



## **HHRG BERHAD**

Registration No. 201101041555 (969678-D)  
(Incorporated in Malaysia under the Companies Act 2016)

### **INTERIM FINANCIAL REPORT FOR THE FIFTH QUARTER ENDED 30 JUNE 2025**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter 30.06.2025 <sup>(1)</sup> RM'000</b>	<b>Preceding Year Corresponding Quarter 30.06.2024 RM'000</b>	<b>Current Year Period 30.06.2025 <sup>(1)</sup> RM'000</b>	<b>Preceding Year Corresponding Period 30.06.2024 <sup>(2)</sup> RM'000</b>
Revenue	30,401	31,033	153,754	-
Cost of sales	(22,087)	(22,472)	(112,578)	-
Gross profit	8,314	8,561	41,176	-
Other income	543	4,390	10,480	-
Administrative expenses	(5,607)	(4,536)	(32,615) *	-
Selling and distribution expenses	(687)	(820)	(3,999)	-
Allowance for expected credit losses on trade receivables				
- Addition	-	-	-	-
- Reversal	-	-	-	-
Operating profit	(2,563)	7,595	15,042	-
Finance income	14	136	617	-
Finance costs	(508)	(395)	(2,422)	-
Profit before tax	2,069	7,336	13,237	-
Taxation	(494)	(1,029)	(3,033)	-
<b>Total comprehensive income</b>	<b>1,575</b>	<b>6,307</b>	<b>10,204</b>	<b>-</b>
<b>Total comprehensive income attributable to:</b>				
- Owners of HHRG	1,726	5,976	10,298	-
- Non-controlling interests	(151)	(331)	(94)	-
	<b>1,575</b>	<b>6,307</b>	<b>10,204</b>	<b>-</b>
<b>Earnings per share (sen) attributable to owners of HHRG:</b>				
- Basic <sup>(3)</sup>	0.17	0.69	1.09	-
- Diluted <sup>(3)</sup>	0.17	0.65	1.05	-

Notes:

- <sup>(1)</sup> The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 March 2024 and the accompanying explanatory notes attached to this interim financial report.
- <sup>(2)</sup> In view of the change of financial year end from 12 months ended 31 March 2025 to 18 months ending 30 September 2025, there are no comparative figures for the preceding year corresponding period. The current reporting financial period is for a period of 15 months, made up from 1 April 2024 to 30 June 2025.
- <sup>(3)</sup> Kindly refer to **Note B8** for further details.
- \* Including RM3.96 million which was derived from an expense incurred for recognised fair value losses (equity-settled share-based payment transactions) resulting from the issuance of additional SIS shares as an one-off, non-recurring transaction to reward employees.

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30.06.2025 <sup>(1)</sup> RM'000 (unaudited)	As at 31.03.2024 RM'000 (audited)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	133,344	71,887
Investment properties	13,345	27,249
Right-of-use assets	8,967	3,638
Inventories	26,083	26,083
Intangible assets	16,428	18,084
Deferred tax asset	954	954
Keyman insurance contracts	649	449
	199,770	148,344
<b>Current Assets</b>		
Inventories	17,282	12,364
Development cost		
Trade and other receivables	58,953	43,788
Asset held for sales	2,521	8,676
Keyman insurance contracts	-	207
Current tax assets	1,375	1,550
Other investment	2,482	24,108
Cash and cash equivalents	25,945	28,349
	108,558	119,042
<b>TOTAL ASSETS</b>	<b>308,328</b>	<b>267,386</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	174,119	153,776
Other reserves	231	(407)
Retained profits	41,891	29,664
	216,241	183,033
Non-controlling interests	22,821	22,307
<b>Total Equity</b>	<b>239,062</b>	<b>205,340</b>
<b>Non-Current Liabilities</b>		
Lease liabilities	4,798	299
Borrowings	12,136	21,216
Deferred tax liabilities	1,855	1,863
	18,789	23,378
<b>Current Liabilities</b>		
Trade, other payables and provision	38,321	23,973
Contract liabilities	-	1,594
Borrowings	9,057	11,085
Lease liabilities	3,099	2,016
	50,477	38,668
<b>Total Liabilities</b>	<b>69,266</b>	<b>62,046</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>308,328</b>	<b>267,386</b>
<b>NET ASSETS PER SHARE (RM)</b>	<b>0.23<sup>(2)</sup></b>	<b>0.24<sup>(3)</sup></b>

Notes:

- <sup>(1)</sup> The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 March 2024 and the accompanying explanatory notes attached to this interim financial report.
- <sup>(2)</sup> Calculated based on the Company's existing issued share capital for the financial period ended as at 30 June 2025 of 1,018,341,259 ordinary shares
- <sup>(3)</sup> Calculated based on the Company's existing issued share capital for the financial year ended as at 31 March 2024 of 867,835,759 ordinary shares.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

[----- Attributable to Owners of the Company -----]  
[----- Non-distributable -----]

