incorporated in Malaysia)
cont'd

Key Audit Matters (Cont'd)

We have determined the matters described below to be the key audit matters to be communicated in our report:-

Recoverability of trade receivables Refer to Notes 12, 15, 17, 18 and 43.1(b)(iii) to the financial statements.	
Key audit matter	How our audit addressed the key audit matter
As at 31 December 2025, the Group recorded trade receivables and contract assets amounting to RM167,123,105, which represents 20% of the Group's total assets. Significant management judgment is required to assess the recoverability of trade receivables. Management conducted a detailed analysis, considering the customer's aging profile, credit history, historical payment patterns, and forward-looking information for estimating expected credit losses ("ECLs") on its trade receivables. The impairment assessment involved significant judgments, and there is inherent uncertainty in the assumptions applied by management to evaluate the adequacy of the allowance for impairment losses and estimate future cash collection. We identified this as a key audit matter due to the inherent subjectivity involved in making judgments regarding credit risk exposures to assess the recoverability of trade receivables.	Our procedures included, amongst others:- - Reviewed and understand the management's assessment of recoverability of major trade receivables; - Reviewed contractual terms to ensure the Group has contractual right to recognise revenue and collect payments; - Obtained confirmation from major trade receivables on outstanding balances as at the reporting date; - Reviewed recoverability of major trade receivables including but not limited to the review of subsequent collections; - Enquired management on receivables status for major customers; - Reviewed collections and sales trends during the financial year of major trade receivables; and/or - Reviewed management's assessment on the ECLs of trade receivables with reference to historical payment records, forward-looking information, publicly available information and credit history of the Group's customers.
Obsolete and slow moving inventories Refer to Note 14 to the financial statements.	
Key audit matter	How our audit addressed the key audit matter
The carrying amount of inventories held by the Group as at the reporting date amounted to RM153,315,800. This represents 32% and 18% of the total current assets and total assets of the Group, respectively. We focused on this area because the determination of obsolete and slow-moving inventories involves management's judgment and the material amounts involved.	Our procedures included, amongst others:- - Assessed the basis used by management to determine the impairment loss on inventories; - Compared net realisable value to cost of inventories at the reporting date to assess the reasonableness of inventories impairment; and - Performed ageing test on inventories.

INDEPENDENT AUDITORS' REPORT

To the Members of Hextar Global Berhad

(Incorporated in Malaysia)

cont'd

Key Audit Matters (Cont'd)

We have determined the matters described below to be the key audit matters to be communicated in our report (Cont'd):-

Impairment of goodwill Refer to Note 11(a) to the financial statements.	
Key audit matter	How our audit addressed the key audit matter
The net carrying amount of goodwill for the Group as of the end of the reporting date amounted to RM160,529,174. Regardless of whether there is any indication of impairment, goodwill is tested for impairment annually. We identified this as a key audit matter because the impairment test involves significant judgments and estimation uncertainty in making key assumptions about future market and economic conditions, growth rates, profit margins, and the discount rate applied.	Our procedures included, amongst others:- • Evaluated method used by the Group in measuring the recoverable amount is appropriate in the circumstances; • Made enquiries and challenging management on the key assumptions and inputs used in the measurement method; • Evaluated the key assumptions and inputs used are reasonable and consistent with consideration from past performance, future growth, market development, etc.; and • Performed stress tests and sensitivity analysis to assess the impacts of those key assumptions and inputs on the measurement of the recoverable amount.

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 the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and 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 Global Berhad
(Incorporated in Malaysia)
cont'd

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole 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 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 judgment 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 the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

INDEPENDENT AUDITORS' REPORT

To the Members of Hextar Global Berhad
(Incorporated in Malaysia)
cont'd

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 6 to the financial statements.

OTHER MATTERS

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

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Shah Alam

16 April 2026

Cheah Siong Hon
03538/11/2026 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2025

	NOTE	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	6	-	-	916,499,900	916,499,900
Investment properties	7	5,813,548	5,972,281	-	-
Investments in joint ventures	8	5,519,533	7,961,860	-	-
Investment in club membership, at cost		44,573	45,136	-	-
Property, plant and equipment	9	105,574,265	119,056,906	-	-
Right-of-use assets	10	66,626,096	51,605,348	-	-
Intangible assets	11	163,507,880	164,183,354	-	-
Trade receivables	12	1,545,209	2,194,854	-	-
Prepayment	13	5,901,739	3,577,625	-	-
Deferred tax assets	27	1,715,502	1,857,058	-	-
		356,248,345	356,454,422	916,499,900	916,499,900
CURRENT ASSETS					
Inventories	14	153,315,800	137,903,775	-	-
Biological assets		-	19,488	-	-
Contract assets	15	22,665,935	12,636,854	-	-
Trade receivables	12	140,918,338	168,638,288	-	-
Other receivables, deposits and prepayments	13	46,036,678	72,286,622	12,094,548	12,219,048
Amount owing by subsidiaries	16	-	-	83,771,193	90,025,426
Amount owing by related companies	17	1,942,880	342,985	-	-
Amount owing by a joint venture	18	52,913	-	1,970	-
Derivatives assets	30	-	1,003,671	-	-
Current tax asset		6,153,319	8,270,653	-	8,643
Short-term investments	19	-	1,472,800	-	-
Deposits with licensed banks	20	17,250,090	17,030,971	-	-
Cash and bank balances		93,740,227	49,498,003	7,937,169	1,463,462
		482,076,180	469,104,110	103,804,880	103,716,579
Assets classified as held for sale	21	13,750,000	-	-	-
TOTAL ASSETS		852,074,525	825,558,532	1,020,304,780	1,020,216,479

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2025

cont'd

	NOTE	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	22	633,878,029	633,878,029	633,878,029	633,878,029
Revaluation reserve	23(a)	16,741,953	16,792,360	-	-
Exchange reserve	23(b)	(5,143,200)	(2,427,911)	-	-
Treasury shares	24	(37,755,252)	(30,769,865)	(37,755,252)	(30,769,865)
Merger deficit reserve	23(c)	(500,422,471)	(500,422,471)	-	-
Retained profits		156,266,540	108,076,346	210,113,246	108,906,911
Equity attributable to owners of the Company		263,565,599	225,126,488	806,236,023	712,015,075
Non-controlling interests		11,066,992	30,406,689	-	-
TOTAL EQUITY		274,632,591	255,533,177	806,236,023	712,015,075
NON-CURRENT LIABILITIES					
Lease liabilities	25	38,452,665	24,277,217	-	-
Borrowings	26	155,722,377	126,077,290	69,603,686	109,293,890
Deferred tax liabilities	27	10,276,859	8,231,517	-	-
Other payables and accruals	28	2,064,596	2,405,788	-	-
		206,516,497	160,991,812	69,603,686	109,293,890
CURRENT LIABILITIES					
Trade payables	29	48,768,563	49,139,420	-	-
Contract liabilities	15	7,130,830	10,670,663	-	-
Other payables, deposits received and accruals	28	28,867,235	46,000,849	444,865	15,864,835
Amount owing to subsidiaries	16	-	-	59,915,145	81,788,858
Amount owing to a joint venture	18	1,220,889	1,569,858	-	-
Amount owing to related companies	17	1,424,831	784,712	-	-
Lease liabilities	25	10,759,425	7,230,127	-	-
Borrowings	26	261,420,324	279,876,062	84,065,976	101,253,821
Current tax liabilities		11,333,340	13,752,178	39,085	-
Derivative liabilities	30	-	9,674	-	-
		370,925,437	409,033,543	144,465,071	198,907,514
TOTAL LIABILITIES		577,441,934	570,025,355	214,068,757	308,201,404
TOTAL EQUITY AND LIABILITIES		852,074,525	825,558,532	1,020,304,780	1,020,216,479

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	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
REVENUE	31	875,396,416	918,287,869	126,715,869	76,817,144
COST OF SALES		(617,016,024)	(669,970,552)	-	-
GROSS PROFIT		258,380,392	248,317,317	126,715,869	76,817,144
OTHER INCOME		5,229,371	5,144,640	5,421,237	6,101,286
SELLING AND MARKETING EXPENSES		(36,651,702)	(31,800,168)	-	-
ADMINISTRATIVE EXPENSES		(93,886,257)	(84,395,419)	(1,404,657)	(2,744,835)
OTHER OPERATING (EXPENSES)/ INCOME		(4,323,657)	(12,367,334)	3,840,823	1,424,783
FINANCE COSTS		(25,355,783)	(24,831,749)	(13,072,349)	(14,130,249)
NET IMPAIRMENT ON FINANCIAL ASSETS	32	231,262	(4,550,711)	(762,215)	(7,227,739)
SHARE OF LOSS OF JOINT VENTURES, NET OF TAX	8	(460,630)	(301,180)	-	-
PROFIT BEFORE TAXATION	33	103,162,996	95,215,396	120,738,708	60,240,390
INCOME TAX (EXPENSE)/REVERSAL	34	(30,647,102)	(23,540,189)	(152,041)	13,961
PROFIT AFTER TAXATION		72,515,894	71,675,207	120,586,667	60,254,351

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
cont'd

	NOTE	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
OTHER COMPREHENSIVE INCOME/ (EXPENSES):	35				
<u>Item that will not be reclassified subsequently to profit or loss:</u>					
- revaluation of properties		6,085,282	1,762,296	-	-
<u>Item that may be reclassified subsequently to profit or loss:</u>					
- foreign currency translation differences		(2,716,043)	(2,977,444)	-	-
TOTAL OTHER COMPREHENSIVE INCOME/(EXPENSES)		3,369,239	(1,215,148)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		75,885,133	70,460,059	120,586,667	60,254,351
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		61,434,935	59,369,193	120,586,667	60,254,351
Non-controlling interests		11,080,959	12,306,014	-	-
		72,515,894	71,675,207	120,586,667	60,254,351
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		64,804,827	58,153,971	120,586,667	60,254,351
Non-controlling interests		11,080,306	12,306,088	-	-
		75,885,133	70,460,059	120,586,667	60,254,351
EARNINGS PER SHARE (SEN)	36				
Basic		1.59	1.53		
Diluted		1.59	1.53		

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2025

The Group	Note	Non-Distributable					Distributable			Attributable to Owners of the Company		Non-controlling interests	Total Equity
		Share Capital	Treasury Shares	Merger Deficit Reserve	Exchange Reserve	Revaluation Reserve	Retained Profits			RM	RM	RM	RM
Balance at 1.1.2025		633,878,029	(30,769,865)	(500,422,471)	(2,427,911)	16,792,360	108,076,346	225,126,488	30,406,689	255,533,177			
Profit after taxation for the financial year		-	-	-	-	-	61,434,935	61,434,935	11,080,959	72,515,894			
Other comprehensive (expenses)/ income for the financial year													
- Foreign currency translation differences		-	-	-	(2,715,289)	-	-	(2,715,289)	(754)	(2,716,043)			
- Revaluation of properties		-	-	-	-	6,085,181	-	6,085,181	101	6,085,282			
Total comprehensive (expenses)/ income for the financial year		-	-	-	(2,715,289)	6,085,181	61,434,935	64,804,827	11,080,306	75,885,133			
Purchase of treasury shares	24	-	(6,985,387)	-	-	-	-	(6,985,387)	-	(6,985,387)			
Dividends:													
- by the Company	37	-	-	-	-	-	(19,380,332)	(19,380,332)	-	(19,380,332)			
- by the subsidiaries to non-controlling interests		-	-	-	-	-	-	-	(30,420,000)	(30,420,000)			
Total contributions by and distributions to owners		-	(6,985,387)	-	-	-	(19,380,332)	(26,365,719)	(30,420,000)	(56,785,719)			
Realisation of revaluation reserve		-	-	-	-	(6,135,588)	6,135,591	3	(3)	-			
Balance at 31.12.2025		633,878,029	(37,755,252)	(500,422,471)	(5,143,200)	16,741,953	156,266,540	263,565,599	11,066,992	274,632,591			

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2025

cont'd

The Group	Note	Non-Distributable					Distributable			Total Equity
		Share Capital	Treasury Shares	Merger Deficit Reserve	Exchange Reserve	Revaluation Reserve	Retained Profits	Attributable to Owners of the Company	Non-controlling interests	
		RM	RM	RM	RM	RM	RM	RM	RM	RM
Balance at 1.1.2024										
- As previously reported		633,878,029	(30,769,865)	(500,422,471)	549,120	14,626,419	138,262,343	256,123,575	3,110,465	259,234,040
- Adjustment during measurement period		-	-	-	-	-	-	-	289,098	289,098
Profit after taxation for the financial year		633,878,029	(30,769,865)	(500,422,471)	549,120	14,626,419	138,262,343	256,123,575	3,399,563	259,523,138
Other comprehensive (expenses)/income for the financial year		-	-	-	-	-	59,369,193	59,369,193	12,306,014	71,675,207
- Foreign currency translation differences		-	-	-	(2,977,031)	-	-	(2,977,031)	(413)	(2,977,444)
- Revaluation of properties		-	-	-	-	1,761,809	-	1,761,809	487	1,762,296
Total comprehensive (expenses)/income for the financial year		-	-	-	(2,977,031)	1,761,809	59,369,193	58,153,971	12,306,088	70,460,059
Dividends by the Company	37	-	-	-	-	-	(89,149,530)	(89,149,530)	-	(89,149,530)
Total contributions by and distributions to owners		-	-	-	-	-	(89,149,530)	(89,149,530)	-	(89,149,530)
Issue of shares by a subsidiary to non-controlling interests		-	-	-	-	-	-	-	14,699,510	14,699,510
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	14,699,510	14,699,510
Realisation of revaluation reserve		-	-	-	-	404,132	(405,660)	(1,528)	1,528	-
Balance at 31.12.2024		633,878,029	(30,769,865)	(500,422,471)	(2,427,911)	16,792,360	108,076,346	225,126,488	30,406,689	255,533,177

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2025
cont'd

The Company	NOTE	Share Capital RM	Treasury Shares RM	Distributable Retained Profits RM	Total Equity RM
Balance at 1.1.2024		633,878,029	(30,769,865)	137,802,090	740,910,254
Profit after taxation/Total comprehensive income for the financial year		-	-	60,254,351	60,254,351
Dividends	37	-	-	(89,149,530)	(89,149,530)
Total contributions by and distributions to owners		-	-	(89,149,530)	(89,149,530)
Balance at 31.12.2024/1.1.2025		633,878,029	(30,769,865)	108,906,911	712,015,075
Profit after taxation/Total comprehensive income for the financial year		-	-	120,586,667	120,586,667
Purchase of treasury shares	24	-	(6,985,387)	-	(6,985,387)
Dividends	37	-	-	(19,380,332)	(19,380,332)
Total contributions by and distributions to owners		-	(6,985,387)	(19,380,332)	(26,365,719)
Balance at 31.12.2025		633,878,029	(37,755,252)	210,113,246	806,236,023

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

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2025

NOTE	The Group		The Company	
	2025 RM	2024 RM (Restated)	2025 RM	2024 RM (Restated)
CASH FLOWS FROM/(FOR)				
OPERATING ACTIVITIES				
Profit before taxation	103,162,996	95,215,396	120,738,708	60,240,390
Adjustments for:-				
Amortisation of investment in club memberships	563	564	-	-
Amortisation of product development expenditure	119,509	220,469	-	-
Amortisation of software	66,543	85,791	-	-
Amortisation of trademark and patents	269,424	295,985	-	-
Bad debts written off	191,111	482,918	-	-
Deposits written off	137,375	-	-	-
Depreciation of:				
- property, plant and equipment	9,771,143	10,357,079	-	-
- right-of-use assets	8,574,400	8,506,765	-	-
Fair value loss on short-term investments	-	509,400	-	-
Impairment loss:				
- amount owing by subsidiaries	-	-	762,215	7,227,739
- assets classified as held for sale	1,092,662	-	-	-
- intangible assets	-	100,098	-	-
- investment in a joint venture	1,481,697	-	-	-
- other receivables	-	113,764	-	-
- property	1,233,713	4,109	-	-
- a related company	-	8,520	-	-
- short-term investments	-	3,500,000	-	-
- trade receivables	360,833	1,832,157	-	-
Intangible assets written off	646,186	-	-	-
Interest expense	25,355,783	24,831,749	13,072,349	14,130,249
Inventories written down	1,460,188	374,816	-	-
Inventories written off	311,797	112,371	-	-
Loss arising from changes in fair value of biological assets	19,488	16,691	-	-
Loss/(Gain) on forward currency contracts	993,997	(1,064,347)	-	-
Plant and equipment written off	415,787	64,827	-	-
Reversal of bargain purchase	-	81,551	-	-
Share of loss of joint ventures	460,630	301,180	-	-
Waiver of amount owing by subsidiaries	-	-	-	271,974
Bad debt recovered	(89,029)	(684)	-	-
Dividend income	-	-	(126,715,869)	(76,817,144)
Fair value gain on investment properties	(382,610)	-	-	-
Gain on disposal of plant and equipment	(141,453)	(277,844)	-	-
Gain on lease termination	(11,940)	(23,885)	-	-
Interest income	(462,653)	(533,105)	(5,421,237)	(6,101,286)
Reversal on impairment loss on a related company	(8,520)	-	-	-
Reversal on impairment loss on trade receivables	(583,575)	(903,730)	-	-
Unrealised gain on foreign exchange	(4,824,142)	(39,069)	(3,545,202)	(2,566,258)
Write-back of inventories	(1,177,378)	-	-	-
Operating profit/(loss) before working capital changes carried forward	148,444,525	144,173,536	(1,109,036)	(3,614,336)

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

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2025
cont'd

NOTE	The Group		The Company	
	2025 RM	2024 RM (Restated)	2025 RM	2024 RM (Restated)
Operating profit/(loss) before working capital changes brought forward	148,444,525	144,173,536	(1,109,036)	(3,614,336)
(Increase)/Decrease in inventories	(16,006,632)	49,451,315	-	-
Increase in contract assets	(10,029,081)	(11,167,937)	-	-
(Decrease)/Increase in contract liabilities	(3,539,833)	5,724,675	-	-
Decrease/(Increase) in trade and other receivables	51,460,256	(13,174,722)	124,500	5,889,284
Increase/(Decrease) in trade and other payables	507,444	(4,704,439)	334,353	(196,358)
(Increase)/Decrease in amount owing by related companies	(1,599,695)	1,790,048	-	-
Increase in amount owing to related companies	645,772	197,130	-	-
Increase in amount owing to a joint venture	100,088	786,608	-	-
CASH FROM/(FOR) OPERATIONS	169,982,844	173,076,214	(650,183)	2,078,590
Interest paid	(25,355,783)	(24,038,729)	(13,072,349)	(13,337,229)
Income tax paid	(29,819,509)	(29,384,996)	(104,313)	(45,887)
NET CASH FROM/(FOR) OPERATING ACTIVITIES	114,807,552	119,652,489	(13,826,845)	(11,304,526)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES				
Acquisition of a joint venture	-	(5,544,000)	-	-
Addition of intangible assets	(434,072)	(1,001,956)	-	-
Repayment from subsidiaries	-	-	5,492,018	8,733,882
Repayment from related companies	8,320	-	-	-
Advances to a joint venture	(1,970)	-	(1,970)	-
Subscription of additional shares in subsidiaries	-	-	-	(15,399,490)
Net movement in pledged bank balances and deposits to licensed banks	215,055	5,949,595	-	-
Dividend received	-	-	126,715,869	78,382,694
Increase in cash collateral with licensed bank	-	(4,011,873)	-	(2,812,500)
Interest received	462,653	471,230	5,421,237	6,101,286
Proceeds from disposal of:				
- plant and equipment	191,934	401,983	-	-
- assets classified as held for sale	6,500,000	830,000	-	-
- short-term investments	1,472,800	1,599,000	-	-
Proceeds from issuance of shares to non-controlling interests	-	14,699,510	-	-
Purchase of property, plant and equipment	(11,735,389)	(16,136,140)	-	-
Payment of deferred consideration	(17,754,323)	(50,000,000)	(15,754,323)	-
Payment of variable deferred consideration	-	(14,000,000)	-	(14,000,000)
NET CASH (FOR)/FROM INVESTING ACTIVITIES	(21,074,992)	(66,742,651)	121,872,831	61,005,872
BALANCE CARRIED FORWARD	93,732,560	52,909,838	108,045,986	49,701,346

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

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2025

cont'd

	NOTE	The Group		The Company	
		2025 RM	2024 RM (Restated)	2025 RM	2024 RM (Restated)
BALANCE BROUGHT FORWARD		93,732,560	52,909,838	108,045,986	49,701,346
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Dividend paid		(49,800,332)	(89,149,530)	(19,380,332)	(89,149,530)
Drawdown of revolving credit	38(c)	322,630,000	309,420,000	244,630,000	221,800,000
Drawdown of term loans	38(c)	80,000,000	123,154,669	-	123,154,669
Purchase of treasury shares		(6,985,387)	-	(6,985,387)	-
Repayment of lease liabilities		(6,482,610)	(7,275,105)	-	-
Repayment of term loans	38(c)	(47,208,122)	(108,513,873)	(41,302,847)	(105,255,700)
Repayment of revolving credit	38(c)	(343,660,000)	(304,400,000)	(256,660,000)	(221,800,000)
(Repayment to)/Advances from subsidiaries		-	-	(21,873,713)	22,300,177
(Repayment to)/Advances from related companies		(5,653)	8,512	-	-
Net increase/(decrease) of borrowings		5,888,260	(6,539,229)	-	-
NET CASH FOR FINANCING ACTIVITIES		(45,623,844)	(83,294,556)	(101,572,279)	(48,950,384)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		48,108,716	(30,384,718)	6,473,707	750,962
Effects of foreign exchange translation		(1,067,762)	(1,813,407)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		27,327,309	59,525,434	1,463,462	712,500
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	38(d)	74,368,263	27,327,309	7,937,169	1,463,462

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office and principal place of business are as follows:-

Registered office	:	B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Malaysia.
Principal place of business	:	No.64, Jalan Bayu Laut 4/KS09, Kota Bayuemas, 41200 Klang, Selangor, Malaysia.

These financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries are collectively referred to as “the Group”.

The financial statements of the Company and of the Group are presented in Ringgit Malaysia (“RM”), which is the Company’s functional and presentation currency.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 16 April 2026.

2. PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. HOLDING COMPANY

The holding company is Hextar Holdings Sdn. Bhd., a company incorporated and domiciled in Malaysia.

4. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards (“MFRSs”), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

- 4.1 During the current financial year, the Group and the Company have adopted the following new accounting standard and/or interpretation (including the consequential amendments, if any):-

MFRS and/or IC Interpretation (Including The Consequential Amendments)

Amendments to MFRS 121: Lack of Exchangeability

The adoption of the above accounting standard and/or interpretation (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

cont'd

4. BASIS OF PREPARATION (CONT'D)

- 4.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency	1 January 2027
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company except for MFRS 18. The Group and the Company are currently evaluating the impact of implementing MFRS 18.

5. MATERIAL ACCOUNTING POLICY INFORMATION

5.1 Critical Accounting Estimates and Judgements

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Impairment of Goodwill

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 estimate the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate to calculate the present value of those cash flows. The carrying amount of goodwill as at the reporting date and the key assumptions and sensitivity analysis are disclosed in Note 11(a) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
cont'd

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.1 Critical Accounting Estimates and Judgements (Cont'd)

Key Sources of Estimation Uncertainty (Cont'd)

- (b) Impairment of Investments in Subsidiaries, Property, Plant and Equipment, Investment Properties and Right-of-use Assets

The Group and the Company determine whether an item of its investments in subsidiaries, property, plant and equipment, investment properties and right-of-use assets is impaired by evaluating the extent to which the recoverable amount of these assets are less than their carrying amounts. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amounts, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amounts of investment in subsidiaries, property, plant and equipment, investment properties and right-of-use assets as at the reporting date and the key assumptions and sensitivity analysis are disclosed in Notes 6, 7, 9 and 10 to the financial statements.

- (c) Write-down of Inventories

Management periodically reviews damaged, obsolete and slow-moving inventory. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 14 to the financial statements.

- (d) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts them for qualitative and quantitative, reasonable and supportable, forward-looking information, where applicable. If the expectation is different from the estimation, such a difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 12, 15, 17 and 18 to the financial statements respectively.

- (e) Properties under Revaluation

The properties of the Group are reported at revalued amounts which are based on valuations performed by independent professional valuers by reference to the selling prices of recent transactions and asking prices of similar properties of nearby locations and where necessary, adjusting for size. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuations. The carrying amount of properties measured at revaluation as at the reporting date is disclosed in Note 9 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

cont'd

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.1 Critical Accounting Estimates and Judgements (Cont'd)

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not exercised. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

5.2 Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
cont'd

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.2 Basis of Consolidation (Cont'd)

(b) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(c) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in the equity of the Group.

(d) Merger Accounting

A business combination involving entities under common control is a business combination in which all the combining entities or business are ultimately controlled by same party or parties both before and after the business combination, and that control is not transitory. For such common control business combinations, the merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entities in the consolidated financial statements. The merger method of accounting is applied on a retrospective basis and restated its comparative as if the consolidation had taken place before the state of the earliest period presented in the financial statements.

Under the merger method of accounting, the results of subsidiary are presented as if the merger had been effected throughout the current year. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholders at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit difference is classified as equity and regarded as a non-distributable reserve. Any reserves which are attributable to share capital of the merged entities, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other capital reserves.

(e) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value of the initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

cont'd

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.3 Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised in profit or loss immediately.

In respect of equity-accounted joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted joint ventures.

5.4 Functional and Foreign Currencies

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional and presentation currency.

(b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(c) Foreign Operations

Assets and liabilities of foreign operations (including any goodwill and fair value adjustments arising on acquisition) are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in joint ventures that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion related to non-controlling interests is derecognised but is not reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
cont'd

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.4 Functional and Foreign Currencies (Cont'd)

(c) Foreign Operations (Cont'd)

In addition, in relation to partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in joint ventures that includes a foreign operation while retaining joint control, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

5.5 Financial Instruments

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

cont'd

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.5 Financial Instruments (Cont'd)

(a) Financial Assets (Cont'd)

Debt Instruments (Cont'd)

(i) Amortised Cost (Cont'd)

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(ii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The fair value changes do not include interest or dividend income.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

(b) Financial Liabilities

(i) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

(ii) Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value (excluding interest expense) of these financial liabilities are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
cont'd

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.5 Financial Instruments (Cont'd)

(c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

(i) Ordinary Shares

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

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(ii) Treasury Shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

Where treasury shares are reissued by resale, the difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity.

Where treasury shares are cancelled, their costs are transferred to retained profits.

(d) Derivative Financial Instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in fair value on derivatives during the reporting period, other than those accounted for under hedge accounting, are recognised directly in profit or loss.

Any derivative embedded in a financial asset is not accounted for separately. Instead, the entire hybrid contract is classified and subsequently measured as either amortised cost or fair value as appropriate.

An embedded derivative is recognised separately from the host contract which is a financial liability as a derivative if, and only if, its risks and characteristics are not closely related to those of the host contract and the host contract is not measured at fair value through profit or loss.

(e) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

cont'd

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.5 Financial Instruments (Cont'd)

(e) Derecognition (Cont'd)

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(f) Financial Guarantee Contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

5.6 Investments in Subsidiaries

Investments in subsidiaries are stated at cost less accumulated impairment losses in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events of changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss.

5.7 Joint Arrangement

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements returns.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangement and determined it to be a joint venture.

Joint Ventures

A joint venture is a joint arrangement whereby the Group has rights only to the net assets of the arrangement.

The investment in joint ventures are accounted for in the consolidated financial statements using the equity method, based on the financial statements of the joint venture made up to 31 December 2025. The Group's share of the post-acquisition profits and other comprehensive income of the joint ventures are included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that joint control commences up to the effective date when the investment ceases to be a joint venture or when the investment is classified as held for sale. The Group's investment in the joint ventures are carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The cost of investment includes transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
cont'd

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.7 Joint Arrangement (Cont'd)

Joint Ventures (Cont'd)

When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation. The interest in the joint ventures are the carrying amount of the investment in the joint venture determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the joint venture.

Unrealised gains on transactions between the Group and the joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated unless cost cannot be recovered.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that joint venture to profit or loss when the equity method is discontinued. However, the Group will continue to use the equity method when an investment in a joint venture becomes an investment in an associate. Under such change in ownership interest, the retained investment is not remeasured to fair value but a proportionate share of the amounts previously recognised in other comprehensive income of the joint venture will be reclassified to profit or loss where appropriate. All dilution gains or losses arising in investment in a joint venture are recognised in profit or loss.

5.8 Property, Plant and Equipment

All items of property, plant and equipment are initially measured at cost.

Subsequent to initial recognition, all property, plant and equipment, other than freehold land and building, are stated at cost less accumulated depreciation and any impairment losses.

Freehold land is stated at valuation less impairment losses recognised after the date of the revaluation.

Freehold buildings are stated at revalued amount less accumulated depreciation and impairment losses recognised after the date of the revaluation. Freehold land and buildings are revalued periodically, at least once in every three years. Surpluses arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Freehold buildings	2%
Leasehold buildings	2% or over the remaining lease period
Buildings and structures	2%
Renovation	2% - 25%
Forklifts and motor vehicles	10% - 33.3%
Tools, equipment, furniture and fittings	1.8% - 50%
Factory equipment and machinery	2.5% - 50%
Bearer plants	remaining useful lives of 35 - 38 years

Capital work-in-progress included in property, plant and equipment are not depreciated until such time when the asset is available for use.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

cont'd

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.8 Property, Plant and Equipment (Cont'd)

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset. In addition, the Group also makes an annual transfer of the revaluation reserve to retained profits as the asset is used by the Group. In such a case, the amount of the revaluation reserve transferred would be the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

5.9 Investment Properties

Investment properties are properties which are owned or right-of-use asset held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The right-of-use asset held under a lease contract that meets the definition of investment property is measured initially similarly as other right-of-use assets.

Subsequent to initial recognition, investment properties are stated at fair value with fair value changes recognised in profit or loss.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property or inventories, the fair value at the date of change becomes the cost for subsequent accounting purposes. If the owner-occupied property becomes an investment property, such property shall be accounted for in accordance with the accounting policy for property, plant and equipment up to date of change in use.

5.10 Impairment

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income, trade receivables and contract assets, as well as on financial guarantee contracts.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
cont'd

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.10 Impairment (Cont'd)

(a) Impairment of Financial Assets (Cont'd)

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

5.11 Product Development Expenditure

Product development expenditure is recognised as an expense when it is incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

cont'd

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.11 Product Development Expenditure (Cont'd)

Product development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as non-current assets to the extent that such expenditure is expected to generate future economic benefits. Product development expenditure is capitalised if, and only if, an entity can demonstrate all of the following:-

- (a) its ability to measure reliably the expenditure attributable to the asset under development;
- (b) the product or process is technically and commercially feasible;
- (c) its future economic benefits are probable;
- (d) its intention to complete and the ability to use or sell the developed asset; and
- (e) the availability of adequate technical, financial and other resources to complete the asset under development.

Capitalised product development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Product development expenditure initially recognised as an expense is not recognised as assets in the subsequent period.

The product development expenditure is amortised on a straight-line method over a period of 5 years when the products are ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.

The amortisation method, useful life and residual value are reviewed, and adjusted if appropriate, at the end of each reporting period.

5.12 Intangible Assets

Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

Other intangible assets are amortised from the date that they are available for use. Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

5.13 Leases

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
cont'd

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.13 Leases (Cont'd)

Except for leasehold land is stated at revalued amounts based on periodic valuations, at least once in every 3 years, less subsequent depreciation. Surpluses arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss. The Group makes an annual transfer of the revaluation reserve to retained profits at an amount equal to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on its original cost, net of tax.

Subsequent to initial recognition, all right-of-use assets, other than leasehold land, are stated at cost less accumulated depreciation and impairment losses, if any.

The lease liability is 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 uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

5.14 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted. The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is the weighted average of the borrowing costs applicable to borrowings that are outstanding during the financial year, other than borrowings made specifically for the purpose of financing a specific project-in-progress, in which case the actual borrowing costs incurred on that borrowings less any investment income on temporary investment of that borrowings will be capitalised.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they are incurred.

5.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method and includes all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

5.16 Contract Costs Assets

(a) Incremental Costs of Obtaining a Contract

The Group recognises incremental costs of obtaining contracts with customers as an asset when the Group expects to recover these costs. When the amortisation period of the asset is one year or less, such costs are recognised as an expense immediately when incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

cont'd

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.16 Contract Costs Assets (Cont'd)

(b) Costs to Fulfill a Contract

The Group recognises costs that relate directly to a contract (or an anticipated contract) with customer as an asset when the costs generate or enhance resources of the Group, will be used in satisfying performance obligation in the future and are recovered.

The contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates.

An impairment loss is recognised in profit or loss when the carrying amount of the contract cost assets exceeds the expected revenue less expected cost that will be incurred. Any impairment loss recovered shall be reversed to the extent of the carrying amount of the contract cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

5.17 Contract Asset and Contract Liability

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment under MFRS 9.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

5.18 Non-current Assets Held for Sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the non-current assets are remeasured in accordance with the Group's accounting policies. Upon classification as held for sale, the non-current assets are not depreciated and are measured at the lower of their previous carrying amount and fair value less cost to sell. Any differences are recognised in profit or loss. In addition, equity accounting of equity-accounted joint ventures ceases once classified as held for sale or distribution.

5.19 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The discount rate shall be a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as interest expense in profit or loss.

5.20 Income Taxes

(a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
cont'd

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.20 Income Taxes (Cont'd)

(b) Deferred Tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unutilised tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Where investment properties are carried at their fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

5.21 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

5.22 Employee Benefits

(a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

cont'd

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.22 Employee Benefits (Cont'd)

(c) Defined Benefit Plans

The determination of the Group's obligations and cost for pension and employee benefits liabilities is dependent on its selection of certain assumptions used by the independent actuaries in calculating such amounts. Those assumptions include among others, discount rates, future annual salary increase, annual employee turn-over rate, disability rate, retirement age and mortality rate. Actual results that differ from the Group's assumptions are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period which they occur. While the Group believes that its assumptions are reasonable and appropriate, significant differences in the Group's actual experiences or significant changes in the Group's assumptions may materially affect its estimated liabilities for pension and employee benefits and net employee benefits expense.

5.23 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

5.24 Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

5.25 Earnings Per Ordinary Share

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
cont'd

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.26 Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. In estimating the fair value of an asset or a liability, the Group take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

The fair value for measurement and disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions (MFRS 2), leasing transactions (MFRS 16) and measurement that have some similarities to fair value but not are fair value, such as net realisable value (MFRS 102) or value in use (MFRS 136).

5.27 Revenue from Contracts with Customers

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group satisfies its performance obligation.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

cont'd

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.27 Revenue from Contracts with Customers (Cont'd)

(i) Sale of Goods

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

No element of significant financing is deemed present as the sales are made with credit terms not exceeding 12 months which are consistent with prevailing market practice.

(ii) Construction Contract

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for works performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that it is likely to be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

When the total of costs incurred on construction contracts plus, recognised profits (less recognised losses) exceeds progress billings, the balance is classified as contract assets. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as contract liabilities.

(iii) Rendering of Services

(a) Services recognised at a point in time

Revenue is recognised at a point in time when the services have been rendered to the customers and coincides with the delivery of services and acceptance by customers.

(b) Services recognised over time

Revenue from providing services is recognised over time in the period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. As a practical expedient, the Group recognises revenue on a straight-line method over the period of service.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
cont'd

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.28 Revenue from Other Sources and Other Operating Income

(i) Rental income

Rental income from investment properties is accounted for on a straight-line method over the lease term.

(ii) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

5.29 Bearer Plants

Bearer plants are living plants that are used in the supply of agriculture produce for more than one period and have remote likelihood of being sold as agriculture produce, except for incidental scrap sales.

Bearer plants comprise pre-cropping costs incurred on land preparation, construction of drains, roads and irrigation, fertilisation, plant and replanting, labour and any general overheads directly attributed to the development of the rootstock. Pre-cropping costs incurred are capitalised at cost and amortised over the useful life of the rootstock commencing from the date of maturity of the rootstock.

The carrying values of bearer plants are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The useful life and amortisation method are reviewed at each financial year end to ensure that the amount method and period of amortisation are consistent with previous estimates and the expected pattern of consumption of the future benefits.

The policy for the recognition and measurement of impairment loss is in accordance with Note 5.10(b).

A bearer plants is derecognised upon disposal or when no future economic benefits are expected from it, use or disposal. Any gain or loss arising on derecognition of the bearer plants is included in the profit or loss in the year the bearer plants is derecognised.

Interest costs on borrowings and depreciation of bearer plants that are directly attributed to new planting or replanting incurred prior to maturity are also included in the pre-cropping costs.

Bearer plants include mature and immature plantations that are acquired by the Group. Immature plantations are stated at cost. Bearer plants are depreciated when the plantation can be harvested (during the eighth year of replanting). The mature bearer plants are depreciated over their estimated useful life of 50 years on a straight-line basis. The immature bearer plants are not depreciated until such time when they are matured.

The useful lives are reviewed, and adjusted if appropriate, at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

cont'd

6. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2025	2024
	RM	RM
<u>Unquoted shares, at cost</u>		
At 1 January	923,784,572	906,918,995
Addition during the financial year	-	15,399,490
Reassessment of variable deferred consideration	-	1,466,087
At 31 December	923,784,572	923,784,572
<u>Accumulated impairment losses</u>		
At 1 January/31 December	(7,284,672)	(7,284,672)
Total	916,499,900	916,499,900

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025 %	2024 %	
Subsidiaries of the Company				
Halex (M) Sdn. Bhd.	Malaysia	100	100	Manufacturing, distributions and agency of agrochemicals
Halex Management Sdn. Bhd.	Malaysia	100	100	Provider of management services
Hextar Chemicals Group Sdn. Bhd.	Malaysia	100	100	Investment holding
Hextar Biogas BEE Sdn. Bhd.	Malaysia	55	55	Providing services related to integrated process and system using biological green technology including consultancy, research and development, design, manufacturing and commissioning and testing, maintenance and services to produce methane gas or organic fertilizer and investment holding company
Chempro Technology (M) Sdn. Bhd.	Malaysia	100	100	General agent and trading in institutional and industrial chemicals and renting and leasing of other machinery, equipment and tangible goods
Alpha Aim (M) Sdn. Bhd.	Malaysia	100	100	Manufacturing and trading industrial chemicals detergent and related products
Nobel Synthetic Polymer Sdn. Bhd.	Malaysia	100	100	Manufacturing of chemical derivatives, coating and related products
Nobel Scientific Sdn. Bhd.	Malaysia	100	100	Manufacturing of chemicals derivatives, coating and related products; and leasing, licensing, and charging of intellectual property rights and other intangible assets

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
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6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows (Cont'd):-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025 %	2024 %	
Subsidiaries of the Company (Cont'd)				
Hextar Kimia Sdn. Bhd. @	Malaysia	49	49	Supply and trading of specialty chemicals, catalysts and absorbents
Hextar Kimia (Australia) Pty. Ltd. #	Australia	100	100	Investment holding
Tufbond Technologies Sdn. Bhd.	Malaysia	100	100	Trading and manufacturing of polymers, adhesive products, machineries, provision of technical assistance and technology transfer
Hextar Agriculture Sdn. Bhd.	Malaysia	100	100	Manufacturing and marketing of wide range of fertilizers, trading of agrochemicals products, commodities, agricultural products and poultry
PT. Agro Sentosa Raya *	Indonesia	99.91	99.91	Formulation and repacking of branded pesticides
Hextar Industrial Chemicals Sdn. Bhd.	Malaysia	100	100	Trading and distributing of industrial chemical products
Hextar Fruits Sdn. Bhd.	Malaysia	51	51	Investment holding
Hextar Oiltech Sdn. Bhd.	Malaysia	60	60	Manufacturing and trading of lubrication oil, oil related products and liquid solutions for construction and household uses
Subsidiaries of Halex (M) Sdn. Bhd.				
Halex Industries (M) Sdn. Bhd.	Malaysia	100	100	Trading and distribution of agricultural chemicals, fertilisers and compounds
Halex Realty Sdn. Bhd.	Malaysia	100	100	Investment in landed property
Halex Chemicals (S) Pte. Ltd. **%	Singapore	100	100	Trading of fertilisers and agrochemicals. Did not trade since incorporation
Halex Biotechnologies Sdn. Bhd.	Malaysia	100	100	Horticulture and agro-biotechnology and manufacturing Bio-decomposition of palm oil waste. Temporary ceased operations since prior years
Pengedaran Beras Lestari Sdn. Bhd. &	Malaysia	-	100	Dormant

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows (Cont'd):-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025 %	2024 %	
<i>Subsidiaries of Hextar Chemicals Group Sdn. Bhd.</i>				
Hextar Chemicals Sdn. Bhd.	Malaysia	100	100	Manufacturing and trading of chemicals, fertilizers, machinery and related services
Hextar R&D International Sdn. Bhd.	Malaysia	100	100	Providing specialist services for product testing, research, development and product formulation registration
<i>Subsidiary of Hextar Biogas BEE Sdn. Bhd.</i>				
Biogas Environmental Engineering Sdn. Bhd.	Malaysia	100	100	Engaged in the business of biological technology to process the waste material from palm oil processing mill or other industries to produce methane (biogas) or organic fertiliser. Temporary ceased operations during the financial year
<i>Subsidiary of Chempro Technology (M) Sdn. Bhd.</i>				
Protek Chemicals & Engineering (B) Sdn. Bhd.*	Brunei	99.99	99.99	Retailer of specialized cleaning and sanitizing chemicals and other related services
<i>Subsidiaries of Hextar Kimia Sdn. Bhd.</i>				
Hextar Oilfield Chemicals Sdn. Bhd. +\$	Malaysia	100	100	Dormant
Hextar Downstream Services Sdn. Bhd. +\$	Malaysia	100	100	Dormant
Hextar Secadyme Sdn. Bhd.	Malaysia	100	100	Supplying industrial chemicals and catalysts for the oil and gas industry, blending, mixing and supplying of oilfield chemicals, environmental chemicals and other related products

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
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6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows (Cont'd):-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025 %	2024 %	
Subsidiaries of Hextar Fruits Sdn. Bhd.				
PHG.Ever Fresh Food (M) Sdn. Bhd.	Malaysia	100	100	Engaged in the business of durian, durian processing and other fruits
PHG.Ever Fresh Food (TK) Sdn. Bhd.	Malaysia	100	100	Engaged in the business of frozen durian, durian paste, durian pulp and other durian related products. Temporary ceased operations during the financial year
PHG Wholesale & Retail Sdn. Bhd.	Malaysia	100	100	Wholesale of durian and other fruits
PHG Ever Fresh Plantation Sdn. Bhd.	Malaysia	55	55	Engaged in growing and wholesale of durian. Temporary ceased operations during the financial year
Durian Boat Global Sdn. Bhd.	Malaysia	100	100	Trading of durian. Temporary ceased operations during the financial year
Fruits Venture Sdn. Bhd. &	Malaysia	-	100	Dormant
Subsidiary of Hextar Kimia (Australia) Pty. Ltd.				
International Chemicals Engineering Pty. Ltd.*	Australia	100	100	Supplier of liquid odorant, dosing systems and servicing to gas delivery and storage systems
Subsidiary of Durian Boat Global Sdn. Bhd.				
Durian Boat Pte. Ltd. **	Singapore	100	100	Retail sale of durian and durian related products. Did not trade since incorporation

- Not required to be audited under the laws of the country of incorporation

* - These subsidiaries were audited by other firms of chartered accountants

@ - Hextar Kimia Sdn. Bhd. is treated as a subsidiary by virtue of power to effect the variable returns

+ - These subsidiaries are under members' voluntary liquidation

\$ - Consolidated based on management accounts. This approach was adopted as the size of these subsidiaries are considered insignificant to the Group.

% - The auditors' report on the financial statements of the subsidiary includes a "Material Uncertainty Related to Going Concern" regarding the ability of the subsidiary to continue as a going concern in view of its capital deficiency position as at the end of the current reporting period. The financial statements were prepared on a going concern basis as the Company has undertaken to provide continued financial support to the subsidiary. These subsidiaries are dormant and immaterial to the Group.

& - These subsidiaries have been struck off during the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (a) During the financial year, the Company has reviewed the recoverable amounts of its investments in certain subsidiaries with indications of impairment and performed impairment assessments to determine the recoverable amounts where necessary.

The recoverable amounts were determined using the value in use approach by discounting future cash flows projected to be generated by the subsidiaries. The key assumptions used in the determination of the recoverable amounts are as follows:-

- (i) Cash flows were projected based on a 3 to 5 year business plan.
- (ii) Projected revenue growth rates - The projected revenue growth rates used ranged from 3% to 36% (2024 - 1% to 44%), taking into consideration past business performance and management's expectations of current and future market conditions.
- (iii) Projected gross profit margins - The projected gross profit margins used ranged from 15% to 54% (2024 - 14% to 55%), based on historical margins achieved or predetermined profit margins for relevant products and services.
- (iv) Post-tax discount rates - The discount rates reflected specific risks relating to the relevant subsidiaries. The rates used ranged from 4% to 6% (2024 - 5% to 9%).

The above estimates are sensitive as a decrease of Nil (2024 - 1%) in gross margin would reduce the recoverable amount by approximately RM Nil (2024 - RM1,962,000). This investment in subsidiary belongs to the Agriculture Segment.

- (b) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2025 %	2024 %	2025 RM	2024 RM
Hextar Biogas BEE Sdn. Bhd. and its subsidiary	45	45	1,837,389	2,617,762
Hextar Kimia Sdn. Bhd. and its subsidiaries	51	51	15,395,081	33,786,711
Hextar Fruits Sdn. Bhd. and its subsidiaries	49	49	(5,156,642)	(5,273,704)
Other individually immaterial subsidiaries			(1,008,836)	(724,080)
			11,066,992	30,406,689

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
cont'd

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (c) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:-

	Hextar Biogas BEE Sdn. Bhd. and its Subsidiary	
	2025	2024
	RM	RM
<u>At 31 December</u>		
Non-current assets	1,675,324	1,865,280
Current assets	4,919,724	7,712,470
Non-current liabilities	(15,931)	-
Current liabilities	(2,496,032)	(3,659,838)
Net assets	4,083,085	5,917,912
<u>Financial year ended 31 December</u>		
Revenue	8,943,881	6,629,515
Profit for the financial year	1,165,172	528,257
Total comprehensive income	1,165,172	528,257
Total comprehensive income attributable to non-controlling interests	569,627	213,666
Dividends paid to non-controlling interests	(1,350,000)	-
Net cash flows from operating activities	1,344,406	2,704,010
Net cash flows from/(for) investing activities	11,665	(55,178)
Net cash flows for a financing activity	(3,000,000)	-
	Hextar Kimia Sdn. Bhd. and its Subsidiaries	
	2025	2024
	RM	RM
<u>At 31 December</u>		
Non-current assets	38,669,936	35,575,862
Current assets	66,365,776	81,361,581
Non-current liabilities	(48,600,887)	(2,413,844)
Current liabilities	(24,943,177)	(47,394,531)
Net assets	31,491,648	67,129,068

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (c) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows (Cont'd):-

	Hextar Kimia Sdn. Bhd. and its Subsidiaries	
	2025	2024
	RM	RM
<u>Financial year ended 31 December</u>		
Revenue	152,999,759	181,779,327
Profit for the financial year	21,362,581	27,048,787
Total comprehensive income	21,362,581	27,048,787
Total comprehensive income attributable to non-controlling interests	10,678,370	13,673,300
Dividends paid to non-controlling interests	(29,070,000)	-
Net cash flows from operating activities	39,474,525	14,177,013
Net cash flows for investing activities	(4,374,540)	(1,927,716)
Net cash flows for financing activities	(25,214,474)	(12,691,299)
	Hextar Fruits Sdn. Bhd. and its Subsidiaries	
	2025	2024
	RM	RM
<u>At 31 December</u>		
Non-current assets	69,760,904	96,763,167
Current assets	113,148,821	66,318,153
Non-current liabilities	(12,324,474)	(14,004,069)
Current liabilities	(137,980,543)	(108,663,158)
Net assets	32,604,708	40,414,093
<u>Financial year ended 31 December</u>		
Revenue	179,591,965	183,495,758
Loss for the financial year	(7,816,446)	(3,339,064)
Total comprehensive expenses	(7,813,059)	(3,024,657)
Total comprehensive income/(expenses) attributable to non-controlling interests	120,212	(515,784)
Net cash flows from operating activities	9,498,812	52,463,562
Net cash flows for investing activities	(6,875,347)	(57,942,404)
Net cash flows from financing activities	15,371,552	770,080

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
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7. INVESTMENT PROPERTIES

	The Group	
	2025	2024
	RM	RM
<i>Carrying Amount</i>		
At 1 January	5,972,281	820,000
Gain on changes in fair value (Note 33)	382,610	-
Foreign currency translation reserve	(541,343)	-
Transfer from property, plant and equipment (Note 9)	-	1,253,873
Transfer from right-of-use assets (Note 10)	-	3,172,408
Transfer from asset classified as held for sale (Note 21)	-	726,000
At 31 December	5,813,548	5,972,281
Included in the above are:-		
Freehold building, at fair value	820,000	820,000
Leasehold land, at fair value	2,859,670	3,172,408
Leasehold building, at fair value	2,133,878	1,979,873
	5,813,548	5,972,281

- (a) The investment properties of the Group are leased to customers under operating leases with rentals payable monthly. The leases contain initial non-cancellable periods ranging from 12 to 25 (2024 - 12 to 37) months and an option that is exercisable by the customers to extend their leases for an average of 3 (2024 - 3) years. Certain leases are with lease payments indexed to the consumer price index.