	Share Capital RM'000	Reorganisation Reserve RM'000	Warrants Reserve RM'000	SIS Reserve RM'000	Retained Profits/ (Accumulated Losses) RM'000	Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
At 1 April 2024	153,776	(5,185)	1,864	2,914	29,664	183,033	22,307	205,340
Acquisition of subsidiaries	-	-	-	-	10,298	10,298	608	608
Total comprehensive income for the financial period	-	-	-	-	1,929	-	(94)	10,204
SIS lapsed	-	-	-	(1,929)	-	-	-	-
Issuance of shares pursuant to:								
- Private placement	12,295	-	-	-	-	12,295	-	12,295
- Warrant exercised	137	-	(33)	-	-	104	-	104
- SIS exercised	7,911	-	-	(1,360)	-	6,551	-	-
Share issue expenses	-	-	-	3,960	-	3,960	-	3,960
At 30 June 2025	174,119	(5,185)	1,831	3,585	41,891	216,241	22,821	239,062
At 1 April 2023	140,079	(5,185)	2,090	6,319	22,577	165,880	23,390	189,270
Total comprehensive income for the financial period	-	-	-	-	7,087	7,087	769	7,856
Issuance of shares pursuant to:								
- Warrant exercised	949	-	(226)	-	-	723	-	723
- SIS exercised	12,748	-	-	(3,405)	-	9,343	-	9,343
Dividend paid to non-controlling interests	-	-	-	-	-	-	(1,852)	(1,852)
At 31 March 2024	153,776	(5,185)	1,864	2,914	29,664	183,033	22,307	205,340

Note:

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 March 2024 and the accompanying explanatory notes attached to this interim financial report.

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Year-to-date ended	
	30.06.2025	30.06.2024 <sup>(1)</sup>
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	13,237	-
<u>Adjustments for:</u>		
Amortisation of intangible assets		
- customer relationship	1,613	-
- trademarks	43	-
Depreciation of:		
- investment properties	303	-
- property, plant and equipment	7,355	-
- right-of-use assets	3,469	-
Fair value loss/(gain) on keyman insurance contracts	6	-
(Gain)/loss on disposal of investment properties	(2,893)	-
Gain on disposal of property, plant and equipment	(261)	-
Gain on modification	(92)	-
Interest expense	2,422	-
Interest income	(494)	-
Unrealised loss/(gain) on foreign exchange	99	-
Operating profit before working capital changes	24,807	-
Inventories	(4,918)	-
Asset held for sales	2,521	-
Receivables	(15,264)	-
Payables	14,349	-
Contract liabilities	(1,594)	-
Cash (used in) operations	19,901	-
Income tax paid	(3,461)	-
Real property gains tax paid	(178)	-
<b>Net cash (used in) operating activities</b>	<b>16,262</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Changes in fixed deposits pledged with licensed banks	275	-
Interest received	494	-
Proceed from disposal of subsidiary	10	-
Proceeds from disposal of property, plant and equipment	1,232	-
Proceeds from investment properties	17,855	-
Subscription for shares in subsidiary in investing activities	(40,130)	-
Purchase of property, plant and equipment	(32,334)	-
Purchase of investment properties	(43)	-
Changes in other investment	21,627	-
<b>Net cash used in investing activities</b>	<b>(31,014)</b>	<b>-</b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)**

	Year-to-date ended	
	30.06.2025	30.06.2024 <sup>(1)</sup>
	RM'000	RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid to non-controlling interests	-	-
Interest paid	(2,422)	-
Net Changes in:		
- directors' account	-	-
- shareholders' account	-	-
Proceeds from exercise of warrants	104	-
Proceeds from exercise of SIS	6,551	-
Proceeds from exercise of ordinary shares	12,495	-
Repayment of bankers' acceptance	-	-
Repayment of term loans	(2,435)	-
Repayment of hire purchase	(968)	-
Repayment of lease liabilities	(3,123)	-
Share issuance expenses paid	3,960	-
<b>Net cash from financing activities</b>	<b>14,162</b>	<b>-</b>
Net (decrease)/increase in cash and cash equivalents	(590)	-
Effects of foreign exchange rate changes	-	-
Cash and cash equivalents at beginning of the financial period	13,698	-
<b>Cash and cash equivalents at end of the financial period</b>	<b>13,108</b>	<b>-</b>
Cash and cash equivalents comprise the following:		
Cash and bank balances	14,294	-
Fixed deposits with licensed banks	9,169	-
Short-term money market deposit	-	-
Short-term investment	2,482	-
Cash and cash equivalents per statement of financial position	25,945	-
Less: Bank overdraft	(7,921)	-
Less: Fixed deposits pledged to financial institutions	(4,916)	-
	<b>13,108</b>	<b>-</b>

**Note:**

<sup>(1)</sup> In view of the change of financial year end from 12 months ended 31 March 2025 to 18 months ending 30 September 2025, there are no comparative figures for the preceding year corresponding period. The current reporting financial period is for a period of 15 months, made up from 1 April 2024 to 30 June 2025.

<sup>(2)</sup> The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 March 2024 and the accompanying explanatory notes attached to this interim financial report.