The Group requires 2 to 12 (2024 - 2 to 12) months of advanced rental payments from the customers. When considered necessary, the Group would require a bank guarantee on certain of its lease arrangements. The leases do not include residual value guarantees and variable lease payments that depend on an index or rate.

As at the reporting date, the future minimum rentals receivable under the non-cancellable operating leases are as follows: -

	The Group	
	2025	2024
	RM	RM
Within 1 year	269,288	282,975
Between 1 and 2 years	250,516	265,427
Between 2 and 3 years	20,954	277,878
Between 3 and 4 years	-	23,243
	540,758	849,523

- (b) The fair value of the investment properties has been determined based on valuations performed by independent professional valuers at the end of the reporting date using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size, location, market trends and restrictions. The most significant input into this valuation approach is price per square foot of comparable properties. There has been no change to the valuation technique during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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7. INVESTMENT PROPERTIES (CONT'D)

The fair values measurement of the investment properties falls within level 2 of the fair value hierarchy.

There were no transfers between level 1 and level 3 of the fair value hierarchy during the financial year.

The fair value measurement of the investment properties is based on the highest and best use which does not differ from their actual use.

8. INVESTMENTS IN JOINT VENTURES

	The Group	
	2025	2024
	RM	RM
Unquoted shares, at cost	8,838,085	8,838,085
Share of post-acquisition reserves	(1,836,855)	(876,225)
Accumulated impairment losses (Note 33)	(1,481,697)	-
	5,519,533	7,961,860

The details of the joint ventures are as follows:-

Name of Joint Venture	Principal Place of Business and Country of Incorporation	Percentage of Ownership		Principal Activities
		2025 %	2024 %	
Indirect holding through Hextar Chemicals Group Sdn. Bhd.:				
Hextar Unitop Sdn. Bhd.	Malaysia	50	50	Manufacturing, exporting, importing and marketing of surfactants, specialty chemicals, intermediates, agrochemical additives, oil field chemicals, emulsifiers and agrichemicals
Indirect holding through Hextar Fruits Sdn. Bhd.:				
PT. Hextar Fruits Indonesia	Indonesia	51	51	Trading of fruits. Temporary ceased operations during the financial year
Indirect holding through Durian Boat Global Sdn. Bhd.:				
Grand Fresh Business Development Co. Ltd.	China	40	40	Trading and distributing of durian and durian related products

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
cont'd

8. INVESTMENTS IN JOINT VENTURES (CONT'D)

- (a) The joint arrangements are structured through separate vehicles that provide the Group with a right to the net assets of the entities. Accordingly, these investments are classified as joint ventures.
- (b) Although the Group holds more than 50% of the voting power in PT. Hextar Fruits Indonesia, the Group has determined that it does not have sole control over the investee considering that strategic and financial decisions of the relevant activities of the investee that require unanimous consent by all shareholders.
- (c) The Group recognised its share of results in PT. Hextar Fruits Indonesia based on the unaudited financial statements due to the size of the joint venture is considered insignificant to the Group.
- (d) The summarised financial information for all joint venture that are material to the Group are as follows:-

	Hextar Unitop Sdn. Bhd.	
	2025	2024
	RM	RM
<u>At 31 December</u>		
Non-current assets	354,541	613,952
Current assets	3,476,445	3,873,911
Non-current liabilities	(38,000)	(217,885)
Current liabilities	(781,475)	(353,802)
Net assets	3,011,511	3,916,176
Included in assets and liabilities are:		
- cash and cash equivalents	221,060	842,851
- non-current liabilities (excluding trade and other payables)	(38,000)	(217,885)
- current liabilities (excluding trade and other payables)	(548,811)	(140,992)
<u>Financial year ended 31 December</u>		
Revenue	5,359,441	5,198,899
Profit for the financial year	95,335	279,203
Dividend received	500,000	-
Net cash flows from/(for) operating activities	483,069	(463,459)
Net cash flows for investing activities	(2,320)	(27,235)
Net cash flows for financing activities	(1,103,586)	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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8. INVESTMENTS IN JOINT VENTURES (CONT'D)

- (d) The summarised financial information for all joint venture that are material to the Group are as follows (Cont'd):-

	Grand Fresh Business Development Co. Ltd.	
	2025	2024
	RM	RM
<u>At 31 December</u>		
Non-current assets	160,201	212,622
Current assets	11,028,374	11,953,963
Current liabilities	(1,055,757)	(135,473)
Net assets	10,132,818	12,031,112
<u>Financial year/period ended 31 December</u>		
Revenue	5,523,013	466,085
Loss for the financial year/period	(1,306,381)	(846,210)
Net cash flows for operating activities	(8,839,291)	(1,809,991)
Net cash flows from investing activities	36,067	17,890
Net cash flows from financing activities	-	13,641,600

- (e) The summarised unaudited financial information for a joint venture that is immaterial to the Group is as follows:-

	PT. Hextar Fruits Indonesia	
	2025	2024
	RM	RM
<u>Financial year ended 31 December</u>		
Group's share of loss for the financial year	-	(75,358)

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
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9. PROPERTY, PLANT AND EQUIPMENT

The Group 2025	At 1.1.2025		Additions (Note 38(a))		Reclassification		Disposal		Write Off		Depreciation Charge (Note 33)		Impairment Loss (Note 33)		Transfer to assets classified as held for sale (Note 21)		Transfer to other receivable (Note 10)		Transfer from right- of-use assets (Note 10)		Foreign currency translation reserve		Revaluation Surplus/ (Deficit)		At 31.12.2025			
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
Carrying amount																												
Freehold land and buildings	34,258,819	-	-	-	-	-	1,011,718	-	-	-	(394,237)	-	-	-	(11,440,000)	-	-	-	-	-	(166,853)	6,901,769	30,171,216					
Leasehold buildings	26,614,516	-	-	-	-	-	2	-	-	-	(627,133)	-	-	-	-	-	-	301,454	-	301,454	(353,885)	29,053	25,964,007					
Building and structures	1,344,464	-	-	-	-	-	-	-	-	-	3,534	(1,233,713)	-	-	-	-	-	-	-	-	-	(114,285)	-					
Capital work-in- progress	8,007,578	3,626,140	-	-	-	(413,344)	-	-	-	-	-	-	-	-	-	-	-	(36,281)	-	-	(58,953)	-	11,125,140					
Renovation	3,026,680	3,378,577	-	-	-	(1,138,365)	-	-	(229,273)	(442,001)	-	-	-	-	(182,206)	-	-	-	-	-	(13,989)	-	4,399,423					
Forklift and motor vehicles	6,319,383	1,304,238	-	-	(31,218)	(40,967)	-	-	-	(1,757,187)	-	-	-	-	-	-	-	-	-	-	(86,351)	-	5,707,898					
Tools, equipment, furniture and fittings	9,326,779	1,280,025	-	-	(19,263)	(132,975)	337,316	-	-	(2,394,268)	-	-	-	-	-	-	-	-	-	-	(13,610)	-	8,384,004					
Factory equipment and machinery	20,300,683	3,521,927	-	-	-	(12,572)	202,673	-	-	(4,027,988)	-	-	-	-	-	-	-	-	-	-	(173,303)	-	19,811,420					
Bearer plants	9,858,004	5,472	-	-	-	-	-	-	-	(131,863)	-	-	-	-	(9,720,456)	-	-	-	-	-	-	-	11,157					
	119,056,906	13,116,379	-	-	(50,481)	(415,787)	-	-	-	(9,771,143)	(1,233,713)	(21,342,662)	(36,281)	301,454	(866,944)	6,816,537	105,574,265											

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At 1.1.2024	At 1.1.2024	Additions (Note 38(a))	Reclassification	Disposal	Write Off	Depreciation Charge (Note 33)	Impairment Loss (Note 33)	Transfer to investment properties (Note 7)	Foreign currency translation reserve	Revaluation Surplus	At 31.12.2024
2024	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Carrying amount												
Freehold land and buildings	35,016,447	-	-	160,000	-	-	(389,942)	(4,109)	-	(569,032)	45,455	34,258,819
Leasehold buildings	28,067,062	20,051	-	(8,381)	-	-	(722,060)	-	(1,253,873)	(294,622)	806,339	26,614,516
Building and structures	1,402,236	-	-	-	-	-	(57,772)	-	-	-	-	1,344,464
Capital work-in-progress	1,488,732	8,583,516	-	(2,020,054)	-	-	-	-	-	(44,616)	-	8,007,578
Renovation	2,139,852	578,871	-	694,004	-	(6,535)	(293,445)	-	-	(86,067)	-	3,026,680
Forklift and motor vehicles	5,344,532	2,671,901	-	-	(6,601)	-	(1,594,184)	-	-	(96,265)	-	6,319,383
Tools, equipment, furniture and fittings	8,933,272	2,035,477	-	1,350,970	(67,163)	(19,991)	(2,871,198)	-	-	(34,588)	-	9,326,779
Factory equipment and machinery	20,549,921	4,187,044	-	(16,539)	(50,375)	(38,301)	(4,167,358)	-	-	(163,709)	-	20,300,683
Bearer plants	10,273,439	5,685	-	(160,000)	-	-	(261,120)	-	-	-	-	9,858,004
	113,215,493	18,082,545	-	-	(124,139)	(64,827)	(10,357,079)	(4,109)	(1,253,873)	(1,288,899)	851,794	119,056,906

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
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9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group 2025	At Cost RM	At Valuation RM	Accumulated Depreciation RM	Carrying Amount RM
Freehold land and buildings	-	30,854,582	(683,366)	30,171,216
Leasehold buildings	-	27,446,407	(1,482,400)	25,964,007
Capital work-in-progress	11,125,140	-	-	11,125,140
Renovation	6,720,288	-	(2,320,865)	4,399,423
Forklift and motor vehicles	17,232,232	-	(11,524,334)	5,707,898
Tools, equipment, furniture and fittings	32,095,353	-	(23,711,349)	8,384,004
Factory equipment and machinery	86,725,022	-	(66,913,602)	19,811,420
Bearer plants	11,157	-	-	11,157
	153,909,192	58,300,989	(106,635,916)	105,574,265

The Group 2024	At Cost RM	At Valuation RM	Accumulated Depreciation RM	Carrying Amount RM
Freehold land and buildings	-	34,623,496	(364,677)	34,258,819
Leasehold buildings	-	27,608,203	(993,687)	26,614,516
Building and structures	-	1,521,311	(176,847)	1,344,464
Capital work-in-progress	8,007,578	-	-	8,007,578
Renovation	6,777,952	-	(3,751,272)	3,026,680
Forklift and motor vehicles	16,961,882	-	(10,642,499)	6,319,383
Tools, equipment, furniture and fittings	31,609,669	-	(22,282,890)	9,326,779
Factory equipment and machinery	85,567,826	-	(65,267,143)	20,300,683
Bearer plants	5,685	10,160,000	(307,681)	9,858,004
	148,930,592	73,913,010	(103,786,696)	119,056,906

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Assets pledged as security to financial institutions

The property, plant and equipment of the Group have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 26(a) to the financial statements are as follows:-

	The Group	
	2025	2024
	RM	RM
At carrying amount:-		
Freehold land and buildings	21,285,581	27,372,359
Leasehold buildings	14,982,031	15,596,717
Tools, equipment, furniture and fittings	713,767	803,927
Factory equipment and machinery	634,600	734,800
Bearer plants	-	9,852,319
	37,615,979	54,360,122

(b) Revaluation of land and buildings

During the financial year, the Group's certain land and buildings were revalued by independent professional valuers. The surpluses arising from the revaluations, net of deferred taxation, have been credited to other comprehensive income, as disclosed in Note 35 to the financial statements and accumulated in equity under the revaluation reserve.

The details of the Group's property, plant and equipment carried at fair value are analysed as follows:-

	Level 1	Level 2	Level 3	Total
The Group	RM	RM	RM	RM
2025				
Freehold land and buildings	-	30,854,582	-	30,854,582
Leasehold buildings	-	27,446,407	-	27,446,407
	-	58,300,989	-	58,300,989
2024				
(Restated)				
Freehold land and buildings	-	34,623,496	-	34,623,496
Leasehold buildings	-	27,608,203	-	27,608,203
Building and structures	-	1,521,311	-	1,521,311
Bearer plants	-	10,160,000	-	10,160,000
	-	73,913,010	-	73,913,010

The level 2 fair values have been determined using the market comparison approach, which reflects recent transaction prices for similar properties. The most significant input into this valuation approach is the price per square foot of comparable properties. There has been no change to the valuation technique during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
cont'd

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) Revaluation of land and buildings (Cont'd)

There were no transfers between levels 1, 2 and 3 during the financial year.

The fair value measurements of the land, buildings and bearer plants are based on the highest and best use which does not differ from their actual use.

(c) If the lands and buildings were measured using the cost model, the carrying amounts would be as follows:-

	The Group	
	2025 RM	2024 RM (Restated)
Freehold land and buildings	28,371,368	29,720,961
Leasehold buildings	20,179,050	21,171,340
Building and structures	-	1,389,994
	48,550,418	52,282,295

(d) Assets held under hire purchase arrangements

The plant and equipment of the Group have been pledged as security for the hire purchase payables of the Group as disclosed in Note 26 to the financial statements are:-

	The Group	
	2025 RM	2024 RM
Forklift and motor vehicles	4,303,329	4,853,149
Factory equipment and machinery	1,425,267	1,233,467
	5,728,596	6,086,616

(e) During the current financial year, the Group has reviewed the recoverable amount of its freehold building due to the physical deterioration. An impairment loss of RM1,233,713 (2024 - RM4,109), representing the write-down of the freehold building to its recoverable amount was recognised as other expenses and is disclosed in Note 33 to the financial statements. The fair value of the freehold building was determined by an independent valuer using the market comparison approach. In determining the fair value, the valuer considered factors such as location, accessibility, size, age and the condition of the assets. The fair value is categorised within level 2 of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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10. RIGHT-OF-USE ASSETS

The Group	At 1.1.2025	At Additions (Note 38(a))	Reclassification	Termination of lease liabilities	Reassessment of lease liabilities	Depreciation Charge (Note 33)	Foreign currency translation reserve	Revaluation Surplus	Transfer to property, plant and equipment (Note 9)	At 31.12.2025
2025	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Carrying amount										
Leasehold land	22,359,376	-	-	-	-	(348,526)	(606,442)	326,546	(301,454)	21,429,500
Motor vehicles	132,713	-	-	(16,615)	-	(114,740)	(1,358)	-	-	-
Hostels	382,694	-	-	(77,508)	91,096	(176,595)	-	-	-	219,687
Warehouses	3,918,202	695,321	-	-	14,793,056	(2,932,900)	-	-	-	16,473,679
Offices	39,135	996,934	-	-	60,130	(310,646)	-	-	-	785,553
Factories	2,565,526	-	(28,960)	-	2,512,835	(1,216,330)	(21,440)	-	-	3,811,631
Forklifts	449,350	-	-	-	17,522	(121,142)	-	-	-	345,730
Industrial buildings	21,085,072	-	-	-	5,145,752	(3,138,190)	-	-	-	23,092,634
Land	144,369	-	-	(18,722)	-	(59,025)	-	-	-	66,622
Shops	476,487	-	28,960	(344,130)	343,625	(141,842)	-	-	-	363,100
Office equipment	52,424	-	-	-	-	(14,464)	-	-	-	37,960
	51,605,348	1,692,255	-	(456,975)	22,964,016	(8,574,400)	(629,240)	326,546	(301,454)	66,626,096

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
cont'd

10. RIGHT-OF-USE ASSETS (CONT'D)

The Group	At 1.1.2024	RM	At Additions (Note 38(a))	RM	Termination of lease liabilities	RM	Reassessment of lease liabilities	RM	Depreciation Charge (Note 33)	RM	Foreign currency translation reserve	RM	Revaluation Surplus	RM	Transfer to investment properties (Note 7)	RM	At 31.12.2024	RM
2024																		
Carrying amount																		
Leasehold land	25,088,245		-		-		-		(360,424)		(552,213)		1,356,176		(3,172,408)		22,359,376	
Motor vehicles	258,007		-		-		(5)		(123,241)		(2,048)		-		-		132,713	
Hostels	548,040		254,763		(186,291)		26,839		(260,657)		-		-		-		382,694	
Warehouses	6,510,329		-		-		230,746		(2,813,303)		(9,570)		-		-		3,918,202	
Office	-		145,360		-		190,278		(296,503)		-		-		-		39,135	
Factories	1,969,269		1,129,652		(166,138)		899,875		(1,238,921)		(28,211)		-		-		2,565,526	
Forklifts	238,828		356,517		(54,505)		-		(91,490)		-		-		-		449,350	
Industrial buildings	24,173,538		-		-		-		(3,088,466)		-		-		-		21,085,072	
Land	158,585		149,618		-		(108,103)		(55,731)		-		-		-		144,369	
Shops	-		1,145,225		(511,086)		-		(157,652)		-		-		-		476,487	
Office equipment	9,533		63,268		-		-		(20,377)		-		-		-		52,424	
	58,954,374		3,244,403		(918,020)		1,239,630		(8,506,765)		(592,042)		1,356,176		(3,172,408)		51,605,348	

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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10. RIGHT-OF-USE ASSETS (CONT'D)

The Group 2025	At Cost RM	At Valuation RM	Accumulated Depreciation RM	Carrying Amount RM
Leasehold land	-	22,108,116	(678,616)	21,429,500
Motor vehicles	333,255	-	(333,255)	-
Hostels	652,646	-	(432,959)	219,687
Warehouses	26,056,088	-	(9,582,409)	16,473,679
Offices	1,202,424	-	(416,871)	785,553
Factories	8,628,078	-	(4,816,447)	3,811,631
Forklifts	604,559	-	(258,829)	345,730
Industrial buildings	32,429,434	-	(9,336,800)	23,092,634
Land	203,701	-	(137,079)	66,622
Shops	372,585	-	(9,485)	363,100
Office equipment	63,268	-	(25,308)	37,960
	70,546,038	22,108,116	(26,028,058)	66,626,096

The Group 2024	At Cost RM	At Valuation RM	Accumulated Depreciation RM	Carrying Amount RM
Leasehold land	-	22,881,548	(522,172)	22,359,376
Motor vehicles	368,647	-	(235,934)	132,713
Hostels	739,631	-	(356,937)	382,694
Warehouses	10,567,711	-	(6,649,509)	3,918,202
Office	1,556,549	-	(1,517,414)	39,135
Factories	6,640,663	-	(4,075,137)	2,565,526
Forklifts	587,037	-	(137,687)	449,350
Industrial buildings	27,283,682	-	(6,198,610)	21,085,072
Land	241,143	-	(96,774)	144,369
Shops	516,194	-	(39,707)	476,487
Office equipment	78,775	-	(26,351)	52,424
	48,580,032	22,881,548	(19,856,232)	51,605,348

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
cont'd

10. RIGHT-OF-USE ASSETS (CONT'D)

- (a) The Group leases certain pieces of leasehold land, forklifts, motor vehicles, hostels, offices, factories, warehouses, industrial buildings, land, shops and office equipment of which the leasing activities are summarised below:-

(i) Leasehold land

The Group has entered into 10 (2024 - 10) non-cancellable operating lease agreements for the use of land. The leases are for a period of 20 to 999 (2024 - 20 to 999) years with no renewal or purchase option included in the agreements.

The leases do not allow the Group to assign, transfer or sublease or create any charge, lien or trust in respect of or dispose of the whole or any part of the land. A tenancy is, however, allowed with the consent of the lessor.

(ii) Forklifts and motor vehicles

The Group have leased several forklifts and motor vehicles for a period of 5 (2024 - 3 to 5) years, with an option to renew the lease after that date. The leases do not contain any variable lease payments.

(iii) Hostels

The Group has leased a number of hostels that run for a period of 4 (2024 - 2 to 4) years, with an option to renew the lease after that date. The leases do not contain any variable lease payments.

(iv) Warehouses

The Group has leased a number of warehouses for a period ranging from 2 to 6 (2024 - 2 to 6) years, with an option to renew the lease after that date. The leases do not contain any variable lease payments.

(v) Offices

The Group has leased a number of offices for a period of 3 (2024 - 3) years, with an option to renew the lease after that date. The leases do not contain any variable lease payments.

(vi) Factories

The Group has leased a number of factories for a period ranging from 4 to 10 (2024 - 5 to 6) years, with an option to renew the lease after that date. The leases do not contain any variable lease payments.

(vii) Industrial buildings

The Group has leased a number of industrial buildings for a period ranging from 6 to 15 (2024 - 3 to 15) years. The leases contain variable lease payments that are incremental at approximately 13% on the 4th, 7th and 11th year.

(viii) Land

The Group has leased several parcels of land for a period of 2 to 6 (2024 - 2 to 6) years. The leases do not contain any variable lease payments.

(ix) Shops

The Group has leased a number of shops for a period of 9 (2024 - 2) years, with an option to renew the lease after that date. The leases do not contain any variable lease payments.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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10. RIGHT-OF-USE ASSETS (CONT'D)

- (a) The Group leases certain pieces of leasehold land, forklifts, motor vehicles, hostels, offices, factories, warehouses, industrial buildings, land, shops and office equipment of which the leasing activities are summarised below (Cont'd):-

(x) Office equipment

The Group has leased an office equipment for a period of 5 (2024 - 5) years. The lease does not contain any variable lease payments.

- (b) The leasehold land of Group with a total carrying amount of RM11,193,499 (2024 - RM11,903,159) has been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 26(a) to the financial statements.
- (c) During the financial year, the Group's certain leasehold land were revalued by independent professional valuers. The surpluses arising from the revaluations, net of deferred taxation, have been credited to other comprehensive income, as disclosed in Note 35 to the financial statements and accumulated in equity under the revaluation reserve.
- (d) The level 2 fair values have been determined using the market comparison approach, which reflects recent transaction prices for similar properties. The most significant input into this valuation approach is price per square foot of comparable properties. There has been no change to the valuation technique during the financial year.

There were no transfers between levels 1, 2 and 3 during the financial year.

The fair value measurements of the leasehold land are based on the highest and best use which does not differ from their actual use.

- (e) If the leasehold land was measured using the cost model, the carrying amounts would be as follows:-

	2025	2024
	RM	RM
Leasehold land	7,285,392	7,569,724

- (f) The Group also has leases motor vehicles and premises with lease terms of 12 months or less and leases of office equipment with low value. The Group has applied the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.
- (g) The Group will reassess whether it is reasonably certain to exercise the options granted under the lease contracts in the event of a significant change in circumstances within its control. During the financial year, the Group has performed a reassessment and the financial effect of revising the lease terms to reflect the impact of exercising the extension options was an increase in recognised lease liabilities and right-of-use assets of RM22,964,016 (2024 - RM1,239,630).

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
cont'd

11. INTANGIBLE ASSETS

	Note	The Group	
		2025 RM	2024 RM
Goodwill on consolidation	(a)	160,529,174	160,529,174
Product development expenditure	(b)	242,157	250,607
Software	(c)	-	712,729
Trademark and patents	(d)	2,736,549	2,690,844
		163,507,880	164,183,354

(a) Goodwill on consolidation

	The Group	
	2025 RM	2024 RM
Cost:-		
At 1 January	186,792,947	184,883,148
Reassessment of goodwill	-	443,712
Reassessment of variable deferred consideration	-	1,466,087
At 31 December	186,792,947	186,792,947
Accumulated impairment losses:-		
At 1 January/31 December	(26,263,773)	(26,263,773)
	160,529,174	160,529,174

The carrying amounts of goodwill allocated to each cash-generating unit are as follows:-

	The Group	
	2025 RM	2024 RM
Hextar Chemicals Group Sdn. Bhd. and its subsidiaries	7,448,670	7,448,670
Hextar Biogas BEE Sdn. Bhd. and its subsidiary	5,887,218	5,887,218
Alpha Aim (M) Sdn. Bhd., Chempro Technology (M) Sdn. Bhd. and its subsidiary	46,880,768	46,880,768
Nobel Synthetic Polymer Sdn. Bhd. and Nobel Scientific Sdn. Bhd.	59,100,012	59,100,012
Hextar Kimia Sdn. Bhd. and its subsidiaries	13,904,958	13,904,958
Hextar Oiltech Sdn. Bhd.	128,948	128,948
Hextar Fruits Sdn. Bhd. and its subsidiaries	27,178,600	27,178,600
	160,529,174	160,529,174

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount of the CGU. The recoverable amount of a CGU is determined based on value in use calculation using cash flow projections from the financial budgets and forecast approved by the management covering a 3 to 5 years period.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

cont'd

11. INTANGIBLE ASSETS (CONT'D)

(a) Goodwill on consolidation (Cont'd)

Key assumptions used in value in use calculations

		The Group	
		2025	2024
1.	Discount rate	6% - 15%	7% - 11%
	The discount rate is on a pre-tax basis that reflects current market assessment of time value of money and the risks specific to the CGU.		
2.	Growth rate	3% - 36%	-20% - 44%
	This is based on the management forecasts after incorporating changes in pricing and direct costs based on past experience and the expectations of future changes in the market.		
3.	Profit margin	15% - 54%	10% - 55%
	Net cash projections for the relevant cash flow period are extrapolated based on past gross/net profit generated by the CGU divided by the gross revenue generated by the respective CGU.		