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## EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134

### A1. BASIS OF PREPARATION

The condensed consolidated interim financial statements as contained in this interim financial report are unaudited and have been prepared in accordance with the applicable Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRS”) and the requirements of the Companies Act 2016 in Malaysia and Part K, Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements (“ACE LR”) issued by Bursa Malaysia Securities Berhad (“Bursa Securities”).

These unaudited interim financial statements are prepared under the historical cost convention unless otherwise indicated in the summary of accounting policies.

These unaudited interim financial statements should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 March 2024 and the accompanying explanatory notes attached to this interim financial report. The explanatory notes contained herein provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2024.

### A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation applied in the preparation of these unaudited interim financial statements are consistent with those adopted in the annual financial statements for the financial year ended 31 March 2024 as disclosed below:

#### **Adoption of Amendments to MFRSs**

##### **Effective for annual periods beginning on or after 1 January 2023**

*MFRS 17 Insurance Contracts and Amendments to MFRS 17 Insurance Contracts*

*Amendments to MFRS 17 Insurance Contracts - Initial application of MFRS 17 and MFRS 9 - Comparative Information*

*Amendments to MFRS 101 Presentation of Financial Statements - Disclosure of Accounting Policies*

*Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates*

*Amendments to MFRS 112 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

*Amendments to MFRS 112 Income Taxes - International Tax Reform - Pillar Two Model Rules*

Initial application of the above new standards or amendments to MFRSs is not expected to have any material impact to the financial statements upon adoption, save and except for Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies. The amendments change the requirements in MFRS 101 with regards to the disclosure of accounting policies. The amendments replace all instances of the term ‘significant’ with ‘material’. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make based on those financial statements.

The supporting paragraphs in MFRS 101 are also amended to clarify that the accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The Malaysian Accounting Standards Board (“MASB”) has also developed guidance and examples to explain and demonstrate the application of the ‘four-step materiality process’ described in MFRS Practice Statement 2.

The amendments have had an impact on the Group’s and the Company’s disclosures of accounting policies but not on the measurement, recognition or presentation of any items in the Group’s financial statements.

#### **Standards Issued But Not Yet Effective**

The following are accounting standards that have been issued by the MASB but are yet to be effective for the Group and the Company:

##### **Effective for annual periods beginning on or after 1 January 2024**

*Amendments to MFRS 16 Leases - Lease Liability in a Sale and Leaseback*

*Amendments to MFRS 101 Presentation of Financial Statements - Non-Current Liabilities with Covenants*

*Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements*

##### **Effective for annual periods beginning on or after 1 January 2025**

*Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability*

##### **Effective for annual periods beginning on or after 1 January 2027**

*MFRS 18 Presentation and Disclosure in Financial Statements*

##### **Effective date yet to be confirmed**

*Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The initial application of the above new standard or amendments to MFRSs is not expected to have any material impact to the financial statements of the Group and of the Company upon adoption, save and except for MFRS 18 Presentation and Disclosure in Financial Statements.

MFRS 18 introduces new requirements on presentation within the statements of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes. In addition, there are consequential amendments to MFRS 107 Statement of Cash Flows and MFRS 134 Interim Financial Reporting.

The amendments will have an impact on the Group’s and on the Company’s presentation of statements of comprehensive income, statements of cash flows and additional disclosures in the notes to the financial statements but not on the measurement or recognition of any items in the Group’s and the Company’s financial statements.



The Group is currently assessing the impact of MFRS 18 and plans to adopt the new standard on the required effective date.

**A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

There was no qualification on the audited financial statements of the Group for the financial year ended 31 March 2024.

**A4. SEASONALITY OR CYCLICALITY OF OPERATION**

Save and except for oil palm empty fruit bunch ("EFB") fibre, the Group's biomass materials and value-added products are not significantly affected by seasonal or cyclical effects. The material supply for the Group's oil palm EFB fibre generally experienced a decline during the Chinese New Year and Hari Raya season mainly due to the closure of businesses during the festive seasons.

The Group experienced higher sales of mattresses and related products prior to major festive seasons such as Chinese New Year and Hari Raya in tandem with the expected increase in household spending for such items during such periods.

**A5. UNUSUAL ITEMS**

There was no unusual item affecting the assets, liabilities, equity, net income or cash flows of the Group during the current quarter and cumulative quarter under review.

**A6. MATERIAL CHANGES IN ESTIMATES**

There was no material change in estimates of amounts reported in prior financial year that have a material impact on the current quarter and cumulative quarter under review.

**A7. DEBTS AND EQUITY SECURITIES**

**Proposed Additional Reallotment: Announcement dated 6 November 2024**

On 6 November 2024, the Company announced that the offer of options has been made to the eligible employees of the Company and its subsidiaries to subscribe 202,100,000 units of new ordinary shares in the Company under the Company's Share Issuance Scheme ("SIS").

Save and except for the above, there was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current quarter and cumulative quarter under review.

**A8. DIVIDEND PAID OR DECLARED**

No dividend has been paid during the current quarter and cumulative quarter under review.

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**A9. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD**

The Company has changed its financial year end from 31 March 2025 to 30 September 2025, as announced to Bursa Malaysia Securities Berhad on 7 May 2025.

Following the change, the current financial period will be for a period of 18 months commencing from 1 April 2024 to 30 September 2025, and the company's audited financial statements will be prepared for this 18-month period.

**A10. CHANGES IN THE COMPOSITION OF THE GROUP**

On 18 April 2024, HHRG acquired 51% stake in Open Road (SP Circuit) Sdn Bhd (formerly known as PKB Open Road (SP Circuit) Sdn. Bhd.) and ORIC Development (SP) Sdn. Bhd. which jointly own 150 acres of land in Sungai Petani. The intention of this acquisition is for future land development.

On 13 August 2024, HHRG had incorporated a wholly-owned subsidiary company, namely Open Sea (Langkawi) Sdn. Bhd. ("OSL") as a private limited company under the Companies Act, 2016. OSL is principally an investment holdings company.

On 25 October 2024, HH Land and Development Sdn. Bhd. had entered into a share sales agreement for the disposal of 51% stake of subsidiary of KNG Resource Enterprise Sdn. Bhd. The transaction has been completed.

On 23 January 2025, HHRG had incorporated a wholly-owned subsidiary company, namely Open Road Prestige Auto Sdn. Bhd. ("ORPA"). ORPA was incorporated in Malaysia as a private limited company under the Companies Act, 2016. ORPA is principally involved in wholesale and retail of new, used and other motor vehicles not elsewhere classified.

On 5 May 2025, HHRG had incorporated a wholly-owned subsidiary company, namely Open Road (East Coast) Sdn. Bhd. ("OREC"). OREC was incorporated in Malaysia as a private limited company under the Companies Act, 2016. OREC is principally involved in buying, selling, renting, and operating of self-owned or leased real estate for residential building and non-residential building, other specialized construction activities not elsewhere classified.

Save and except for the above, there was no change in the composition of the Group during the current quarter and cumulative quarter under review.

**A11. CHANGES IN CONTINGENT LIABILITIES**

There is no material contingent liability as at the date of this report.

**A12. CAPITAL COMMITMENTS**

There is no material capital commitment as at the date of this report.

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### A13. SEGMENT INFORMATION

The Group, through its subsidiaries, is principally engaged in the manufacturing and trading of biomass materials, manufacturing and trading of furniture, mattresses and related products, credit business, property development and management. There is no change to the principal activities of the Group during the current quarter and cumulative quarter under review.

The Group has arrived at four (4) reportable divisions that are organised and managed separately according to the nature of products, specific expertise and technologies requirements, which requires different business and marketing strategies. The reportable divisions are summarised as follows:

- (i) Biomass materials and related products (“Biomass Division”)
 

Manufacturing and trading of coconut fibre and related products, and oil palm EFB fibre and related products.
- (ii) Furniture, mattresses and related products (“Furniture Division”)
 

Manufacturing and trading of furniture, mattresses and related products.
- (iii) Credit business (“Credit Division”)
 

Licensed credit business.
- (iv) Property development and management (“Property Division”)
 

Real property, property development, property management, property renting and trading and investment holding.

	<b>Current quarter ended</b>		<b>Cumulative quarter ended</b>	
	<b>30.06.25</b>	<b>30.06.24</b>	<b>30.06.25</b>	<b>30.06.24 <sup>(1)</sup></b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Segment Revenue</u></b>				
Biomass materials and related products	19,546	18,294	93,531	-
Furniture, mattresses and related products	11,891	13,973	65,723	-
Credit business	921	616	4,108	-
Property development and management	19	319	320	-
	32,377	33,202	163,682	-
Elimination of intragroup transactions	(1,976)	(2,169)	(9,928)	-
<b>Revenue from external customers</b>	<b>30,401</b>	<b>31,033</b>	<b>153,754</b>	<b>-</b>
<b><u>Segment Results</u></b>				
Biomass materials and related products	5,096	3,997	21,645	-
Furniture, mattresses, and related products	(541)	648	1,021	-
Credit business	150	215	1,067	-
Property development and management	(113)	4,037	3,521	-
	4,592	8,897	27,254	-
Unallocated corporate income and expenses (net)	1,876	439	12,094	-
Elimination of intragroup transactions and profits	(4,399)	(2,000)	(26,111)	-
<b>Profit before tax of the Group</b>	<b>2,069</b>	<b>7,336</b>	<b>13,237</b>	<b>-</b>