In assessing the value in use, the management believes that any reasonably possible change in the above key assumptions applied would not cause the carrying amount of the CGU to materially exceed its recoverable amount.

(b) Product development expenditure

	The Group	
	2025	2024
	RM	RM
	(Restated)	
Cost:-		
At 1 January	4,802,396	4,783,755
Additions during the financial year	111,059	18,641
At 31 December	4,913,455	4,802,396
Accumulated amortisation:-		
At 1 January	(4,551,789)	(4,331,320)
Addition during the financial year (Note 33)	(119,509)	(220,469)
At 31 December	(4,671,298)	(4,551,789)
	242,157	250,607

The development expenditure incurred during the financial year is in respect of fees paid to external researchers for product development purposes and belong to the Group's "Agriculture" reportable segment. The amortisation charge is recognised in the profit or loss under the "Other Operating Expenses" line item.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
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11. INTANGIBLE ASSETS (CONT'D)

(c) Software

	The Group	
	2025 RM	2024 RM
Cost:-		
At 1 January	798,520	-
Additions during the financial year	-	798,520
Written off during the financial year (Note 33)	(646,186)	-
At 31 December	152,334	798,520
Accumulated amortisation:-		
At 1 January	(85,791)	-
Addition during the financial year (Note 33)	(66,543)	(85,791)
At 31 December	(152,334)	(85,791)
	-	712,729

(d) Trademark and Patents

	The Group	
	2025 RM	2024 RM (Restated)
Cost:-		
At 1 January	6,434,748	6,249,953
Addition during the financial year	323,013	184,795
Foreign currency translation reserve	(7,884)	-
At 31 December	6,749,877	6,434,748
Accumulated amortisation:-		
At 1 January	(2,502,474)	(2,206,489)
Addition during the financial year (Note 33)	(269,424)	(295,985)
At 31 December	(2,771,898)	(2,502,474)
Accumulated impairment:-		
At 1 January	(1,241,430)	(1,141,332)
Impairment during the financial year (Note 33)	-	(100,098)
At 31 December	(1,241,430)	(1,241,430)
	2,736,549	2,690,844

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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12. TRADE RECEIVABLES

		The Group	
	Interest charged	2025 RM	2024 RM
Non-current:-			
Third parties	14.1% to 114.4%	1,545,209	2,194,854
Current:-			
Related parties		690,544	72,375
Third parties		145,834,728	175,374,499
		146,525,272	175,446,874
Less: Allowance for impairment losses		(5,606,934)	(6,808,586)
Net trade receivables		140,918,338	168,638,288
Allowance for impairment losses:-			
At 1 January		(6,808,586)	(5,358,664)
Addition during the financial year (Note 32)		(360,833)	(1,832,157)
Changes due to reassessment of goodwill during remeasurement period		-	(782,691)
Foreign currency translation reserve		(3,300)	-
Written off during the financial year		982,210	261,196
Reversal during the financial year (Note 32)		583,575	903,730
At 31 December		(5,606,934)	(6,808,586)

The Group's normal trade credit terms range from 30 to 150 (2024 - 30 to 150) days. Other credit terms are assessed and approved on a case-by-case basis.

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

		The Group		The Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Non-current:-					
Prepayment	(a)	5,901,739	3,577,625	-	-
Current:-					
Other receivables					
- Related parties		-	20,000	-	-
- Third parties		4,363,964	9,848,195	3,266,558	9,266,558
Advances to suppliers	(b)	14,756,005	18,723,044	-	-
Deposits	(c)	15,973,628	12,142,567	8,814,625	2,921,625
Prepayments	(d)	10,936,119	31,545,854	13,365	30,865
GST recoverable		6,962	6,962	-	-
		46,036,678	72,286,622	12,094,548	12,219,048

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
cont'd

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

- (a) Non-current prepayment represents product licenses fees paid for a period of 5 years (2024 - 5 years).
- (b) The advances to suppliers are unsecured and interest-free. The amount owing will be offset against future purchases from the suppliers.
- (c) Included in the deposits of the Group and the Company is cash collateral of RM6,412,500 and RM2,812,500 (2024 - RM6,306,419 and RM2,812,500) respectively, which has been pledged to licensed banks as security for banking facilities granted to the Group and the Company as disclosed in Note 26(a) to the financial statements.
- (d) Included in the prepayments of the Group are product licenses fees paid and prepayments for trade finance amounting to RM5,988,594 and RM Nil (2024 - RM6,954,075 and RM17,270,388) respectively.

14. INVENTORIES

	The Group	
	2025	2024
	RM	RM
Consumables	81,143	90,257
Finished goods	84,457,670	57,445,247
Goods in-transit	6,156,754	4,204,770
Packaging materials	5,608,504	5,873,194
Raw materials	57,011,729	70,290,307
	153,315,800	137,903,775
<u>Recognised in profit or loss:-</u>		
Inventories recognised as cost of sales	510,384,177	575,268,724
Inventories written down	1,460,188	374,816
Inventories written off	311,797	112,371
Write-back of inventories	(1,177,378)	-

The write-back of inventories was in respect of inventories sold above their carrying amounts during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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15. CONTRACT ASSETS/(LIABILITIES)

	The Group	
	2025	2024
Contract Assets	RM	RM
At 1 January	12,636,854	1,468,917
Performance obligations performed	84,408,668	112,648,577
Transfer to trade receivables	(74,379,587)	(101,480,640)
At 31 December	22,665,935	12,636,854
Represented by:-		
Construction contracts	582,981	705,000
Sale of goods	22,082,954	11,931,854
	22,665,935	12,636,854

The contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at the reporting date. The amount will be transferred to trade receivables when the Group issues invoices in accordance with the contracts with customers.

	The Group	
	2025	2024
Contract Liabilities	RM	RM
At 1 January	(10,670,663)	(4,945,988)
Contract liabilities at the beginning of financial year recognised as revenue	2,780,917	4,897,614
Contract liabilities at the beginning of financial year refunded to customers	17,624	-
Foreign currency translation reserve	13,926	21,414
Performance obligations performed	14,478,829	34,868,128
Cash received/Amounts billed for unfulfilled performance obligations	(13,751,463)	(45,511,831)
At 31 December	(7,130,830)	(10,670,663)
Represented by:-		
Construction contracts	(751,034)	(1,760,000)
Sale of goods	(5,094,089)	(8,188,065)
Rendering of services	(1,040,693)	(534,307)
Rental income	(245,014)	(142,800)
Membership income	-	(45,491)
	(7,130,830)	(10,670,663)

The contract liabilities primarily relate to advances received from customers to render services or sale of goods. The amount will be recognised as revenue when the performance obligations are satisfied within the next two years.

NOTES TO THE FINANCIAL STATEMENTS

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16. AMOUNT OWING BY/(TO) SUBSIDIARIES

		The Company	
	Interest charged	2025 RM	2024 RM
Amount owing by subsidiaries:			
- Non-trade balances			
- interest bearing	7.0% to 7.6%	69,056,713	64,910,257
- non-interest bearing	-	35,236,101	44,874,575
Allowance for impairment losses		(20,521,621)	(19,759,406)
		83,771,193	90,025,426
Amount owing to subsidiaries:			
- Non-trade balances	-	(59,915,145)	(81,788,858)
Allowance for impairment losses:-			
At 1 January		19,759,406	12,531,667
Addition during the financial year (Note 32)		762,215	7,227,739
At 31 December		20,521,621	19,759,406

The balances are unsecured advances and payments made on behalf. The amounts owing are receivable/repayable on demand and are to be settled in cash.

17. AMOUNT OWING BY/(TO) RELATED COMPANIES

	The Group	
	2025 RM	2024 RM
Amount owing by related companies:		
- Trade balances	1,942,680	342,985
- Non-trade balances	200	-
	1,942,880	342,985
Amount owing to related companies:		
- Trade balances	(1,421,972)	(776,200)
- Non-trade balances	(2,859)	(8,512)
	(1,424,831)	(784,712)

(a) The trade balances are subject to credit terms ranging from 30 to 90 (2024 - 30 to 90) days.

(b) The non-trade balances represent unsecured interest-free advances which are receivable/repayable on demand. The amount owing is to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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18. AMOUNT OWING BY/(TO) A JOINT VENTURE

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Amount owing by a joint venture:				
- Trade balances	50,943	-	-	-
- Non-trade balances	1,970	-	1,970	-
	52,913	-	1,970	-
Amount owing to a joint venture:				
- Trade balances	(1,220,889)	(1,569,858)	-	-

(a) The trade balances are subject to credit terms ranging from 60 to 90 (2024 - 60) days.

(b) The non-trade balances represent unsecured interest-free advances which are receivable/payable on demand. The amounts owing are to be settled in cash.

19. SHORT-TERM INVESTMENTS

	The Group	
	2025	2024
	RM	RM
<u>At cost:</u>		
At 1 January	3,500,000	5,037,125
Disposal during the financial year	-	(1,599,000)
Interest income	-	61,875
At 31 December	3,500,000	3,500,000
<u>Accumulated impairment:-</u>		
At 1 January	(3,500,000)	-
Impairment during the financial year (Note 32)	-	(3,500,000)
At 31 December	(3,500,000)	(3,500,000)
	-	-
<u>At fair value:</u>		
At 1 January	1,472,800	1,982,200
Disposal during the financial year	(1,472,800)	-
Fair value loss (Note 33)	-	(509,400)
At 31 December	-	1,472,800
Total	-	1,472,800

Short-term investments represent investments in highly liquid money market instruments and deposits with financial institutions in Malaysia which are redeemable ranging between ten (10) days to nine (9) months' notice at known amounts of cash, and are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
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20. DEPOSITS WITH LICENSED BANKS

- (a) The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 0.50% to 3.45% (2024 - 0.01% to 3.51%) per annum. The fixed deposits have maturity periods ranging from 28 to 365 (2024 - 29 to 365) days for the Group.
- (b) Included in the fixed deposits with licensed banks of the Group at the end of the reporting period was an amount of RM16,965,961 (2024 - RM16,686,946) which have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 26(a) to the financial statements.

21. ASSETS CLASSIFIED AS HELD FOR SALE

	The Group	
	2025 RM	2024 RM
At 1 January	-	1,556,000
Transfer to investment properties (Note 7)	-	(726,000)
Transfer from property, plant and equipment (Note 9)	21,342,662	-
Impairment during the financial year (Note 33)	(1,092,662)	-
Disposal during the financial year	(6,500,000)	(830,000)
At 31 December	13,750,000	-

Assets classified as held for sale in the current financial year

- (a) The Group entered into a Sale and Purchase Agreement on 23 July 2025 for the disposal of leasehold land for a total consideration of RM3,250,000.

The disposal was completed on 31 December 2025 with no gain no loss. The asset classified as held for sale belongs to Group's "Agriculture" reportable segment.

- (b) The Group entered into a Sale and Purchase Agreement on 23 July 2025 for the disposal of leasehold land for a total consideration of RM3,250,000.

The disposal was completed on 31 December 2025 with no gain no loss. The asset classified as held for sale belongs to Group's "Agriculture" reportable segment.

- (c) The Group entered into a Sale and Purchase Agreement on 9 July 2025 for the disposal of freehold land and bearer plants for a total consideration of RM5,006,300.

The transaction is pending the completion of certain conditions precedent as at the end of the reporting period.

- (d) The Group entered into a Sale and Purchase Agreement on 9 July 2025 for the disposal of freehold land and bearer plants for a total consideration of RM4,705,900.

The transaction is pending the completion of certain conditions precedent as at the end of the reporting period.

- (e) The Group entered into a Sale and Purchase Agreement on 3 September 2025 for the disposal of freehold land and bearer plants for a total consideration of RM4,037,800.

The transaction is pending the completion of certain conditions precedent as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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22. SHARE CAPITAL

	The Group/The Company			
	2025	2024	2025	2024
	Number Of Shares		RM	RM
Issued and Fully Paid-up				
Ordinary Shares	3,939,261,852	3,939,261,852	633,878,029	633,878,029

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary share have no par value.

23. RESERVES

(a) Revaluation reserve

The revaluation reserve represents:-

- (i) the increase in the fair value of freehold land and buildings of the Group (net of deferred tax, where applicable) presented under property, plant and equipment, and decrease to the extent that such decreases relate to an increase on the same asset previously recognised in other comprehensive income; and
- (ii) revaluation surpluses (net of deferred taxation) of leasehold land immediately prior to its reclassification as right-of-use assets upon the adoption of MFRS 16 'Leases' in 2019.

(b) Exchange reserve

The exchange reserve represents exchange differences arising from the translation of the financial statements of foreign operation whose functional currency is different from the Group's presentation currency.

(c) Merger deficit reserve

	The Group	
	2025	2024
	RM	RM
Merger deficit reserve	500,422,471	500,422,471

The merger deficit reserve arises from the difference between the carrying value of the investment and the nominal value of shares of a group upon consolidation under the merger accounting principles.

24. TREASURY SHARES

During the financial year, the Company has purchased 7,854,200 (2024 - Nil) of its issued ordinary shares from the open market at an average price of RM0.89 (2024 - Nil) per share in November (2024 - Nil). The total consideration paid for the purchase was RM6,985,387 (2024 - Nil) including transaction costs. The ordinary shares purchased are held as treasury shares in accordance with Section 127(6) of the Companies Act 2016.

Of the total 3,939,261,852 (2024 - 3,939,261,852) issued and fully paid-up ordinary shares at the end of the reporting period, 71,049,500 (2024 - 63,195,300) ordinary shares are held as treasury shares of the Company. None (2024 - Nil) of the treasury shares were resold during the financial year.

Treasury shares have no rights to vote, receive dividends or participate in any other distribution. Treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, take-overs, notices, the requisition of meeting, the quorum for a meeting and the result of a vote on a resolution at a meeting.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
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25. LEASE LIABILITIES

	The Group	
	2025	2024
	RM	RM
At 1 January	31,507,344	35,280,602
Addition during the financial year (Note 38(c))	1,692,255	3,244,403
Interest expense recognised in profit or loss (Note 33)	2,806,481	1,765,314
Changes due to reassessment of lease term	22,964,016	1,263,642
Repayment of principal	(6,482,610)	(7,299,118)
Repayment of interest expense	(2,806,481)	(1,765,314)
Foreign currency translation reserve	-	(40,281)
Derecognition of lease	(468,915)	(941,904)
At 31 December	49,212,090	31,507,344
Analysed by:-		
Current liabilities	10,759,425	7,230,127
Non-current liabilities	38,452,665	24,277,217
	49,212,090	31,507,344

26. BORROWINGS

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Non-current				
<u>Secured</u>				
Term loans	152,784,130	122,496,663	69,603,686	109,293,890
Hire purchase payables	2,938,247	3,580,627	-	-
	155,722,377	126,077,290	69,603,686	109,293,890
Current				
<u>Secured</u>				
Term loans	46,172,616	47,213,407	36,095,976	41,253,821
Hire purchase payables	1,824,531	1,712,329	-	-
Revolving credit	49,970,000	71,000,000	47,970,000	60,000,000
Bills payable	144,180,730	138,313,323	-	-
Bank overdrafts	19,272,447	21,637,003	-	-
	261,420,324	279,876,062	84,065,976	101,253,821

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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26. BORROWINGS (CONT'D)

(a) The borrowings of the Group are secured by:-

- (i) certain property, plant and equipment of the Group as disclosed in Notes 9 and 10 to the financial statements;
- (ii) corporate guarantee of the Company and subsidiaries;
- (iii) cash collateral as disclosed to Note 13;
- (iv) joint and several guarantee by related parties connected to certain directors of subsidiary;
- (v) keyman insurance by subsidiaries;
- (vi) pledge of shares in acquired subsidiaries;
- (vii) pledge of fixed deposit belonging to subsidiaries as disclosed in Note 20 to the financial statements; and
- (viii) negative pledge over a subsidiary's present and future assets.

(b) The interest rate profile of the borrowings of the Group are summarised below:-

		The Group	
		2025	2024
		%	%
Term loans	Floating rate	4.00 to 9.90	3.56 to 10.91
Hire purchase payables	Fixed rate	2.79 to 9.50	2.79 to 9.50
Bills payable	Floating rate	2.05 to 7.82	3.47 to 9.00
Revolving credit	Floating rate	6.65 to 6.90	5.01 to 7.07
Bank overdrafts	Floating rate	3.75 to 10.40	3.75 to 10.15

27. DEFERRED TAX LIABILITIES/(ASSETS)

The Group	At 1.1.2025	Recognised in Profit or Loss (Note 34)	Recognised in Other Comprehensive Income (Note 35)	Exchange Difference	At 31.12.2025
	RM	RM	RM	RM	RM
2025					
Deferred Tax Liabilities					
Property, plant and equipment*	9,677,008	(580,822)	1,057,800	(113,394)	10,040,592
Investment properties	4,500	24,900	-	-	29,400
Right-of-use assets	(421,000)	(317,000)	-	-	(738,000)
Prepayment	2,060,009	171,258	-	-	2,231,267
Intangible assets	70,000	(2,000)	-	-	68,000
Provisions	(1,184,000)	(186,000)	-	-	(1,370,000)
Contract liabilities	(1,757,000)	1,757,000	-	-	-
Unused tax losses	(124,000)	20,000	-	-	(104,000)
Unabsorbed capital allowances	(37,000)	9,000	-	-	(28,000)
Unrealised gain/(loss) on foreign exchange	(57,000)	204,600	-	-	147,600
	8,231,517	1,100,936	1,057,800	(113,394)	10,276,859

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
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27. DEFERRED TAX LIABILITIES/(ASSETS) (CONT'D)

The Group	At 1.1.2025 RM	Recognised in Profit or Loss (Note 34) RM	Recognised in Other Comprehensive Income (Note 35) RM	Exchange Difference RM	At 31.12.2025 RM
2025					
Deferred Tax Assets					
Lease liabilities	(1,000)	(16,000)	-	-	(17,000)
Property, plant and equipment*	(681,203)	(31,194)	-	14,314	(698,083)
Inventories	(427,306)	30,072	-	-	(397,234)
Provisions	(610,000)	201,000	-	-	(409,000)
Unused tax losses	(4,000)	-	-	-	(4,000)
Unrealised gain/(loss) on foreign exchange	4,700	(31,700)	-	-	(27,000)
Others	(138,249)	(44,286)	-	19,350	(163,185)
	(1,857,058)	107,892	-	33,664	(1,715,502)
	6,374,459	1,208,828	1,057,800	(79,730)	8,561,357

NOTES TO THE FINANCIAL STATEMENTS

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27. DEFERRED TAX LIABILITIES/(ASSETS) (CONT'D)

The Group	At 1.1.2024 RM	Recognised in Profit or Loss (Note 34) RM	Recognised in Other Comprehensive Income (Note 35) RM	Exchange Difference RM	Changes due to Reassessment of Goodwill RM	At 31.12.2024 RM
2024						
Deferred Tax Liabilities						
Property, plant and equipment*	10,322,676	62,366	445,673	(125,524)	(1,028,183)	9,677,008
Investment properties	9,330	(4,830)	-	-	-	4,500
Right-of-use assets	(218,000)	(203,000)	-	-	-	(421,000)
Prepayment	1,931,048	128,961	-	-	-	2,060,009
Intangible assets	118,000	(48,000)	-	-	-	70,000
Inventories	(22,350)	22,350	-	-	-	-
Provisions	(235,109)	(948,891)	-	-	-	(1,184,000)
Contract liabilities	-	(1,757,000)	-	-	-	(1,757,000)
Unused tax losses	(45,000)	(79,000)	-	-	-	(124,000)
Unabsorbed capital allowances	(24,000)	(13,000)	-	-	-	(37,000)
Unrealised gain/(loss) on foreign exchange	271,390	(328,390)	-	-	-	(57,000)
Others	(2,210)	2,210	-	-	-	-
	12,105,775	(3,166,224)	445,673	(125,524)	(1,028,183)	8,231,517

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
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27. DEFERRED TAX LIABILITIES/(ASSETS) (CONT'D)

The Group	At 1.1.2024	Recognised in Profit or Loss (Note 34)	Recognised in Other Comprehensive Income (Note 35)	Exchange Difference	Changes due to Reassessment of Goodwill	At 31.12.2024
	RM	RM	RM	RM	RM	RM
2024						
Deferred Tax Assets						
Lease liabilities	(5,253)	4,253	-	-	-	(1,000)
Property, plant and equipment*	(363,298)	(387,661)	-	69,756	-	(681,203)
Inventories	(203,141)	(224,165)	-	-	-	(427,306)
Provisions	(168,600)	(441,400)	-	-	-	(610,000)
Unused tax losses	-	(4,000)	-	-	-	(4,000)
Unrealised gain/(loss) on foreign exchange	65,296	(60,596)	-	-	-	4,700
Others	(102,238)	(44,430)	-	8,419	-	(138,249)
	(777,234)	(1,157,999)	-	78,175	-	(1,857,058)
	11,328,541	4,324,223	445,673	(47,349)	(1,028,183)	6,374,459

* Includes the deferred tax from the revaluation of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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28. OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUALS

		The Group		The Company	
		2025	2024	2025	2024
	Note	RM	RM	RM	RM
			(Restated)		
Non-current:-					
Other payables					
- Third parties	(a)	1,795,400	1,778,400	-	-
Accruals	(b)	269,196	627,388	-	-
		2,064,596	2,405,788	-	-
Current:-					
Other payables					
- Related parties		224,878	417,376	-	-
- Third parties		4,428,377	7,145,305	166,034	43,168
Deferred consideration	(c)	2,000,000	19,754,323	-	15,754,323
Deposits received		18,050	9,850	-	-
Accruals	(b)	21,667,665	18,299,739	278,831	67,344
Goods and services tax payable		48,201	134,070	-	-
Sales and services tax payable		480,064	240,186	-	-
		28,867,235	46,000,849	444,865	15,864,835

(a) The other payables (non-current) are unsecured, interest free and is not expected to be repaid within the next twelve months.

(b) Accruals represents accrued bonus, salaries, commissions, employee benefits and other accrued expenses.

(c) Deferred consideration arising from business acquisition of Chempro Group (Consists of Chempro Technology (M) Sdn. Bhd. and its wholly-owned subsidiary as well as Alpha Aim (M) Sdn. Bhd.) and PHG Group (Consists of 100% equity interest in PHG.Ever Fresh Food (M) Sdn. Bhd., PHG.Ever Fresh Food (TK) Sdn. Bhd. and PHG Wholesale & Retail Sdn. Bhd. and 55% equity interest in PHG Ever Fresh Plantation Sdn. Bhd.). The amount for Chempro Group has been reclassified from variable deferred consideration to other payables upon the final payment agreed by both parties.

29. TRADE PAYABLES

	The Group	
	2025 RM	2024 RM
Related parties	1,988,858	1,276,578
Third parties	46,779,705	47,862,842
At 31 December	48,768,563	49,139,420

The normal trade credit terms granted to the Group range from 7 to 120 (2024 - 7 to 120) days.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
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30. DERIVATIVES ASSETS/(LIABILITIES)

	Contract/Notional Amount		The Group	
	2025 USD	2024 USD	2025 RM	2024 RM
Derivative assets				
Forward currency contracts	-	4,816,000	-	1,003,671
Derivative liabilities				
Forward currency contracts	-	(475,464)	-	(9,674)

The Group does not apply hedge accounting.

In the previous financial year, forward currency contracts were used to hedge the Group's purchases denominated in United States Dollar (USD) for which firm commitments existed at the end of the reporting period. The settlement dates of the forward currency contracts were within (4) four months after the end of the reporting year.