	Current quarter ended		Cumulative quarter ended	
	30.06.25	30.06.24	30.06.25	30.06.24 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
<b><u>Segment Assets</u></b>				
Biomass materials and related products	65,505	68,937	65,505	-
Furniture, mattresses, and related products	67,450	73,194	67,450	-
Credit business	36,522	24,290	36,522	-
Property development and management	89,078	104,744	89,078	-
	258,555	271,165	258,555	-
Tax assets	1,376	1,685	1,376	-
Unallocated assets	50,324	21,844	50,324	-
Elimination of intragroup balances	(1,927)	9,582	(1,927)	-
<b>Total assets of the Group</b>	<b>308,328</b>	<b>304,276</b>	<b>308,328</b>	<b>-</b>
<b><u>Segment Liabilities</u></b>				
Biomass materials and related products	19,744	19,480	19,744	-
Furniture, mattresses, and related products	22,371	28,057	22,371	-
Credit business	35,483	23,851	35,483	-
Property development and management	48,300	49,226	48,300	-
	125,898	120,614	125,898	-
Tax liabilities	1,854	1,863	1,854	-
Unallocated liabilities	8,917	26,839	8,917	-
Elimination of intragroup balances	(67,403)	(57,326)	(67,403)	-
<b>Total liabilities of the Group</b>	<b>69,266</b>	<b>91,990</b>	<b>69,266</b>	<b>-</b>

#### 14. RELATED PARTY TRANSACTIONS

	Current quarter ended		Cumulative quarter ended	
	30.06.25	30.06.24	30.06.25	30.06.24 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
Purchase of coconut fibre	-	503	953	-
Purchase of furniture semi part	-	1,228	2,888	-
	-	<b>1,751</b>	<b>3,841</b>	

The above transactions are necessary for the Group's day-to-day operations and are undertaken in the ordinary course of business. The above transactions are carried out on terms not more favourable to the related parties than those generally available to the public, which are not to the detriment of the non-controlling shareholders of the Group.

Note:

<sup>(1)</sup> In view of the change of financial year end from 12 months ended 31 March 2025 to 18 months ending 30 September 2025, there are no comparative figures for the preceding year corresponding period. The current reporting financial period is for a period of 15 months, made up from 1 April 2024 to 30 June 2025.

**ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA BERHAD**

**B1. ANALYSIS OF PERFORMANCE**

Profit and loss	Individual Quarter		Changes		Cumulative Quarter		Changes	
	Current 30.06.25 RM'000	Preceding 30.06.24 RM'000	RM'000	%	Current 30.06.25 RM'000	Preceding 30.06.24 <sup>(1)</sup> RM'000	RM'000	%
Revenue	30,401	31,033	(632)	(2.04)	153,754	-	-	-
Profit before tax	2,069	7,336	(5,267)	(71.80)	13,237	-	-	-
Profit after tax	1,575	6,307	(4,732)	(75.03)	10,204	-	-	-

**Revenue**

For the current quarter under review, the Group recorded revenue of RM30.40 million. This represent a decrease of RM0.63 million or 2.04% as compared to the corresponding quarter of the preceding year. The biomass division segment contributed revenue of RM17.57 million 57.79%.

For the 15 months cumulative period, the Group recorded revenue of RM153.75 million and profit after tax of RM10.20 million. The biomass division segment contributed revenue of RM83.60 million 54.37%.

**Profit Before Tax**

The Group reported a profit before tax of approximately RM2.07 million for the current quarter under review, reflecting an increase of RM5.27 million or 71.80% compared to the corresponding quarter of the preceding year.

The decrease of profit before tax for the current quarter as compared to the preceding year corresponding quarter, was primarily due to the other income in gain on disposal of investment properties with RM3.92 million during the corresponding quarter of the preceding year.

**Profit After Tax**

The Group reported a profit after tax of approximately RM1.58 million for the current quarter under review, reflecting an increase of RM4.73 million or 75.03% compared to the corresponding quarter of the preceding year.

**Note:**

<sup>(1)</sup> In view of the change of financial year end from 12 months ended 31 March 2025 to 18 months ending 30 September 2025, there are no comparative figures for the preceding year corresponding period. The current reporting financial period is for a period of 15 months, made up from 1 April 2024 to 30 June 2025.

## B2. VARIATION OF RESULTS AGAINST PRECEDING QUARTER

	Current quarter ended 30.06.2025 RM'000	Preceding quarter ended 31.03.2025 RM'000
Profit/(Loss) before taxation	2,069	(1,685)

The Group recorded a profit before tax of approximately RM2.07 million for the financial quarter under review, an increase of approximately RM3.75 million or 222.79% as compared to the preceding quarter ended 31 March 2025.

## B3. PROSPECTS

Our core pressed oil palm empty fruit bunch (EFB) products have remained stable, demonstrating resilience despite periodic fluctuations in crude palm oil (CPO) prices.

The Furniture Division continues to face headwinds, primarily from elevated operating costs driven by rising raw material prices. The red sea crisis has further compounded these challenges. In response, we are actively pursuing new customer acquisition, including in export markets, as a strategic priority to drive recovery.

As previously disclosed, the Board and management have implemented a holistic turnaround plan for the mattress division. We anticipate the initial positive impact of these efforts to be reflected in the coming quarter.

We remain focused on identifying and pursuing strategic investment opportunities aimed at diversifying the Group's revenue streams. Our entry into the property development sector is progressing, albeit at a slower pace than originally expected, due to unforeseen operational challenges. Nonetheless, we are committed to managing this expansion prudently to ensure long-term value creation.

The Board and management continue to monitor and manage risks across all business units with discipline and foresight, reinforcing our commitment to sustainable growth and shareholder value.

## B4. PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable as no profit forecast or profit guarantee has been previously published or issued by the Group.

## B5. TAX EXPENSE

	Current quarter ended 30.06.2025 RM'000	Cumulative quarter ended 30.06.2025 RM'000
Current tax expense	(494)	(3,033)
Deferred tax income	-	-
Total tax expense	(494)	(3,033)

Effective tax rate	23.88%	22.91%
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The Group's effective tax rate for the current quarter and cumulative quarter under review stood at 23.88% and 22.91% respectively. The prevailing statutory tax rate applicable to the Group is 24%.

The effective tax rate is slightly lower than the applicable statutory tax rate of 24% as one of the subsidiaries of the Group have received a one-off tax refund for real property gain tax as result of disposal of investment properties.

## B6. STATUS OF CORPORATE PROPOSALS

### **Proposed Fund Raising: Announcement dated 24 July 2024**

On 24 July 2024, the Company announced that the Proposed Private Placement has been completed, where a total of 86,822,700 new shares were placed out. Total gross proceeds raised amounted to RM12,396,792. The status of utilization of the proceeds as per reporting date is as follows:

Purpose	Intended Timeframe for Utilisation	Proposed Utilisation RM'000	Actual Utilisation as at 03 February 2025 RM'000	Balance of Proceeds RM'000
Working capital for subsidiaries	Within 12 months	12,285	12,285	-
Estimated expenses for the Proposed Private Placement	Immediately	112	112	-
<b>Total</b>		<b>12,397</b>	<b>12,397</b>	-

### **Proposed Acquisition: Announcement dated 29 May 2025**

On 29 May 2025, the Board of Directors of the Company announced that Open Road (East Coast) Sdn. Bhd., the wholly-owned subsidiary of the Company (the "OREC" or the "Purchaser") had on 28 May 2025:

- i. entered into an unincorporated joint venture agreement ("UJVA") with Udaran Sdn Bhd ("Udaran") and Tregon Construction Sdn Bhd ("Tregon") to develop an existing mixed development project in Kuala Terengganu;
- ii. entered into sale and purchase agreements with Tregon. (the "Vendor") for the acquisition of the lands from Tregon for a total consideration of RM13,000,000; and
- iii. entered into a 3-year call option agreement with Udaran to acquire up to 51% of equity interest in Udaran.

On 11 Jun 2025, the Board of Directors of the Company announced additional information to the query from Bursa Malaysia Securities Berhad vide its letter dated 03 June 2025 in relation to the above announcement.

Save and except for the above, there was no other corporate proposal announced as at date of this announcement.

## B7. BORROWINGS

The Group's borrowings as at 30 June 2025 are as follows:

	Short Term (Within 12 months) RM'000	Long Term (> 12 months) RM'000	Total RM'000
<b><u>Secured and guaranteed</u></b>			
Bankers' acceptance	-	-	-
Bank overdrafts	7,921	-	7,921
Hire purchase	248	311	559
Term loans	888	11,825	12,713
<b>Total Borrowings</b>	<b>9,057</b>	<b>12,136</b>	<b>21,193</b>

All the borrowings are denominated in Ringgit Malaysia (RM) and obtained from financial institutions based in Malaysia.

## B8. EARNINGS PER SHARE

### **Basic Earnings per Share ("BEPS")**

The basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the current quarter and financial period under review.

	Current quarter ended		Cumulative quarter ended	
	30.06.25	30.06.24	30.06.25	30.06.24 <sup>(2)</sup>
<b>Basic earnings per share</b>				
Profit attributable to owners of the Company (RM'000)	1,726	5,976	10,298	-
Weighted average number of ordinary shares in issue ('000)	993,662	868,035	944,781	-
BEPS (sen)	0.17	0.69	1.09	-

### **Diluted Earnings per Share ("DEPS")**

The diluted earnings per share of the Group is calculated by dividing the profit for the current quarter and cumulative quarter under review attributable to owners of the Company by the weighted average number of ordinary shares in issue during the current quarter and cumulative quarter under review adjusted to assume conversion of all dilutive potential ordinary shares arising from the outstanding Warrants and SIS.



	Current quarter ended		Cumulative quarter ended	
	30.06.25	30.06.24	30.06.25	30.06.24 <sup>(2)</sup>
<b>Diluted earnings per share</b>				
Profit attributable to owners of the Company (RM'000)	1,726	5,976	10,298	-
Weighted average number of ordinary shares in issue ('000)	993,662	868,035	944,781	-
Adjustment for dilutive effects of:				
- Warrants ('000)	21,468	44,804	35,587	-
- SIS ('000)	-(1)	3,486	-(1)	-
	1,015,130	916,325	980,368	-
DEPS (sen)	0.17	0.65	1.05	-

Notes:

- <sup>(1)</sup> The issued SIS were anti-dilutive as the exercise price was higher than the prevailing mother share price.
- <sup>(2)</sup> In view of the change of financial year end from 12 months ended 31 March 2025 to 18 months ending 30 September 2025, there are no comparative figures for the preceding year corresponding period. The current reporting financial period is for a period of 15 months, made up from 1 April 2024 to 30 June 2025.