31. REVENUE

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
	(Restated)			
Revenue from contracts with customers				
<u>Recognised at a point in time</u>				
Sales of goods	855,478,578	898,934,117	-	-
Rendering of services	211,109	1,528,075	-	-
<u>Recognised over time</u>				
Construction contracts	8,896,921	5,771,985	-	-
Membership income	45,491	72,907	-	-
Rendering of services	10,764,317	11,980,785	-	-
Revenue from other sources				
Dividend income	-	-	126,715,869	76,817,144
	875,396,416	918,287,869	126,715,869	76,817,144

- (a) The information on the disaggregation of revenue by geographical market is disclosed in Note 42.2 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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31. REVENUE (CONT'D)

(b) The information about the performance obligations in contracts with customers is summarised below:-

Nature of Goods or Services	Timing and Method of Revenue Recognition	Significant Payment Terms	Variable Considerations	Warranty and Obligation for Returns or Refunds
Sale of goods	When goods have reached the destination set by customers.	Credit periods ranging from 30 - 150 days from the invoice date.	Not applicable.	Not applicable.
Construction contracts	When services are rendered using the cost incurred method.	Based on agreed milestones. The credit period is 30 days from the invoice date.	Not applicable.	Defect liability period of 6 - 12 months is given to customers.
Services recognised at a point in time	When services are rendered and accepted by customers.	Credit periods ranging from 30 - 90 days from the invoice date.	Not applicable.	Not applicable.
Services recognised over time	Over time revenue recognition in the period in which the services are rendered.	Credit periods ranging from 30 - 120 days from the invoice date.	Not applicable.	Not applicable.

32. NET IMPAIRMENT ON FINANCIAL ASSETS

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Impairment losses on:				
- amount owing by subsidiaries (Note 16)	-	-	762,215	7,227,739
- a related company	-	8,520	-	-
- short-term investment (Note 19)	-	3,500,000	-	-
- trade receivables (Note 12)	360,833	1,832,157	-	-
- other receivables	-	113,764	-	-
Reversal of impairment losses on:				
- trade receivables (Note 12)	(583,575)	(903,730)	-	-
- a related company	(8,520)	-	-	-
	(231,262)	4,550,711	762,215	7,227,739

NOTES TO THE FINANCIAL STATEMENTS

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33. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):-

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
		(Restated)		(Restated)
Amortisation of:				
- investment in club membership	563	564	-	-
- product development expenditure (Note 11(b))	119,509	220,469	-	-
- software (Note 11(c))	66,543	85,791	-	-
- trademark and patents (Note 11(d))	269,424	295,985	-	-
Auditors' remuneration:				
- audit fees:				
- current financial year	829,500	747,316	70,000	84,000
- underprovision in the previous financial year	216,700	82,690	48,500	10,400
- other auditors	178,373	98,329	-	-
- non audit fees:				
- auditors of the Company	6,000	6,000	6,000	6,000
- member firms of the auditors of the Company	236,258	260,756	6,400	7,200
Bad debts written off	191,111	482,918	-	-
Deposits written off	137,375	-	-	-
Depreciation of:				
- property, plant and equipment (Note 9)	9,771,143	10,357,079	-	-
- right-of-use assets (Note 10)	8,574,400	8,506,765	-	-
Directors' remuneration (Note 39(c))	10,424,388	9,169,735	287,333	290,000
Fair value loss on financial instruments mandatorily measured at fair value through profit or loss	-	1,103,425	-	1,103,425
Fair value loss on short-term investments (Note 19)	-	509,400	-	-
Impairment loss:				
- assets classified as held for sale (Note 21)	1,092,662	-	-	-
- intangible assets (Note 11(d))	-	100,098	-	-
- investment in a joint venture (Note 8)	1,481,697	-	-	-
- property (Note 9)	1,233,713	4,109	-	-

NOTES TO THE FINANCIAL STATEMENTS

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33. PROFIT BEFORE TAXATION (CONT'D)

Profit before taxation is arrived at after charging/(crediting) (Cont'd):-

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
		(Restated)		(Restated)
Interest expense:				
- bank overdrafts	549,944	497,252	-	-
- bills payable (Note 38(c))	7,494,004	6,395,040	-	-
- hire purchase (Note 38(c))	287,879	283,642	-	-
- insurance	-	23,419	-	-
- intercompany loan	-	-	229,062	44,372
- lease liabilities (Note 38(c))	2,806,481	1,765,314	-	-
- overdue charged by supplier	2,662	39,014	-	-
- revolving credit (Note 38(c))	5,477,392	3,777,244	5,031,871	3,261,312
- term loans (Note 38(c))	8,737,421	11,257,804	7,811,416	10,031,545
- variable deferred consideration	-	793,020	-	793,020
Intangible assets written off (Note 11(c))	646,186	-	-	-
Inventories written off (Note 14)	311,797	112,371	-	-
Inventories written down (Note 14)	1,460,188	374,816	-	-
Loss arising from changes in fair value of biological assets	19,488	16,691	-	-
Plant and equipment written off (Note 9)	415,787	64,827	-	-
Reversal of bargain purchase	-	81,551	-	-
Short-term leases	1,491,258	825,653	-	4,050
Staff costs (including other key management personnel as disclosed in Note 39(c)):				
- short-term employees benefits	55,397,570	56,488,009	-	-
- defined contribution benefits	6,336,116	5,714,585	-	-
Waiver of amount owing by subsidiaries	-	-	-	271,974
Bad debts recovered	(89,029)	(684)	-	-
Dividend income from subsidiaries	-	-	(126,715,869)	(76,817,144)
Fair value gain on investment properties (Note 7)	(382,610)	-	-	-
Gain on disposal of plant and equipment	(141,453)	(277,844)	-	-
Gain on lease termination	(11,940)	(23,885)	-	-
(Gain)/Loss on foreign exchange:				
- realised	(3,442,899)	527,544	(295,621)	38,050
- unrealised	(4,824,142)	(39,069)	(3,545,202)	(2,566,258)
Interest income	(462,653)	(533,105)	(5,421,237)	(6,101,286)
Loss/(Gain) on forward currency contracts	993,997	(1,064,347)	-	-
Rental income	(984,485)	(959,870)	-	-
Write-back of inventories	(1,177,378)	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
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34. INCOME TAX EXPENSE/(REVERSAL)

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Income tax:				
- for current financial year	30,351,915	30,874,252	65,000	-
- (over)/underprovision in the previous financial year	(1,256,891)	(3,009,840)	87,041	(13,961)
	29,095,024	27,864,412	152,041	(13,961)
Real property gains tax ("RPGT")	343,250	-	-	-
	29,438,274	27,864,412	152,041	(13,961)
Deferred taxation (Note 27):				
- for current financial year	792,421	(2,411,532)	-	-
- under/(over)provision in the previous financial year	497,720	(1,801,314)	-	-
- crystallisation of deferred tax liability arising from revaluation reserve	(81,313)	(111,377)	-	-
	1,208,828	(4,324,223)	-	-
	30,647,102	23,540,189	152,041	(13,961)

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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34. INCOME TAX EXPENSE/(REVERSAL) (CONT'D)

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company are as follows:-

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Profit before taxation	103,162,996	95,215,396	120,738,708	60,240,390
Tax at the statutory tax rate of 24%	24,759,119	22,851,695	28,977,290	14,457,694
Tax effects of:-				
Non-deductible expenses	7,854,730	7,477,452	1,499,519	3,978,421
Non-taxable income	(816,000)	(910,445)	(30,411,809)	(18,436,115)
Differential in tax rates of foreign subsidiaries	54,914	153,692	-	-
Tax-exempt pioneer income	-	(449,000)	-	-
Tax-exempt income	(32,585)	-	-	-
Double deductible expenses	(1,117,049)	(1,040,602)	-	-
(Over)/Underprovision in the previous financial year:				
- income tax	(1,256,891)	(3,009,840)	87,041	(13,961)
- deferred tax	497,720	(1,801,314)	-	-
Deferred tax assets not recognised during the financial year	957,100	1,188,424	-	-
Crystallisation of deferred tax liability arising from revaluation reserve	(81,313)	(111,377)	-	-
RPGT arising from disposal of property	343,250	-	-	-
Utilisation of tax incentives	-	(216,384)	-	-
Share of results in joint ventures	110,552	65,754	-	-
Utilisation of deferred tax assets previously not recognised	(626,445)	(657,866)	-	-
	30,647,102	23,540,189	152,041	(13,961)

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
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34. INCOME TAX EXPENSE/(REVERSAL) (CONT'D)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2024 - 24%) of the estimated assessable profit for the financial year. The taxation of other jurisdiction is calculated at the rates prevailing in the respective jurisdiction.

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

	The Group	
	2025	2024
	RM	RM
Unutilised tax losses:		
- expires year of assessment 2028	6,525,957	7,138,356
- expires year of assessment 2029	87,479	87,479
- expires year of assessment 2030	16,521	16,521
- expires year of assessment 2031	340,014	340,014
- expires year of assessment 2032	630,216	630,216
- expires year of assessment 2033	116,595	116,595
- expires year of assessment 2034	1,051,986	1,051,986
- expires year of assessment 2035	782,144	-
Unabsorbed capital allowances	648,278	697,224
Accelerated capital allowances	(599)	(108,038)
Other deductible temporary differences	(44,455)	-
	10,154,136	9,970,353

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

35. OTHER COMPREHENSIVE INCOME/(EXPENSES)

	The Group	
	2025	2024
	RM	RM
		(Restated)
Item that will not be reclassified subsequently to profit or loss		
Revaluation of properties	7,143,082	2,207,969
Less: Deferred tax liabilities (Note 27)	(1,057,800)	(445,673)
	6,085,282	1,762,296
Item that will be reclassified subsequently to profit or loss		
Foreign currency translation:		
- changes during the financial year	(2,716,043)	(2,977,444)

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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36. EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share is calculated by dividing the consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year after deducting for treasury shares.

	The Group	
	2025	2024
	RM	RM
Profit after taxation	72,515,894	71,675,207
Profit attributable to owners of the Company (Basic)	61,434,935	59,369,193
Weighted average number of ordinary shares in issue (Basic)	3,874,753,932	3,876,066,552
Basic earnings per share (sen):	1.59	1.53

(b) Diluted earnings per share

The diluted earnings per share is equal to the basic earnings per share because there were no potential ordinary shares as at the end of the reporting period.

37. DIVIDENDS

	The Company	
	2025	2024
	RM	RM
Ordinary Shares		
First interim dividend of Nil (2024 - 1.0) sen per ordinary share in respect of the previous financial year	-	38,760,666
First interim dividend of 0.5 (2024 - 0.5) sen per ordinary share in respect of the current financial year	19,380,332	19,380,332
Second interim dividend of Nil (2024 - 0.8) sen per ordinary share in respect of the current financial year	-	31,008,532
	19,380,332	89,149,530

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
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38. CASH FLOW INFORMATION

- (a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets is as follows:-

	The Group	
	2025	2024
	RM	RM
Property, plant and equipment		
Cost of property, plant and equipment purchased (Note 9)	13,116,379	18,082,545
Less: Acquired through hire purchase arrangement (Note 38(c))	(1,380,990)	(1,946,405)
	11,735,389	16,136,140
Right-of-use assets		
Cost of right-of-use assets acquired (Note 10)	1,692,255	3,244,403
Less: Additions of new lease liabilities (Note 25)	(1,692,255)	(3,244,403)
	-	-

- (b) The total cash outflows for leases as a lessee are as follows:-

	The Group	
	2025	2024
	RM	RM
Payment of short-term leases	1,491,258	825,653
Interest paid on lease liabilities	2,806,481	1,765,314
Payment of lease liabilities	7,241,258	7,299,118
	11,538,997	9,890,085

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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38. CASH FLOW INFORMATION (CONT'D)

(c) The reconciliations of liabilities arising from financing activities are as follows:-

	Lease Liabilities RM	Hire Purchase Payables RM	Term Loans RM	Bills Payable RM	Revolving Credit RM	Total RM
The Group						
2025						
At 1 January	31,507,344	5,292,956	169,710,070	138,313,323	71,000,000	415,823,693
<u>Changes in financing cash flows</u>						
Proceeds from drawdown	-	1,380,990	80,000,000	637,926,851	322,630,000	1,041,937,841
Repayment of principal	(6,482,610)	(1,903,909)	(47,208,122)	(627,572,443)	(343,660,000)	(1,026,827,084)
Repayment of interests	(2,806,481)	(287,879)	(8,737,421)	(7,494,004)	(5,477,392)	(24,803,177)
	(9,289,091)	(810,798)	24,054,457	2,860,404	(26,507,392)	(9,692,420)
<u>Other changes</u>						
Acquisition of new leases (Notes 25 and 38(a))	1,692,255	-	-	-	-	1,692,255
Reassessment of leases	22,964,016	-	-	-	-	22,964,016
Interest expense recognised in profit or loss (Note 33)	2,806,481	287,879	8,737,421	7,494,004	5,477,392	24,803,177
Foreign exchange adjustments	-	(7,259)	(3,545,202)	(4,487,001)	-	(8,039,462)
Derecognition of leases	(468,915)	-	-	-	-	(468,915)
	26,993,837	280,620	5,192,219	3,007,003	5,477,392	40,951,071
At 31 December	49,212,090	4,762,778	198,956,746	144,180,730	49,970,000	447,082,344

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
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38. CASH FLOW INFORMATION (CONT'D)

(c) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

	Lease Liabilities RM	Hire Purchase Payables RM	Term Loans RM	Bills Payable RM	Revolving Credit RM	Total RM
The Group						
2024						
At 1 January	35,280,602	5,024,929	157,964,842	141,225,837	66,000,000	405,496,210
<u>Changes in financing cash flows</u>						
Proceeds from drawdown	-	1,946,405	123,154,669	449,165,430	309,420,000	883,686,504
Repayment of principal	(7,299,118)	(1,659,579)	(108,513,873)	(451,477,343)	(304,400,000)	(873,349,913)
Repayment of interests	(1,765,314)	(283,642)	(11,257,804)	(6,395,040)	(3,777,244)	(23,479,044)
	(9,064,432)	3,184	3,382,992	(8,706,953)	1,242,756	(13,142,453)
<u>Other changes</u>						
Acquisition of new leases (Notes 25 and 38(a))	3,244,403	-	-	-	-	3,244,403
Reassessment of leases	1,263,642	-	-	-	-	1,263,642
Interest expense recognised in profit or loss (Note 33)	1,765,314	283,642	11,257,804	6,395,040	3,777,244	23,479,044
Foreign exchange adjustments	(40,281)	(18,799)	(2,895,568)	(600,601)	(20,000)	(3,575,249)
Derecognition of leases	(941,904)	-	-	-	-	(941,904)
	5,291,174	264,843	8,362,236	5,794,439	3,757,244	23,469,936
At 31 December	31,507,344	5,292,956	169,710,070	138,313,323	71,000,000	415,823,693

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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38. CASH FLOW INFORMATION (CONT'D)

(c) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

	Term Loans RM	Revolving Credit RM	Total RM
The Company			
2025			
At 1 January	150,547,711	60,000,000	210,547,711
<u>Changes in financing cash flows</u>			
Proceeds from drawdown	-	244,630,000	244,630,000
Repayment of principal	(41,302,847)	(256,660,000)	(297,962,847)
Repayment of interests	(7,811,416)	(5,031,871)	(12,843,287)
	(49,114,263)	(17,061,871)	(66,176,134)
<u>Other changes</u>			
Interest expense recognised in profit or loss (Note 33)	7,811,416	5,031,871	12,843,287
Foreign exchange adjustments	(3,545,202)	-	(3,545,202)
	4,266,214	5,031,871	9,298,085
At 31 December	105,699,662	47,970,000	153,669,662
2024			
At 1 January	135,215,000	60,000,000	195,215,000
<u>Changes in financing cash flows</u>			
Proceeds from drawdown	123,154,669	221,800,000	344,954,669
Repayment of principal	(105,255,700)	(221,800,000)	(327,055,700)
Repayment of interests	(10,031,545)	(3,261,312)	(13,292,857)
	7,867,424	(3,261,312)	4,606,112
<u>Other changes</u>			
Interest expense recognised in profit or loss (Note 33)	10,031,545	3,261,312	13,292,857
Foreign exchange adjustments	(2,566,258)	-	(2,566,258)
	7,465,287	3,261,312	10,726,599
At 31 December	150,547,711	60,000,000	210,547,711

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
cont'd

38. CASH FLOW INFORMATION (CONT'D)

(d) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
	(Restated)			
Deposits with licensed banks	17,250,090	17,030,971	-	-
Cash and bank balances	93,740,227	49,498,003	7,937,169	1,463,462
Bank overdrafts	(19,272,447)	(21,637,003)	-	-
	91,717,870	44,891,971	7,937,169	1,463,462
Less: Deposits pledged to licensed banks (Note 20(b))	(9,822,556)	(9,653,194)	-	-
Deposits with tenures exceeding 3 months (Note 20(b))	(7,143,405)	(7,033,752)	-	-
Bank balances pledged to licensed banks	(383,646)	(877,716)	-	-
	74,368,263	27,327,309	7,937,169	1,463,462

39. RELATED PARTY DISCLOSURES

(a) Holding Company and Subsidiaries

The holding company is disclosed in Note 3 to the financial statements.

The subsidiaries as disclosed in Note 6 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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39. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant Related Party Transactions and Balances

In addition to the related party transactions information disclosed in the statements of cash flows, Notes 31 & 33 to the financial statements, the Group and the Company also carried out the following transactions with the related parties during the financial year:-

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Advances to a joint venture	(1,970)	-	(1,970)	-
(Repayment to)/Advances from related companies	(5,653)	8,512	-	-
(Repayment to)/Advances from subsidiaries	-	-	(21,873,713)	22,300,177
Repayment from related companies	8,320	-	-	-
Repayment from subsidiaries	-	-	5,492,018	8,733,882
Dividend from subsidiaries	-	-	126,715,869	76,817,144
Interest charged to intercompany	-	-	5,404,764	6,074,526
Sales to:				
- fellow subsidiaries	6,083,452	2,898,044	-	-
- a fellow jointly controlled entity	106,768	151,747	-	-
- related parties	522,086	208,442	-	-
Purchases from:				
- fellow subsidiaries	(1,788,726)	(1,115,833)	-	-
- a fellow jointly controlled entity	(5,474,237)	(4,639,913)	-	-
- related parties	(4,121,526)	(2,777,455)	-	-
Rental received and receivable from a fellow jointly controlled entity	160,673	-	-	-
Rental paid and payable to:				
- fellow subsidiaries	-	(36,750)	-	-
- related parties	(3,726,758)	(2,656,558)	-	-
Management fee received and receivable from a fellow jointly controlled entity	151,434	-	-	-
Management fee paid and payable to:				
- a fellow subsidiary	(2,640,000)	(2,640,000)	(371,596)	(376,509)
- a related party	(40,000)	(240,000)	-	-
Maintenance fee paid to a related party	(215,678)	(200,661)	-	-
Consultation fee paid to a subsidiary's shareholder	(117,000)	(108,000)	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
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39. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant Related Party Transactions and Balances (Cont'd)

In addition to the related party transactions information disclosed in the statements of cash flows, Notes 31 & 33 to the financial statements, the Group and the Company also carried out the following transactions with the related parties during the financial year (Cont'd):-

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Culture fund paid to a fellow subsidiary	(470,880)	(420,960)	-	-
Forwarding charges paid to a related party	(539,254)	-	-	-
Sundry purchase paid to:				
- fellow subsidiaries	(194,543)	(56,005)	-	-
- a related party	(974)	-	-	-
Purchase of assets from:				
- fellow subsidiaries	(15,240)	-	-	-
- related parties	(170,323)	-	-	-
Storage fee paid to:				
- a fellow subsidiary	(9,600)	(9,600)	-	-
- a related party	(215,003)	(96,055)	-	-
Software cost paid to a fellow subsidiary	(127,650)	(127,650)	-	-

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in Notes 12, 13, 16, 17, 18, 28 and 29 to the financial statements.

No expense was recognised during the financial year for impairment in respect of the amounts owed by the related parties other than those disclosed in Note 32 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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39. RELATED PARTY DISCLOSURES (CONT'D)

(c) Key Management Personnel Compensation

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group.

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
(i) Directors				
<u>Directors of the Company</u>				
Short-term employee benefits:				
- fees	261,333	264,000	261,333	264,000
- salaries, bonuses and other benefits	3,690,024	3,223,150	26,000	26,000
Defined contribution benefits	148,140	377,193	-	-
	4,099,497	3,864,343	287,333	290,000
<u>Directors of the Subsidiaries</u>				
Short-term employee benefits:				
- fees	351,107	353,357	-	-
- salaries, bonuses and other benefits	5,383,889	4,458,404	-	-
Defined contribution benefits	589,895	493,631	-	-
	6,324,891	5,305,392	-	-
Total directors' remunerations (Note 33)	10,424,388	9,169,735	287,333	290,000

The estimated monetary value of benefits-in-kind provided by the Group to certain directors of the Company were RM155,822 (2024 - RM146,316) respectively.

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
(ii) Other Key Management Personnel				
Short-term employee benefits	1,588,479	1,410,451	-	-
Defined contribution benefits	182,136	160,176	-	-
Total compensation for other key management personnel (Note 33)	1,770,615	1,570,627	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
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40. CAPITAL COMMITMENTS

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Plant & machinery	-	1,408,839	-	-
Acquisition of subsidiaries	120,000,000	-	120,000,000	-
Furniture & fittings	8,555	-	-	-
Office equipment	-	30,000	-	-
Renovation of a property	327,436	1,249,526	-	-
	120,335,991	2,688,365	120,000,000	-

41. CONTINGENT LIABILITIES

No provisions are recognised on the following matters as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement:-

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Bank guarantee extended by a subsidiary to third parties	13,000	13,000	-	-
Letter of credit issued in favour of suppliers	10,499,563	17,270,388	-	-
Performance guarantee extended by a subsidiary to third party	17,002,761	21,218,905	-	-
	27,515,324	38,502,293	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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42. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Chief Executive Officer as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their products and services provided. In addition, the businesses are also considered from a geographical perspective.

The Group is organised into 4 main reportable segments as follows:-

- Investment holding : Investment in shares and properties are held for capital gain.
- Agriculture : Involved in manufacturing, distribution and agents of agrochemicals, research and development activities.
- Specialty chemicals : Involved in manufacturing and distribution of specialty chemicals.
- Fruits : Involved in business of trading and distribution of durian.

- (a) The Group Chief Executive Officer assesses the performance of the reportable segments based on their profit or loss for the financial year. The accounting policies of the reportable segments are the same as the Group's accounting policies.
- (b) Each reportable segment assets is measured based on all assets (including goodwill) of the segment other than tax-related assets.
- (c) Each reportable segment liabilities is measured based on all liabilities of the segment other than tax-related liabilities.
- (d) Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters) and head office expenses.

Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
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42. OPERATING SEGMENTS (CONT'D)

42.1 Business Segments

	Investment Holding	Agriculture	Specialty Chemicals	Fruits	Elimination	The Group
	RM	RM	RM	RM	RM	RM
2025						
Revenue						
External revenue	151,434	330,310,409	366,373,408	178,561,165	-	875,396,416
Inter-segment revenue	137,289,873	4,128,655	168,441	30,800	(141,617,769)	-
Total revenue	137,441,307	334,439,064	366,541,849	178,591,965	(141,617,769)	875,396,416
Results						
Segment profit	153,368,274	50,829,285	62,098,430	12,013,864	(149,793,097)	128,516,756
Finance costs	(13,269,079)	(7,116,410)	(4,317,262)	(6,279,195)	5,626,163	(25,355,783)
Finance income	5,422,490	131,068	223,295	258,447	(5,572,647)	462,653
Share of result of joint ventures	-	47,668	-	(508,298)	-	(460,630)
Profit before taxation	145,521,685	43,891,611	58,004,463	5,484,818	(149,739,581)	103,162,996
Taxation						(30,647,102)
Profit after taxation for the financial year						72,515,894
Attributable to:						
- Owners of the Company						61,434,935
- Non-controlling interests						11,080,959
						72,515,894

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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42. OPERATING SEGMENTS (CONT'D)

42.1 Business Segments (Cont'd)

2025	Investment Holding	Agriculture	Specialty Chemicals	Fruits	Elimination	The Group
	RM	RM	RM	RM	RM	RM
Assets						
Segment assets	1,120,143,789	347,198,533	280,108,590	190,801,472	(1,094,046,680)	844,205,704
Unallocated assets:-						
- current tax assets						6,153,319
- deferred tax assets						1,715,502
Consolidated total assets						852,074,525
Addition to non-current assets other than financial instruments:						
Intangible assets	-	1,000	-	-	-	1,000
Product development expenditure	-	111,059	-	-	-	111,059
Property, plant and equipment	232,084	5,212,847	7,054,776	616,672	-	13,116,379
Right-of-use assets	-	-	1,720,779	-	-	1,720,779
Liabilities						
Segment liabilities	237,431,537	193,153,576	183,280,389	146,725,718	(204,759,485)	555,831,735
Unallocated liabilities:-						
- current tax liabilities						11,333,340
- deferred tax liabilities						10,276,859
Consolidated total liabilities						577,441,934

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
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42. OPERATING SEGMENTS (CONT'D)

42.1 Business Segments (Cont'd)

	Investment Holding RM	Agriculture RM	Specialty Chemicals RM	Fruits RM	Elimination RM	The Group RM
2025						
Other information						
Allowance for impairment losses:					(1,045,933)	-
- amount owing from subsidiaries	1,045,933	-	-	-	-	360,833
- trade receivables	-	213,467	147,366	-	-	1,233,713
- property	1,233,713	-	-	-	-	1,481,697
- investment in a joint venture	-	-	-	1,481,697	-	1,092,662
- assets classified as held for sale	-	-	-	1,092,662	-	456,039
Amortisation expense	-	120,339	269,157	66,543	-	191,111
Bad debts written off	-	-	191,111	-	-	(89,029)
Bad debts recovered	-	-	(89,029)	-	-	127,729
Deposits written off	9,146	-	500	-	-	18,345,543
Depreciation expense	673,651	5,087,558	10,482,889	2,488,625	(387,180)	(382,610)
Fair value gain on investment properties	(249,000)	(133,610)	-	-	-	646,186
Intangible assets written off	-	-	-	646,186	-	25,355,783
Interest expense	13,284,341	7,101,148	4,319,328	6,349,337	(5,698,371)	311,797
Inventories written off	-	-	231,563	80,234	-	1,460,188
Inventories written down	-	1,332,960	127,228	-	-	-
Loss arising from changes in fair value of biological assets	-	-	-	19,488	-	19,488
(Gain)/Loss on disposal of plant and equipment	-	(115,080)	(27,941)	1,568	-	(141,453)
Gain on lease termination	-	(1,310)	(2,137)	(8,493)	-	(11,940)
Loss/(Gain) on forward currency contracts	-	1,003,671	(9,674)	-	-	993,997
Interest income	(19,665)	(125,389)	(145,799)	(171,800)	-	(462,653)
Plant and equipment written off	-	51,851	7,690	356,246	-	415,787
Reversal of impairment losses on:-						
- trade receivables	-	(203,480)	(380,095)	-	-	(583,575)
- amount owing from a related party	-	(8,520)	-	-	-	(8,520)
Unrealised foreign exchange (gain)/loss	(3,545,202)	(1,661,492)	39,120	343,432	-	(4,824,142)
Write-back of inventories	-	(1,150,247)	(27,131)	-	-	(1,177,378)

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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42. OPERATING SEGMENTS (CONT'D)

42.1 Business Segments (Cont'd)

	Investment Holding	Agriculture	Specialty Chemicals	Fruits	Elimination	The Group
	RM	RM	RM	RM	RM	RM
2024						
Revenue						
External revenue	119,440	313,231,564	421,421,609	183,515,256	-	918,287,869
Inter-segment revenue	84,809,992	3,043,595	441,552	-	(88,295,139)	-
Total revenue	84,929,432	316,275,159	421,863,161	183,515,256	(88,295,139)	918,287,869
Results						
Segment profit	82,268,737	35,909,264	81,965,746	7,180,574	(87,509,101)	119,815,220
Finance costs	(14,362,536)	(6,228,207)	(3,106,463)	(7,332,291)	6,197,748	(24,831,749)
Finance income	6,115,903	175,243	133,599	227,258	(6,118,898)	533,105
Share of result of joint ventures	-	139,602	-	(440,782)	-	(301,180)
Profit/(Loss) before taxation	74,022,104	29,995,902	78,992,882	(365,241)	(87,430,251)	95,215,396
Taxation						(23,540,189)
Profit after taxation for the financial year						71,675,207
Attributable to:						
- Owners of the Company						59,369,193
- Non-controlling interests						12,306,014
						71,675,207

NOTES TO THE FINANCIAL STATEMENTS

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42. OPERATING SEGMENTS (CONT'D)

42.1 Business Segments (Cont'd)

2024	Investment Holding	Agriculture	Specialty Chemicals	Fruits	Elimination	The Group
	RM	RM	RM	RM	RM	RM
Assets						
Segment assets	1,133,304,623	331,446,107	297,644,662	162,046,112	(1,109,010,683)	815,430,821
Unallocated assets:-						
- current tax assets						8,270,653
- deferred tax assets						1,857,058
Consolidated total assets						825,558,532
<u>Addition to non-current assets other than financial instruments:</u>						
Intangible assets	-	-	184,795	798,520	-	983,315
Product development expenditure	-	18,641	-	-	-	18,641
Property, plant and equipment	7,386,529	2,424,526	6,800,994	1,470,496	-	18,082,545
Right-of-use assets	-	-	1,810,607	1,433,796	-	3,244,403
Liabilities						
Segment liabilities	337,576,100	178,301,493	132,871,187	117,992,412	(218,699,532)	548,041,660
Unallocated liabilities:-						
- current tax liabilities						13,752,178
- deferred tax liabilities						8,231,517
Consolidated total liabilities						570,025,355

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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42. OPERATING SEGMENTS (CONT'D)

42.1 Business Segments (Cont'd)

	Investment Holding	Agriculture	Specialty Chemicals	Fruits	Elimination	The Group
	RM	RM	RM	RM	RM	RM
2024						
Other information						
(Restated)						
Allowance for impairment losses:						
- amount owing from subsidiaries	7,227,739	-	-	-	(7,227,739)	-
- intangible assets	-	-	100,098	-	-	100,098
- property	4,109	-	-	-	-	4,109
- related company	-	8,520	-	-	-	8,520
- short-term investments	-	3,500,000	-	-	-	3,500,000
- trade receivables	-	1,082,394	749,763	-	-	1,832,157
- other receivables	-	101,568	12,196	-	-	113,764
Amortisation expense	-	221,232	295,786	85,791	-	602,809
Bad debts written off	-	54,740	428,178	-	-	482,918
Depreciation expense	1,223,612	4,905,013	9,679,770	2,868,387	187,062	18,863,844
Fair value loss on financial instruments mandatorily measured at fair value through profit or loss	1,103,425	-	-	-	-	1,103,425
Fair value loss on short-term investments	-	509,400	-	-	-	509,400
Interest expense	14,362,536	6,228,207	3,106,463	7,332,291	(6,197,748)	24,831,749
Inventories written off	-	-	112,371	-	-	112,371
Inventories written down	-	69,737	305,079	-	-	374,816
Loss arising from changes in fair value of biological assets	-	-	-	16,691	-	16,691
Reversal of gain on bargain purchase	-	-	81,551	-	-	81,551
Bad debt recovered	-	-	(684)	-	-	(684)
(Gain)/Loss on disposal of plant and equipment	(125,000)	(9,283)	(148,016)	4,455	-	(277,844)
Gain on lease termination	-	-	(5,241)	(18,644)	-	(23,885)
(Gain)/Loss on forward currency contracts	-	(1,074,021)	9,674	-	-	(1,064,347)
Interest income	(41,377)	(175,243)	(133,599)	(182,886)	-	(533,105)
Plant and equipment written off	-	5,999	58,828	-	-	64,827
Reversal of impairment losses on trade receivables	-	(294,343)	(609,387)	-	-	(903,730)
Unrealised foreign exchange (gain)/loss	(2,566,258)	1,625,102	687,048	215,039	-	(39,069)
Waiver of amount due from subsidiaries	164,898	-	-	(164,898)	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
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42. OPERATING SEGMENTS (CONT'D)

42.2 Geographical information

Revenue is based on the country in which the customers are located.

Analysis by geographical segment has been presented in respect of revenue only as the Group operates principally in Malaysia.

	The Group	
	2025 RM	2024 RM
Local	669,010,606	684,957,018
Export	206,385,810	233,330,851
	875,396,416	918,287,869

42.3 Major customer

There is no single customer that contributed 10% or more to the Group's revenue during the financial year.

43. FINANCIAL INSTRUMENTS

The activities of the Group and of the Company are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and of the Company.

43.1 Financial Risk Management Policies

The policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group and the Company are exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Euro ("EUR"), Singapore Dollar ("SGD"), Australian Dollar ("AUD"), Indonesia Rupiah ("IDR"), Brunei Dollar ("BND"), New Zealand Dollar ("NZD") and Chinese Yuan Renminbi ("CNY"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into forward foreign currency contracts to hedge against its foreign exchange risk. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting is summarised below:-

Foreign Currency Exposure

The Group	2025	United States		Indonesia		Singapore		Australian		Brunei		Chinese		New Zealand		Ringgit Malaysia		Total
		Dollar	RM	Rupiah	RM	Dollar	RM	Dollar	RM	Dollar	RM	Yuan Renminbi	RM	Dollar	RM	Malaysia	RM	
<u>Financial Assets</u>																		
Trade receivables	10,287,260			6,219,615		1,970,144		2,232,463		530,776		6,425,808		-		114,797,481		142,463,547
Other receivables	2,754			-		-		39,148		-		-		-		4,322,062		4,363,964
Amount owing by related companies	572,650			-		-		-		-		-		-		1,370,230		1,942,880
Amount owing by a joint venture	-			-		-		-		-		-		-		52,913		52,913
Deposits with licensed banks	-			-		-		-		-		-		-		17,250,090		17,250,090
Cash and bank balances	17,674,634			2,843,565		4,946,962		593,074		922,568		2,903		180,619		66,575,902		93,740,227
	28,537,298			9,063,180		6,917,106		2,864,685		1,453,344		6,428,711		180,619		204,368,678		259,813,621

NOTES TO THE FINANCIAL STATEMENTS

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43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	United States Dollar	Indonesian Rupiah	Singapore Dollar	Australian Dollar	Brunei Dollar	Chinese Yuan Renminbi	New Zealand Dollar	Ringgit Malaysia	Total
2025	RM	RM	RM	RM	RM	RM	RM	RM	RM
<u>Financial Liabilities</u>									
Trade payables	13,427,052	815,339	391,117	27,791	-	-	-	34,107,264	48,768,563
Other payables and accruals	8,291	278,480	9,472	1,039,976	115,223	-	15,268	28,918,806	30,385,516
Amount owing to related companies	-	-	-	-	-	-	-	1,424,831	1,424,831
Amount owing to a joint venture	-	-	-	-	-	-	-	1,220,889	1,220,889
Lease liabilities	-	-	-	-	528,939	-	-	48,683,151	49,212,090
Hire purchase payables	-	-	-	259,808	-	-	-	4,502,970	4,762,778
Term loans	34,337,162	-	-	-	-	-	-	164,619,584	198,956,746
Bills payable	42,023,596	-	-	-	-	583,211	-	101,573,923	144,180,730
Revolving credit	-	-	-	-	-	-	-	49,970,000	49,970,000
Bank overdrafts	-	-	-	-	-	-	-	19,272,447	19,272,447
	89,796,101	1,093,819	400,589	1,327,575	644,162	583,211	15,268	454,293,865	548,154,590

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group 2025	United States Dollar		Indonesia Rupiah		Singapore Dollar		Australian Dollar		Brunei Dollar		Chinese Yuan Renminbi		New Zealand Dollar		Ringgit Malaysia		Total RM
	RM		RM		RM		RM		RM		RM		RM		RM		
Net financial (liabilities)/assets	(61,258,803)		7,969,361		6,516,517		1,537,110		809,182		5,845,500		165,351		(249,925,187)		(288,340,969)
Less: Net financial (liabilities)/assets denominated in the respective entities' functional currencies	-		(7,165,008)		16,072		(1,537,110)		(688,995)		-		-		249,925,187		240,550,146
Currency Exposure	(61,258,803)		804,353		6,532,589		-		120,187		5,845,500		165,351		-		(47,790,823)

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
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43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	United States Dollar	Indonesian Rupiah	Singapore Dollar	Australian Dollar	Brunei Dollar	Euro	Chinese Yuan Renminbi	New Zealand Dollar	Ringgit Malaysia	Total
2024	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Financial Assets										
Trade receivables	10,417,698	4,726,113	1,119,404	2,624,132	498,320	-	6,827,779	-	144,619,696	170,833,142
Other receivables	-	3,784	-	-	-	-	-	-	9,864,411	9,868,195
Short-term investments	-	-	-	-	-	-	-	-	1,472,800	1,472,800
Amount owing by related companies	239,039	-	-	-	-	-	-	-	103,946	342,985
Derivative assets	1,003,671	-	-	-	-	-	-	-	-	1,003,671
Deposits with licensed banks	-	-	-	-	-	-	-	-	17,030,971	17,030,971
Cash and bank balances	6,378,090	3,738,062	183,917	1,796,725	1,322,719	4,638	401,970	180,619	35,491,263	49,498,003
	18,038,498	8,467,959	1,303,321	4,420,857	1,821,039	4,638	7,229,749	180,619	208,583,087	250,049,767

NOTES TO THE FINANCIAL STATEMENTS

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43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	United States Dollar	Indonesian Rupiah	Singapore Dollar	Australian Dollar	Brunei Dollar	Euro	Chinese Yuan Renminbi	New Zealand Dollar	Ringgit Malaysia	Total
2024	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Financial Liabilities										
Trade payables	25,418,958	792,633	445,497	352,128	-	-	-	-	22,130,204	49,139,420
Other payables and accruals	177,109	960,791	19,726	1,216,114	96,169	-	894,937	-	44,657,685	48,022,531
Amount owing to related companies	-	-	-	-	-	-	-	-	784,712	784,712
Amount owing to a joint venture	106,755	-	-	-	-	-	-	-	1,463,103	1,569,858
Lease liabilities	-	22,647	-	-	-	-	-	-	31,484,697	31,507,344
Hire purchase payables	-	-	-	358,839	-	-	-	-	4,934,117	5,292,956
Term loans	45,572,711	-	-	2,621,752	-	-	-	-	121,515,607	169,710,070
Bills payable	64,171,085	139,000	-	-	-	-	575,637	-	73,427,601	138,313,323
Revolving credit	-	-	-	-	-	-	-	-	71,000,000	71,000,000
Derivative liabilities	9,674	-	-	-	-	-	-	-	-	9,674
Bank overdrafts	-	-	-	-	-	-	-	-	21,637,003	21,637,003
	135,456,292	1,915,071	465,223	4,548,833	96,169	-	1,470,574	-	393,034,729	536,986,891

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
cont'd

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	United States Dollar	Indonesian Rupiah	Singapore Dollar	Australian Dollar	Brunei Dollar	Euro	Chinese Yuan Renminbi	New Zealand Dollar	Ringgit Malaysia	Total
2024	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Net financial (liabilities)/ assets	(117,417,794)	6,552,888	838,098	(127,976)	1,724,870	4,638	5,759,175	180,619	(184,451,642)	(286,937,124)
Less: Net financial (liabilities)/ assets denominated in the respective entities' functional currencies	-	(6,557,404)	(13,936)	127,976	(1,724,870)	-	-	-	184,451,642	176,283,408
Less: Forward foreign currency contracts (contracted notional principal)	19,426,069	-	-	-	-	-	-	-	-	19,426,069
Currency Exposure	(97,991,725)	(4,516)	824,162	-	-	4,638	5,759,175	180,619	-	(91,227,647)

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
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43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Company	United States Dollar RM	Ringgit Malaysia RM	Total RM
2025			
<u>Financial Assets</u>			
Amount owing by subsidiaries	-	83,771,193	83,771,193
Amount owing by a joint venture	-	1,970	1,970
Other receivables	-	3,266,558	3,266,558
Cash and bank balances	-	7,937,169	7,937,169
	-	94,976,890	94,976,890
<u>Financial Liabilities</u>			
Other payables and accruals	-	444,865	444,865
Amount owing to subsidiaries	-	59,915,145	59,915,145
Term loans	34,337,162	71,362,500	105,699,662
Revolving credit	-	47,970,000	47,970,000
	34,337,162	179,692,510	214,029,672
Net financial liabilities	(34,337,162)	(84,715,620)	(119,052,782)
Less: Net financial liabilities denominated in the Company's functional currency	-	84,715,620	84,715,620
Currency Exposure	(34,337,162)	-	(34,337,162)

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
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43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Company	United States Dollar RM	Ringgit Malaysia RM	Total RM
2024			
<u>Financial Assets</u>			
Amount owing by subsidiaries	-	90,025,426	90,025,426
Other receivables	-	9,266,558	9,266,558
Cash and bank balances	-	1,463,462	1,463,462
	-	100,755,446	100,755,446
<u>Financial Liabilities</u>			
Other payables and accruals	-	15,864,835	15,864,835
Amount owing to subsidiaries	-	81,788,858	81,788,858
Term loans	45,572,711	104,975,000	150,547,711
Revolving credit	-	60,000,000	60,000,000
	45,572,711	262,628,693	308,201,404
Net financial liabilities	(45,572,711)	(161,873,247)	(207,445,958)
Less: Net financial liabilities denominated in the Company's functional currency	-	161,873,247	161,873,247
Currency Exposure	(45,572,711)	-	(45,572,711)

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
cont'd

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

		The Group	
		Increase/ (Decrease)	Increase/ (Decrease)
		2025	2024
		RM	RM
Effects on Profit After Taxation			
CNY/RM	- strengthened by 5%	222,129	218,849
	- weakened by 5%	(222,129)	(218,849)
BND/RM	- strengthened by 5%	4,567	-
	- weakened by 5%	(4,567)	-
EUR/RM	- strengthened by 5%	-	176
	- weakened by 5%	-	(176)
IDR/RM	- strengthened by 5%	30,565	(172)
	- weakened by 5%	(30,565)	172
NZD/RM	- strengthened by 5%	6,283	6,864
	- weakened by 5%	(6,283)	(6,864)
SGD/RM	- strengthened by 5%	248,238	31,318
	- weakened by 5%	(248,238)	(31,318)
USD/RM	- strengthened by 5%	(2,327,835)	(3,723,686)
	- weakened by 5%	2,327,835	3,723,686
		The Company	
		Increase/ (Decrease)	Increase/ (Decrease)
		2025	2024
		RM	RM
Effects on Profit After Taxation			
USD/RM	- strengthened by 5%	(1,304,812)	(1,731,763)
	- weakened by 5%	1,304,812	1,731,763

NOTES TO THE FINANCIAL STATEMENTS

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43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(ii) 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 exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group and the Company adopt a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The fixed rate debt instruments of the Group 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 amounts of the financial instruments at the end of the reporting period is disclosed in Note 26 to the financial statements.

Interest Rate Risk Sensitivity Analysis

An increase of 100 basis points in interest rates of floating rate borrowings at the end of the reporting period would have decreased the Group's and the Company's profit after taxation by RM3,134,087 and RM1,167,889 (2024 - RM3,045,019 and RM1,600,163) respectively. The analysis assumes that all other variables remain constant. A decrease of 100 basis points in the interest rates would have had an equal but opposite effect on the Group's and the Company's profit after taxation. There is no impact on the Group's and the Company's equity.

(iii) Equity Price Risk

The exposure to equity price risk arises mainly from changes in quoted investment prices of the Group. The Group manages its exposure to equity price risk by maintaining a portfolio of equities with different risk profiles.

The Group and the Company do not have any quoted investments and hence, is not exposed to equity price risk.

(b) Credit Risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade receivables, other receivables and contract assets. The Group and the Company manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk includes loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to serve their loans on an individual basis.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(i) Credit Risk Concentration Profile

At the end of the reporting year, the Company's major concentration of credit risk was related to its other receivables, which accounted for approximately 100% of the total other receivables.

The Group does not have any significant credit risk related to any individual customer or counterparty.

In addition, the Group also determines the concentration of credit risk by monitoring the geographical region of its trade receivables and contract assets on an ongoing basis. The credit risk concentration profile of trade receivables and contract assets (including related companies) at the end of the reporting period is as follows:-

	The Group	
	2025 RM	2024 RM
Africa	-	319,000
Asia	162,892,887	180,869,849
Oceania	2,842,884	2,624,132
North America	804,353	-
South America	582,981	-
	167,123,105	183,812,981

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries of RM249,409,203 (2024 - RM146,055,997), representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair values on initial recognition were not material.

(iii) Assessment of Impairment Losses

The Group and the Company have an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group and the Company closely monitor the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group and the Company evaluate whether any of the financial assets at amortised cost and contract assets are credit impaired.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
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43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) *Assessment of Impairment Losses (Cont'd)*

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty; and
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group and the Company consider a receivable to be in default when the receivable is unlikely to repay its debt to the Group and the Company in full or is past due within a range of more than 120 to 365 days unless the Group and the Company have reasonable and supportable information to demonstrate that a more a lagging default criterion is more appropriate.

Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables (including related companies) and contract assets.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables (including related companies) and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over a period of 12 (2024 - 12 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses

The reconciliations of allowance for impairment losses are as follows:-

The Group	Non-credit Impaired RM	Credit Impaired RM	Total RM
<u>Trade Receivables</u>			
Balance at 1.1.2024	167,205,257	(5,358,664)	161,846,593
Additions (Note 12)	10,779,456	(1,832,157)	8,947,299
Reversals	-	903,730	903,730
Written offs	-	261,196	261,196
Changes due to reassessment of goodwill during remeasurement period	-	(782,691)	(782,691)
Balance at 31.12.2024/1.1.2025	177,984,713	(6,808,586)	171,176,127
Additions/(Repayment) (Note 12)	(27,920,609)	(360,833)	(28,281,442)
Reversals	-	583,575	583,575
Written offs	-	982,210	982,210
Foreign currency translation reserve	-	(3,300)	(3,300)
Balance at 31.12.2025	150,064,104	(5,606,934)	144,457,170

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
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43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses (Cont'd)

The reconciliations of allowance for impairment losses are as follows (Cont'd):-

The Group	Non-credit Impaired RM	Credit Impaired RM	Total RM
<u>Trade Receivables</u>			
Balance at 1.1.2023	161,846,593	-	161,846,593
Additions (Note 12)	5,358,664	(5,358,664)	-
Balance at 31.12.2023/1.1.2024	167,205,257	(5,358,664)	161,846,593
Additions (Note 12)	10,779,456	(1,832,157)	8,947,299
Reversals	-	903,730	903,730
Written off	-	261,196	261,196
Changes due to reassessment of goodwill during remeasurement period	-	(782,691)	(782,691)
Balance at 31.12.2024	177,984,713	(6,808,586)	171,176,127
<u>Contract Assets</u>			
Balance at 1.1.2024	1,468,917	-	1,468,917
Additions	12,636,854	-	12,636,854
Reversals	(1,468,917)	-	(1,468,917)
Balance at 31.12.2024/1.1.2025	12,636,854	-	12,636,854
Additions (Note 15)	22,665,935	-	22,665,935
Reversals	(12,636,854)	-	(12,636,854)
Balance at 31.12.2025	22,665,935	-	22,665,935

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses (Cont'd)

The information about the credit exposure and loss allowances recognised for trade receivables and contract assets are as follows:-

The Group	Gross Amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
2025			
Current (not past due)	88,675,930	(53,048)	88,622,882
1 to 30 days past due	29,701,661	(141,395)	29,560,266
31 to 60 days past due	10,184,672	(70,227)	10,114,445
61 to 90 days past due	5,789,771	(30,636)	5,759,135
More than 90 days past due	12,085,121	(1,684,679)	10,400,442
	146,437,155	(1,979,985)	144,457,170
Credit impaired:			
- Individually impaired	3,626,949	(3,626,949)	-
Trade receivables	150,064,104	(5,606,934)	144,457,170
Contract assets	22,665,935	-	22,665,935
	172,730,039	(5,606,934)	167,123,105
2024			
Current (not past due)	69,586,561	(38,072)	69,548,489
1 to 30 days past due	54,619,504	(118,258)	54,501,246
31 to 60 days past due	22,777,750	(58,694)	22,719,056
61 to 90 days past due	6,216,673	(16,803)	6,199,870
More than 90 days past due	20,377,247	(2,169,781)	18,207,466
	173,577,735	(2,401,608)	171,176,127
Credit impaired:			
- Individually impaired	4,406,978	(4,406,978)	-
Trade receivables	177,984,713	(6,808,586)	171,176,127
Contract assets	12,636,854	-	12,636,854
	190,621,567	(6,808,586)	183,812,981

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
cont'd

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) *Assessment of Impairment Losses (Cont'd)*

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses (Cont'd)

Trade receivables that are individually determined to be impaired relate to debtors who are in significant financial difficulties and have defaulted on payments. These debtors are not secured by any collateral or credit enhancements.

Trade receivables that are collectively determined to be impaired relate to expected credit losses measured based on the Group's observed default rates.

Other Receivables

The Group and the Company apply the 3-stage general approach to measuring expected credit losses for its other receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, the Group and the Company assess whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group and the Company consider there has been a significant increase in credit risk when contractual terms change or payment are delay. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

The Group and the Company use 3 categories to reflect their credit risk and how the loss allowance is determined for each category:-

Category	Definition of Category	Loss Allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-month expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Non-performing:	There is evidence indicating the receivable is credit impaired or more than 90 days past due	Lifetime expected credit losses

The Group and the Company measure the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on individual basis. The remaining receivables are grouped by shared credit risk characteristics and assessed on collective basis.

Loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables (Cont'd)

Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)

In deriving the PD and LGD, the Group and the Company consider the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

Based on the assessment performed, the identified impairment loss was immaterial and hence, it is not provided for.

Deposits with Licensed Banks, Cash and Bank Balances

The Group and the Company considers the licensed banks to be of low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and therefore is not provided for.

Amount Owing by Subsidiaries (Non-trade Balances)

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on individual basis, which aligns with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiaries to be of low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. This is because the Company is able to determine the timing of payments and the loans and advances are to be in default when the subsidiaries are unable to pay when demanded.

For loans and advances that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

For loans and advances that are not repayable on demand, impairment losses are measured using techniques that are similar for estimating the impairment losses of other receivables, as disclosed above.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
cont'd

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Owing by Subsidiaries (Non-trade Balances) (Cont'd)

Allowance for Impairment Losses

The Company	Gross Amount RM	Lifetime Loss Allowances RM	Carrying Amount RM
2025			
Low credit risk	80,903,236	-	80,903,236
Credit impaired	23,389,578	(20,521,621)	2,867,957
	104,292,814	(20,521,621)	83,771,193
2024			
Low credit risk	87,495,882	-	87,495,882
Credit impaired	22,288,950	(19,759,406)	2,529,544
	109,784,832	(19,759,406)	90,025,426

The movements in the loss allowances are disclosed in Note 16 to the financial statements.

Financial Guarantee Contracts

Corporate guarantees for borrowing facilities granted to subsidiaries are financial guarantee contract.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company closely monitors the subsidiaries' financial strength to reduce the risk of loss.

The Company considers that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- The subsidiary is unlikely to repay its obligation to the bank in full; or
- The subsidiary is having a deficit in equity and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties to which the financial guarantee contracts were issued. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practice prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	More Than 5 years RM
2025					
<u>Non-derivative Financial Liabilities</u>					
Trade payables	48,768,563	48,768,563	48,768,563	-	-
Other payables and accruals	30,385,516	30,385,516	28,320,920	2,064,596	-
Amount owing to related companies	1,424,831	1,424,831	1,424,831	-	-
Amount owing to a joint venture	1,220,889	1,220,889	1,220,889	-	-
Bills payable	144,180,730	144,180,730	144,180,730	-	-
Bank overdrafts	19,272,447	19,272,447	19,272,447	-	-
Revolving credit	49,970,000	49,970,000	49,970,000	-	-
Term loans	198,956,746	238,224,287	65,872,596	167,991,114	4,360,577
Hire purchase payables	4,762,778	5,175,159	2,006,236	3,168,923	-
Lease liabilities	49,212,090	59,738,206	9,726,878	27,826,770	22,184,558
	548,154,590	598,360,628	370,764,090	201,051,403	26,545,135

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
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43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

The Group	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	More Than 5 years RM
2024					
(Restated)					
<u>Non-derivative Financial Liabilities</u>					
Trade payables	49,139,420	49,139,420	49,139,420	-	-
Other payables and accruals	48,022,531	48,022,531	45,616,743	1,778,400	627,388
Amount owing to related companies	784,712	784,712	784,712	-	-
Amount owing to joint ventures	1,569,858	1,569,858	1,569,858	-	-
Bills payable	138,313,323	138,313,323	138,313,323	-	-
Bank overdrafts	21,637,003	21,637,003	21,637,003	-	-
Revolving credit	71,000,000	71,000,000	71,000,000	-	-
Term loans	169,710,070	192,786,727	55,838,598	131,554,555	5,393,574
Hire purchase payables	5,292,956	5,829,092	1,962,467	3,866,625	-
Lease liabilities	31,507,344	40,118,103	8,536,707	12,195,719	19,385,677
<u>Derivative Financial Liabilities</u>					
Forward currency contracts (gross settled):					
- gross payments	9,674	2,127,939	2,127,939	-	-
	536,986,891	571,328,708	396,526,770	149,395,299	25,406,639

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

The Company	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM
2025				
<u>Non-derivative Financial Liabilities</u>				
Other payables and accruals	444,865	444,865	444,865	-
Amount owing to subsidiaries	59,915,145	59,915,145	59,915,145	-
Term loans	105,699,662	128,539,416	49,639,221	78,900,195
Revolving credit	47,970,000	47,970,000	47,970,000	-
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries*	-	249,409,203	166,244,177	83,165,026
	214,029,672	486,278,629	324,213,408	162,065,221
2024				
<u>Non-derivative Financial Liabilities</u>				
Other payables and accruals	15,864,835	15,864,835	15,864,835	-
Amount owing to subsidiaries	81,788,858	81,788,858	81,788,858	-
Term loans	150,547,711	172,217,240	49,639,221	122,578,019
Revolving credit	60,000,000	60,000,000	60,000,000	-
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries*	-	146,055,997	141,152,462	4,903,535
	308,201,404	475,926,930	348,445,376	127,481,554

* The potential exposure of the financial guarantee contracts is equivalent to the outstanding amount of the credit facilities of the said subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements because their fair values on initial recognition were not material.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025
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43. FINANCIAL INSTRUMENTS (CONT'D)

43.2 Capital Risk Management

The Group and the Company manage their capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group and the Company manage their capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group and the Company includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group	
	2025 RM	2024 RM (Restated)
Bank overdrafts	19,272,447	21,637,003
Bills payable	144,180,730	138,313,323
Hire purchase payables	4,762,778	5,292,956
Revolving credit	49,970,000	71,000,000
Term loans	198,956,746	169,710,070
	417,142,701	405,953,352
Less: Deposits with licensed banks (Note 38(d))	(17,250,090)	(17,030,971)
Less: Cash and bank balances (Note 38(d))	(93,740,227)	(49,498,003)
Net debt	306,152,384	339,424,378
Total equity	274,632,591	255,533,177
Debt-to-equity ratio	1.11	1.33

The debt-to-equity ratio of the Company as at the end of the reporting period was as follows:-

	The Company	
	2025 RM	2024 RM
Revolving credit	47,970,000	60,000,000
Term loans	105,699,662	150,547,711
	153,669,662	210,547,711
Less: Cash and bank balances (Note 38(d))	(7,937,169)	(1,463,462)
Net debt	145,732,493	209,084,249
Total equity	806,236,023	712,015,075
Debt-to-equity ratio	0.18	0.29

There were no changes in the approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

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43. FINANCIAL INSTRUMENTS (CONT'D)

43.3 Classification of Financial Instruments

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Derivative assets	-	1,003,671	-	-
Short-term investments	-	1,472,800	-	-
	-	2,476,471	-	-
<u>Amortised Cost</u>				
Trade receivables	142,463,547	170,833,142	-	-
Other receivables	4,363,964	9,868,195	3,266,558	9,266,558
Amount owing by subsidiaries	-	-	83,771,193	90,025,426
Amount owing by related companies	1,942,880	342,985	-	-
Amount owing by a joint venture	52,913	-	1,970	-
Deposits with licensed banks	17,250,090	17,030,971	-	-
Cash and bank balances	93,740,227	49,498,003	7,937,169	1,463,462
	259,813,621	247,573,296	94,976,890	100,755,446
Financial Liabilities				
<u>Fair Value Through Profit or Loss</u>				
Derivative liabilities	-	9,674	-	-
<u>Amortised Cost</u>				
Trade payables	48,768,563	49,139,420	-	-
Other payables and accruals	30,385,516	48,022,531	444,865	15,864,835
Amount owing to subsidiaries	-	-	59,915,145	81,788,858
Amount owing to related companies	1,424,831	784,712	-	-
Amount owing to a joint venture	1,220,889	1,569,858	-	-
Bank overdrafts	19,272,447	21,637,003	-	-
Bills payable	144,180,730	138,313,323	-	-
Hire purchase payables	4,762,778	5,292,956	-	-
Revolving credit	49,970,000	71,000,000	47,970,000	60,000,000
Term loans	198,956,746	169,710,070	105,699,662	150,547,711
Lease liabilities	49,212,090	31,507,344	-	-
	548,154,590	536,977,217	214,029,672	308,201,404

NOTES TO THE FINANCIAL STATEMENTS

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43. FINANCIAL INSTRUMENTS (CONT'D)

43.4 Gains or Losses Arising From Financial Instruments

	2025		2024	
	The Group	The Company	The Group	The Company
	RM	RM	RM	RM
				(Restated)
Financial Assets				
<u>Amortised Cost</u>				
Net gains/(losses) recognised in profit or loss	8,721,499	8,499,845	(4,988,315)	1,129,781
Financial Liabilities				
<u>Fair Value Through Profit or Loss</u>				
Net losses recognised in profits or loss by:				
- mandatorily required by MFRS 9	(993,997)	-	(39,078)	(1,103,425)
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	(25,355,783)	(13,072,349)	(24,808,330)	(14,130,249)

43.5 Fair Value Information

At the end of the reporting period, there were no financial instruments carried at fair values in the statements of financial position.

The fair values of the financial assets and financial liabilities of the Group and of the Company that maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

44. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) Fruits Venture Sdn. Bhd. and Penedaran Beras Lestari Sdn. Bhd., both indirect subsidiaries of the Company, submitted applications for striking off on 14 January 2025 and 19 January 2025 and were subsequently dissolved on 22 May 2025 and 21 April 2025 respectively.
- (b) On 23 December 2025, the Company had entered into conditional share sale agreements with Hextar Industries Berhad and Hextar Fertilizers Group Sdn. Bhd. for the proposed acquisitions of the entire equity interests in PK Fert Sdn. Bhd., PK Fertilizers Sdn. Bhd. and Hextar Fert Sdn. Bhd. for a total cash consideration of RM120 million. In conjunction with the proposed acquisitions, the Company intends to undertake a proposed diversification into the manufacturing and trading of fertilisers.

As at the date of this report, the proposed acquisitions are still in progress, with no significant updates since the initial announcement.

- (c) On 31 December 2025, the Company's indirect subsidiaries, namely Hextar Oilfield Chemicals Sdn. Bhd. and Hextar Downstream Services Sdn. Bhd., will be wound up by way of members' voluntary winding-up pursuant to Section 439 of the Companies Act 2016.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

cont'd

45. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

	As Previously Reported RM	As Restated RM
The Group		
<u>Statements of Cash Flows (Extract):-</u>		
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Adjustments for:-		
Fair value loss on short-term investments	-	509,400
Operating profit/(loss) before working capital changes		
Decrease/(Increase) in trade and other receivables	(14,374,095)	(13,174,722)
(Increase)/Decrease in amount owing by related companies	1,995,690	1,790,048
Increase in amount owing to related companies	-	197,130
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES		
Increase in cash collateral with licensed bank	-	(4,011,873)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES		
Increase in cash collateral with licensed bank	(2,812,500)	-
(Repayment to)/Advances from related companies	-	8,512
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	61,507,634	59,525,434
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	28,800,109	27,327,309
The Company		
<u>Statements of Cash Flows (Extract):-</u>		
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES		
Increase in cash collateral with licensed bank	-	(2,812,500)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES		
Increase in cash collateral with licensed bank	(2,812,500)	-

FINANCIAL DATA FOR SHARIAH SCREENING DISCLOSURE

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)	(RM)
Total Income		
Revenue	875,396,416	918,287,869
Other income	5,229,371	5,144,640
Total	880,625,787	923,432,509
Total Assets	852,074,525	825,558,532

(b) Business Activities

	Group	
	2025	2024
	(RM)	(RM)
Shariah Non-Compliant Activities		
Interest income	200,323	274,629
Total	200,323	274,629

(c) Component of Financial Position

(i) Cash Component

	Group	
	2025	2024
	(RM)	(RM)
Islamic Account/Instruments		
Deposits with licensed bank	16,965,960	16,686,946
Cash and bank balances (exclude cash in hand)	23,346,693	16,083,423
Cash in hand (to be placed under Islamic Account/Instruments only)	2,351,867	1,541,696
Total Cash	42,664,520	34,312,064
Conventional Account/Instruments		
Deposits with licensed bank	284,130	344,025
Cash and bank balances (exclude cash in hand)	68,041,667	31,872,885
Total Cash	68,325,797	32,216,910

FINANCIAL DATA FOR SHARIAH SCREENING DISCLOSURE

cont'd

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. (Cont'd)

(c) Component of Financial Position (Cont'd)

(ii) Debt Component

	Group	
	2025	2024
	(RM)	(RM)
Islamic Financing		
Current		
Hire purchase payables	272,895	452,452
Term loans	33,120,616	44,591,655
Bill payables	88,478,618	80,413,258
Bank overdrafts	19,272,447	21,373,337
Revolving credit and loans	49,970,000	71,000,000
Non-Current		
Hire purchase payables	455,754	829,615
Term loans	37,836,130	122,496,663
Total Financing	229,406,460	341,156,980
	Group	
	2025	2024
	(RM)	(RM)
Conventional Borrowing		
Current		
Hire purchase payables	1,551,636	1,259,877
Term loans	13,052,000	2,621,752
Bill payables	55,702,112	57,900,065
Bank overdrafts	-	263,666
Non-Current		
Hire purchase payables	2,482,493	2,751,012
Term loans	114,948,000	-
Total Debt	187,736,241	64,796,372

LIST OF PROPERTIES

Property	Description/ Existing Use	Approximate Age of Building	Tenure	Land/ Build up Area (sq m)	NBV as at 31/12/2025 (RM'000)	Market Value (RM'000)	Date of Valuation
HS(D) 8111, PTB No. 264, Mukim of Ulu Sungai Johor, District of Kota Tinggi, Johor	Single storey detached factory with an annexed double storey office building and supporting structures/ Manufacturing and office premise	21 years	60 years lease	12,222	5,500	5,500	31.12.2024
Geran 190269, Lot 128303, Mukim Klang, Daerah Klang, Negeri Selangor. No. 64, Jalan Bayu Laut 4/KS09, Sazean Business Park, 41200 Klang, Selangor.	6 Storey Shop Office Building/Office Premises	11 years	Freehold	334/ 2,007	6,495	6,600	31.12.2024
Lot 2666, Sungai Pasai, Engkabang, off Jalan Sibul-Bintulu, 96000 Sibul.	Agriculture land/ Vacant	13 years	99 years lease	19,668	97	97	26.12.2025
Lot 1753, 24 th Mile, Sibul Ulu Oya Road, off Jalan Teku Pasai-Siong, 96000 Sibul.	Agriculture land/ Vacant	13 years	99 years lease	35,181	209	209	26.12.2025
Lot 1633, 23 rd Mile, Sibul Ulu Oya Road, off Jalan Teku Pasai-Siong, 96000 Sibul.	Agriculture land/ Vacant	13 years	99 years lease	51,395	280	280	26.12.2025
Country lease 075375414, Jalan Loong Chun off KM17.2 Jalan Labuk, Sandakan, Negeri Sabah, Malaysia. Bearing postal address Lot 2, Jalan Loong Chun Off, Jalan Labuk, Mile 10, W.D.T No. 32, 9009 held under District of Sandakan, State of Sabah, Malaysia.	A double-storey office building with an annexed single-storey warehouse/ Vacant	8 years	999 years lease	6,070/ 557	1,600	1,600	31.12.2025

LIST OF PROPERTIES

cont'd

Property	Description/ Existing Use	Approximate Age of Building	Tenure	Land/ Build up Area (sq m)	NBV as at 31/12/2025 (RM'000)	Market Value (RM'000)	Date of Valuation
GRN 270596, Lot 27031, Pekan Subang Jaya, Daerah Petaling, Negeri Selangor, Bearing postal address No. 11A, Jalan USJ 6/4, 47620 UEP Subang Jaya, Selangor Darul Ehsan, Malaysia.	A double-storey residential unit/Vacant	9 years	Freehold	111/98	682	700	06.12.2024
Geran 1769/M1/4/35, Lot 37224, Mukim of Petaling. No. 28-3, Block A, Sri Desa Entrepreneurs Park, Jalan 1/116B, Off Jalan Kuchai Lama, 58200 Kuala Lumpur	Office Lot/ Office premises	25 years	Freehold	129	359	375	31.12.2023
Geran 1766/ M5/6/296, Lot 37216, Mukim of Petaling. Unit No. 9-5-3A, Sri Desa Condominium, Block 9, Jalan 1/116B, Off Jalan Kuchai Lama, 58200 Kuala Lumpur	Condominium Unit/Hostel for own staff	24 years	Freehold	103	383	400	31.12.2023
Geran 47480, Lot 36469, Mukim of Petaling. Unit No. B-16-2, Tower B, The Link 2 @ Bukit Jalil No.1, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur.	Serviced Apartment Unit/Rented to third party	8 years	Freehold	113	820	820	31.12.2023
Lot 3605, Block 217, Kuching North Land District, Jalan Batu Kawa, Kuching, Sarawak.	2-storey semi-detached building for industrial purposes/ Warehouse	10 years	60 years leasehold	622/227	1,700	1,700	31.12.2025
Lot No.12, Lorong Epik Industri 1, Epik Industri, Mile 7, Tuaran Road, Inanam, 88450 Kota Kinabalu, Sabah.	2-storey semi-detached showroom, office and workshop/ Warehouse	10 years	99 years leasehold	908/521	3,600	3,600	23.12.2025

LIST OF PROPERTIES

cont'd

Property	Description/ Existing Use	Approximate Age of Building	Tenure	Land/ Build up Area (sq m)	NBV as at 31/12/2025 (RM'000)	Market Value (RM'000)	Date of Valuation
PN 9958, Lot No. 6120, Mukim of Teluk Kalung, District of Kemaman, Negeri Terengganu.	Industrial land under a double-storey office building/ Office premises and warehouse	5 years	60 years leasehold	10,017/ 3,654	15,686	16,554	14.02.2023
18-20 Kilkenny Court, Dandenong, VIC 3175, Melbourne, Australia. Land title Lot 5 on PS 440532	Single level industrial warehouse/ Office and warehouse	22 years	Freehold	3,285/ 619	10,032	10,040	28.10.2025
ASR CK Building, Kawasan Industri Jababeka Tahap III, Block B1-D, Desa Pasirgombong, Kec. Cikarang Utara, Indonesia	Warehouse with 2 Storey Office/Rented	17 years	20 years leasehold	2,203/ 1,932	4,019	4,019	08.01.2026
ASR GP Building, Jl.Wakil sandi, Kp.kedep No.125 RT.001/RW.021 Desa Tlajung Udik, Gunung Putri Bogor, Indonesia.	Factory and Warehouse	12 years	20 years leasehold	7,755/ 5,052	6,978	6,978	06.01.2026
PN 6568, Lot No. 5410, Mukim of Teluk Kalung, District of Kemaman, Negeri Terengganu.	Industrial land under a double-storey office building/ Office premises and warehouse	18 years	60 years leasehold	20,000/ 3,000	12,213	12,919	26.09.2023
Unit No. B-05-01, Block B, Setiawangsa Business Suite, Jalan Setiawangsa 11, Taman Setiawangsa, 54200 Kuala Lumpur.	Shopoffice/ Vacant	18 years	Freehold	158	604	630	29.12.2023
Unit No. B-05-02, Block B, Setiawangsa Business Suite, Jalan Setiawangsa 11, Taman Setiawangsa, 54200 Kuala Lumpur.	Shopoffice/ Vacant	18 years	Freehold	146	523	550	29.12.2023
Lot 10380, GM 4324, Jalan Sungai Chalit, Sungai Klau, 27630 Raub, Pahang.	Manufacturing and office premise	8 years	Freehold	7,129/ 3,509	10,559	11,000	26.10.2023

LIST OF PROPERTIES

cont'd

Property	Description/ Existing Use	Approximate Age of Building	Tenure	Land/ Build up Area (sq m)	NBV as at 31/12/2025 (RM'000)	Market Value (RM'000)	Date of Valuation
No. 9, Lorong K/J 1, Taman Kelau Jaya, 27500 Raub, Pahang.	Double Storey Shop-office/ Hostel for own staff	4 years	Freehold	130	535	560	26.10.2023
GM 9841, Lot 13896, Mukim of Gali, District of Raub.	Agriculture land cultivated with durian trees	10 years	Freehold	29,430	1,461	1,461	26.10.2023
GM 9616, Lot 13897, Mukim of Gali, District of Raub.	Agriculture land cultivated with durian trees	14 years	Freehold	36,490	1,781	1,781	26.10.2023
GM 9617, Lot 13900, Mukim of Gali, District of Raub.	Agriculture land cultivated with durian trees	14 years	Freehold	34,270	1,698	1,698	26.10.2023
Lot A-5-6, Block A, Level 3A, Unit No. 6, Jade Residence Condominium. Held Under CL 015101461 District of Kota Kinabalu.	Condominium Unit / Vacant	9 years	99 years leasehold	168	975	975	20.02.2025

ANALYSIS OF SHAREHOLDINGS

As at 9 March 2026

SHARE CAPITAL

Class of Shares	:	Ordinary Shares
Total Number of Issued Shares	:	3,939,261,852
Number of Treasury Shares	:	81,787,900

DISTRIBUTION OF SHAREHOLDINGS AS AT 9 MARCH 2026

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	NO. OF SHARES	PERCENTAGE OF SHAREHOLDINGS (%)
1 to 99	258	11,335	0.00
100 to 1,000	592	233,735	0.01
1,001 to 10,000	1,077	5,093,619	0.13
10,001 to 100,000	750	26,487,674	0.69
100,001 - <5% of Issued Shares	603	3,076,407,078	79.75
5% of Issued Shares and above	2	749,240,511	19.42
Total	3,282	3,857,473,952	100.00

SUBSTANTIAL SHAREHOLDERS AS AT 9 MARCH 2026

(This is an aggregation of securities from different securities accounts belonging to the same Registered Holder)

NO.	NAME OF SUBSTANTIAL SHAREHOLDER	NO. OF SHARES HELD		NO. OF SHARES HELD	
		DIRECT	(a) %	INDIRECT	(a) %
1	HEXTAR HOLDINGS SDN BHD	2,009,664,767	52.10	0	0.00
2	DATO' ONG CHOO MENG	95,054,500	2.46	(b) 2,009,664,767	52.10
3	DATO' ONG SOON HO	0	0.00	(b)(c) 2,104,719,267	54.56

Notes:

- (a) Based on 3,857,473,952 ordinary shares (excluded treasury shares of 81,787,900) in Hextar.
 (b) Deemed interested by virtue of his interest in Hextar Holdings Sdn Bhd ("HHSB") pursuant to Section 8 of the Companies Act 2016 ("the Act"). HHSB is the holding company of Hextar.
 (c) Indirect interested by virtue of the interest held through his child, Dato' Ong Choo Meng pursuant to Section 59(11)(c) of the Act.

DIRECTORS' INTERESTS IN SHARES AS AT 9 MARCH 2026

(This is an aggregation of securities from different securities accounts belonging to the same Registered Holder)

NO.	NAME OF DIRECTOR	NO. OF SHARES HELD		NO. OF SHARES HELD	
		DIRECT	(a) %	INDIRECT	(a) %
1	Y.D.H. PROFESSOR DATO' SRI DR. ERWAN BIN DATO' HAJI MOHD TAHIR	0	0.00	0	0.00
2	DATO' ONG SOON HO	0	0.00	(b)(c) 2,104,719,267	54.56
3	RAYBURN AZHAR BIN ALI	0	0.00	0	0.00
4	LEE CHOOI KENG	4,389,920	0.11	0	0.00
5	YEOH CHIN HOE	0	0.00	0	0.00
6	CHEW CHUI WA	0	0.00	0	0.00
7	DATO' ONG CHONG YI	0	0.00	0	0.00

Notes:

- (a) Based on 3,857,473,952 ordinary shares (excluded treasury shares of 81,787,900) in Hextar.
 (b) Deemed interested by virtue of his interest in Hextar Holdings Sdn Bhd ("HHSB") pursuant to Section 8 of the Act. HHSB is the holding company of Hextar.
 (c) Indirect interested by virtue of the interest held through his child, Dato' Ong Choo Meng pursuant to Section 59(11)(c) of the Act.