## B9. CHANGES IN MATERIAL LITIGATION

### Penang High Court Civil Suit no. PA-22NCvC-58-04/2024

On 29 April 2024, the Board announced that HHRG Berhad (3rd Defendant or Company) and its subsidiaries, HK Gua Musang Sdn Bhd (5th Defendant), Fibre Star (M) Sdn Bhd (6th Defendant) and HK Kitaran Sdn Bhd (4th Defendant) had received a letter dated 26 April 2024 the solicitors acting for Ooi Chieng Sim and Skylitech Resources Sdn Bhd, accompanied by a Writ of Summons and Statement of Claim both dated 23 April 2024 issued by the Penang High Court.

On 14 November 2024, the Board announced that the two striking-out applications made by the Company (3rd Defendant) and its three (3) subsidiaries (4th, 5th and 6th Defendant) have been dismissed by the High Court on 7 November 2024 with a cost of RM5,000.00 each to be paid by the Company and the said three (3) subsidiaries.

Trial for this suit has been fixed on 5 to 8 and 12 to 13 October 2026.

### Penang High Court Civil Suit no. PA-22NCvC-111-07/2024 ("Suit 111")

On 2 August 2024, the Board announced that the HHRG Berhad ("Company" or "HHRG") and its wholly-owned subsidiary, HH Land and Development Sdn Bhd received a letter dated 31 July 2024 from the solicitors acting for plaintiffs, namely Ch'ng Chen Mong ("CCM"), Tan Poh Cheng ("TPC"), Ch'ng Boon Sin ("CBS") and Cfamillie Holdings Sdn Bhd ("CHSB"), enclosing, among others, Writ of Summons and Statement of Claim both dated 23 July 2024, Ex-Parte Order dated 26 July 2024 ("Ex-Parte Order"). etc. This Suit 111 concerns the sale and purchase of shares in MG Furniture Sdn Bhd ("MGF") and the plaintiffs alleged that they were fraudulently induced to execute share sale agreement, shareholders agreement, etc. in 2021 based on alleged fraudulent representations made in 2021 by some of the individual defendants.

As to the Ex-Parte Order, the Company, Fong Chee Khuen (“FCK”), Cheng Pek Tong (“CPT”), Ng Ying Yiing (“NYY”), etc. (including their representatives, agents, employees and/or solicitors) are prohibited from interfering with, changing and/or altering in any manner whatsoever the status quo of MGF and/or MG Furniture Innovation Sdn Bhd (wholly owned subsidiary of MGF), including their bank signatories, management, operation and/or business, pending the inter-partes hearing of the application. The court on 19 November 2024 allowed the Company’s application to set aside the Ex-Parte Order and dismissed the inter partes application of CCM, TPC, CBS and CHSB for, among others, an interlocutory injunction to prohibit the Company, FCK, CPT, NYY, etc (including their representatives, agents, employees and/or solicitors) from interfering with, changing and/or altering in any manner whatsoever the status quo of MGF and/or MG Furniture Innovation Sdn Bhd, including bank signatories, management, operation and/or business, pending the disposal of the action.

The plaintiffs, aggrieved by the setting aside of the Ex-Parte Order and dismissal of the injunction application, filed two (2) appeals to the Court of Appeal on 21 November 2024. At the Court of Appeal, the plaintiffs filed a motion for interim remedies. Hearing was fixed for 6 January 2025 where parties entered a consent judgment. The appeals have been consolidated and fixed for hearing on 15 January 2026.

On 24 September 2024, three (3) Directors of MGF, namely Fong Chee Khuen (“FCK”), Cheng Pek Tong (“CPT”) and Ng Ying Yiing (“NYY”), commenced an action against MGF, CCM, TPC and CBS by way of originating summons in Georgetown High Court, Originating Summons No.: PA-24NCC-33-09/2024 which was allowed by the court and the court ordered, among others, that all records of MGF be open to inspection by the FCK, CPT, NYY and a company approved auditor acting for the plaintiffs. For information, FCK ceased to be director of MGF on 23 May 2025.

On 3 April 2025, the Board announced that MGF has filed an application for injunctive reliefs in Suit 111 on 2 April 2025 (“**MGF’s Injunction Application**”). This includes seeking an ad interim injunction to restrain CCM (Managing Director of MGF), TPC (Director of MGF), CBS (Production Manager of MGF), and Ms. Sau Hwee Fern (Finance and Human Resource Manager of MGF) (“SHF”), from, among others and whichever is applicable, entering, remaining, trespassing and/or occupying any business premises of MGF, blocking, preventing, prohibiting, restricting and/or stopping –

- (A) the directors of MGF;
- (B) servants, agents and/or persons authorised by MGF Directors; and
- (C) Chuah Soo Huat of Moore Stephens Associates PLT and his associates, appointed by the Penang High Court in Originating Summons No.: PA-24NCC-33-09/2024, on 5.2.2025,

from entering, remaining and/or gaining access to any of MGF’s business premises, to inspect, review, and take copies of all accounting and financial records of MGF, from altering, concealing, fabricating, tampering, producing and/or manufacturing any correspondence, documents and/or accounting and financial records concerning MGF’s dealings and transactions with its suppliers and customers, including but not limited to those involving MS Foresight and CMH.