ANALYSIS OF SHAREHOLDINGS

As at 9 March 2026

cont'd

LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS

(According to the Register of Depositors as at 9 March 2026)

(Without aggregating securities from different securities accounts belonging to the same Registered Holder)

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	PERCENTAGE OF SHAREHOLDINGS (%)
1	HEXTAR HOLDINGS SDN BHD	384,377,511	9.96
2	HLB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR HEXTAR HOLDINGS SDN BHD (PJCAC)</i>	364,863,000	9.46
3	PERTUBUHAN KESELAMATAN SOSIAL	176,330,700	4.57
4	CIMSEC NOMINEES (TEMPATAN) SDN BHD <i>CIMB FOR HEXTAR HOLDINGS SDN BHD (PB)</i>	167,352,000	4.34
5	AMSEC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT – AMBANK (M) BERHAD FOR HEXTAR HOLDINGS SDN BHD (BX1213)</i>	139,400,000	3.61
6	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR HEXTAR HOLDINGS SDN BHD (M3918A)</i>	130,000,000	3.37
7	AL RAJHI BANKING & INVESTMENT CORPORATION (MALAYSIA) BHD <i>PLEDGED SECURITIES ACCOUNT FOR HEXTAR HOLDINGS SDN BHD (ACC 2)</i>	123,150,000	3.19
8	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR HEXTAR HOLDINGS SDN BHD</i>	122,064,000	3.16
9	MBSB INVESTMENT NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR HEXTAR HOLDINGS SDN BHD (MGN-OCM0001M)</i>	114,000,000	2.96
10	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD <i>PEMBANGUNAN SUMBER MANUSIA BERHAD</i>	100,122,099	2.60
11	SJ SEC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT – AL RAJHI BANK FOR HEXTAR HOLDINGS SDN BHD</i>	95,418,256	2.47
12	AMSEC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT – AMBANK ISLAMIC BERHAD FOR HEXTAR HOLDINGS SDN BHD</i>	85,800,000	2.22
13	CITY POPULAR CASH SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR HEXTAR HOLDINGS SDN BHD</i>	83,700,000	2.17
14	AL RAJHI BANKING & INVESTMENT CORPORATION (MALAYSIA) BHD <i>PLEDGED SECURITIES ACCOUNT FOR VINAYAKA CAPITAL SDN BHD</i>	70,100,000	1.82
15	AMSEC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT – AMBANK (M) BERHAD FOR CHIAU BENG TEIK (SMART)</i>	60,889,240	1.58

ANALYSIS OF SHAREHOLDINGS

As at 9 March 2026
cont'd

LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS (CONT'D)

(According to the Register of Depositors as at 9 March 2026)

(Without aggregating securities from different securities accounts belonging to the same Registered Holder)

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	PERCENTAGE OF SHAREHOLDINGS (%)
16	AMANAH RAYA BERHAD <i>KUMPULAN WANG BERSAMA SYARIAH</i>	57,500,000	1.49
17	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD <i>CIMB BANK BERHAD (EDP 2)</i>	39,675,000	1.03
18	AL RAJHI BANKING & INVESTMENT CORPORATION (MALAYSIA) BHD <i>PLEDGED SECURITIES ACCOUNT FOR HEXSTAR HOLDINGS SDN BHD</i>	39,650,000	1.03
19	AMSEC NOMINEES (TEMPATAN) SDN BHD <i>AMBank (M) BERHAD</i>	38,034,600	0.99
20	AL RAJHI BANKING & INVESTMENT CORPORATION (MALAYSIA) BHD <i>PLEDGED SECURITIES ACCOUNT FOR VILLAGIO HOLDING SDN BHD</i>	32,454,400	0.84
21	AL RAJHI BANKING & INVESTMENT CORPORATION (MALAYSIA) BHD <i>PLEDGED SECURITIES ACCOUNT FOR AGILEVEST SDN BHD (ACC 2)</i>	31,763,700	0.82
22	KEJAYA KAYA SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR HEXSTAR HOLDINGS SDN BHD</i>	31,485,000	0.82
23	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR KEH CHUAN SENG (7001511)</i>	29,590,000	0.77
24	PHILLIP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR DATO' ONG CHOO MENG</i>	26,843,100	0.70
25	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHEONG KONG FITT</i>	25,645,500	0.66
26	AL RAJHI BANKING & INVESTMENT CORPORATION (MALAYSIA) BHD <i>PLEDGED SECURITIES ACCOUNT FOR HEXSTAR HOLDINGS SDN BHD (ACCT 2)</i>	25,000,000	0.65
27	MOK YAU CHOY	23,760,000	0.62
28	M & A NOMINEE (TEMPATAN) SDN BHD – AL RAJHI BANKING & INVESTMENT CORPORATION (MALAYSIA) BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHIAU BENG TEIK</i>	22,800,000	0.59
29	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR DESIRAN REALITI SDN BHD (MY3933)</i>	22,226,200	0.58
30	CITY EXOTIC SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR HEXSTAR HOLDINGS SDN BHD</i>	21,245,000	0.55
TOTAL		2,685,239,306	69.62

NOTICE OF THE 35TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Fifth Annual General Meeting (“**35th AGM**”) of Hextar Global Berhad (“the Company”) will be held at Hextar Hall, Level 17, Hextar Tower, Hextar World Empire City, No. 8, Jalan PJU 8, Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan, Malaysia on **Monday, 18 May 2026 at 10.00 a.m.** or at any adjournment thereof for the following purposes:

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 Note (1)]
2. To re-elect the following Directors who are retiring in accordance with Clause 127 of the Company's Constitution: -
 - (a) Y.Bhg Dato' Ong Soon Ho Ordinary Resolution 1
 - (b) Rayburn Azhar Bin Ali Ordinary Resolution 2**[Please refer to Explanatory Note (2)]**
3. To re-elect the following Directors who are retiring in accordance with Clause 132 of the Company's Constitution: -
 - (a) Dato' Ong Chong Yi Ordinary Resolution 3
 - (b) Chew Chui Wa Ordinary Resolution 4**[Please refer to Explanatory Note (3)]**
4. To approve the payment of Directors' fees amounting to RM384,000 for the financial year ending 31 December 2026. Ordinary Resolution 5
[Please refer to Explanatory Note (4)]
5. To approve the payment of Directors' benefits of up to RM100,000 from the date of the forthcoming 35th AGM until the next Annual General Meeting of the Company. Ordinary Resolution 6
[Please refer to Explanatory Note (5)]
6. To re-appoint Crowe Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration. Ordinary Resolution 7
[Please refer to Explanatory Note (6)]

SPECIAL BUSINESS

To consider and if thought fit, to pass, with or without modifications, the following resolutions:-

7. **PROPOSED RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR** Ordinary Resolution 8
 “THAT Mr Yeoh Chin Hoe, who has served the Board as a Senior Independent Non-Executive Director of the Company since 22 May 2017 and will reach the nine (9) years' term limit on 21 May 2026, be retained as a Senior Independent Non-Executive Director of the Company and to hold office until the conclusion of the next Annual General Meeting.”
[Please refer to Explanatory Note (7)]

NOTICE OF THE 35TH ANNUAL GENERAL MEETING

cont'd

8. PROPOSED RENEWAL OF AUTHORITY TO ISSUE AND ALLOT SHARES IN GENERAL PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

Ordinary Resolution 9

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company ("Proposed Mandate").

THAT such approval on the Proposed Mandate shall continue to be in force until:-

- a. the conclusion of the next Annual General Meeting of the Company held after the approval was given;
- b. the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or
- c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

THAT in connection with the above, pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 15 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 of the Company.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed Mandate."

[Please refer to Explanatory Note (8)]

NOTICE OF THE 35TH ANNUAL GENERAL MEETING

cont'd

9. PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

Ordinary Resolution 10

"THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued 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 issued shares in the Company ("Shares") purchased ("Purchased Shares") and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and
- ii. the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

("Proposed Share Buy-Back")

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:

- a. the conclusion of the next Annual General Meeting ("AGM") of the Company following at which time the authority shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- b. the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- c. revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

- i. To cancel all or part of the Purchased Shares;
- ii. To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- iii. To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- iv. To resell all or part of the treasury shares;

NOTICE OF THE 35TH ANNUAL GENERAL MEETING

cont'd

- v. To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
- vi. To transfer all or part of the treasury shares as purchase consideration;
- vii. To sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe; and/or
- viii. To deal with the treasury shares in any other manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties] to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities."

[Please refer to Explanatory Note (9)]

10. PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPT")

Ordinary Resolution 11

"THAT subject to Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company to enter into recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.3 of the Circular to the Shareholders dated 17 April 2026 which are necessary for day-to-day operations and are carried out in the ordinary course of business on terms which are not more favourable to the related parties than those generally available to the public and are undertaken on arms' length basis and not detrimental to the interest of the minority shareholders;

AND THAT the authority conferred by such mandate shall commence upon the passing of this resolution and continue to be in full force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which this shareholders' mandate will lapse, unless by a resolution passed at the next AGM, the mandate is renewed;
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier;

AND THAT the Board of Directors be and is hereby authorised to complete and do all such acts and things as it may consider expedient or necessary (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this mandate."

[Please refer to Explanatory Note (10)]

NOTICE OF THE 35TH ANNUAL GENERAL MEETING

cont'd

11. To transact any other business of the Company of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

BY ORDER OF THE BOARD

TAN TONG LANG (SSM PC No. 202208000250) (MAICSA No. 7045482)

LIM WEN THENG (SSM PC No. 202308000441) (MAICSA No. 7073397)

PHAN NEE CHIN (SSM PC No. 202008004339) (MIA No. 28178)

Company Secretaries

17 April 2026

Kuala Lumpur

NOTES:

- (i) *The 35th AGM will be held at Hextar Hall, Level 17, Hextar Tower, Hextar World Empire City, No. 8, Jalan PJU 8, Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan, Malaysia.*
- (ii) *For the purpose of determining a member who shall be entitled to attend and vote the meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 11 May 2026. Only members whose names appear in the **General Meeting Record of Depositors** as at **11 May 2026** shall be entitled to attend, participate, speak and vote at the Meeting or appoint proxies to attend and vote in his/her stead.*
- (iii) *A member (other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991) ("**SICDA**") who is entitled to attend, participate, speak and vote at the meeting shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote at the meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.*
- (iv) *A proxy may but need not be a member of the Company. A proxy appointed to attend, participate, speak and vote at the Meeting shall have the same rights as the members to speak and vote at the Meeting.*
- (v) *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 the seal or under the hand of an officer or attorney duly authorised.*
- (vi) *Where a member of the Company is an authorised nominee as defined under the SICDA, it may appoint one not more than two (2) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
- (vii) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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 appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.*
- (viii) *The appointment of a proxy may be made in a hard copy form or by electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding this AGM at which the person named in the appointment proposes to vote:*
 - (a) **In hard copy form**

In the case of an appointment made in hard copy form, the Proxy Form duly completed must be deposited at the Poll Administrator's office situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, WP Kuala Lumpur, Malaysia or alternatively, into the Drop-in Box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, WP Kuala Lumpur, Malaysia.

NOTICE OF THE 35TH ANNUAL GENERAL MEETING

cont'd

(b) By electronic means

By electronic means, the Proxy Form duly completed can be electronically lodged via Vistra Share Registry and IPO (MY) portal at <https://srmy.vistra.com>. Please refer to the Administrative Guide for the AGM on the procedures for electronic lodgement of Proxy Form.

- (ix) Please ensure ALL the particulars as required in the Proxy Form are completed, signed, and dated accordingly.
- (x) Last date and time for lodging the Proxy Form is **Saturday, 16 May 2026 at 10.00 a.m.**
- (xi) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Poll Administrator's office situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, WP Kuala Lumpur, Malaysia or alternatively, into the Drop-in Box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, WP Kuala Lumpur, Malaysia above **not less than forty-eight (48) hours before the time appointed for holding the AGM** or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is nortarially certified and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- (xii) For a corporate member who has appointed a representative, please deposit the **ORIGINAL OR DULY CERTIFIED** certificate of appointment with the Poll Administrator in accordance with Note 8 above. The certificate of appointment should be executed in the following manner:
 - (a) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
 - (b) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 1. at least two (2) authorised officers, of whom one shall be a director; or
 2. any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
- (xiii) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirement of Bursa Securities, all resolutions set out in this Notice of the Meeting will be put to vote by way of poll.

Explanatory Notes to the Agenda:

Item 1 of the Agenda

Audited Financial Statements for the financial year ended 31 December 2025

1. This item is meant for discussion only. The provisions of Section 340(1)(a) of the Companies Act 2016 require that the audited financial statements and the Reports of the Directors and Auditors thereon be laid before the Company at its Annual General Meeting. As such, this Agenda item is not a business which requires a resolution to be put to vote by shareholders.

Item 2 of the Agenda – Ordinary Resolutions 1 and 2

Re-election of Directors who retire in accordance with Clause 127 of the Company's Constitution

2. The Board through the Nomination and Remuneration Committee ("NRC") had assessed the retiring Directors, taking into account their performance, contribution to interaction, quality of input, understanding of their roles, independence of Independent Director, their declaration of conflict of interest, including fit and proper assessment criteria.

NOTICE OF THE 35TH ANNUAL GENERAL MEETING

cont'd

Dato' Ong Soon Ho and Mr Rayburn Azhar Bin Ali are due for retirement at the 35th AGM in accordance with Clause 127 of the Company's Constitution. Based on the results of the Board Effectiveness Assessment for the financial year 2025, the Board agreed with the NRC's recommendations on the re-election of the retiring directors. The Board recommended to the shareholders for their approval on the re-election of Directors, backed by the following justifications:-

- Their relevant mix of experience, skills, industry knowledge on business, expertise and core competency that is beneficial to the Company.
- Their fulfilment of the criteria set out in the Directors' Fit and Proper Policy.
- Their active participation and constructive contributions during board deliberations.
- Their commitment in devoting adequate time in discharging their duties and responsibilities as Directors, work constructively with other Board members, attend meetings with well preparation and add values to Board meetings.

Item 3 of the Agenda – Ordinary Resolutions 3 and 4

Re-election of Directors who retire in accordance with Clause 132 of the Company's Constitution

3. In accordance with Clause 132 of the Company's Constitution, any Director appointed during the year shall hold office only until the next AGM and shall be eligible for re-election. Ms Chew Chui Wa and Dato' Ong Chong Yi were appointed as the Independent Non-Executive Directors of the Company on 17 November 2025 and 1 January 2026 respectively, and have offered themselves for re-election at this AGM.

Item 4 of the Agenda – Ordinary Resolution 5

Payment of Directors' fees

4. This resolution is to facilitate payment of Non-Executive Directors' fees for the financial year ending 31 December 2026. In the event the proposed Non-Executive Directors' fees are insufficient due to enlarged Board size, approval will be sought at the next AGM for additional fees to meet the shortfall.

Item 5 of the Agenda – Ordinary Resolution 6

Payment of Directors' benefits

5. This resolution is to facilitate payment of Directors' benefits from the 35th AGM until the next AGM of the Company. In the event the Directors' benefits proposed are insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

Directors' benefits include meeting allowances and other emoluments payable to Directors and in determining the estimated total, the Board had considered various factors including the number of scheduled meetings for the Board and Board Committees and covers the period from the 35th AGM until the next AGM of the Company.

Item 6 of the Agenda – Ordinary Resolution 7

Re-appointment of Crowe Malaysia PLT

6. The Audit Committee ("AC"), in collaboration with the Management, conducted an annual evaluation on the suitability, objectivity, and their independence of the External Auditors ("EA"), Crowe Malaysia PLT ("Crowe"), in accordance with the Company's External Auditors Policy.

The findings of the assessment were presented to the AC for deliberation recommended to the Board on the re-appointment of the Crowe during its meetings held on 17 November 2025. The AC was satisfied with the suitability of Crowe, considering factors such as calibre of the EA firm, the quality of audit, performance, competency, and adequacy of resources provided by the external audit team to the Group.

On 17 November 2025, the Board during its meetings, agreed with the AC's recommendations and proposed to the shareholders' approval at the 35th AGM on the re-appointment of Crowe as EA of the Company for the financial year 2026 in accordance with Section 340(1)(c) and Section 274(1)(a) of the Act.

NOTICE OF THE 35TH ANNUAL GENERAL MEETING

cont'd

Item 7 of the Agenda – Ordinary Resolution 8

Proposed Retention of Independent Non-Executive Director

7. The proposed Ordinary Resolution 8, if passed, will allow Mr Yeoh Chin Hoe to be retained and continue to act as a Senior Independent Non-Executive Director of the Company.

The Board, through the NRC, has assessed Mr Yeoh's independence, including his ability to exercise independent judgement and provide objective challenges during Board deliberations, as well as his active participation and constructive contributions to the Board and Board Committees. The NC and the Board were satisfied that Mr Yeoh has remained objective and independent in the discharge of his duties.

The NC and the Board were of the view that Mr Yeoh's extensive experience and leadership as Chairman of the AC continue to provide valuable oversight to the Group, particularly in strengthening the Group's governance framework, internal control environment and financial oversight. In addition, the Board considered Mr Yeoh's continued service beneficial in providing guidance to the Board in relation to the Group's ongoing corporate exercises, including the Proposed Acquisition, Related Party Transaction ("RPT") and Proposed Diversification, which are currently in progress.

The Board (except for Mr Yeoh Chin Hoe who had abstained from deliberations and voting on the resolution relating to his own retention) recommended the retention of Mr Yeoh Chin Hoe to continue to act as a Senior Independent Non-Executive Director of the Company until the conclusion of the next AGM, subject to shareholders' approval via two-tier voting.

Meanwhile, Y.D.H. Professor Dato' Sri Dr. Erwan bin Dato' Haji Mohd Tahir, who has served the Board as an Independent Non-Executive Chairman of the Company since 22 May 2017 and will reach the nine (9) years' term limit on 21 May 2026, will retire at the conclusion of this 35th AGM.

Item 8 of the Agenda – Ordinary Resolution 9

Proposed Renewal of Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016

8. The proposed Ordinary Resolution 9, if passed, will empower the Directors of the Company to issue and allot ordinary shares of the Company from time to time and to grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares allotted pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being ("Proposed Mandate").

The authority for the Proposed Mandate will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

This proposed Resolution is a renewal of the previous year's mandate. The Proposed Mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time.

The purpose of this Proposed Mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company for fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, acquisitions and/or for issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such other application as the Directors may deem fit in the best interest of the Company.

As at the date of this notice, the Company did not implement its proposal for new allotment of shares under the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 which was approved by the shareholders at the 34th AGM held on 30 May 2025 and will lapse at the conclusion of the 35th AGM to be held on 18 May 2026. As at the date of this notice, there is no decision to issue new shares. Should there be a decision to issue new shares after the general mandate is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

NOTICE OF THE 35TH ANNUAL GENERAL MEETING

cont'd

Pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 15 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 of the Company.

The proposed Ordinary Resolution 9, 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.

Item 9 of the Agenda – Ordinary Resolution 10 Proposed Renewal of Authority for Share Buy-Back

9. The proposed Ordinary Resolution 10, is a renewal general mandate and if passed, will empower the Directors of the Company to purchase up to 10% of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the retained profits of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

For further information, please refer to Statement to Shareholders in relation to the Proposed Renewal of Authority for Share Buy-Back dated 17 April 2026.

Item 10 of the Agenda – Ordinary Resolution 11 Proposed Renewal of Existing Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

10. The proposed Ordinary Resolution 11 in respect of the Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed RRPT Mandate") are intended to facilitate transactions in the normal course of business of the Group which are transacted from time to time with the specified classes of related parties, provided that they are carried out on an arm's length basis and on the Group's normal commercial terms and are not prejudicial to the shareholders on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the interest of the minority shareholders.

This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.

Further details are set out in the Circular to Shareholders in relation to the Proposed RRPT Mandate dated 17 April 2026.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. Details of individual who are standing for election as Directors (excluding Directors for re-election)

No individual is seeking election as a Director at the 35th AGM of the Company.

2. General mandate for issue of securities in accordance with Paragraph 6.03 of the Listing Requirements of Bursa Securities Malaysia Berhad

Kindly refer to the Explanatory Note (8) of the Notice of the 35th AGM on Special Business – Proposed Renewal of Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016.



HEXTAR GLOBAL BERHAD
Registration No. 199001014551 (206220-U)
(Incorporated in Malaysia)

PROXY FORM

(Before completing this form please refer to the notes below)

Number of Shares held	
CDS Account	

^I/We _____ Tel: _____
[Full name in block and as per NRIC/Passport, NRIC/Passport/Company No.]

of _____
[Full address]

being member(s) of **HEXTAR GLOBAL BERHAD**, hereby appoint:

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address & Tel:			

^and/or

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address & Tel:			

Or failing ^him/her, the Chairman of the Meeting, as my/our proxy to vote for me/us on my/our behalf at the 35th Annual General Meeting ("35th AGM") of the Company will be held at Hextar Hall, Level 17, Hextar Tower, Hextar World Empire City, No. 8, Jalan PJU 8, Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Monday, 18 May 2026 at 10.00 a.m. and any adjournment thereof, to vote as indicated below:

RESOLUTIONS	DESCRIPTION OF RESOLUTION	FOR	AGAINST
Ordinary Resolution 1	To re-elect Y.Bhg Dato' Ong Soon Ho as Director of the Company pursuant to Clause 127 of the Company's Constitution.		
Ordinary Resolution 2	To re-elect Rayburn Azhar Bin Ali as Director of the Company pursuant to Clause 127 of the Company's Constitution.		
Ordinary Resolution 3	To re-elect Dato' Ong Chong Yi as Director of the Company pursuant to Clause 132 of the Company's Constitution.		
Ordinary Resolution 4	To re-elect Chew Chui Wa as Director of the Company pursuant to Clause 132 of the Company's Constitution.		
Ordinary Resolution 5	To approve the payment of Directors' fees amounting to RM384,000 for the financial year ending 31 December 2026.		
Ordinary Resolution 6	To approve Directors' benefits of up to RM100,000 from the date of the forthcoming 35 th AGM until the next Annual General Meeting of the Company.		
Ordinary Resolution 7	To re-appoint Crowe Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration.		
Ordinary Resolution 8	Proposed Retention of Mr Yeoh Chin Hoe as a Senior Independent Non-Executive Director of the Company.		
Ordinary Resolution 9	Proposed Renewal of Authority to Issue and Allot Shares pursuant to Sections 75 And 76 of the Companies Act 2016.		
Ordinary Resolution 10	Proposed Renewal of Authority for Share Buy-Back.		
Ordinary Resolution 11	Proposed Renewal of Existing Shareholders' Mandate and New Shareholders' Mandate for RRPT.		

Please indicate with an "X" or "√" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit.

Dated this _____ day of _____ 2026.

Signature of Member(s) or
Common Seal*

^ Delete whichever is inapplicable
* Manner of execution:

- (a) If you are an individual member, please sign where indicated.
(b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
(c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
(i) at least two (2) authorised officers, of whom one shall be a director; or
(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

NOTES:

- (i) The 35th AGM will be held at Hextar Hall, Level 17, Hextar Tower, Hextar World Empire City, No. 8, Jalan PJU 8, Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
- (ii) For the purpose of determining a member who shall be entitled to attend and vote the meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 11 May 2026. Only members whose names appear in the **General Meeting Record of Depositors as at 11 May 2026** shall be entitled to attend, participate, speak and vote at the Meeting or appoint proxies to attend and vote in his/her stead.
- (iii) A member (other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991) ("SICDA") who is entitled to attend, participate, speak and vote at the meeting shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote at the meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
- (iv) A proxy may but need not be a member of the Company. A proxy appointed to attend, participate, speak and vote at the Meeting shall have the same rights as the members to speak and vote at the Meeting.
- (v) 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 the seal or under the hand of an officer or attorney duly authorised.
- (vi) Where a member of the Company is an authorised nominee as defined under the SICDA, it may appoint one not more than two (2) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (vii) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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 appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- (viii) The appointment of a proxy may be made in a hard copy form or by electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding this AGM at which the person named in the appointment proposes to vote:
 - (a) **In hard copy form**
In the case of an appointment made in hard copy form, the Proxy Form duly completed must be deposited at the Poll Administrator's office situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, WP Kuala Lumpur, Malaysia or alternatively, into the Drop-in Box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, WP Kuala Lumpur, Malaysia.

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AFFIX
STAMP

The Poll Administrator of
HEXTAR GLOBAL BERHAD
Registration No. 199001014551 (206220-U)
c/o Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A, Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur,
WP Kuala Lumpur, Malaysia

1st Fold Here

- (b) **By electronic means**
By electronic means, the Proxy Form duly completed can be electronically lodged via Vistra Share Registry and IPO (MY) portal at <https://srmy.vistra.com>. Please refer to the Administrative Guide for the AGM on the procedures for electronic lodgement of Proxy Form.
- (ix) Please ensure ALL the particulars as required in the Proxy Form are completed, signed, and dated accordingly.
- (x) Last date and time for lodging the Proxy Form is **Saturday, 16 May 2026 at 10.00 a.m.**
- (xi) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Poll Administrator's office situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, WP Kuala Lumpur, Malaysia or alternatively, into the Drop-in Box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, WP Kuala Lumpur, Malaysia above **not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote**. A copy of the power of attorney may be accepted provided that it is notarially certified and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- (xii) For a corporate member who has appointed a representative, please deposit the **ORIGINAL OR DULY CERTIFIED** certificate of appointment with the Poll Administrator in accordance with Note 8 above. The certificate of appointment should be executed in the following manner:
 - (a) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
 - (b) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 1. at least two (2) authorised officers, of whom one shall be a director; or
 2. any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
- (xiii) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirement of Bursa Securities, all resolutions set out in this Notice of the Meeting will be put to vote by way of poll.

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