On 19 June 2025, the court allowed MGF’s Injunction Application pending full and final disposal of MGF’s counterclaim in Suit 111.

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In respect of MGF's notice of applications dated 28 May 2025 and 9 June 2025 seeking injunction to restrain CCM, TPC and CBS, whether by themselves, collectively or individually, immediately direct, instruct and/or order their respective servants, agents, nominees, proxies and/or custodians, including but not limited to Digital Trustees Berhad ("**DTB**") and CHSB, from voting at and/or take any steps to vote at any General Meeting of the Company, or at any other adjourned date of a General Meeting of Company, to consider, and if thought fit, pass the following resolutions to remove existing Board and appoint person(s) nominated by CCM, TPC and CBS as directors of the Company, the court had on 13 August 2025 dismissed MGF's notice of application dated 9 June 2025 and MGF's notice of application dated 28 May 2025.

**Shah Alam High Court Civil Suit no. BA-22NCC-54-03/2025 ("Suit 54")**

On 14 March 2025, the Company received a written requisition from DTB, a custodian of CHSB who is holding more than ten per cent (10%) of the total issued and paid-up capital of the Company in aggregate requiring the Board to convene an Extraordinary General Meeting of the Company ("**EGM**") pursuant to section 310(b) and section 311 of the Companies Act 2016 together with special notice of intention pursuant to section 206 and section 322 of the Companies Act 2016 for the purpose of considering or, if thought fit, passing the ordinary resolutions to remove five (5) existing directors and to appoint three (3) new directors for the Company.

The Board, after due consideration of information available and legal advice, decided not to convene the requisitioned EGM as the Board is of the view that the resolutions proposed by DTB if passed, would not be in the best interest of the Company.

The Company then commenced proceedings in the High Court of Malaya at Shah Alam against DTB and CHSB via Suit 54 where the Company is seeking for, among others, the following relief:

- (a) declaration that in issuing the notice of requisition dated 14 March 2025, DTB had failed to act bona fide and the issuance of the said notice of requisition is an abuse of power under section 311 of the Companies Act 2016; and
- (b) a declaration that the notice of requisition dated 14 March 2025 issued by DTB is invalid.

The Company has also filed an interlocutory application for an order that DTB and CHSB, whether by themselves, their agents, their servants or otherwise be restrained, and an injunction be granted to restrain them from calling, convening and conducting or taking any steps to call, convene and conduct the EGM or at any adjournment thereof in accordance with the notice of requisition dated 14 March 2025 issued by DTB, pending the final disposal of the action ("**HHRG's Injunction Application**").

On 28 March 2025, DTB, by way of originating summons with civil suit no. PA-22NCC-12-03/2024 ("**OS 12**") at the Penang High Court applying for, among others, an order that an EGM pursuant to section 314 of the Companies Act 2016 is to be convened to deliberate and to pass resolutions for the removal of five (5) existing directors and appointment of three (3) new directors for the Company.

The Company had on 17 April 2025 filed an application to transfer the OS 12 to the Shah Alam High Court hearing Suit 54, and such transfer application was allowed by the court.

On 2 May 2025, DTB and CHSB filed an application to stay the proceedings in Suit 54 pending disposal of the OS 12. The stay application and HHRG's Injunction Application are fixed for case management on 8 September 2025.

## B10. DISCLOSURE ON SELECTED INCOME/EXPENSE ITEMS

Included in profit before tax comprised the following income/(expense) items:

	Current quarter ended 30.06.2025 RM'000	Cumulative Quarter ended 30.06.2025 RM'000
Interest income	(109)	494
Other income including investment income	131	734
Interest expense	(508)	(2,422)
Depreciation expenses	(2,339)	(11,127)
Amortisation expenses	(331)	(1,656)
Unrealised gain/(loss) on foreign exchange	(118)	(99)
Gain/(loss) on disposal of property, plant and equipment	-	261
Gain/(loss) on disposal of investment properties	40	2,893
Equity-settled share-based payment	-	(3,960)
Fair value gain on derivative instruments	-	-
Allowance for expected credit losses:		
- Current year	-	-
- Reversal	-	-
Impairment loss on property, plant and equipment		
- Current year	-	-
- Reversal	-	-
Property, plant and equipment written off	-	-
Intangible assets written off	-	-
Provision for and write off of inventories	-	-
Gain/(loss) on disposal of quoted or unquoted investments or properties	-	-
Exceptional items	-	-

## B11. FINANCIAL INSTRUMENTS

### *Derivatives*

There were no outstanding derivatives financial instruments entered into by the Group during the current quarter and cumulative quarter under review.